

Issue No XII / 2015

Newsletter on Serbia's EU Accession Negotiations

# UN CLIMATE CONFERENCE IN PARIS

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### 2 December **Serbia's EU Accession Supported by 59% of Its Citizens**

A majority of Serbia's citizens, 59% of them, support its accession to the European Union (EU), but 64% oppose the recognition of Kosovo's independence with the aim of joining the EU, as shown by the most recent opinion poll conducted by TNS Medium Gallup. [Read more...](#)

### 7 December **The First Meeting of the Joint Consultative Committee (JCC) of the Republic of Serbia and the EU Committee of the Regions (CoR)**

The first inaugural meeting of the Joint Consultative Committee (JCC) of the Republic of Serbia and the EU Committee of the Regions (CoR) was held in Brussels. Meeting participants discussed the role of local and regional authorities in Serbia's accession to the EU and the Western Balkan migration route, with focus on Serbia. [Read more...](#)

### 11 December **The EU Adopts a EUR 1 Billion Package to Support Reforms and Regional Cooperation in the Western Balkans and Turkey**

The European Commission has adopted the 2015 package of pre-accession assistance programmes worth about EUR 1 billion to support reforms and regional cooperation in countries aspiring to EU accession. [Read more...](#)

### 14 December **Serbia Opens the First Chapters**

The first two chapters in the Republic of Serbia's negotiations with the EU were opened at the accession conference in Brussels – Chapter 32 on financial control and Chapter 35 on the normalisation of relations between Belgrade and Priština. This marked the beginning of a new stage in the European integration process. [Read more...](#)

### 15 December **The European Commission Approves the IPA Cross-Border Cooperation Programme Hungary-Serbia 2014-2020**

The European Commission has approved the Interreg-IPA Cross-Border Cooperation Programme Hungary-Serbia for the period 2014-2020. The programme is aimed at supporting cross-border cooperation projects to strengthen economic cooperation in the cross-border programme area through sustainable use of natural and cultural resources. [Read more...](#)

### 24 December **Serbia to Receive EUR 187.1 Million from IPA**

The Financing Agreement awarding EUR 84.8 million to Serbia under IPA 2014 was signed on 23 December 2015. The Agreement enables Serbia to use the remaining IPA 2014 funds, totalling EUR 187.1 million. [Read more...](#)

## INPRESSUM

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## UN CLIMATE CONFERENCE IN PARIS

### Paris Agreement: Next Steps?

*The Paris Agreement, adopted on 12 December 2015 under the United Nations Framework Convention on Climate Change, has been described as historic by many. The Agreement has been endorsed by more than 190 countries, most of which now have targets for the greenhouse gas emissions reductions. At the Paris conference, an agreement was reached on a common long-term goal to achieve net-zero emissions in the second half of the century. In practice, this implies a rapid decrease from today's emission levels towards full decarbonisation at the global level, by 2050 at the latest. In the European Union (EU), the transition to 100% renewable energy must take place even sooner. What does this mean for Serbia?*

#### Road to Paris

The global policy framework for combating climate change was agreed, under the UN auspices, more than 20 years ago. It took five more years to agree on the Kyoto Protocol, the first agreement that bound developed countries to reduce greenhouse gas emissions by 2020. The process did not run smoothly; yet, it yielded results. The European Union thus managed to exceed its Kyoto targets: the European Environment Agency (EEA) has recently announced that the EU exceeded its 2020 emission reduction target already in 2014: while the planned reduction was 20%, emissions decreased by 24% relative to the 1990 baseline. If this trend continues, by 2020, greenhouse gas emissions will be lower by as much as 30%. At the same time, while emissions decrease, the European Union's GDP continues to grow, demonstrating that economic growth is no longer equated with coal combustion.

As climate change impacts became visible across the planet, including the unprecedented floods that afflicted Serbia and the region in 2014, it was clear that the global approach to this problem had to be continued beyond 2020. Negotiations on an agreement to succeed the Kyoto Protocol were far from easy.

Still, global trends have changed substantially in the past few years: green energy technology and industry have flourished, becoming increasingly available even beyond developed countries. This has strengthened the initiatives for fossil fuel divestment, in favour of a complete transition to renewable energy sources (RES). These trends, along with political shifts in Canada and Australia, as well as the forthcoming expiry of



**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
COP21·CMP11

Photo: European Council

the second term of office of the President of the USA, have been the essential factors for the success of Paris. Owing to this, as well as to the fact that agreement was reached among more than 190 countries worldwide, the Paris Agreement does indeed carry historic weight.

#### What Was Agreed in Paris?

The key achievement of the Paris Agreement is that, for the first time, all countries have undertaken efforts to reduce

### INTENDED NATIONALLY DETERMINED CONTRIBUTIONS

*Intended nationally determined contributions* is the term used under the United Nations Framework Convention on Climate Change (UNFCCC). All parties to the United Nations Framework Convention on Climate Change are required to submit their Intended nationally determined contributions to reducing greenhouse gas emissions by the United Nations Climate Conference held in Paris in December 2015.

