

**CIVIL SOCIETY CONTRIBUTION TO SERBIA 2014 PROGRESS REPORT**  
**Overview of Chapter 27: Environment and Climate Change**

Belgrade, September 2014.

**Participating organisations:**

Belgrade Open School

CEKOR

Climate Action Network Europe

Environment Improvement Centre

GM Optimist

Heinrich Boell Foundation Southeastern Europe

NGO Fractal

Young Researchers of Serbia

WWF Serbia

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## Introduction: The road to the EU accession

The European Commission has been publishing reports on Serbia's progress towards the EU annually, since 2005. Each report evaluates key political and economic criteria as well as a set of sectoral policies and their level of compliance with the EU legislation. Environment has always been one of particularly difficult areas, where little progress has been made. In times when fighting organised crime, corruption, and setting up democratic institutions are seen as priorities, little time and effort was invested in environmental issues. Climate change mitigation was often neglected at the expense of unsustainable development solutions while adaptation measures have not been considered, supposedly due to lack of funding.

Although we came a long way since 2005, key issues in Serbia seem to be the same, as we are still working on establishing the rule of law and strengthening judiciary and decision-making institutions. This year, however, things are somewhat different: small steps over the years summed up and Serbia got the 'green light' to move forward and start official accession negotiations for EU membership. The first Intergovernmental conference between Serbia and EU was held in Brussels on 21 January 2014, formally launching the process. From this moment onwards, the process swiftly rolled out and policy screenings for 35 chapters envisaged by the EU Negotiating Framework<sup>1</sup> began.

Within this framework, Chapter 27: *Environment and Climate Change* presents one of the most challenging ones - it stands for one third of the total EU legislation that needs to be transposed and implemented. In the previous progress reports the advancements in this field have been poorly marked. It is also one of the 'costlier' chapters: According to the *National Environmental Approximation Strategy for Republic of Serbia*, it will require 10,6 billion euros to meet all the necessary requirements in this field, which is a conservative assessment made in 2011 that does not take into account recent policy developments in the EU. However, as the accession negotiation process started, it means that there are no more excuses to marginalise this important topic. If the negotiations are to be concluded by 2018, as it can be heard in the the Serbian public from governmental officials, an immediate action is needed. A strong push for compliance is needed even if this deadline is prolonged, especially taking into account the experiences of recently joined EU members - Bulgaria, Romania and Croatia.

The report in front of you is a joint contribution of civil society organisations to the discussion on environmental and climate change concerns that await us. We hereby reflect on the year behind us, in an attempt to contribute to the upcoming EU progress report on Serbia for 2014. Furthermore, we layout the main developments and challenges and provide recommendations on how to move forward. We hereby express our readiness to be actively involved in the negotiation process and offer our expertise and capacities in order to ensure the best possible outcomes.

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<sup>1</sup><http://register.consilium.europa.eu/doc/srv?l=EN&t=PDF&gc=true&sc=false&f=AD%201%202014%20INI>  
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## 2. The Report

This report was jointly prepared by 7 civil society organisations from Serbia, with assistance from Climate Action Network Europe and Heinrich Boell Foundation-Southeastern Europe. The report is following the thematic framework of the *EU Report on Serbia for 2013* and the methodology of the *Situation Report in the area of Judicial Reform and Human Rights*<sup>2</sup> in Montenegro for 2013, prepared by Montenegrin Coalition for Monitoring Accession Negotiations with the EU - Chapter 23.

A deviation from methodology exists in certain thematic areas, as the organisations did not feel qualified enough to make assessments for the following topics: *air quality*, *chemicals management*, *noise* and *civil protection*, although some issues of civil protection were addressed in the section 2.3 *Water Quality* and 2.6 *Climate Change*. We hope to strengthen our capacities to deal with these policy areas in the future, and have more organisations joining us in this endeavour.

