

Issues No X and XI / 2015

Newsletter on Serbia's EU Accession Negotiations



MOVE. LINK. ENGAGE. CITIZENS' PARTICIPATION IN THE DECISION-MAKING WITHIN THE EU INTEGRATION PROCESS

TOPIC OF THE MONTH PP. 3-5

INTERVIEW PP. 5-7

Hedvig Morvai, European Fund for the
Balkans & Nikola Dimitrov, the Hague
Institute for Global Justice

FEATURED PP. 8-9

Europe in Your Pocket – Learning More about
the EU through an Android Application

IN FOCUS PP. 10-11

Key findings of the 2015 Serbia
Progress Report

INTRODUCING P. 13

Negotiating chapter 1 –
Free movement of goods

HIGHLIGHTS

16. October Action Plan for Chapter 24 Submitted to the EU Members

The Government of Serbia submitted the Action Plan for Chapter 24 to the EU members for review and, once it is adopted by the Council of the EU, Serbia will be requested to submit its negotiating position – said members of Serbia's EU membership negotiating team.

[Read more...](#)

30. October Serbia Receives a EUR 2.3 Million Grant to Address Migrant Issues

Serbia has signed a grant agreement worth EUR 2,300,000, aimed at addressing urgent needs of migrants in reception centres and at supporting the operation of those centres.

[Read more...](#)

30. October Preparation of Negotiating Positions for Chapters 23 and 24

The working groups for chapters 23 – Judiciary and Fundamental Rights, and 24 – Justice, Freedom and Security, will start preparing the negotiating positions for those chapters.

[Read more...](#)

10. November EC Publishes Annual Progress Report for Serbia

The European Commission has adopted annual reports assessing the capacities of the Western Balkan countries and Turkey to fulfil the requirements for EU membership and proposing further steps for addressing the remaining challenges. [Read more...](#)

11. November Serbia Joins EU COSME

Serbia and the EU have signed the agreement on Serbia's entry to the EU Competitiveness of Enterprises and Small and Medium-sized Enterprises Programme – COSME. The agreement comes into force on 1 January 2016 and envisages Serbia's participation in the programme until the end of 2020. [Read more...](#)

21. November Donald Tusk Visited Belgrade

President of the European Council Donald Tusk visited Belgrade. Tusk explained that the reason for his visit to Belgrade was, first and foremost, the dramatic refugee crisis. [Read more...](#)

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MOVE. LINK. ENGAGE. CITIZENS' PARTICIPATION IN THE DECISION-MAKING WITHIN THE EU INTEGRATION PROCESS

The first regional conference titled “Move. Link. Engage. Citizens’ Participation in the Decision-Making within the EU Integration Process” was organised on 30 October 2015 in Belgrade. The event was conceived as a forum for discussing problems, exchanging ideas and experiences related to the participation and influence of civil society organisations in the process of European integration of the Western Balkan countries. The regional conference was held in cooperation with the Office for Cooperation with Civil Society of the Serbian Government, the European Fund for the Balkans and with the support of the “Europe for Citizens” Programme of the European Union, the Konrad Adenauer Foundation – Office for Serbia and Montenegro and the Heinrich Böll Foundation Regional Office in Belgrade.

Civil society organisations need to use their opportunities for participation in decision-making more efficiently

The first panel, titled “The Influence of the Civil Society on the European Integration Process in the Western Balkan Countries”, presented initial findings of the research undertaken in Serbia, Montenegro, Croatia, Albania, Macedonia, Bosnia and Herzegovina and Kosovo* on citizens’ influence on decision-makers in the European integration process. Based on those findings, conclusions and recommendations for greater progress in this field would be drafted. Research findings and recommendations would be published as a regional study on civic participation in the European integration process in the Western Balkan countries and their influence on that process thus far.

“The weakness of Serbia’s accession negotiations lies in the poor implementation of all existing and provided arrangements for involvement of the civil society.”

– Danijela Božović

In the case of Serbia, it was stressed that civic participation in decision-making in the European integration process should be considered at two levels – one referring to the process, i.e. the institutional and legal framework, and another related to the outcome, i.e. the practice of civic participation in decision-making. As for the former, there was a good basis for civil

society involvement in decision-making in the form of laws that stipulate public hearings, the Law on Free Access to Information of Public Importance, the Guidelines for Inclusion of Civil Society Organisations in the Decision-Making Process, and the Government’s Office for Cooperation with Civil Society. On the other hand, the latter had achieved considerably weaker results. Namely, despite the existing good practices of civic participation in decision-making, there was still plenty of scope for enhanced participation.

“Even today, after all the problems, I believe that civil society organisations should be a part of the negotiation structure in Montenegro, but they should also independently monitor the accession negotiation process.”

