

CAN THE CLIMATE CHANGE STRATEGY CONTRIBUTE TO THE ESTABLISHMENT OF LOW CARBON EMISSIONS POLICY IN SERBIA??

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HIGHLIGHTS

8th September EU Commissioner for Transport visited Serbia

EU Commissioner for Transport, Violeta Bulc, visited Serbia to encourage further co-operation and modernisation of the transport sector, in line with the conclusion of the Western Balkans Summit held in Paris in July. Transport is one of the most important areas of co-operation between the EU and the Western Balkans, which is a frame agreed in Connectivity Agenda covering infrastructure development and policy reform in the sector. During her visit, Commissioner Bulc recalled the importance to implement this Agenda, in order to bridge the development gap and support regional stability and prosperity.

[Read more...](#)

8th September The fourth session of the European Integrations Committee

At the fourth session of the European Integrations Committee the members of Parliament had the opportunity to get introduced with the Negotiating Team for Accession of the Republic of Serbia to the European Union. Head of the Negotiating Team, Tanja Miscevic, informed the Committee members on the activities and documents to be soon presented to the Committee by the Negotiation Team: Report on the negotiations during the EU presidency of the Netherlands in the first half of 2016, and the negotiating positions for chapters 25 and 26. Tanja Miscevic introduced the Committee with the work on the negotiating positions for chapters 20, 29, 33 and 5. [Read more...](#)

19th September Inter-Parliamentary Conference on the Oversight of IPA funds

Inter-Parliamentary Conference organised by the National Assembly and the European Parliament gathered in Belgrade the members of the European Parliament, members of the Western Balkans' Parliaments and Turkey, and representatives of the European Court of Auditors. Conference participants shared opinions and experiences in the field: the alignment of IPA II with the Enlargement Strategy; the efficiency of usage of the EU funds and interaction with the parliament and the civil society; regional and cross-border co-operation involving IPA and structural funds; and introducing budget support under IPA II. [Read more...](#)

22-23 September The fifth meeting of the EU-Serbia Stabilisation and Association Committee

During the two-day meeting, the National Assembly and European Parliament members discussed the state of EU-Serbia negotiations and relations. They also talked about economic development, judiciary reform, protection of fundamental rights and liberties, including freedom of the media, dialogue on normalisation of relations between Belgrade and Pristina, migrant crisis faced by Serbia and the EU member states, harmonisation of foreign and security policy. [Read more...](#)

IMPRESUM

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CAN THE CLIMATE CHANGE STRATEGY CONTRIBUTE TO THE ESTABLISHMENT OF LOW CARBON EMISSIONS POLICY IN SERBIA?

A climate change policy - identifying the real needs or merely filling the forms?

Establishment of a policy to combat climate change, through defining goals of climate change policy, policy instruments and mechanisms for monitoring and evaluation, is an important step in the process of European integration. This policy allows the alignment with the EU acquis, contributes to the harmonisation of strategic goals of Serbia with the EU's long-term goals and sets the basis for the fulfilment of obligations undertaken by signing the Paris agreement within the UN Framework Convention on Climate Change.

In the absence of a strategic document, it is difficult to find answers to the challenges of climate change and create long-term public policy in this area. What is of particular importance for Serbia is to define ambitious targets for reducing emissions of greenhouse gases, improve energy efficiency and increase the use of renewable energy sources? According to official data, the largest share of total emissions of greenhouse gases (79.4%) account for the emissions from the electricity generation sector.

A climate change policy represents a neglected public policy which, until 2015, was not on the agenda of decision makers. In EC Serbia 2014 Progress Report on European integration process, the EU drew attention that Serbia had not yet established a national climate policy. In this report they noted that the climate strategy should be in line with the EU 2030 policy framework for climate and energy. Preparations for signing a global Climate Agreement under the UN Framework Convention on Climate

In EC Progress Report 2015, European Commission stated that in the forthcoming period Serbia should in particular commit to:

- finalising the setting up of systematic strategic planning, and start implementing the obligations established by the Paris Climate Agreement;
- consolidating its strategic planning and administrative capacity to further align its policies with EU policies, and accompany this with substantial investment linked to strategic priorities;
- taking measures to set up an effective and permanent financing system for environment and climate action, including a stable financing of essential basic services, such as environmental monitoring.

Change, as well as the requirements of the EU that Serbia should approach more ambitiously to align legislation with the environment and climate acquis, have contributed to the climate change policy become the object of attention of decision makers.