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[http://www.crnvo.me/attachments/article/8432/Situation%20Report%20in%20the%20area%20of%20Judicial%20Reform%20and%20Human%20Rights%20\\_Chapter%2023\\_%20in%20Montenegro%20in%20the%20period%2010%20Oc.pdf](http://www.crnvo.me/attachments/article/8432/Situation%20Report%20in%20the%20area%20of%20Judicial%20Reform%20and%20Human%20Rights%20_Chapter%2023_%20in%20Montenegro%20in%20the%20period%2010%20Oc.pdf)

## 2.1 Horizontal legislation

### ASSESSMENT

As regards horizontal legislation, little progress has been made. The implementation of the *Environmental Impact Assessment Directive* has not been improved. There has been no progress in the implementation of the recommendations of the European Commission for improvement of public consultation process.

### RATIONALE

Proper measures have not been taken in order to improve horizontal cooperation within Government and governmental bodies. Although Rule of procedures of the Government of Serbia defines obligatory consultations among public institutions during decision making process, this is not the case in the practice.<sup>3</sup> Ex ante regulatory impact assessment as well as analyses of the effects of previous legal acts and documents is not a practice of the Government. Even the one of the most important policy documents being developed in 2013-2014, *Energy Development Strategy of the Republic of Serbia by 2025* (drafted in 2013), has not been subjected to the regulatory impact assessment, neither have achievements of the previous strategy been analysed. Moreover, since its constitution in April 2014, the National Assembly adopted 41 legal act and all documents were adopted in an emergency procedure, without an adequate public debate (As demonstrated in the Report<sup>4</sup> developed by Lawyer's Committee for Human Rights).

Civil society, academia and other non-state actors are not recognized as relevant participants in the decision making process. Seldom consultation with civil society has been organized. Consultations with the civil society has been occasionally organized, public consultation, as an integral part of decision making process, has been organized with serious violation of the Rule of procedures of the Government of Serbia<sup>5</sup>. Within ENVAP<sup>6</sup> II project only one meeting has been conducted with the presence of civil society organisations (initial meeting and the presentation of the project).

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<sup>3</sup> Among the examples of bad practice is the Draft version of the Law on Environmental Protection. Although the proposed amendments of the Law on Environmental Protection consists of several articles defining public access to information there was no consultations held with the Commissioners' for Information of Public Importance and Personal Data Protection Office.

<sup>4</sup>[http://www.yucom.org.rs/upload/vestgalerija\\_36\\_4/1405436946\\_GS0\\_Saopstenje\\_Protest\\_zbog\\_netran\\_sparentnog\\_zakonodavnog\\_procesa\\_15072014.pdf](http://www.yucom.org.rs/upload/vestgalerija_36_4/1405436946_GS0_Saopstenje_Protest_zbog_netran_sparentnog_zakonodavnog_procesa_15072014.pdf)

<sup>5</sup> Analysis of the legal procedures and violation of the Rule of the procedures of the Government of Serbia, in the case of public consultation on Draft Law on Environmental Protection, is presented in publication *Challenged Democracy - public participation in environmental decision making, available in Serbian:*

<http://www.bos.rs/cei/uploaded/Demokratija%20pred%20izazovom%20%E2%80%93%20kako%20javnos%20t%20u%20C4%8Destvuje%20u%20stvaranju%20politike%20%C5%BEivotne%20sredine,%20februar%202014.pdf>

<sup>6</sup> Description available in Serbian at: <http://www.merz.gov.rs/lat/odsek/envap-projekat>

Government of Serbia does not fulfill the provisions of the *Aarhus Convention*. The *Law on the Environmental Protection* is not in line with Article 2. of the Convention, regarding the definitions of "public authorities" and "environmental information".

