

secondary schools in Serbia do not meet sufficient quality standards. A new cycle of external evaluation was launched, based on a revised external evaluation framework.

Serbia was granted the status of a programme country in the Erasmus+ programme in 2019. Serbia continued to participate successfully in the programme with 7 800 outgoing mobilities of students and staff and 4 500 incoming mobilities since 2015. In addition, 45 capacity building projects are currently being implemented in the field of higher education, 29 of which have Serbian coordinators. Serbia is successfully implementing the sports component of the programme, where relevant organisations coordinate eight projects and are partners in 34 projects. Serbia actively joined the fifth edition of European Week of Sport (23-30 September 2019). Serbia benefited from EU funding based on the same rules as EU Member States.

In the area of **culture**, Serbia recognises the importance of culture and cultural diversity, and identified creative industries as a sector with potential for economic development and connectivity. The work of the Council for creative industries, established by the Prime Minister's Office continues. In 2019, Serbia launched a national and international communication campaign 'Serbia creates', to bolster Serbia's image as a place where creative industries can flourish.

Budget amendments to overcome the economic impacts of the COVID-19 pandemic considerably reduced the budget allocated to culture and managed by the Ministry of Culture and Information, initially stable compared to 2019. While creative industries are eligible to the measures for economic recovery, this is not the case of the whole cultural sector, which was deeply impacted by the crisis. The activities related to the Novi Sad European Capital of Culture in 2021 have been postponed until 2022.

Serbia is implementing measures under the UNESCO Convention on the protection and promotion of the diversity of cultural expression.

Serbia is participating in the Creative Europe programme, which is well promoted and supported by the Ministry. Serbian cultural organisations are successful in all streams of the programme.

In March 2020, the Belgrade Fortress and its surrounding were placed on the list of the seven Most Endangered moments and heritage sites in Europe in 2020 by Europa Nostra.

The **youth** strategy action plan 2018-2020 is being implemented. The number of youth policy coordination mechanisms at the local level has increased, and they should be further strengthened. A number of local youth action plans has expired and should be adopted anew. An increasing number of young and skilled people are emigrating. The unemployment and inactivity rates among young people remain high.

6.27. Chapter 27: Environment and climate change

The EU promotes strong climate action, sustainable development and protection of the environment. EU law contains provisions addressing climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.

Serbia has achieved **some level of preparation** in the area of environment and climate change. Overall, Serbia made **limited progress** in the past year, mainly on strategic planning.

The 2019 recommendations remain valid. Serbia should considerably step up ambitions towards a green transition and continue focusing on:

- enhancing administrative and financial capacity of the public central and local administration authorities, in particular the Environmental Protection Agency and environmental inspectorates, earmarking and utilising income from environmental fees for environmental purposes, building an effective institutional set-up to manage environmental investments and further improving inter-institutional coordination, in particular between central and local levels;
- intensifying implementation and enforcement work, such as closing non-compliant landfills, investing in waste reduction, separation and recycling, reinforcing air quality monitoring, advancing river basin management and preparing for Natura 2000;
- implementing the Paris Agreement, including by adopting a comprehensive climate strategy and law, consistent with the EU 2030 framework for climate and energy policies and well integrated into all relevant sectors, and developing a National Energy and Climate Plan in line with Energy Community obligations.

Environment

Following intensive preparatory work, Serbia submitted its negotiating position for chapter 27 in January 2020 to the Council. Some 4 years after its creation, Serbia's green fund has yet to become fully operational. Its 2019 financial allocations were not fully used. Its 2020 budget was reduced by 25% to address needs arisen from the COVID-19 crisis. Income generated from environmental fees is not earmarked for environmental purposes. This leads to a diversion of funds for other purposes. Serbia needs an effective institutional set-up to manage environmental investments, which need to increase much faster than previously. The investment plan needs to be turned into an investment programme, targeting projects with the highest environmental impact. Investment decisions need to be based on feasibility studies and technical designs in line with EU best practices and transparent competitive procurement procedures, ensuring best value for money.