How did it all begin?

Development of the Climate Change Strategy was initiated in 2012 when the Department for Climate Change of the line ministry prepared project documentation for the "Climate Change Strategy with the Action Plan" project that was supposed to be funded from IPA 2012. Based on the request made by the EU Delegation, it has been agreed to finance this particular project from IPA 2014 resources, stipulating that the project should begin in September 2015.

Finally, the public was informed that the implementation of the Climate Change Strategy with the Action Plan project started in September 2016, and that a German consulting company GFA Consulting Group would be a project holder. Ministry of Agriculture and Environment shall be responsible for the realisation of this project on behalf of the Republic of Serbia, and the project funded by the European Union. Implementation of the project began in the initial conference held in the Serbian Chamber of Commerce, on 13th September 2016.

At a meeting held on 13th September at the Chamber of Commerce, the Ministry of Agriculture and Environmental Protection and representatives of the GFA Consulting Group presented the project and called for the involvement of civil society, businesses and other stakeholders in developing the strategy. Michael Davenport, Head of the EU Delegation to Serbia, said that the preparation of the strategy needed to be transparent and inclusive process, involving all relevant government departments and also the private sector and the entire civil society. At the initial meeting, the participants were addressed by the Minister of Energy, Aleksandar Antic, who said that unfortunately, the Serbia energy production capacities were based on fossil energy sources but the mitigation of negative effects might be contributed by the installation of filters. Minister of Agriculture and Environmental Protection, Branislav Nedimović, did not participate at the initial meeting.

Objectives of the Climate Change Strategy

We have learnt about the objectives and framework conditions for the realisation of the project on developing a climate strategy with an action plan from the *Service Contract Notice* published by the EU Delegation in Serbia. The indicative budget for the project is 1.000.000,00 EUR and expected duration of the project is 18 months. According to the *Transposition and Implementa-*

tion of Environmental and Climate Change Acquis - Chapter 27: Status and Plans, the Climate Change Strategy with an Action Plan should be adopted by 2018.

According to the information given on the website www.klimatskepromene.rs, the goal of this project is to “identify opportunities, timeframe and concrete actions to limit/decrease emissions of greenhouse gases at the national level.”

In the aforementioned document, the Delegation of the European Union states that the overall objective of the project is to prepare a comprehensive cross-sector climate strategy and action plan. Below is explained that the project beneficiary will be required to:

- assess cost-effective greenhouse gas mitigation potential of Serbia, while taking into account the country's development policies and goals;
- assess opportunities and costs of climate change adaptation.

Project activities shall amongst others include the preparation of greenhouse gas inventory and mitigation scenarios for climate change until 2050, including projections of environmental impacts, as well as economic and social impacts. The projections shall be based on proven climate models adapted to the specific circumstances of Serbia.

The strategy and action plan shall serve as a basis for setting a robust climate policy that shall allow Serbia to define greenhouse gas mitigation and climate change adaptation targets, in accordance with the obligations laid down in the UN Framework Convention on Climate Change and [The Roadmap to a Resource Efficient Europe](#).

Civil society organisations support the ambitious goals of the new climate policy

Given the importance of establishing a climate policy through the development of Climate Strategy and Action Plan, RES Foundation, Coalition 27, and 1 Degree Serbia sent a letter to the GFA Consulting Group in which they stressed the importance of transparency and public participation in the process of developing the strategy. Organisations that had prepared this letter stressed that the strategy must be based on respecting the real needs of the citizens of Serbia and its economy. The letter states that the development of new scenarios for reducing emissions of greenhouse gases must take into account the best available technology, particularly in the energy sector.

Organisations that have prepared the letter presented the view that the development of climate strategy was a great opportunity for Serbia to confirm its commitment to the harmonisation with the EU objectives in the field of climate and energy. With this in mind the signatories of this letter underlined that the new climate policy should be based on the existing national documents dealing with climate change issues. This is primarily related to the Intended Nationally Determined Contributions-INDCs that were submitted to the UN Framework Convention on Climate Change and the National Strategy of Energy Development by 2030. The organisations behind this letter pointed out that the drafting process of the Strategy should be consistent with the Aarhus Convention and the Protocol on Strategic Environmental Assessment with the Convention on Environmental Impact in a Transboundary Context.