The implementation of the *Environmental Impact Assessment Directive* has not been improved. There has been no progress in the implementation of the recommendations by the EC for improvement of public consultation process. Environmental impact assessment (EIA) process is still conducted in a purely formal manner, without serious attempt to be utilized in order to prevent harmful effects of future projects on the environment. EIA studies, approved by the Ministry or local public authorities, mostly do not contain alternatives studied by the developer nor, an indication of the main reasons for the particular choice, taking into account environmental effects. There is no serious attempt to utilize EIA procedures for promotion of the environmental education among citizens, local public authorities or private sector. Local authorities report difficulties in defining the projects which should be the subject of EIA<sup>7</sup>. Despite the fact that National Plan for Adoption of EU Acquis (NPAA) for 2013 pointed out the importance of adoption of the legal act that contains the full list of mandatory EIA projects, as well as those for which EIA may be required (as defined in codified version of Directive 92/2011/EU), this has not been achieved. Analyses of the level of implementation of the *EIA Directive* and recommendations for its improvement are not conducted nor has the public been consulted about the process. A notable example of local community engagement in EIA procedures was the case of Brodarevo dams where community resistance was followed by police repression and reported violation of human rights.

It is a common practice that decisions on the approval of the EIA and SEIA studies are being issued without explanation of the decision content and key reasons and arguments on which the decision is based (obligatory according to Article 25 of the Law on Environmental Impact Assessment). Decisions often contain unacceptable material as well as grammar errors (Decision on the approval of the EIA study no: 353-02-01205/2012-02).

Ratification of the Amendments on the ESPOO Convention has not been issued yet.

### Developments

Second report on the implementation of the Aarhus Convention has been submitted to UNECE.

Supported by OSCE, Ministry of Energy, Development and Environmental Protection published *Practicum on Access to Justice in Environmental Matters in the administrative proceedings and disputes*.

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<sup>7</sup> Consultations with representatives of the local authorities on the implementation of horizontal environmental legislation has been held in 2013 and 2014 by Belgrade Open School.

Ministry of Agriculture and Environment has recently published the list of the submitted EIA requests on their website<sup>8</sup>. Otherwise, web presentation of the Ministry of Agriculture and Environment is not user-friendly and serves as an example of lack of understanding of the goals of the Aarhus Convention.

The transposition of the *Directive on Environmental Liability* is in its initial phase.

## Challenges

The existing *Law on Environmental Protection* contains inadequate definition of the "public authorities" but no definition of the "environmental information". *Draft Law on Amendments and Supplements to the Law on Environmental Protection*, that was the subject of the public consultation in November 2013 obtain somewhat of further harmonization with *Aarhus Convention*. The document still lacks the definition of public authorities which is in line with the Convention. Although the Draft Law provides some alignment with minimum requirements of the *Directive on public access to environmental information* (EC 2003/04) it is not in line with the goals and purpose of the Directive.

The *Law on Environmental Protection*, and its proposed amendments, is in collision with the *Law on Access to Information of Public Importance*. In practice, for more than three months, after the Government was formed, there was no information about the activities or persons responsible for environmental policies within the Ministry of Agriculture and Environment. However, moderate progress has been made recently since the laws and bylaws have been published on the official web page of the Ministry of Agriculture and Environmental Protection.

Finally, according to Reports on the implementation of the National Programme for Adoption of the EU Acquis for 2013<sup>9</sup> there has been no progress in the area of environment. For the period January – June 2013 the overall success in the adoption of the laws and bylaws, according to Plan, is 69% since 90 legal acts has been adopted out of 131 that has been planned.

## **RECOMMENDATIONS**

Public participations in environmental policy making needs to be ensured, and encouraged with clear and transparent administrative proceedings in line with the *Aarhus Convention* and the Law on Access to Public Information.

ENVAP II project events should be open for CSOs and other non-state actors. Reports on the implementation of the project should be made publicly available.

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<sup>8</sup> <http://www.eko.minpolj.gov.rs/obavestjenja/procena-uticaja-na-zivotnu-sredinu/zahtevi-za-procenu-uticaja/>

<sup>9</sup> Available at: <http://www.seio.gov.rs/dokumenta/nacionalna-dokumenta.734.html>

The first National Ecoregister for Environmental Information in electronic form needs to be properly updated.