This strategic document links national targets and priorities to the global framework driving collective action for a low-carbon future. Through this document, a state presents the steps it will take in countering climate change to the international community.

greenhouse gas emissions. By mid-December 2015, almost all countries submitted their Intended nationally determined contributions (INDC) to the UN Convention by 2030. Sadly, a UN analysis shows that all these reductions combined, even assuming perfect implementation, will not limit the global temperature rise to a level safe to the climate system, i.e. the world as we know it. The Paris Agreement, therefore, includes a mechanism whereby state parties are required to submit new, more ambitious emission reduction plans every five years. The first global review, i.e. an assessment of the direction in which the current commitments are leading us, will be conducted already in 2018. Therefore, keeping emissions at the same level or increasing them will not be possible. The global leaders have thereby ensured that the process continues in the coming decades. The Agreement, thus, has no “expiry date”, as was the case with the Kyoto Protocol.

A particularly important feature is that the Agreement defines long-term goal for limiting climate change at a – so to say – safe level. Until Paris, the prevailing political position was that such “safe” level corresponded to an average global temperature rise of up to 2 °C. Considering that today the rise already amounts to 1 °C, it is clear that the scope for manoeuvring is narrowing at an accelerated rate. Hence, the Paris Agreement emphasises that the maximum average global temperature rise of up to 1.5 °C should be aimed at. This is, at the same time, the only hope for the most vulnerable countries such as Tuvalu, Kiribati or Maldives, faced with the risk of disappearance.

Furthermore, it was agreed that a balance should be achieved between emissions and absorption (“net-zero emission level”). In practical terms, this means that it will not be possible to use fossil fuels after 2050, except with substantial technological progress, which is currently extremely costly. The shift from fossil fuels to renewable energy sources should take place faster in countries that bear greater responsibility for climate change, such as the EU, which we aspire to join. In practice, this implies a rapid decrease of greenhouse gas emissions until full decarbonisation is achieved, and by 2050 at the latest. In the EU, this transition to 100% renewable energy sources must take place even sooner.

Even without considering the cost of these technologies, it is important to note that, according to findings of scientific studies, 88% of global coal reserves should remain underground in order for the temperature rise to remain below 2 °C. It is clear that the 1.5 °C target requires even faster and more determined action.

*Author: Dragana Mileusnić, Energy Policy Coordinator for South East Europe at Climate Action Network (CAN) Europe*

## SERBIA ON THE FENCE

Following the Paris Conference, the tasks awaiting Serbia are quite clear. The first will be signing the Agreement, in April this year. This should be followed by ratification, which should take place within one year, according to Dr Snežana Bogosavljević Bošković, Minister of Agriculture and Environmental Protection. It would be the first positive sign that the process is taken seriously by Serbia. Form should, then, be followed up by substance, which will be the greatest test for Serbia.

According to the Paris Agreement, the states should review their national emission reduction targets by 2020. For now, Serbia's contribution to the process is the commitment to reduce emissions by 9.8% relative to the 1990 level; however, the emissions have already decreased by 25%. We, thus, promise to increase them by 15%. This does not seem overly ambitious for an aspiring EU member. At the same time, it must not be forgotten that the EU aims to reduce emissions by at least 40% by 2030, relative to the 1990 level. With the adoption of the Paris Agreement, a debate on raising this target, possibly as high as 55% in the next few years, has already started in the EU institutions.

The equation is clear: for Serbian citizens, it is better to embrace this policy trend as soon as possible, than to wait until EU accession and then pay a much higher price for bringing thermal power plants and factories into compliance with EU standards. The experiences of the more recent EU member states show that such strategy is not in the least advantageous. An especially edifying example is Poland, whose energy sector, in particular mines, is about to face bankruptcy. The reason for this is the refusal of the state's political elite to recognise the global economic and technological trends and consider the impact of EU climate, energy and state aid policies in a timely manner.

We hope that, at least in this process, Serbia is proactive and does not have to learn from its own mistakes. The reason for hope is President Tomislav Nikolić's announcement at the Paris Conference that Serbia will review its climate target by the end of 2018 through the development of the Strategy for Combating Climate Change. This is a crucial process that will define the future of the coming generations in the next two years. It is to be hoped that, as in Paris, reason prevails over vested interests.