In the area of **horizontal legislation**, Serbia has a high level of alignment with the EU *acquis*. Overall, Serbia needs to improve its administrative capacities at central and local level, including inspectorates, to draft legislation, give adequate time for legislative consultations and carry out qualitative public consultations, particularly at local level. Legislation on environmental impact assessment needs to be further aligned and its implementation strengthened. The non-compliance of environment impact assessment (EIA) legislation with other laws, especially with the law on planning and construction according to which the impact assessment is carried out after the issuance of the construction permit, needs to be urgently addressed. Strategic environmental assessments need to be carried out for plans and programmes from all relevant policy areas, not only the environment. Some progress can be reported on the implementation of the INSPIRE Directive. Strengthening the capacities of the judiciary and the environmental inspectorate and establishing a track record on implementing the Environmental Crime Directive remain priorities. Serbia needs to improve the implementation of the polluter pays principle, for example by strengthening capacities at local level to collect environmental fees.

In the field of **air quality**, Serbia has a good level of alignment with the EU *acquis*. However, Serbia needs to speed up implementation of legislation and air quality plans. While an air quality monitoring network is in place and is being extended, and real-time data are available, the monitoring of air quality still needs to be considerably strengthened. Serbia's annual air quality report for 2018 lists 11 agglomerations with air pollution above the limits: Belgrade, Subotica, Pančevo, Užice, Smederevo, Kosjeric, Valjevo, Kraljevo, Sremska Mitrovica, Kragujevac and Niš. Five of these cities do not have air quality management plans in place. Pollution induced by the Kostolac B thermal power plant needs to be addressed as a priority. Alignment with EU legislation on volatile organic compound emissions needs to continue.

Regarding **waste management**, Serbia has a good level of alignment with the EU *acquis*, however the implementation remains at an early stage. In 2019, Serbia adopted a number of regulations and rulebooks, for example, on pharmaceutical and medical waste. Serbia also developed a national waste management strategy and a national sludge management strategy, which are currently in the adoption process. The by-law on treatment of the equipment and waste containing PCB, currently in the adoption procedure, will fully transpose the relevant EU directive. Serbia proceeded with the permanent disposal of historic hazardous waste. Additional economic instruments for special waste streams need to be developed. The proportion of recycled waste in overall waste management is still low, e.g. 3% for municipal waste. Serbia needs to redouble efforts to close its non-compliant landfills and invest in waste reduction, separation and recycling. The remediation of the Belgrade landfill and the construction of a waste to energy facility are expected to start in 2020.

The level of alignment with the EU *acquis* on **water quality** is moderate. Work on an action plan for implementing the water management strategy has not progressed. Untreated sewage and wastewaters are still the main source of water pollution. Non-compliance with water quality standards remains a big concern in some areas, such as that on arsenic. Serbia needs to make significant efforts to align further its legislation with the EU *acquis*, and to strengthen administrative capacity, in particular for monitoring, enforcement and inter-institutional coordination. Work on the river basin management plan is progressing slowly. Improving local governance, in particular for operating and maintaining water and wastewater facilities, remains a priority. Work on adequate water fees and tariffs is at an early stage. Lack of human and financial resources and data availability hinder the development of flood hazard and flood risk maps for all relevant areas.

Alignment with the EU *acquis* in the field of **nature protection**, in particular with the Habitats and Birds Directive, remains moderate. Serbia has still not addressed gaps in transposition, allowing hunting of non-huntable birds, especially the goshawk and the turtle dove. Serbia needs to fully incorporate EU standards on prohibited means of capturing and killing wild animals throughout its entire legislation, including in legislation on hunting. Progress on establishing Natura 2000 sites is slow. Institutional and human resource capacities at national and local level remain weak, in particular as regards enforcement, and wildlife trade. Any further development of hydropower should be in line with EU environmental legislation, including environmental impact assessments with proper public consultations, nature protection and water management legislation.

As regards **industrial pollution and risk management**, alignment with most of the EU *acquis* is at an early stage, including on the Industrial Emissions Directive. In January 2020, Serbia adopted its long-awaited national emission reduction plan. Serbia also established a database strengthening the monitoring on Seveso III operators. However, persistent administrative capacity constraints continue to hamper progress in implementation across the industrial sector. Inspection and law enforcement remain areas of concern. Serbia needs to increase capacities for managing the integrated permitting processes.

Serbia has a high level of alignment with the EU *acquis* on **chemicals**. In 2019, Serbia opened an online platform for registering biocidal products. During the reporting period, there was neither progress on REACH and CLP Regulations, nor on the alignment with the *acquis* on animal experiments, asbestos or biocides. Serbia needs to boost its administrative capacity to implement legislation in these areas, and ensure proper monitoring of persistent organic pollutants.