– Ana Novaković

The two critical aspects of Montenegro’s EU accession negotiations thus far, presented at the panel, were: the opening of negotiation chapters 23 and 24 at the very beginning of the process and the official Government decision to include CSOs in the negotiation bodies. As a result, CSOs were given the opportunity to exert greater influence. For instance, in action plans for certain chapters, CSOs succeeded in including benchmarks which the Government had no intention to include. However, CSOs made arrangements among themselves to



Photo: BOŠ

PHOTO: Moderator: **Natasha Wunsch**, University College London; speakers: **Danijela Božović**, Belgrade Open School (Serbia), **Ana Novaković**, Centre for Development of Non-governmental Organisations (Montenegro), **Željana Buntić-Pejaković**, “Cenzura Plus” Association for Promotion of Human Rights and Media Freedoms (Croatia) and **Davide Denti**, University of Trento (Italy)

participate independently in the negotiation process monitoring, although they participated in the negotiation bodies. It was concluded that both forms of influence on decision-making in the negotiation process should be retained.

“A public administration reform cannot be implemented by those who are not willing to assume new tasks and responsibilities under the excuse of limited mandates, insufficient knowledge or lack of capacities.”

– Željana Buntić-Pejaković

Croatia became an EU member state in 2013, following six years of accession negotiations, which were concluded in 2011. After the conclusion of negotiations, CSOs argued that Croatia was not ready for EU membership, citing inadequate reforms as the reason. Before the EU accession negotiations started, the state had begun laying a sound foundation for CSO development. However, as indicated at the panel, CSOs had not been involved in the accession negotiations from the beginning. In addition, the Law on Access to Information of Public Importance had not been fully implemented at the time, which made it very difficult to gain access to information. Nevertheless, the year 2007 marked the beginning of positive changes with regard to civil society organisations' participation in the legislative process. It was, however, assessed that the civil society in Croatia had not fully exploited all available possibilities of influencing the EU accession negotiations.

“Civic participation in the decision-making process in Albania, Macedonia, Bosnia and Herzegovina and Kosovo* is still in its early stage.”

– Davide Denti

The other Western Balkan countries (Albania, Macedonia, Bosnia and Herzegovina and Kosovo*) were in the process of European Union accession negotiations. It was stressed as a common ailment of these countries that civil society's participation in decision-making was in its early stage and that it occurred only on an ad hoc basis. The hindrances indicated as crucial in that regard included the absence of a legislative framework regulating the functioning of non-governmental organisations, the implementation of the existing legal framework, as well as the transparency in the work of public authorities.

The general conclusion of the speakers at the first panel was that the precondition for civic participation in the decision-making process was a transparent and open process of European integration. This would ensure the awareness of the public about what the EU membership offered and what would be at stake in their countries' accession referendums. The meaning and benefit of civic participation in decision-making was reflected in a large number of platforms associated with the European integration process. Moreover, it was emphasised that due consideration should be given to the fact that the role of the civil society was primarily to scrutinize, and only then to

advise and educate, and also that, by participating in working groups, CSOs contributed to harmonising national legislation with that of the EU, rather than to political decision-making.

*This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

“The Berlin Process” as a New Opportunity

The second panel, titled “Civil Society between Vienna and Paris: Prospects for Future Action”, provided an overview of the entire process of EU enlargement to the Western Balkan countries, the role of the civil society in that process, and the results of the summit held this year in Vienna. The speakers also discussed the practices of civil society participation in decision-making at the EU and member state levels.



Photo: BOŠ

PHOTO: Moderator: *Igor Bandović*, the European Fund for the Balkans; speakers: *Alojz Peterle*, the European Parliament, *Nikola Dimitrov*, the Hague Institute for Global Justice, *Hedvig Morvai*, the European Fund for the Balkans

“I think that the ‘Berlin Process’ is much more relevant today compared to its beginning last year.”

– Nikola Dimitrov

The Balkans nowadays made the headlines in the EU only as a refugee transit route. It was much less talked about in the context of the EU enlargement to the Western Balkan countries. Therefore, as Nikola Dimitrov argued, the role of the civil society was to influence both the governments of the Western Balkan states and the EU bodies. Furthermore, the European Commission delayed the publishing of progress reports for the countries involved in the EU enlargement process under the excuse of waiting for the elections in Turkey to finish. “The Berlin Process” shifted the focus of the EU enlargement back to the Western Balkan countries, this time resulting in both attention and action. However, Mr Dimitrov's impression was that the summit in Vienna had not been particularly successful. Namely, there had been almost no debate between the political leaders and the civil society. Any traces of a debate had been short-lived and, in essence, not especially relevant.

“The status of the civil society in the ‘Berlin Process’ is such that it does not have the right to vote, but it has the right to influence, as well as great responsibility and the capacity to change things.”