## RESPONSE TO CLIMATE CHANGE – SERBIA ON THE GLOBAL CLIMATE RISK INDEX SCALE

Sönke Kreft, International Climate Policy Team Leader at Germanwatch

*In this issue of the “Let’s Speak about the Negotiations” newsletter, Sönke Kreft, International Climate Policy Team Leader at Germanwatch, talks about the key conclusions of the Global Climate Risk Index 2016, extreme weather events in Serbia and other affected regions, and the European Union’s response and global response to climate change.*

**BOS:** *Germanwatch publishes Global Climate Risk Index as an annual analysis for eleven years now. What are the main findings of the Global Climate Risk Index launched this December, during COP21?*

**Sönke Kreft:** The Global Climate Risk Index consists of two rankings. We look at the countries affected most by climatic related disasters in the past year, as well as countries that are most impacted in the last 20 years. The 2016 Global Climate Risk Index, which uses data up to 2014 shows that in the past year the Balkan Peninsula has been heavily hit. Serbia bore the biggest brunt of all countries in 2014 in terms of weather related impacts, with high economic damages and people affected by massive flooding in spring 2014.

If we look at the long-term index, we see however, that it is mostly developing countries that suffer the biggest impacts. Out of the 10 most affected countries, 9 countries are low or low to middle income countries.

**BOS:** *Can you please explain briefly the methodology that you used? What are the parameters that you used and how did you collect the data?*

**Sönke Kreft:** We take global loss data from Munich Re - the world biggest reinsurance company - and adjust it in terms of national purchase power. We only look at the portion of loss data that is potentially linked to climate change - for instance flooding, storm events or landslide and excessive rain. We then rank countries based on their relative and absolute human and economic damages. However, the aim of the index is not to bring a comprehensive picture of all existing and future climate impacts. We don’t do any projections or forward looking elements, we don’t look at slow onset events such as sea level

**Germanwatch:** “Observing, Analysing, Acting” – under this motto Germanwatch has been engaged since 1991 for global equity and the preservation of livelihoods. The politics and economics of the North, with their global consequences, stand at the centre of its work. The situation of marginalised people in the South forms the starting point for its engagement for sustainable development. The political and globalised market structures of the North, as well as their resource-intensive mode of production, which is now being increasingly imitated, are influencing human lives worldwide. Germanwatch advocates for a political, economic and social framework which can ensure a future for the people of the South, who are being pushed to the margins of society through unbridled globalisation and whose very existence is threatened by the loss of their ecological and economic foundations of their livelihoods.

rise or desertification, and we don’t do vulnerability mapping. Our index has the purpose to show that countries are already affected by climate change, and we publish it at the onset of the climate conference to show that it is each national reality and in each national interest to become active on climate change mitigation and adaptation matters.

**BOS:** *What is the link among climate change, extreme weather events and energy policy?*

**Sönke Kreft:** Our index is not attributing damage to emissions, however there is a growing body of scientific literature that shows that extreme events - singular phenomenon, but also trends - can be linked to climate change. In combination with such fingerprint studies our index tells a strong story. Also the IPCC already sees changes in extreme events in some extreme events as a result of anthropogenic emissions - namely heat-waves - and predicts further changes as emissions and climate change continues. Future climate change to a large part depends on the world energy policy choice. To keep the worst impacts in check, the world economy needs to largely run on renewable energy in the next two generations of people.

**BOS:** *What was the EU response to consequences of the extreme weather in the Western Balkans and in Serbia? What*

*mechanisms were put in place? Were these mechanisms effective?*

**Sönke Krefzt:** I am not a humanitarian expert, and I don't know the specifics of how the crisis in Serbia was handled locally. However, the EU has a solidarity mechanism that channels money to disaster struck countries in case capacities are overwhelmed. This fund made a pay-out to Serbia and additional humanitarian help was delivered. This shows the importance of being ready to help. More and more disasters will come in the future. At the same time it is a reminder that countries need to invest in preventive action and climate change adaptation to protect their citizens.

**BOS:** *The UN Climate Summit (COP21), held this December in Paris, gathered more than 190 nations who finally agreed a new international deal to tackle climate change by cutting greenhouse gas emissions. Germanwatch was present and followed the negotiations closely. What are the main points of the agreement and are you satisfied with the deal that is made?*

**Sönke Krefzt:** Paris delivered in some regards a historic milestone. It gives the global objective not only to curtail climate change to well below 2° temperature increase, it also says that CO2 emissions will have to cease not far later than 2050. It puts obligations on each country to do progressively better climate action, and to communicate the efforts. It formulates a global adaptation goal, and it puts out the contours of a common transparency regime, which will mean that emission world-wide can be tracked and addressed. Paris, not only the agreement but also initiatives and the INDCs, which were submitted by almost all countries of the world were a good success for climate policy. This is now the bar for national implementation and follow-up.



Photo: Sönke Krefzt: , Germanwatch

**BOS:** *The Government of the Republic of Serbia adopted its INDC earlier this year, in June. According to the adopted document, Republic of Serbia committed to reduce greenhouse gas emissions by 9.8% compared to emissions in 1990. How would you rate Serbia's intended contribution of emissions reduction comparing to others, especially the EU one? Can you please assess how does this fit with the newly agreed long term goal striving to limit the average global warming at 1.5° C.?*

**The European Union Solidarity Fund (EUSF)** is a mechanism that ensures a consistent modality of post-disaster support and functioning. The Fund was established in 2002, after many European countries were affected by major floods. Since then, 24 countries have received financial support totalling EU 3.7 billion from the Fund. After the floods of 2014, EUR 80 million has been granted to the region, of which Serbia received EUR 60.2 million, Croatia – EUR 8.96 million, and Bulgaria – EUR 10.5 million.