*Directive on Environmental Liability* needs to be fully transposed and implemented.

## **2.2 Waste management**

### **ASSESSMENT**

Current situation in the area of waste management is not satisfactory. Formal commitments are either not fulfilled or improperly fulfilled – which is blocking the progress in this area.

### **RATIONALE**

New legislation is still in the preparation phase; adopted legislation is faced with significant barriers on the implementation level.

#### Developments

The two key documents, intended to replace the old ones, are still in preparation phase. The new Waste Management Strategy is under development, and an upgraded version of the Law on Waste Management is in the draft version (Draft Law on Amendments to the Law on Waste Management). Drafting of the new Waste Management Strategy is taking place without a proper public debate about the results, strengths and weaknesses of the previous Strategy (2010-2019). Although the Draft of the Law on Amendments to the Law on Waste Management was subject to the public hearing back in October 2013, the current stage the document development is unknown.

#### Challenges

On the local level, although significant number of municipalities has developed and adopted their waste management local action plans, in most cases the action plans are not adequately implemented. While the existing regulation in the field of Environment stresses the importance of local governments in addressing environmental problems, there is a lack of sufficient financial and institutional capacities on local level to ensure adequate infrastructure and create teams who will take the full responsibility for waste legislation implementation.

There is a lack of reliable data on waste quantities and composition for specific waste streams. In addition, all national and local policies have so far been formulated and based on scarce empirical data about quantities and composition of deposited waste, including the existing Waste Management Strategy, which should soon be replaced with a new one. The new strategic document needs to be based on the trends in the generation and disposal of waste, which can only be monitored on the basis of adequate and objective statistics.

The key weaknesses of the existing waste management system include insufficient waste service coverage, the low cost recovery of existing waste management operations due to the low fee collection efficiency, the lack of primary waste segregation, inadequate infrastructure for

the treatment and disposal of waste and the insufficient number of regional waste management centres.

Not more than 70 percent of the population in Serbia, mainly concentrated in urban areas, is covered by an organized municipal waste collection service. Public communal enterprises registered on the territory of particular municipalities provide services using obsolete equipment, and the current percentage of service coverage has not changed since 1990, leaving rural areas to manage the waste that they produce individually and on an ad hoc basis. (*Tech and Capacities for mitigation GHG emission from Waste, 2012 REC*).

The current level of recycling and waste utilization is inadequate. Although the primary recycling in Serbia is regulated by law and instructs for the separation of paper, glass and metal in specially marked containers, recycling does not work in practice. Collection of recyclable materials from municipal waste is performed mostly by informal collectors within the illegal flows. According to civil society organizations more than 50 000 people in Serbia live from collecting recyclables. According to the report of NGO Praxis<sup>10</sup>, it is estimated that in 2011, 70% of Roma aged 15 to 64 were employed in the informal sector. Collection of recyclables is the most common form of self-employment in the informal sector.

Even though there is a high content of organic components in municipal waste, there are no facilities for biological treatment of municipal waste. In Serbia, there is no incineration of municipal waste.

There are more than 3000 illegal landfills in Serbia. Most municipalities dispose waste at their own landfills, which fail to meet the minimum technical requirements set out under the EU Landfill Directive (1999/31/EC). Municipal landfills are either non-compliant or unregistered, the latter being considered illegal dumpsites (*Tech and Capacities for mitigation GHG emission from Waste, 2012 REC*).

Non-compliant landfills are also the major source of GHG emissions. In 1990, the contribution of the waste sector to overall GHG emissions was 1,930 Gg CO<sub>2</sub>-eq (2.38 percent of total GHG emissions). The greatest potential for the reduction of GHG emissions is in the construction of regional sanitary landfills. If systems for landfill gas flaring and recovery were to be installed at the largest landfills only (used for the disposal of around 40 percent of the total municipal waste generated), emissions of methane would be reduced by around 798 Gg CO<sub>2</sub>-eq per year (Initial Communication on Climate Change of the Republic of Serbia, 2010).