– Alojz Peterle

Member of the European Parliament Alojz Peterle also shared his impressions about the “Berlin Process”. According to Mr Peterle, as far as the “Berlin Process” was concerned, the civil society was not entitled to vote, but it was able to influence this process. Moreover, the civil society had the capacity to change some aspects of the process, since it was able to influence the public, both national and international, to understand the process as an interest of the Western Balkan countries in sharing the common values and principles with the EU member states. Further, the civil society was capable of overcoming many problems than could not be resolved by politics. Therefore, Mr Peterle argued, the civil society should work more actively to change the common perception of the Western Balkans as a problematic region.

“At the moment when there is no other political forum at such a high level, apart from the summit taking place annually, that discusses the European prospects of our region, the ‘Berlin Process’ is a great opportunity for the Western Balkan countries.”

– Hedvig Morvai

The greatest significance of the “Berlin Process”, according to Hedvig Morvai, was that it was talked about and it brought the topic of EU enlargement to the Western Balkans back on the agenda. The process was also important because it responded to some crucial needs of the countries in this region through development projects, building links among the countries, the rule of law, democracy strengthening and resolution of bilateral disputes. However, in her opinion, the future of the “Berlin Process” was quite uncertain. The participating countries were expected to achieve certain changes in the period between two summits. In fact, they were expected to implement agreements from the previous two summits held in Vienna and Berlin. Therefore, some kind of evaluation was needed of what had been achieved over the previous two years. For instance, at the initiative of civil society organisations, the agreement on bilateral disputes between the Western Balkan countries had been signed in Vienna. The civil society from the Western Balkan countries had been invited to prepare a conference ahead of the Paris summit in order to remind national governments’ representatives of the agreement concluded in the previous year. If everything that had been agreed were not implemented, then this process would fail to fulfil its purpose.

The general conclusion of the speakers at this panel was that the “Berlin Process” was certainly significant, since it drew attention to the topic of the EU enlargement to the Western Balkan countries. At the same time, this process came with an opportunity for solving complex problems that could not be solved at the level of individual countries. For that reason, it was important to also involve other EU member states to support the entire process, most notably Germany, as its initiator. Moreover, this process needed to produce some results, otherwise it would remain ineffective. Therefore, according to the speakers, the implementation of agreements made in the regular annual summits was essential.

Edited by Vanja Dolapčev and Milica Jovanović

INTERVIEW

THERE IS NO REAL ALTERNATIVE TO THE DEEP TRANSFORMATION PROCESS THAT THE EU INTEGRATION PROCESS OFFERS

Hedvig Morvai, European Fund for the Balkans & Nikola Dimitrov, the Hague Institute for Global Justice

As one of the articles in this issue of the newsletter, we are presenting the full interview with the speakers at the second panel, titled “Civil Society between Vienna and Paris: Prospects for Future Action”. Hedvig Morvai, Executive Director of the European Fund for the Balkans, and Nikola Dimitrov, Distinguished Fellow at the Hague Institute for Global Justice, discussed the European integration process in the Western Balkans,

the future of the enlargement policy and the “Berlin Process” as the new frame for civil society actions.

BOS: *Is the EU accession process the last window of opportunity for conducting through reforms of state and society in the Western Balkans? Comparing the situation today and situation when the EU integration process has started, could you*

give an estimation of usage of that window of opportunity?

Hedvig Morvai: There is no real alternative to the deep transformation process what the EU integration process offers. In that sense, the WB countries should use it as a unique opportunity. It provides guidance and financial instruments for realising the process. On the other hand it is a very complex mechanism and the more the goal of EU accession resembles a moving target, the more likely it is to hinder the commitment of the political leaders and societies to Brussels-demanded efforts. The enlargement policy needs to mobilise people or it fails.

Nikola Dimitrov: It is clear that the EU is the only show in town for all the Western Balkan countries. There is simply no realistic alternative for democratic consolidation, stability and economic prosperity to the European integration process. Having said that, we have to recognize that the transformative leverage of the process has been seriously impaired as the accession prospects become more distant. On one hand, the growing distrust of the enlargement policy within the member states, under heavy security and economic strains themselves, darkens the light at the end of the tunnel. On the other hand, the credibility of the accession process has been further undermined by imposing bilateral conditions or moving the focus away from core reforms and towards specific political issues. The window of opportunity, albeit not as wide as it was, is still open. It will take, however, an additional strong push both from the EU itself, and the WB societies, to make it through.