**Sönke Krefzt:** I think Serbia can and should do more. For once, due to the change in political system and accompanying restructuring of heavy industries etc. Serbia already achieved a drop in emission of - 25% two years ago. So their INDC would masquerade an actual increase in emissions. I think this is not compatible with what is required to meet the EU target of at least -40% compared to 1990 figures. And the EU target in itself is not adequate and needs to be ramped up in the coming years. Doing so would be in Serbia's self-interest: It would not only reduce the evident exposure to climatic events, it would also come with benefits in employment and reduced fuel costs to the economy. Renewable energy is the future, and countries through their climate policy ambition decide how they orient themselves to these future opportunities.

**BOS:** *By agreeing on the Paris agreement, governments from all around the world committed to limit global warming to well below 2°C and pursue 1.5°C, as well as to achieve greenhouse gas neutrality in the second half of the century. Moreover, countries should strive to present long-term low emission development strategies in the years to come. Can you foresee in which direction the EU climate policy will be moving, as a result of the Paris agreement? How will EU policy developments reflect on accession countries like Serbia?*

**Sönke Krefzt:** Paris achieved to inscribe climate science into an international agreement. The science is clear, existing INDCs would not avoid dangerous climate change but rather result into 3° C warming or more. The EU climate goal currently is not enough for a cost effective path to -95% emission reduction by 2050. That would be needed. So there will be a strive to further reduction, and I would think that commensurate efforts are required from Serbia if accession is pursued. However, this is not to be realized through climate motifs alone. Climate policy, which in reality is about the long-term habitability of the planet and therefor in each countries interest, can only succeed with a grand EU vision. For example, the decarbonization of the energy system, which needs to be first priority: This can succeed with a bigger Europe wide strategy on renewables. Wind power, in the north, hydro power in mountainous countries and solar power in the Mediterranean, all connected in a smart way. Serbia would be central to this and would immensely benefit from infrastructure and cheaper energy.

**BOS:** *What are the recommendations of Germanwatch, how to achieve full decarbonisation? What are the plans of Germany after Paris and considering Paris agreement? Is there any role for coal fired power plants and for how long?*

**Sönke Kreft:** In Germany, which belongs to the biggest coal consumer in the world, the next struggle is to decide on the phase-out of coal. Especially in lignite, this needs to happen until 2035/2040. Restructuring entire industries in a ways that is socially acceptable, participatory and leads to better jobs is not an easy task, but an all in society endeavour. It is better to manage structural changes upfront, instead of waiting for the collapse. At the same time, short-term interests by affected companies prevent politician to decisions that would be in everyones long-term interest. This is a central challenge, and Germany is not alone with that.

**BOS:** *What should be the next steps of civil society organisations, like Germanwatch, in the aftermath of the Paris agreement?*

**Sönke Kreft:** Paris gives the framework, but it is about national advances that will decide whether a safe climate and a safe planet is possible. Post Paris we decided to work on three fronts. Firstly, the national dimension is important with key decisions in Germany and in the EU, with bigger societal debates around structuring the Energiewende, phasing out coal and also bringing change for example to the mobility sector. Secondly, on the international level, where many decisions from Paris will need to be technically flashed out and further developed, without watering them down. One aspect is international aviation, a sector where emissions are growing strongly and where regulation is absent. Decisions are expected for fall 2016. Thirdly, we want to encourage frontrunners on climate policy, on renewable energy, on adaptation to climate change, that help to energize the international processes and also advance the collective.

However, one has to be realistic too. Due to the inertia of earth system, we are not seeing large parts of the committed climate

**Energiewende** ((energy transition) is Germany's shift towards an energy portfolio dominated by renewable energy sources, energy efficiency and sustainable development. The ultimate goal is to abandon fossil fuels and other non-renewable energy sources. The key document defining "Energiewende" was published by the German Government in September 2010 and legally endorsed in 2011. The key aspects foresee:

- reducing greenhouse gas emissions: 80-95% reduction by 2050;
- renewable energy targets: 60% share of renewable energy sources in final energy consumption by 2050; • raising energy efficiency;
- investing in green technology research and development.

change yet. The next 15 years will bring a glimpse into the future with massive impacts striking the globe. 2015 was again the hottest year on record, surpassing 1° warming for the first time. This will come with massive consequences, be it economic or social. At the same time, the root problem can only be solved through cooperation not conflict. You cannot send tanks to fight climate change. So in the next years, we need to be careful, that the impacts of climate change do not lead to a new state of self-centeredness and renationalization which is taking us the breathing space to come up with cooperation that is required to solve the fundamental causes of the problem. The current refugee crisis, which really is more a political crisis, is a stark reminder in this regard.