## **RECOMMENDATIONS**

Based on the previous, we hereby find the following measures necessary:

- Implementing waste policies and measures at all levels;

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<sup>10</sup>[http://www.praxis.org.rs/images/praxis\\_downloads/Analiza\\_glavnih\\_problema\\_i\\_prepreka\\_u\\_pristupu\\_Roma\\_pravima\\_na\\_rad\\_i\\_zaposljavanje.pdf](http://www.praxis.org.rs/images/praxis_downloads/Analiza_glavnih_problema_i_prepreka_u_pristupu_Roma_pravima_na_rad_i_zaposljavanje.pdf)

- Establishing an efficient system of reporting on waste and waste statistics;
- Making waste management statistics publicly available;
- Improving capacities of local municipalities to implement waste management policies (staff, funds and equipment);
- Developing financing mechanisms to support strategic priority needs;
- Closing and remediating illegal landfills;
- Upgrading existing non-compliant municipal landfills to meet EU standards;
- Using GHG abatement technologies at regional landfills in order to control emissions.

## 2.3 Water quality

### ASSESSMENT

Water management remains one of the main challenges when it comes to natural resources management in the Republic of Serbia. In order to achieve the targets set by the *Law on Waters*, more ambitious implementation, better enforcement, and better cross-sectoral integration are required to ensure the sustainability of all activities that have impact on water such as hydropower, navigation, and agriculture.

### RATIONALE

Water quality in Serbia is relatively unfavorable, which is primarily caused by the absence of water treatment systems so that municipal and industrial waters are mainly discharged without being treated before in any way. *National Environmental Approximation Strategy for the Republic of Serbia* (NEAS) describes drinking water quality across the country as "generally unsatisfactory". When it comes to running waters, generally, the worst water quality is to be found in the channel systems in Vojvodina (according to the Agency for Environmental Protection). Industrial facilities and urban agglomerations remain the main polluters, as well as agriculture.

Another major issue pertains to water management and that is the lack of *Water Management Strategy* (WMS). The *Law on Waters* foresees the development of the WMS as a planning document that sets a long-term direction for water management. According to the Law the strategy is supposed to be adopted during the year 2012 and it has not been adopted yet. In the meantime, documents related to water management are issued based on *Basis of Water Management of the Republic of Serbia*, a strategic document from 2001 (Ser. *Vodoprivredna osnova Republike Srbije*).

The main instrument for water management is the *Water Act* (Ser. *Vodna knjiga*), which regulates the use and protection of water resources at a project level. The Water Act, however, does not provide a framework for strategic and integrated planning of all sectors of water management – which include river engineering, torrent construction, wastewater management, water supply and freshwater protection. The Law envisages the establishment of a National Conference as a tool to ensure public participation in the creation of strategic framework and monitoring of its implementation. The conference, as designed by the Law, has been compromised through the following:

- Its members are nominated by the Government;
- Resources for its work are provided by the budget of the Republic of Serbia;
- It annually reports to the Government.

The body intended to represent interested public and steer control the work of the Government is responsible to and dependent of the very same Government, therefore no surprise that there

is little transparency of its work, e.g. there is no evidence of meetings, appointments of its members etc.

### Developments

Following the Energy Community Treaty (ECT) establishment in 2005, the opening up of the EU market to Balkan countries implies a boost in foreign investments and increased electricity trade between EU and non-EU countries. This could create more direct access to the resources available for building dams and thus facilitate the conditions causing damage to freshwater ecosystems. When Small Hydropower Plant (SHPP) projects are considered, Ministry of Energy Development and Environmental Protection (2013 and beginning of 2014) had organised two rounds of calls for interested investors. While the first round has already been completed and list of possible investors for 317 locations has been created another call has been launched for additional 142 locations. Both calls were organised before results from the IPA financed project were available to provide assistance in the area of renewable energy including revision of the cadaster of SHPP.