BOŠ: *Fifteen years after entering the EU integration process, the overall balance sheet is that two countries joined the EU, Slovenia (2004) and Croatia (2013), two countries, Montenegro and Serbia, are conducting the accession negotiations, while the rest of the region lags behind in the process. Do we whiteness European integration to be the process whose progress depends on resolving clearly political issues (i.e. Macedonia and name issue, Serbia and relations with Kosovo*)? Or does its progress depends on the quality of reforms conducted according to clearly defined standards and goals?*

Hedvig Morvai: More than a decade after the summit in Thessaloniki the promise of EU membership remains unfulfilled in the Western Balkans. And the longer the process is protracted, the greater the risks that elites and citizens in these countries consider the process either as hopeless or of little effect for their lives. The Balkan states have the demanding task of reconstructing post war institutions and societies, building and consolidating democracy and eventually becoming "good" member states of the EU. The Union's enlargement strategy has managed to keep the process rolling; however the drawbacks of the current EU strategy are more and more obvious. What we see is frontloading of conditionality in the early, pre-accession phases of the process coupled with strategic attention to specific political issues often at the expense of structural reforms and core EU conditions. This trend of retreating from agreed standards and procedures in the name of changeable priorities has reduced the speed and traction of the process, undermining its credibility in the region.

Nikola Dimitrov: The accession process only delivers if it is merit-based. Putting too much focus on one particular political issue in the context of the accession process, as important as it



Photo: Hedvig Morvai, the European Fund for the Balkans

is, carries the risk of neglecting critical reforms. As we pointed out in a recent BiEPAG policy brief on bilateral issues, a country should not be awarded or held back solely on the basis of its willingness or failure to resolve an outstanding political issue. Bilateral disputes involving a member state, as in the case of the name issue between Macedonia and Greece, can play a particularly disruptive role and turn the transformative effect of the accession process upside down, undermining the credibility of the EU's enlargement policy.

BOŠ: *Mr. Dimitrov, as coming from Macedonia, a candidate country which expects negotiations process to get started for ten years now, do you think that the political criteria would be more important than the ones which derive from each of the negotiation chapter?*

Nikola Dimitrov: There is hardly a more damaging case for the credibility of the enlargement policy than that of Macedonia, a candidate country since 2005. According to the European Commission, Macedonia was ready to open accession negotiations between 2009 and 2014; the EC issued six consecutive positive recommendations and even went as far as warning the member states of the risks of reversal if the country did not move to the next stage of the process, suggesting a parallel track with a view to tackling the name issue early in the accession negotiations. Sadly, the anticipated backsliding became more than obvious this year, prompting the EC to condition its recommendation upon "the continued implementation of the June/July political agreement and substantial progress in the implementation of the urgent reform priorities." The accession process, distorted by the bilateral dispute with Greece, couldn't reward and consolidate the achieved progress and thus facilitate further reforms. Conditionality failed, and got turned on its head.

BOŠ: *The Progress Report for 2015 has been published. It is expected that the new methodology and the new form of Progress Report will better articulate made improvements, but as well problems and weaknesses. Additionally, it is expected that Progress Report will initiate constructive competitiveness between Western Balkans countries, dragging the region forward in the process. Do you think that the new Progress Report will make a difference in practice? Do you think that the competitive method will improve the level of conducting reforms in the Western Balkans and accelerate the EU integration process?*

Hedvig Morvai: The annual Progress reports are very important instruments within the accession process, so to say, a flagship of the European Commission's enlargement policy. But the impact "depends on the report actually being read; understood; its core messages remembered; its analysis found to be fair" as formulated by the European Stability Initiative, which is heavily involved in advising the Commission on reforming the progress reports. The first reactions after publishing the 2015 editions show that political leaders tend to continue with the very "free translation" of the report findings and conclusions. The question is, how will the people in the administration whose daily work is about fulfilling the accession criteria work with this instrument; whether will journalists pick up some of the topics and publish relevant articles based on the report; if there will be public discussions based on this document?

Nikola Dimitrov: The creative approach of the Commission and its recalibrated reports deserve praise. In fact, in a situation where the member states are increasingly sceptical towards further enlargement and the candidate countries are arguably less than convincing in their reform efforts, the EC is the main driver of the process. The redesigned reports aim to better incentivize and accelerate reforms, by strengthening support and credibility of the enlargement process, increasing its transparency, and enhancing comparability of reforms. Now, to what extent this will make a difference in practice largely depends on whether the political elites, the civil servants, civil society and the general public will address the noted shortcomings and mobilize to deliver in accordance with the guidelines on what their respective countries are expected to do in each policy field.