Author: Mirko Popović

THINGS CHANGE, BUT DO NOT CHANGE FOR BETTER

Round Table Report: Democracy and Good Governance in the Western Balkans

The current EU approach towards the Western Balkans region is reduced mainly to the need to maintain stability, while insisting on democratic values and the rule of law are placed in the background. This is one of the conclusions of the roundtable “Democracy and Good Governance in the Western Balkans”, which was organised by the Centre for European Neighbourhood Studies (CENS) at the Central European University in Budapest, on 16th September. The view of the problem of democracy and good governance was presented by professor Peter Balazs, director of the Centre for European Neighbourhood Studies and professor in the Department of International Relations of the Central European University; Marko Savkovic, programme director at the Belgrade Fund for Political Excellence; and Dr. Vladimir Petrović, a professor at the History Department of the Central European University.



Photo: *Central European University*

In the light of the latest developments in the European Union, focused on its own internal problems and border security, the Western Balkans is coming to the rear of the Brussels agenda. In this context, it is extremely important to examine the sustainability of previous efforts to build democracy, the rule of law and good governance through the enlargement policy in the candidate countries. Decision of the European Commission to “put on hold” its enlargement policy in times of crisis actually means that the countries of the region are for the first time put to the test of taking responsibility for further strengthening of democratic institutions and preventing slipping back from so far achieved level of development. However, the reality indicates the negative trends and the unwillingness of countries in the region to launch initiatives that will lead to further democratic transformation. The democratic legitimacy of the political elite is sought at frequent elections, which do not result in a change of government. In parallel, citizens demand their civil rights and democratic institutions in the streets and through the non-governmental sector, fighting against corruption, abuse of power, censorship in the media and serious violation of freedom of speech. Freedom House index for the countries of the region is in decline, especially in the area of media freedom. Political systems in the region are described as “new authoritarianism”, and regional governments worsen mutual relations, not allowing development paradigm to substitute political narrative from the old wars of Yugoslav succession. Such a political narrative indicates that mutual reconciliation has never been seriously approached.

In light of these developments the European integration process is progressing nonetheless, with Montenegro and Serbia as regional champions. Everything indicates that the EU, due to the reduced capacity to deal with the enlargement policy, is giving priority to the maintenance of stability - until it could be back again in the game - more than to the creation and persistence of strong democratic institutions.

Referring to the internal problems in the countries of the Western Balkans, as well as their capacity to respond to the challenges of the new context containing the EU and EU enlargement policy, the roundtable participants have tried to examine the quality and credibility of democracy and good governance. In this context, they took note of both individual and mutual problems in the countries of the region. In his opening speech, Professor Balazs pointed out that the integration of the Western Balkans represented a test for the EU enlargement policy. Unlike previous enlargements, the EU this time will not insist that all countries in the region should become members at the same time, which presents a challenge and an aggravating circumstance for candidate countries and potential candidates. Marko Savković warned that unemployment, inequality, internal labour migration, brain drain, aging population, and illiteracy are just some of the key problems Serbia and other countries in the region were facing. He also referred to two crises that hit the Western Balkans recently - migrant crisis and the increasing influence of ISIS - both of which require a strategic and long-term engagement. Vladimir Petrović said that the countries of the region were facing new authoritarianism, which appeared and derived their legitimacy from free elections. The new authoritarianism started with Milosevic’s regime, while what is happening today is only a consequence of a system that remains even after the regime change in 2000; the people and the ruling elite do not care for democracy and good governance, nor do they care for the elimination of corruption and huge bureaucracy. Special emphasis is placed on the role of civil society in the process of democratisation and European integration. Civil society is fragmented and is currently without a clear plan of action, but its consolidation is a necessary bridge to the change - between the demands of citizens, which are articulated through protests, and their recognition in the decision making process.

The fact is that things are changing, but not for better - is one of the important conclusions of the debate. However, the attitude of all the speakers is not to give up the enlargement policy. It is necessary to find a strategy to use EU agenda and enlargement policy in the best possible way, even now when its initiator, the EU, has temporarily stepped down from enlargement. One possibility is the Berlin process, which represents an excellent platform for launching new initiatives aimed at the region. But the greatest challenge is certainly the establishment of national ownership of the entire enlargement process and initiatives that derive from it and, above all, the responsibility of all actors in society to the final outcomes of democratisation.