*Interview prepared by Dragana Mileusnić and Stevan Petrović*

Ranking 2014. (2013)	Country	CRI score	Death toll	Deaths per 100,000 inhabitants	Absolute losses (in million USD PPP)	Losses per unit GDP in %	Human Development Index
1 (93)	<b>Serbia</b>	8.17	59	0.8236	3.300.307	3.4435	77
2 (15)	<b>Afghanistan</b>	10.67	434	1.3875	337.085	0.5543	169
3 (89)	<b>Bosnia and Herzegovina</b>	11.50	26	0.6717	3 584.776	9.3617	86
4 (1)	<b>Philippines</b>	12.50	328	0.3299	3 312.686	0.4777	117
5 (6)	<b>Pakistan</b>	12.67	1227	0.6590	2 220.527	0.2511	146
6 (77)	<b>Bulgaria</b>	13.83	31	0.4304	2 383.604	1.8463	58
7 (143)	<b>Nepal</b>	15.83	533	1.8962	143.101	0.2131	145
8 (109)	<b>Burundi</b>	16.00	80	0.8695	73.382	0.8727	180
9 (33)	<b>Bolivia</b>	16.00	47	0.4162	449.454	0.6395	113
10 (3)	<b>India</b>	16.17	1863	0.1460	36 950.507	0.4986	135

Table: Climate Risk Index (CRI) 2014: 10 most severely affected countries<sup>1</sup>

<sup>1</sup> Global Climate Risk Index, Germanwatch, Briefing paper

## DRAFT EUROPEAN PARLIAMENT RESOLUTION ON THE 2015 REPORT ON SERBIA

On 2 December 2015, European Parliament (EP) rapporteur for Serbia David McAllister presented a Draft Resolution on the 2015 Report on Serbia to the European Parliament.

By a resolution on the progress report on a candidate or potential candidate country, the European Parliament presents an overall assessment of the situation in the country, reflecting on the political criteria and their implementation, economic matters and regional cooperation in the reporting period.

European Parliament resolutions, including resolutions on progress in the European integration process, are “non-legislative instruments”. A resolution enables the Parliament to propose non-binding guidelines to other EU institutions or a candidate/potential candidate country.

These documents are drafted in the European Parliament Committee on Foreign Affairs (AFET, abbreviated from French *Affaires étrangères*). Committee activities ensure the involvement of the European Parliament in monitoring EU accession negotiations. The Committee, therefore, monitors and assesses countries’ progress in European integration.

Resolutions are adopted in the first quarter of the year, according to the plan of the EP Committee on Foreign Affairs.

The Draft Resolution welcomes Serbia’s commitment to the European integration process. The document calls on Serbia to continue the reforms already commenced and to improve the planning, coordination and monitoring of the implementation of new legislation. In addition to reiterating that the implementation of legislation remains a key indicator of the integration process, it stresses that progress in Chapters 23 and 24 is essential to carry out the reforms in the areas of judiciary, human rights and security.

Serbia’s efforts in response to the migration crisis are assessed positively. It is, however, noted that a reform of the asylum system and its alignment with the EU standards are required.

Further, Serbia is called upon to align its foreign and security policy to that of the EU, including its policy on Russia, and its active participation in international peacekeeping operations is assessed positively.

Acknowledging that some progress has been made in the fight against corruption, the document stresses the need to build a track record on investigations and final indictments, including high-level corruption. Serbian authorities are called upon to ensure that the Anti-Corruption Agency is able to perform its mandate fully and effectively.

The draft text assesses that the consultation process in the Parliament has been improved, while at the same time pointing to the extensive use of urgent procedures in adopting legislation, including legislation related to the EU accession process.

The importance of the civil society for democracy development is stressed, and the Government is invited to take additional measures to ensure transparency in the dialogue with the civil society.

The Draft Resolution reiterates the importance of independent regulatory bodies, in particular the Ombudsman, in ensuring oversight of the executive branch of government and emphasises that the Ombudsman needs to be provided with full political and administrative support of other authorities.

It is also assessed that no progress has been made in the area of freedom of expression, and that it is concerning that journalists face violence and threats when exercising their profession. Authorities are, therefore, called upon to investigate fully all cases of attacks against journalists and media outlets, while the need to ensure the full implementation of the new media laws, transparency in media ownership and funding is stressed.

The Government of Serbia’s regional policy is assessed positively, as are its constructive role in the Berlin Process and cooperation with the ICTY. With regard to the normalisation process with Kosovo, Serbia’s engagement in the dialogue is welcomed, while the European External Action Service is called upon to carry out an evaluation of the performance of both sides in fulfilling their assumed obligations.