The dramatic losses of lives and homes caused by the tremendous floods in Serbia in May 2014 clearly showed that the strategic planning in terms of mitigation of natural disasters is needed. The *Law on Waters* envisages that a plan of flood risk management will be adopted by the year 2017.

Recent events in the city of Užice provide further evidence of the weaknesses in legislative and strategic framework as well as in law enforcement. Accumulation from which the city of Užice is supplied with the drinking water became infected with the bacteria. Water supply from this accumulation has been cancelled and after long period of ad hoc water supply another water pipeline has been constructed to enable emergency supply from other source. In July 2014. Department of Public Health in Užice issued a statement that water from municipal water supply system is not usable for drinking but for sanitary and technical purposes only one small hydro power plant operates at the accumulation and is accused for operating with water permit revoked. Furthermore, media reports indicate that water permit has initially been issued despite the breach in the issuance procedure.

### Challenges

Water for agriculture accounts for high amount of total water used in the country. Agriculture is the main sector responsible for water pollution by chemical fertilizers and pesticides through water runoff from fields to adjacent rivers, wetlands and lakes. The impact of agriculture on water must be addressed if conservation of freshwater ecosystems is to be secured.

The construction of dams without a serious assessment of existing alternatives, environmental impact assessments and socio-economic cost and benefit analyses is a threat and needs to be tackled. The nature of the work is extremely challenging due to the complex political implications, the major economic and financial interests involved, the priority given to energy

development with respect to any other objectives, particularly safeguarding the environment. Addressing this complex array of interlinked issues will be a challenge, but one which must be faced in order to abate or mitigate these threats in the most effective manner.

Currently, the water losses in the supply systems are considerable in a large number of towns amounting to 20-30%, and even 50% in some towns. The reason for that lies in the poor maintenance of water supply networks and installations, above all because of the low price of water. To cover the losses, it is necessary to draw considerable amounts of high quality water, which, apart from being financially unsustainable, puts additional pressure on already endangered water resources in certain areas. It is, therefore, necessary to enforce measures that would resolve this issue. Several studies predict that extreme weather events will occur more often in the future. Better governance and water management measures through involvement of all relevant stakeholders and participatory planning processes will mitigate the effects of severe floods.

## RECOMMENDATIONS

The overall recommendation is to develop the *Water Management Strategy* through a transparent and participatory process as soon as possible.

Republic of Serbia should pay particular attention to the link between water and agriculture, with a focus on the promotion of sustainable agricultural (e.g. organic) practices and climate change adaptation measures<sup>11</sup> e.g. through the use of crops not too demanding in terms of water and efficient irrigation technologies.

It is necessary to assess the influence of climate change on the availability of the use of waterways for power generation, as well as the assessment of the impact of hydro-energy sector on biodiversity and aquatic ecosystems. There is a clear need to minimize the impact on freshwater ecosystems, due to hydropower infrastructure. In the framework of the International Commission for the Protection of the Danube River (ICPDR), at a meeting held on 18th and 19<sup>th</sup> June 2013, the decision was taken on the adoption of *Guiding Principles on Hydropower Development in the Danube River Basin*. In accordance with that, it is very important to establish areas of high ecological value where the construction of new hydropower plants would not be possible, and in areas with the lowest environmental value to build a new plant with minimum negative impact on the environment.

In order to reduce loss in the water supply systems, in the first place, the gradual price increase of water and communal services to the economically justified level, making sure that all necessary measures of social protection for the economically most vulnerable consumer categories. Establishment of self-financing as one of the conditions for rational use and consumption of water, and protection of and against water is necessary in order to achieve: integrated water management, financing of water management along the principles of “user pays” and “polluter pays” and improvement of water quality – through reduction of pollutant emission and better sewage treatment.