Author: Tamara Branković

CHALLENGES AND OPPORTUNITIES FOR RURAL DEVELOPMENT

Agriculture and rural development for Serbia will be one of the most difficult chapters in the process of EU accession negotiations, due to the fact that the regulations governing this area account for almost one third of all EU regulations. Because of the great importance of agriculture for economic stability and sustainable development, Serbia is facing a very difficult and lengthy process of adjustment, which should be paid with much attention. Challenges and opportunities for rural development were the theme of the conference held on 30th August 2016, at Silver Lake, organised by the Regional Development Agency "Braničevo-Podunavlje".

Participants had the opportunity to familiarize themselves with different topics in the field of rural development and the current processes at the national level, respectively. Branislav Milić, an expert on rural development, spoke about a regional approach to rural development, stressing the need for multi-sectoral and territorial co-operation, as well as partnership approach in solving various challenges in this area.

Dragan Mirković, Assistant Minister of Agriculture and Environment, presented the activities of the Ministry in the field of rural development. Special attention was on preparations for the implementation of public calls within the National IPARD programmes, which were expected by the beginning of next year, and within which the farms were going to be able to apply for investment funds for the improvement of production and processing.

Sladjana Grujić, Secretary of the Committee for Economic Development in the Standing Conference of Towns and Municipalities, spoke about the problems and constraints faced by local self-governments in the implementation of local policies in the field of rural development. She put the accent on the need for redefining, that is extending the jurisdiction of local self-governments in order they should be able to support various activities in this area, as well as the need for greater involvement of representatives of relevant national institutions and authorities in informing and raising the capacity of potential end users of IPARD programme - farms.

As the president of the National LEADER Network and a member of the National Convention on the EU, Ivana Stefanović Ristin, spoke about the process of Serbia's EU accession and the need that a large number of not only the representatives of civil society, but also of all stakeholders should become informed and actively involved in negotiations. She has also outlined the LEADER's approach, which is an integral component of the IPARD programme and includes a multi-sectoral co-operation in a particular territory as a basis for planning and implementation of development activities and projects. Participants in the process of preparation of the Regional Strategy for Rural Development presented the various priority areas identified in the Strategy. Jovica Stojanović, manager of the Association for the Development of the Municipality Žagubica, explained to the participants the need to encourage local activism and cross-sector co-operation and partnership approach as a precondition for various development initiatives in rural areas, respectively.

Nebojša Đinović, director of Superior d.o.o. from Velika Plana, spoke about the key competitive advantages, challenges and strategic priorities in the field of agriculture. He stressed the need for education at all levels (especially young people), the need of association and agglomeration, and the importance of professional marketing for successful market positioning of products from the region.

Vedrana Lazarević from the Tourist Organisation of Petrovac presented the area of rural tourism as the most promising sector for diversification of economic activities in rural areas, by virtue of extraordinary richness and diversity of natural, cultural and historical heritage.

The conference was organised as a final activity within the project "Europeanisation of local policies in rural development sector", which in partnership with a broad range of partners in the region Braničevo-Podunavlje in recent months, had been implemented by the Regional Development Agency "Braničevo-Podunavlje", with the support of the Open Society Foundation Serbia.

In line with the objectives set, during the project, the capacity of different target groups for the implementation of policies in the field of rural development have been enhanced (primarily through information and education); a [Regional Rural Development Strategy of Braničevo-Podunavlje 2016-2020](#) has been prepared; regional and multi-sectoral co-operation has been hastened as well as "bottom-up" communication. The project will be continued during the next period, with a plan to establish a Regional Platform for Rural Development and various partnership initiatives, that is, work on specific regional projects in this field.

Regional Development Agency "Braničevo-Podunavlje"

Continuation of the project "Regional Platform for Rural Development - Braničevo-Podunavlje keeping up with the EU" will focus on vertical and horizontal networking and continuing to strengthen the capacity of all stakeholders in the region to participate actively in accessing the EU in the field of rural development. The project foresees the implementation of a series of education and public events for the purpose of communicating and promoting current topics in the field of rural development. It also foresees increasing the informed participation of different actors in the region and the whole of Serbia in the current reform process at the national level and negotiations on Serbia's membership in the EU in the field of rural development, as well as efficient implementation of rural development policies at the regional level through the development of the Action plan based on the Regional strategy for Rural development Braničevo-Podunavlje 2016-2020 and designing concrete regional project proposals in this area by various partnership initiatives. One of the key activities provides for the establishment of the Regional Platform for Rural Development, which, as a multi-sectoral body will have the function of a regional think-tank in the field of rural development.