Moreover, it is stressed that Serbia, as a contracting party to the Energy Community, should remain active in the work of Energy Community institutions and fulfilling the obligations under the treaty. Serbia is encouraged to develop competition in the gas market and to take measures to ensure the alignment with the *acquis* in the fields of renewable energy sources and energy efficiency, states the Draft Resolution submitted to the European Parliament.

### Indicative timetable Resolution on the 2015 Report on Serbia Rapporteur: David McAllister

European Commission Progress Report	10 November 2015
Draft Resolution submitted to the AFET	2 December 2015
First consideration by the AFET	7 December 2015
Deadline for the submission of amendments	17 December 2015
Second consideration by the AFET	21 January 2016
AFET vote	28 January 2016
Plenary vote	February 2016



## SERBIA OPENS THE CHAPTERS

Almost two years after the formal launch of the EU accession negotiations, on 14 December 2015, Serbia opened the negotiations on the first two chapters: Chapter 32 (on financial control) and Chapter 35 (on normalisation of relations between Belgrade and Priština).

The opening of separate negotiating chapters will give new quality and significance to the negotiation process. Namely, the opening of chapters marks the beginning of the process of aligning legislation and practice with specific membership requirements in a great number of areas. Every aspect of life of Serbian citizens will begin to change as the country moves closer to meeting the requirements of the *acquis*.

### NEGOTIATION PROCESS FOR CHAPTER 32

- The explanatory screening meeting was held on 17 October 2013.
- The bilateral screening meeting was held on 26 November 2013.
- The Screening Report for Chapter 32 was adopted on 23 May 2014.
- Serbia's Negotiation Position for Chapter 32 was adopted on 25 July 2015.
- The EU Common Position for Chapter 32 was adopted on 2 December 2015.

### NEGOTIATION PROCESS FOR CHAPTER 35

- The explanatory screening meeting was held on 22 January 2014.
- The bilateral screening meeting was held on 22 January 2014.
- Screening Report for Chapter 35.
- The EU Common Position for Chapter 35 was adopted on 30 November 2015.

### Chapter 32 – Serbia's Negotiation Position

Serbia is not requesting exemptions or transition periods for implementing the *acquis* and introducing applicable standards under this chapter. In the section regarding the legal and institutional framework, Serbia presents the legal framework identifying the following financial control policy areas: public internal financial control (PIFC), external audit, protection of the EU's financial interests and protection of the euro against counterfeiting.

The Negotiation Position section related to the alignment of the legal and institutional framework with the *acquis* stresses the need to invest extra effort in order to apply the internal financial control principles across the public sector in compliance with the established legal framework, as well as to strengthen the link between PIFC and other public finance management reforms. This is to be addressed in the new PIFC Strategy for 2015-2019. This document will serve as the basis for setting up and developing a comprehensive and efficient PIFC system in the public sector aimed at good governance and protection of public funds, regardless of their source, and fulfilment of requirements specified under Chapter 32 of the EU accession negotiations.

With regard to the external audit, Serbia will focus on the following main areas of the future strategic development: increased number of state auditors, increased number of audits, increased total amount of audited public funds and extended audit coverage, improved audit quality and ensured audit quality control in line with ISSAI framework, improved procedure for programming, planning and performing audits, efficient system in place for reporting on and monitoring of the implementation of SAI recommendations and improved internal set-up of the institution.

In the course of EU accession, Serbia is planning to perform a number of measures and activities aimed at the protection of the EU's financial interests, such as: conclusion of the Administrative Cooperation Agreement between Ministry of Finance and OLAF, further integration of the system for financial management and control and the system for managing EU pre-accession assistance funds – i.e. introduction of the common systemic management of all funds in the Republic of Serbia, in conformity with the relevant EU requirements and legislation that ensure sound and lawful management of EU funds.

With respect to the protection of the euro against counterfeiting, Serbia has implemented activities necessary for the signing and ratification of the Geneva Convention for the Suppression of Counterfeiting Currency. Serbia is planning to continue participating in the Pericles Programme, and cooperating with the European Commission, European Central Bank, as well as Member States' central banks.

## NEGOTIATION POSITION OF THE CANDIDATE COUNTRY

A document defining the negotiation position of the candidate country contains the following segments:

- 1) Introductory part;
- 2) Legal and institutional framework;
- 3) Alignment of the legal and institutional framework with EU requirements.

In the introductory part of the negotiation position summary, the candidate country expresses its willingness to accept the *acquis* under the given chapter and specifies whether it will request additional transitional periods for the alignment of its legislation with the *acquis* or exemptions from its implementation.

In the section concerning the legal and institutional framework, the candidate country presents the legal framework for a particular policy area and gives an overview of the functioning and state of play of the institutional framework for the policy areas covered by the negotiation chapter in question.

The final section of the negotiation position regarding the alignment of the legal and institutional framework with the *acquis* contains the candidate country's assessment of the current degree of alignment and its plans for further alignment with the *acquis* in the underlying policy areas.