Serbia's level of alignment with EU rules on **noise** is good, but their implementation remains at an early stage. Serbia needs to build administrative capacity for drafting strategic noise maps and action plans. A noise map for Niš was completed during the reporting period.

Serbia is moderately prepared as regards **civil protection**. Serbia has a strategic framework in place, which is in line with the Sendai framework for disaster risk reduction. It consists of a law on disaster risk reduction and emergency management and a national disaster risk management programme and action plan for 2017-2020. Serbia needs to develop a strategy for disaster risk reduction. Serbia also carried out a national disaster risk assessment. Work on local risk assessments and protection and rescue plans is ongoing. More focus on multi-hazard risk assessments is needed. The COVID-19 pandemic highlighted the need to strengthen the legal framework and institutional capacities as well as human and financial resources of civil protection authorities also with regard to health emergencies. Serbia still needs to connect to the Common Emergency Communication and Information System (CECIS) - the main tool for crisis communication among members of the European Union Civil Protection Mechanism. Pre-condition for CECIS is the installation of Secure Trans European Services for Telematics between Administrations (sTESTA) in the country and designating the responsible ministry as an entry point. Serbia needs to ensure that the Niš Humanitarian Centre does not duplicate the role of the European Commission's Emergency Response Coordination Centre and does not contradict the conditions for its participation in the EU Civil Protection Mechanism.

Climate change

Serbia has some level of preparation on climate change, but implementation is at a very early stage. Developments during the reporting period largely came to a standstill, reflecting a lack of political consensus about the urgency to act. Serbia has still not adopted the climate law it had prepared in 2018. The adoption and implementation of a climate strategy and action plan, which is consistent with the EU 2030 framework for climate and energy policies and which addresses adaptation to climate change, is paramount for Serbia's future low carbon development. Serbia needs to do more to integrate climate action into other sectors.

Work on improving greenhouse gas inventories and updating Serbia's Nationally Determined Contribution to the Paris Agreement is progressing. However, the alignment of legislation on monitoring, reporting and verification of greenhouse gas emissions in line with the EU emissions trading system and Effort Sharing Regulation is pending. Serbia needs to considerably strengthen its administrative and technical capacity, in particular so it can implement, monitor and report on climate *acquis*. Awareness-raising activities need to be stepped up. Serbia needs to invest much more into the transition towards green energy, including upgrading outdated infrastructure in order to reduce pollution.

6.28. Chapter 28: Consumer and health protection

EU rules protect consumers' economic interests and in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, patients' rights in cross-border healthcare, and serious cross-border health threats including communicable diseases, as well as medicines for human and veterinary use.

Serbia is **moderately prepared** in consumer and health protection. **Limited progress** was made on the chapter with the adoption of the 2019-2024 Consumer Protection Strategy and legal alignment relevant to cosmetics. However, the recommendations of the previous report have not been met and remain valid.

In the coming year, Serbia should in particular:

- strengthen the administrative capacity of relevant authorities for consumer protection, market surveillance and sanitary inspection;
- strengthen the overall managerial capacity, human resources and financial sustainability of the public health insurance fund;
- further align its legislation with the EU *acquis* on substances of human origin and on medicines for human use.

Concerning general aspects of **consumer protection**, the 2019-2024 consumer protection strategy was adopted in December 2019. The amended law on consumer protection aiming for further alignment with the EU *acquis* has yet to be adopted. The National Council for Consumer Protection, established to strengthen the system of consumer protection and cooperation between relevant institutions delivered no visible output. There were a total of 105 initiated collective redress cases based on consumer complaints conducted by the line ministry which, as part of its role, is tasked with initiating proceedings for the protection of collective interests of consumers. Out of these, 22 decisions on imposed legal measures concerning violation of collective interest of consumers and 18 corrective statements imposed on traders were put into effect, at the end of proceedings. There are 26 registered consumer organisations, and a registered list of 10 alternative dispute resolution bodies (ADRs), with the National Bank of Serbia serving as an ADR for financial institutions and the regulatory agency for electronic communications (RATEL) for disputes between subscribers and electronic communications operators or between consumers and postal operators. Out-of-court settlements are still voluntary for both consumers and traders. No general overview on initiated and concluded proceedings exists for all ADR bodies in charge of alternative consumer disputes, following the number of complaints filed by consumers.

Cooperation between ministries and consumer organisations improved while consumer protection organisations would benefit from further promotion of their work and activities.