EU PRE-ACCESSION ASSISTANCE FOR STRENGTHENING ADMINISTRATIVE CAPACITY IN THE WESTERN BALKANS

EU financial support for countries in the Western Balkans has been broadly effective and has gone some way to strengthening administrative capacity in the region, according to a new report from the European Court of Auditors (ECA). But this has to be set against a background of considerable shortcomings inherent to the national authorities in the region.

The auditors conducted a “meta-audit”, an overview of the European Commission’s management of the Instrument for Pre-accession Assistance (IPA) in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Kosovo* between 2007 and 2013. The auditors mainly assessed data from their previous special reports and Commission evaluations, and examined the entire programming process, as well as 52 national projects and three regional programmes. They also took into account developments relating to the 2014-2020 period.

The main goal of the report was whether the Commission’s management of the IPA in the Western Balkans was effective and whether it actually did strengthen administrative capacity in the region. Thus, the auditors focused on two sectors important to strengthen administrative capacity: (a) the rule of law

From 2007 until 2014, EU financial assistance to the Western Balkans through the Instrument for Pre-accession Assistance (IPA) amounted to 5.1 billion euros. It was allocated in the context of national and regional programmes. Roughly a quarter of national programme funding went towards strengthening administrative capacity in the key sectors of the rule of law and public administration reform.

IPA support for the rule of law in the beneficiary countries was designed to bring a wide range of sensitive state bodies, such as ministries, agencies, police forces and the judiciary, closer to the EU’s fundamental rights and the acquis. The IPA also contributed towards ensuring that better national legislation was drafted and adopted. In addition to this, the Commission supported, through the design of regional programmes, the activities of regional organisations such as the Regional Co-operation Council (RCC), the Regional School for Public Administration (ResPA), as well as interventions through the Western Balkan Investment Framework (WBIF).

(fundamental rights, justice and internal affairs), with special emphasis on the fight against corruption and organised crime; and (b) public administration reform, including public finance management.

The report sets out a number of measurable concrete recommendations both to improve the setting of objectives and the design and implementation of IPA projects in the Western Balkans and encourage greater commitment by the six Western Balkans national authorities towards strengthening their administrative capacity.

The European Court of Auditors’ special reports set out the results of its performance and compliance audits of specific budgetary areas or management topics. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

. Auditors found that the Commission’s management objectives had not always been specific and measurable. Programmes and projects were based on needs, but some beneficiaries’ assessments in the ‘rule of law’ sector showed considerable shortcomings. The absorption of funds was hampered by weak administrative capacity in some countries and strict requirements for EU fund management when implementation was decentralised.

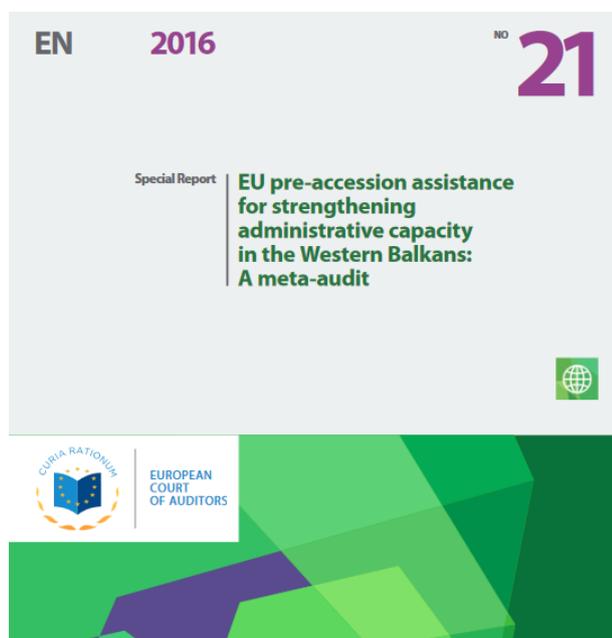


Photo: EU pre-accession assistance for strengthening administrative capacity in the Western Balkans

* This designation is without prejudice to positions on status, and is in line with the United Nations Security Council Resolution 1244 and the International Court of Justice Opinion on the Kosovo Declaration of Independence.