• Serbia must ensure effective and efficient coordination of activities aimed at suppression of irregularities and fraud, as well as cooperation with Commission in order to guarantee fulfilment of its future obligations. In the national legislation, Serbia is required to provide for the obligation to keep evidence, as well as to ensure a comprehensive legal basis and sufficient operational capacity for its national Unit for coordination of suppression of abuse and fraud. Serbia is to present the track record, in cooperation with the Commission, regarding the irregularity signals and investigations related to EU funds.

• Serbia is obligated to ratify and enforce the international Geneva Convention for the Suppression of Counterfeiting Currency, adopted in 1929, and align its legislation with the *acquis* regarding the verification of authenticity of euro coins and handling of euro coins that are not suitable for circulation, as well as regarding the verification of euro notes' authenticity. Serbia is to ensure sufficient administrative capacities in the centre for technical analysis.

Monitoring of the progress achieved with respect to the legislation alignment and its enforcement will continue throughout the negotiation process. The final assessment of the alignment with the *acquis* and Serbia's capacity for enforcement can be taken only in a later phase of negotiations. In addition, the EU reiterates that new *acquis* might be adopted by the time of closure of negotiations.

### Chapter 32 – EU Common Position

In the introductory part of the EU Common Position, the EU refers to the Negotiating Framework that was presented to Serbia at the First Intergovernmental Conference and the principles laid down in this document, and underlines the obligation assumed by the country when committing itself to accepting the *acquis* under the negotiation chapter concerned.

In the main part of the EU Common Position, the EU identifies Serbia's alignment degree with respect to public internal financial control (PIFC), external audit, protection of the EU's financial interests and protection of the euro against counterfeiting.

In view of the present state of Serbia's preparations, the EU notes that Chapter 32 can be temporarily closed only when it agrees that the following benchmarks have been met:

• Serbia is required to revise the legal framework in order to ensure legislative coherence in the area of PIFC, it must enforce legislation in the PIFC area as well as underlying policies and ensure adequate administrative capacities on the central and local level, in the social security funds and public enterprises. Serbia is required to ensure that the centralised budgetary inspection is aligned with PIFC.

• State Audit Institution must function in compliance with the INTOSAI standards, including financial, functional and institutional independence, carrying out of financial and performance audits, ensuring adequate administrative capacities.

## EU COMMON POSITION

The EU Common Position is formulated by the European Commission and adopted by the Council. It is presented at the Intergovernmental Conference at which negotiations concerning a given chapter are held. In the Common Position, the EU can confirm that under a certain chapter, the candidate country has reached a sufficient and necessary degree of alignment with the *acquis* and the negotiations in that chapter will be temporarily closed. If the EU identifies an insufficient degree of alignment, closing benchmarks will be set, to be fulfilled by the candidate country in order for the negotiations to be temporarily closed.

A document defining the EU Common Position contains the following segments:

- 1) Introductory part;
- 2) Further recommendations for the alignment with the *acquis* in the areas covered by the chapter in question, based on the views presented in the candidate country's negotiation position.

In the introductory part of the EU Common Position, the EU refers to the Negotiating Framework that was presented to Serbia at the First Intergovernmental Conference and the principles laid down in this document, and underlines the obligation assumed by the country when committing itself to accepting the *acquis* under the negotiation chapter concerned.

The main part of the EU Common Position deals with the set of recommendations and steps to be taken by the EU in the forthcoming period in order for the candidate country to continue with the alignment process in a particular policy area, in the manner described in the negotiation position.

## EUROPE FOR CITIZENS

The Europe for Citizens programme is one of the programmes of the European Union whose aim is to promote cooperation between participating countries in various areas connected through common policies.

The general objectives of this programme contribute to citizens' understanding of the EU, its history and diversity, as well as to fostering European citizenship and improving conditions for civic and democratic participation at the EU level. Specific programme priorities include raising awareness of remembrance, common history and values promoting peace, European values and wellbeing of its people, and encouraging democratic participation of citizens at the EU level, by developing citizens' understanding of the EU policy-making process and by promoting opportunities for societal and intercultural engagement and volunteering at the EU level

The programme is under the competence of the DG Communication, and is implemented by the Education, Audio-visual and Culture Executive Agency (EACEA).

### New Programme Priorities

New priorities of the Europe for Citizens programme are published on the EACEA website. Starting from next year, they are multi-annual and cover the period 2016-2020.

The Republic of Serbia has participated in the Europe for Citizens programme since November 2012, which has enabled CSOs and local government units to apply for funding available under this programme. The Office for Cooperation with Civil Society Organisations is the national contact point and serves as the coordinator for the implementation of the EFC programme.