BOŠ: *Ms. Hedvig, in your opinion can the civil society cooperation at the regional level lead the EU integration process towards more regional approach and towards stronger and better articulation of concerns and demands in front of state and EU actors?*

Hedvig Morvai: Regional cooperation is part of the EU accession criteria and the civil society is the frontrunner of successful regional initiatives. Therefore, the potentials of cooperative efforts of civil society organisations are great. There is a significant interest for regional cooperation, what is lacking are the financial instruments supporting such initiatives of civil society. The region is jointly streaming towards EU membership and the political leadership must recognize the strength of raising a regional voice for strategic issues. On the other hand, all countries of the region share the challenges and problems of the EU member states, starting with youth unemployment, the refugee crisis, or topics like the protection of environment, which do not recognise any borders. Cross-border and regional cooperation is inevitable, rather than a choice for all actors involved in the developmental processes of the Western Balkans.

BOŠ: *Ms. Hedvig, European Fund for the Balkans launched a series of TV debates "The Balkans in Europe TV Debates". It is very interesting that the stage which you choose for this is the studio of the European Parliament. Could you tell us more whether this approach, broadcasting from the middle of Brussels, from the key EU institution, helps engaging not only EU decision-makers, but as well the wider public in debates on issues related to enlargement towards the Western Balkans?*

Hedvig Morvai: These debates, as the title announces, bring issues relevant for the European future of the Balkans into the heart of the EU institutions, to the European Parliament. The selected topics of these discussions reflect the actual debates in the region on most pressing issues, and the participants in each case include members of the European Parliament, representatives of the European Commission or other key EU institutions and experts from our region. Then, these debates are broadcasted at the N1 regional television and this way they find their ways into the homes of the people who share the concerns what the topics discussed tackle. We make a round, bringing the Balkans to the EU and then the relevant EU perspectives about key development issues back to the Balkans.

BOŠ: *The goal of the Berlin Process is to keep enlargement high on the EU agenda, but as well to enable a space for civil society to get more engaged in the process and to become an equal partner with other actors. As one year has passed since its beginning, we believe that an evaluation of the process and estimation of its future results is possible. Could you tell us whether this process can achieve its goals, having in mind experience from the Vienna Western Balkans Summit, and what can we expect from the Paris Summit that is scheduled for the summer 2016? What else should be done in order to improve the process?*



Photo: **Nikola Dimitrov**, the Hague Institute for Global Justice

Hedvig Morvai: The Berlin process is an important signal of re-engagement of the EU and its most influential member states in the Balkans. Furthermore, it is almost the last high political venue where the European future of the region is in the focus. The two summits held in Berlin and this year in August in Vienna were primarily dealing with economic integration, potential regional projects, migrations, the rule of law and with bilateral disputes among the WB countries. Civil society became part of the process thanks to the engagement of the Austrian government, the Erste Foundation, the Renner Institute and of the Friedrich Ebert Stiftung. During the Vienna summit a window of opportunity was created for civil society organisations to offer partnership to their governments in working on the most pressing issues of their societies. A number of organisations from all over the region gathered and raised their voices about topics of great concern, confronting the political leaders with challenging questions and articulating their proposals. The "civil society process" and the "Berlin process" share the same challenge: both must become processes for achieving the results they stand for. So, it is equally important what will happen in the period until the Paris summit, as the Summit itself. So far, both "processes" are work in progress, with great hopes.

Nikola Dimitrov: The Berlin Process has been initiated to provide the much needed political reassurance that important EU member states are still interested and willing to engage to make the European future of the Western Balkans a reality. It has created the much needed political impetus and facilitated renewed attention to the numerous challenges the region is facing. The WB Summit in Vienna focused in infrastructure and connectivity, regional cooperation, youth and the refugee challenge, as well as on removing bilateral disputes as obstacles in the accession process. The Summit also provided an opportunity to civil

society representatives to directly engage with the participating heads of governments and raise their major concerns and recommendations. We should make every effort to make the most out of this promising process. While Summits and joint declarations are important, the implementation of what was agreed is even more important. To make the Berlin Process a success, the civil society from the region can do a lot to help both interested member states and WB countries focus on implementation, as well as to shape the agenda of the 2016 Paris Summit.

FEATURED

EUROPE IN YOUR POCKET – LEARNING MORE ABOUT THE EU THROUGH AN ANDROID APPLICATION

The upgraded application “Europe in Your Pocket”, which was developed and launched by the Belgrade Open School with the support of the European Integration Office of the Serbian Government as part of the project “Europe in Your Pocket – Improving Youth Informing on the European Union and the European Integration Process”, was announced during the Belgrade Book Fair, at the booth of the EU Delegation to Serbia and the EU Info Centre.

Supported by the EU’s “Europe for Citizens” programme, the android application has now been upgraded to include all other countries in the region – Albania, Bosnia and Herzegovina, Montenegro, Croatia and Macedonia. The entire content of the application has been adapted to each individual country and its progress achieved in the European integration process.