Audit sample of IPA national projects – the Republic of Serbia as beneficiary

No.	Project	IPA decision year	Amount (EUR)
RULE OF LAW			
1.	<i>Police reform: internal affairs</i>	2007	1.000.000
2.	<i>Improvement of efficiency and transparency of the judiciary system (courts)</i>	2007	2.643.064
3.	<i>Fight against corruption</i>	2008	2.147.000
4.	<i>Improvement of transparency and efficiency (prosecutors and penal system)</i>	2008	1.891.517
5.	<i>Support for civil society (I and II)</i>	2007 2008	1.983.458
PUBLIC ADMINISTRATION REFORM			
1.	<i>Municipal support programme</i>	2007	22.501.150
2.	<i>Support for the Public Procurement Office</i>	2007	116.650
3.	<i>Support for the development of Public Internal Financial Control</i>	2008	2.000.000
4.	<i>Harmonisation of the Customs Enforcement Division with the standards, organisation and operational methodology of EU enforcement agencies</i>	2008	1.339.641

Although there were shortcomings in reporting, the Commission had been effective in monitoring the implementation of projects. It had also been partially effective in following up on the conclusions and recommendations of evaluations (it did not systematically apply strict conditions and follow up on them). Despite considerable beneficiary shortcomings, the European Commission had been able to support donor coordination.

With regard to administrative capacity, the EU’s assistance had generally delivered the planned outputs, and support for the rule of law and public administration reform was partly sustainable.

In the case of rule of law projects, the Commission did not apply conditions consistently, and relatively little funding was provided in key areas of the rule of law, such as media freedom, public prosecution and the fight against corruption and organised crime. The beneficiaries’ lack of political will to reform institutions, insufficient budget and staffing, as well as poor co-ordination also affected project sustainability.

In the area of public administration reform, the Commission managed to convert many project outputs into sustainable results. Whilst not an explicit IPA objective, it could have encouraged beneficiaries more to use IPA as a learning tool in the rest of their public administration.

The Court stressed that the special attention of the European Commission was committed to enhancing regional co-operation and strengthening administrative capacity of the entire

Western Balkans, in particular through the Western Balkans Investment Framework. At the same time, it is stated that during the period covered by the report, the Regional Co-operation Council did not have a significant impact on the ground. As for the Regional School of Public Administration (ReSPA), it was too early to establish whether it improved administrative capacity in the Western Balkans.

It was assessed that the political dialogue in the Western Balkans had a limited impact on the rule of law in a number of cases, but it did achieve some progress with regard to public administration reform.

Recommendations set out by European Court of Auditors, which have been already accepted by the European Commission, refer to improvement of the design and implementation of projects in the Western Balkans and to encourage greater commitment by national authorities.

Author: Danijela Božović

CHAPTER 8 - COMPETITION POLICY

In the process of accession to EU, Competition policy is a vital part, because its efficient implementation contributes to the improvement of the economy, development and growth in the number of companies, improvement of investment in research and development of new products, attracting new investments, and increase in production and exports. **Competition policy in the market includes: restrictive agreements (cartels), a dominant market position and its abuse, concentration and state aid.**

Restrictive agreements (cartels)

Restrictive agreements aimed at the prevention, restriction or distortion of competition in the relevant market. These are written or verbal agreements, contracts, single provisions in contracts, explicit or tacit agreements, concerted practices, as well as decisions of associations of undertakings, which directly or indirectly fix purchase or selling prices or other trading conditions; limit or control production, markets, technical development or investment; share markets or sources of supply; impose the application of dissimilar conditions to equivalent transactions with other parties outside such agreement, thereby placing them at a competitive disadvantage; make the conclusion of contracts subject to the acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts; determine the obligation to apply certain resale prices or otherwise ensure the application of the recommended resale prices.

The dominant position in the market and its abuse

Term dominant position in the market includes two possible situations in which it can be determined that a particular market participant has a status of dominant participants: 1) if it has no competition on a relevant market or the competition is insignificant; 2) if it has a significantly better economic position compared to its competitors, taking into account: market shares, economic and financial power, access to supply and distribution chains, as well as legal and factual barriers to entry by other undertakings, etc.

The dominant position does not breach the principals of competition, but abuse of the competition does and as such is prohibited by the law. This prohibition is very broad and can cover all forms of behaviour of market participants falling under the general conditions of competition infringement, if the existence of a dominant position is previously established. Abuse of dominant position on the market represents direct

WHAT IS THE BENEFIT FOR SERBIA?