Photo: AEGEE-Europe

The chapter Specific Priorities for European Remembrance lists four priorities:

- Commemorations of major historical turning points in recent European history – in 2016 there are four eligible commemorations, and one of them is the beginning of Yugoslav wars (1991);
- Civil society and civic participation under totalitarian regimes
- Ostracism and loss of citizenship under totalitarian regimes: drawing the lessons for today
- Democratic transition and accession to the European Union

Specific priorities under the second chapter – Democratic Engagement and Civic Participation are:

- Understanding and debating Euroscepticism;
- Solidarity in times of crisis;
- Combatting the stigmatisation of "immigrants" and building counter-narratives to foster intercultural dialogue and mutual understanding;
- Debate on the future of Europe.

*Source: Office for Cooperation with Civil Society Organisations*

## RECOMMENDED

Policy study "Partnership for Development – Implementation of Partnership Principles in the Serbian Regional Development Policy" prepared within the project "Partnership for development: Improving the role of civil society in regional policy development in the Republic of Serbia", implemented by the Belgrade Open School with the support of European Fund for the Balkans;

Recommendations in the wine and spirits sector, presenting the interests of the Eastern Serbia in the EU accession process, developed by the Task Force for Agriculture and Rural Development as part of the "Eastern Serbia on its Road to the EU" project of the Regional Development Agency of Eastern Serbia;

Study "Economic Value of the Non-Profit Sector in the Western Balkans and Turkey" published by Balkan Civil Society Development Network;

Report "Beyond borders: How Energy Union can turn the tide against coal in the Western Balkans" prepared by Climate Action Network Europe

Intended nationally determined contributions of the Republic of Serbia submitted to UNFCCC by the Republic of Serbia

Paris Agreement adopted at the UNFCCC Paris Climate Change Conference, COP 21

# NEGOTIATION CHAPTER 2 – FREEDOM OF MOVEMENT FOR WORKERS

Free movement of workers is one of the fundamental freedoms warranted by the law of the European Union. Every EU citizen is entitled to free movement, residence and work in other Member States, without discrimination based on citizenship. The *acquis* provides for non-discriminatory treatment (on the grounds of citizenship, residence, language) of workers who are legitimately employed in a country other than their country of origin.

Pursuant to the *acquis*, a worker moving to another country is entitled to:

- work there without needing a work permit (except workers coming from new Member States that are still in the transition period);
- enjoy equal treatment with nationals in access to employment;
- enjoy equal social security as nationals;
- have their family members accompany them and receive family allowance;
- a complete coordination of the social security system (entitlement to retirement and social security);
- mutual recognition of qualifications.

The aim of these rights is to encourage labour force mobility among EU Member States, which is an important factor for the functioning of the common market. Despite the warranted rights, the EU workforce is characterised by low territorial and professional mobility. Since low mobility has a negative impact on economic growth, employment and professional capacity of the workforce, the EU is striving to remove the existing barriers through various measures to improve the employment situation and encourage job mobility.

EURES (European Employment Services) is a cooperation network designed to facilitate free movement of workers within the EU 28 countries plus Switzerland. EURES was launched in 1993 as an instrument that would improve spatial and professional mobility of workforce on the European labour market. The purpose of EURES is to provide information, guidance and job-matching services both to employers and jobseekers, but also to all citizens interested in the principle of free movement of persons.

However, the EU has also introduced certain restrictions to the free movement of workers coming from the new Member States in the so-called transition period. For example, a seven-year transition period was set for Spain and Portugal and during this time the workers from these two countries had restricted access to employment, and their freedom of movement was gradually achieved. Restriction of employment

for new Member States was also in effect during subsequent enlargement cycles. Restriction of employment of Croatian workers in the EU is based on the 2+3+2 formula, which means that the initial restriction will last for two years, then it can be extended for three more years following a review, and with due justification, it can be prolonged for two more years.

The EU enlargement history has shown that the fear of large-scale migration of workers from new Member States following accession is unfounded. However, in spite of that, some EU Member States keep requesting the transition period (most commonly a 7-year period) for the free movement of workers from new Member States, for certain occupations, considering the labour market demand at that moment. The decision on the transition period for new Member States is made by each old Member State separately, depending on the national labour market situation and labour market demand for particular occupations.

## WHAT IS THE BENEFIT FOR SERBIA?

- Labour market mobility
- Right to equal social protection and all labour rights
- Right of the worker's family members to join him/her and receive a family allowance
- European health insurance card

Following accession to the EU, a worker from Serbia will have an opportunity to move to another Member State and will be entitled to the same rights deriving from an employment relationship, social rights and tax incentives as a national of that Member State. These rights include sick pay, maternity pay, compensation for occupational injury, benefits for persons with disabilities, family allowance, unemployment benefit and pension. Aiming to ensure labour market mobility, the EU facilitates job seeking in all EU Member States via the EURES portal.

(Brochure "Negotiating Chapters – 35 steps towards the EU", jointly published by EU Info-centre and Serbian EU accession negotiating team)

### Learn more:

- European Commission – Employment, Social Affairs & Inclusion
- EURES (European employment service)



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