As a reminder, the “Europe in Your Pocket” application provides an overview of information on the opportunities offered by the European Union in terms of education, volunteering, travelling

and work in the EU, while taking an appealing approach to informing the clients about the European integration process, as well as about the history and institutional structure of the EU. “Europe in Your Pocket” enables younger audiences to be constantly updated about the current developments at the European level, open competitions for formal and informal educational programmes, scholarships, internships and projects, as well as about technical information facilitating their plans for travelling and staying in the EU member states and networking with their peers and various organisations in the EU. In addition, youth can learn how Serbia can benefit from EU membership, what the current status of the accession negotiations is, the milestones in this process, the content of negotiation chapters and all other elements of the enlargement process.

The “Europe in Your Pocket” application is available for download on smartphones from the Google Play Store, or at: <https://play.google.com/store/apps/details?id=rs.bos.evropazoneti&hl=en>.



Photo: BOŠ

KEY FINDINGS OF THE 2015 SERBIA PROGRESS REPORT

The report on Serbia is part of the 2015 enlargement package, adopted by the European Commission on 10 November 2015. Major steps were achieved in the accession negotiations with Serbia. The analytical review of the compliance of national legislation with the EU acquis (screening) was completed in March 2015. Discussions on the screening reports on the negotiating chapters are well advanced in the Council. Serbia completed comprehensive action plans required for the opening of rule of law chapters 23 and 24 and reached key agreements with Kosovo as part of the normalisation process, dealt with under chapter 35.

The Commission concludes that Serbia continues to make progress as regards the political and economic criteria. Looking ahead, Serbia needs to consolidate and further sustain its economic and structural reforms agenda, including on public administration reform and economic governance. It also needs to enhance credibility and predictability of the rule of law sector, including the full exercise of freedom of expression. Given its geographical location at the EU external borders, Serbia is facing an unprecedented influx of migrants and refugees. The country has made a substantial effort to ensure that they receive shelter and humanitarian supplies, with EU and international support. It is crucial for Serbia to improve its asylum system and further enhance its accommodation capacity. Serbia is also expected to continue its commitment to regional cooperation through the Western Balkan Six format, the Berlin Process and the Connectivity Agenda. It is also expected to remain committed to the normalisation of relations with Kosovo through continuous implementation, in good faith, of all agreements reached in the dialogue.

Political criteria

The Serbian government remained actively committed to its strategic goal of EU accession. Inclusiveness of stakeholders in the accession negotiations improved. Steps taken to increase co-operation with independent institutions, including the Ombudsman, need to be further strengthened. Urgent procedures, including on drafted legislation linked to the EU accession process, should be curtailed to ensure greater debate. Some progress was made towards eradicating political influence in public administration, which need to translate into practice. Rule of law reforms have started to be implemented. Evaluation rules for prosecutors and judges are now in place but there is still room for political influence over judicial appointments and the Serbian judiciary still faces major obstacles hampering its independence, efficiency and accountability. The legal framework to fight corruption and organised crime was upgraded, in particular to protect whistle-blowers. However, prevalent corruption and an inadequate institutional set-up continue to

be detrimental to the business sector. Serbia should address the excessive recourse to the abuse of position and develop solid track records. Serbia is moderately advanced as regards respect of fundamental rights. A pride parade was again peacefully held in Belgrade, but systematic efforts are needed to improve, promote and protect the rights of the most vulnerable and discriminated persons, including Roma and LGBTI persons. More needs to be done to ensure conditions for the full exercise of freedom of expression and transparency of ownership and funding in the media sector.

Economic criteria

Serbia is moderately prepared in developing a functioning market economy. Serbia's economy is recovering from a recession. Good progress has been made to address some of the policy weaknesses. Thanks to significant consolidation measures and better tax collection, the budget deficit has fallen sharply. Inflation remains very low. Unemployment, though very high, has fallen below 20%. Progress has been made with restructuring of publicly owned companies and main utilities, which should be completed. State presence in the economy has remained significant. The private sector is underdeveloped and hampered by weaknesses in the rule of law and difficult access to finance. Serbia is moderately prepared in terms of capacity to cope with competitive pressure and market forces within the Union. The education system has remained inefficient, physical infrastructure underdeveloped and the informal sector and state aid have remained substantial. Serbia needs to improve the quality of the education system and gear it towards labour market needs, stimulate private investments and speed up the implementation of public infrastructure projects. It needs to provide a transparent framework of state support to the private sector, including a fair system of para-fiscal charges.