- Equal competition
- Restructuring of public enterprises
- Lower prices, better quality of goods and services, wider choice - consumer protection
- Prevention of abuse in the market

The chapter on competition ranks as one of the most challenging and complex in the negotiating process. This is also one of the chapters that often seek transitional periods, mainly due to state aid policy. Prior to the entry into the EU, public sector enterprises, as well as enterprises that have a different legal form but perform activities of general interest, will have to approach the process of structural reform, which includes their organisational and financial restructuring, corporatisation, and full or partial privatisation. The competition has a favourable result for citizens such as: lower prices, better quality of goods and services, and a wider choice.

The acquis in this area are largely associated with the obligations under the Stabilisation and Association Agreement between Serbia and the European Union (SAA), which is currently in force. SAA includes provisions comparable to the EU acquis on competition and regulates agreements contrary to the rules of competition, abuse of a dominant position in the market and state aid. In addition, it also regulates the special rules that apply to public undertakings and undertakings with special and exclusive rights and prohibits quantitative restrictions on imports from the EU to the Republic of Serbia. The agreement requires from the operationally independent bodies (for competition and state aid control) to monitor the application of the competition rules in the Republic of Serbia. In addition, SAA Protocol 5 establishes rules for state aid that apply in the event that aid is approved for the restructuring of the steel industry in the Republic of Serbia. (Brochure "The negotiation chapters - 35 steps towards EU," EU information centre and the Negotiating Team for Accession of the Republic of Serbia to the European Union).

INTRODUCING

or indirect imposing of unfair purchase or selling price or other unfair trading conditions; limiting production, markets or technical development to the detriment of consumers; applying dissimilar conditions to equivalent transactions with other undertakings, thereby placing them at a competitive disadvantage; and making the conclusion of contracts subject to acceptance of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts.

Concentrations

The concentrations are deemed to arise in the following cases: establishment of a new undertaking by two or more undertakings or their affiliates (merger); one or more individuals already have control over at least one undertaking or one or more undertakings acquire control over other undertaking or its affiliates; establishment of and acquiring of joint control over a new undertaking by at least two autonomous undertakings, performing its operations on a long-term basis and having all functions of an autonomous undertaking (joint venture). Thus, the concentration of the undertakings includes all forms of merging of two or more undertakings performed on the basis of the status changes, contract, and joint venture, through the acquisition of property or property rights, the rights arising from securities, provided that one or more undertakings acquire control over other undertaking or undertakings. Control is the decisive factor for the occurrence of concentration, and it is determined under the conditions provided by law.

State aid

State aid policy is specific and unique to the EU as a guarantor of fair game in the single market of the Member States, and as such has been established by the Treaty on the Functioning of the EU. Control of state aid provides that interventions by national governments do not distort competition in the market. In this sense, the state aid is defined as an advantage in any

form whatsoever conferred on a selective basis to any company or entrepreneur by the national government. The aid granted to individuals or general measures available to everyone are not considered state aid. Any state aid is in principle prohibited. However, in certain situations, the interventions of national governments are necessary for the proper functioning and sustainable economy of the country. That is why the Treaty has the option that the state aid to specific goals and purposes should be considered compatible with the common market. Some of these goals are: research, development and innovation, environmental protection, regional development, protection of cultural heritage and so on. State aid is sometimes permissible under special monitoring for rescue and restructuring of firms in difficulty. Also, state aid can be manifested in various forms, clearly visible, such as grants, guarantees, tax relief, but also in less visible forms of intervention: converting debt to equity, the sale of immovable property of the state at the lower/higher price than the market price, etc. The aim of state aid control by the competent authorities (at EU level the European Commission) is to provide all market participants with equal conditions for business, where the competitive business organisations will be able to survive and make profit. Also, the goal is that the state intervention does not significantly affect the uniform functioning of the internal market.

RECOMMENDED

“Guide for the Process of Programming and Monitoring of the Implementation of IPA II in the Republic of Serbia for the Members of the SECO Mechanism”, Technical Assistance for Civil Society Organisations (TACSO) and Serbian European Integration Office;

The Publication “Demanding Open Data in Serbia: Role of Think Tanks and Research-Based Civil Society Organisations”, European Policy Centre (CEP)

The Publication “Free Access to Information – Commissioner's Attitudes and Opinions”, Office of the Commissioner for Information of Public Importance and Personal Data Protection.



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PROGOVORI O PREGOVORIMA

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