EU Legislation

Overall, Serbia is progressing with implementing its obligations under the Stabilisation and Association Agreement (SAA). Serbia should discontinue the safeguard measures on EU imports of milk, cheese, butter and pork as they are unjustified. Intensive legislative activities took place to align the Serbian legal framework with the acquis. Serbia became the 33rd member of the EU Civil Protection Mechanism. It set up a National Investment Committee, bringing together national authorities, donors and international financial institutions (IFIs) to coordinate Serbian investment policy in key sectors of the single project pipeline (energy, transport, environment and business-related infrastructure), which sets an example in the region. A sustained effort is however still needed to maintain the pace of reforms. Adequate financial and human resources and sound strategic frameworks

are crucial in this respect. This applies in particular to key areas of the *acquis* such as state aid control, asylum procedure and energy. Serbia's alignment with EU declarations and Council decisions in the area of foreign and security policy still needs to be improved so that Serbia fulfils the requirement under the negotiating framework to progressively align its policies and decisions with the ones adopted by the European Union and its Member States in the period up to accession.

Source: *Delegation of the European Union to the Republic of Serbia*



Photo: *Delegation of the European Union to the Republic of Serbia*

WHAT IS NEW IN THE 2015 ENLARGEMENT PACKAGE?

The Commission has made a number of changes to this year's country reports compared to previous years. The aim is to further increase the quality of the assessments in the reports as well as the reliability of the package as a source of information for all stakeholders. The new style of reporting provides greater transparency in the enlargement process and facilitates deeper scrutiny of reforms by all stakeholders, including the civil society. Accordingly, the reports:

- expand the focus on the state of play to show more clearly where the countries stand in terms of their preparedness to meet the membership criteria. This should also allow the reader to put the progress being made into a clearer context
- provide more guidance on what the countries should focus on in the following year
- include more harmonised reporting and assessment scales, which will allow direct comparisons among countries in the key areas.

The changes to the annual reports take into account the need for appropriate sequencing of reforms:

- The rule of law and fundamental rights (the judiciary, fight against corruption and organised crime, freedom of expression);
- Economic development;
- Public administration reform – three negotiating chapters

(public procurement, statistics, financial control). One assessment is provided for state of play and one for progress in each area considered. These assessments are based on a careful analysis of the situation, with a particular emphasis on the importance of implementation and track records of concrete results in each area. Accordingly, implementation and track records are given more weight than legal alignment and institutional framework in the overall assessment. Both the state of play and the level of progress is assessed according to a five-tier standard assessment scale.

The scale used for assessing the state of play is as follows:
Early stage – Some level of preparation – Moderately prepared – Good level of preparation – Well advanced

The scale used for assessing progress in the past 12 months is as follows: **Backsliding – No progress – Some progress – Good progress – Very good progress**

The Commission will draw lessons from the pilot approach applied this year and reflect on further adjustments that may be necessary. It will also examine the possibility of further expanding the recalibrated approach to other areas in future reports, taking into account the need to ensure appropriate sequencing of reforms and the administrative capacity of enlargement countries. In any case, the principal focus in the coming years will remain on the fundamentals.

Source: *Enlargement Strategy*

RECOMMENDED

Independent report by the prEUgovor coalition, assessing the state of affairs in Serbia in the policy areas covered by chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security);

- "Negotiations between Montenegro and the EU: Data access

for the privileged only", by Jovana Marović and Stevo Muk, Institut alternativa;

- Commission Work Programme 2016;
- The European Union's tool for monitoring public procurement transparency.

IMPROVEMENT OF THE WORK OF THE SECO MECHANISM

In order to develop and further enhance the communication between the SECO networks and the Serbian European Integration Office (SEIO), an informative meeting was held on 12 November 2015, marking the beginning of the IPA 2016 programming process and disseminating information about relevant issues. At the meeting, the SEIO presented the process and schedule of the IPA 2016 programming, as well as the development of the *Sector Approach Roadmap*.

The Sector Approach Roadmap is a new document intended to ensure the implementation of all measures supported by IPA funds and to facilitate sector reforms. The presentation from the meeting is available [HERE](#).

One of the innovations in IPA II is the use of sector budget support. While the budget support was an exception in

the previous period, it has now become a regular financing modality. The introduction of sector budget support entails direct transfer of funds to a candidate country's budget for a particular sector. This brand-new form of financial support poses a great challenge for the SECO mechanism, which needs to be more actively involved in the monitoring of IPA funds consumption. A workshop intended for civil society organisations is planned for the latter part of January 2016. However, at the previous meetings and the workshop held in Novi Sad, members of the SECO mechanism stressed that training of this sort would be much more effective if it were organised together with the civil servants involved in the programming process, which would be a crucial step towards improved cooperation and information exchange.

EU PROGRAMMES

EU COSME PROGRAMME – SUPPORT TO SMALL AND MEDIUM-SIZED ENTERPRISES IN SERBIA

As of 1 January 2016, Serbian companies will have at their disposal support from the EU financial programme – COSME, targeting small and medium-sized enterprises (SMEs). The Republic of Serbia is the sixth country outside the EU to join and contribute to the programme, after Montenegro, the Former Yugoslav Republic of Macedonia, Moldova, Turkey and Albania.

The COSME Programme will provide guarantees to small and medium-sized enterprises to the amount of EUR 150,000 or more, provided that they are not eligible to apply for funds under Horizon 2020. Funds are managed through the European Investment Fund in cooperation with financial institutions of various countries. COSME budget is EUR 2.3 billion for the period 2014-2020. The planned allocation for financial instruments, placed through intermediaries (financial institutions) is 60%, or some EUR 1.3 billion.

Possible beneficiaries of the Programme are: existing entrepreneurs and SMEs which may obtain facilitated access to funds aimed at company development and growth; future entrepreneurs and SMEs which would receive assistance to establish a company; and national and local authorities which will be enabled to pass on the best practices and financial support to both test and improve long-term solutions in the context of increased global competitiveness. Thanks to the COSME Programme, SMEs will have facilitated access to funds, whereas entrepreneur ideas and creation of business/growth-friendly environment will be supported. Also, SMEs will receive support to develop their business abroad and improved access to EU market. This will allow for competitiveness and viability of companies, including those in the tourism sector, and improves access to markets within the EU. The COSME Programme will support projects in a wide array of areas, including clustering, women entrepreneurship, cutting red tape for companies and protection of intellectual property rights for companies doing business in non-EU countries.

NEGOTIATING CHAPTER 1 – FREE MOVEMENT OF GOODS

Free movement of goods is one of the fundamental freedoms on which the European Union rests (the other three being free movement of people, services and capital), since the single and common internal market of the member states lies at the core of European integration. The internal market of the EU is a single customs area with no internal borders, which ensures, inter alia, free movement of goods. This freedom envisages the removal of all barriers in the field of trade that hamper the marketing of products originating from other members of the Union in the national markets, as well as the adoption of a common customs tariff towards third countries.

The removal of barriers is achieved through harmonisation of national regulations and technical requirements for products, especially in the areas/domains that are found to involve a greater risk for consumers. This ensures equal treatment of all products, which leads to increased competitiveness, lower prices and wider choice for consumers, while at the same time ensuring an equal level of protection of public health, consumer safety and the environment throughout the internal European market. The goods that are not covered by EU-wide legislation are subject to the principle of mutual recognition, which entails that goods that are legally manufactured and marketed in one member state may be freely sold in the entire territory of the Union.

What is the content of the chapter?

The chapter on the free movement of goods includes **horizontal measures**, which define technical regulations that regulate the **quality infrastructure** (they include: standardisation, accreditation, metrology, conformity assessment and market surveillance). These regulations apply to all goods and cover the so-called **harmonised sector**. However, it should be noted that this chapter includes member states' national regulations referring to goods that are legally manufactured and marketed in one member state and can freely move throughout the EU internal market. These regulations cover the so-called **non-harmonised sector** and are subject to the principle of **mutual recognition**. It is important to stress that national regulations must not contain provisions that create additional barriers for entry of foreign products in the market.

The EU legislation in this field is completely implemented in member states' national law through transposition of numerous directives. In addition to transposing the European legislation into national laws in this field, the candidate countries are required to enable unimpeded implementation and adequate application of the EU acquis during their accession negotiations. This will require administrative capacities for disseminating information about trade restrictions and for implementing horizontal and procedural measures.

WHAT IS THE BENEFIT FOR SERBIA?

- Placement of goods on the European market with no hindrances
- Higher product safety and quality control
- Avoidance of double certification

Full harmonisation of the national legislation with the EU will ensure **the respect of one of the fundamental freedoms of the single market – free movement of goods**. Accordingly, **Serbian products will be accepted in the European market without hindrances**. When Serbia joins the EU, it will become a part of the Union's internal market, in which equal rules apply to all goods manufactured in the member states. The free movement of goods will enable the placement of high-quality Serbian products on the European market, while at the same time high-quality European products will be placed on the Serbian market. Certificates issued in Serbia will be recognised by all member states, which will allow free access of Serbian goods to the European market, and Serbian manufacturers will **avoid double certification** when marketing their products in the EU, thereby effectively reducing costs. In order to **protect consumers and health** and ensure **enhanced product safety**, surveillance will be aligned with the competent European bodies as the goods are placed on the market.

(The brochure "Negotiation Chapters – 35 Steps towards the European Union", jointly published by the EU Info Centre and the Negotiating Team for Accession of the Republic of Serbia to the EU)

Learn more:

- EU Legislation (EUR-lex): Internal Market
- The European Commission: Growth (internal market, industry, entrepreneurship, small and medium-sized enterprises)



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