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<sup>11</sup> Znaor et al. (2014), *Seeds of Change- Sustainable Agriculture as a Path to Prosperity for the Western Balkans*, Heinrich Böll Foundation. <http://rs.boell.org/en/2014/06/19/seeds-change-sustainable-agriculture-path-prosperity-western-balkans>

The approach to future flood mitigation has to be built on the following principles:

- good coordination – harmonized activities of responsible organizations at local, regional and national level;
- integrated approach – ensuring protection of water resources by combining financial and non-financial measures;
- environmental approach - ecosystem-based activities for risk reduction that should be considered alongside more conventional, infrastructure-based activities;
- prevention – preventing construction in areas susceptible to flooding, mainly by producing maps of blue zones and installing measures that discourage building in those areas, which comply with the principles given in the EU Flood Directives as well as citizens' education about floods and existing defense limitations;
- realistic – awareness that there is no absolute defense against flooding, but adaptation measures properly planned and implemented could mitigate the consequences of flooding.

The use of environmental management to reduce disaster impact is often less costly, more effective, and more socially sustainable than traditional structural measures. When structural disaster risk reduction activities are used, however, it is critical that they address environmental sustainability so that future risk is not increased and neighboring communities are not adversely affected. There is a set of ecosystem-based activities for risk reduction that should be considered alongside more conventional, infrastructure-based activities and measures. A few examples include stabilizing hillsides with vegetation, creating open spaces to absorb floodwaters, as well as river and wetland restoration. These approaches can be an integral part of disaster risk reduction planning that would also include early warning systems, response capacity, and infrastructure-based approaches. Civil society participation would give a major added value to the monitoring of the existing EU funds designated for recovery after the floods.

## 2.4 Nature protection

### ASSESSMENT

There was little or no progress in the field of nature protection. Achieving alignment and convergence with relevant EU nature policies is required. In terms of nature protection, this would involve alignment with horizontal legislation relating to environmental impact assessment and strategic environmental assessment, as well as ensuring public participation in the 'ecosystem based' legislative framework provided by *Water Framework Directive*, *Habitats Directive* and *Birds Directive*.

### RATIONALE

The previous Government divided the nature protection sector in two ministries: the Ministry of Energy, Development and Environmental Protection and the Ministry of Natural Resources, Mining and Spatial Planning. The National Environmental Fund was abolished, and has not been re-established yet. There is lack of political will to support nature conservation. These changes further weakened the already weak mechanisms of environmental governance.

The consultation process related to amendments to the *Law on Nature Protection* was initiated by the Ministry of Energy, Development and Environmental Protection (responsible for the environmental issues at the time), but there was no follow up of the process. The Ministry of Natural Resources, Mining and Spatial Planning (at the time, responsible for governance of protected areas) drafted the *Law on National Parks*, but no public participation process was organised and no information on progress is available.

Little progress on the transposition of the *Birds Directive* and *Habitats Directives* and establishment of *Natura 2000* has been achieved. The *Law on Nature Protection* has introduced the concept of ecological network following the model of the *Natura 2000* ecological network of EU. Despite the legal framework being in place<sup>12</sup> the ecological network is not yet fully efficient. NGO representatives were consulted during the preparation of a *Decree on Ecological Network*, but the selection process was not transparent.

The project applications for IPA — Capacity building to implement 'acquis' standards and conventions in nature protection — establishment of *Natura 2000* 2013/S 191-328779 were submitted in October 2013 and since that time there was no information about application selection process or project implementation.

The implementation of the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES) has improved due to the twinning project *Strengthening the capacities of authorities responsible for CITES and wildlife trade regulations enforcement in Serbia SR/2012/IB/EN/01TWL*.

There was no progress at all on the *Red Lists*.

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<sup>12</sup> Decree on Ecological Network, „Official Gazette of the Republic of Serbia“, issue 102/2010

## Developments

In December 2013, Montenegrin Ministry for Sustainable Development and Tourism, WWF and IUCN gathered representatives of ministries from Albania, Bosnia and Herzegovina, Croatia, Kosovo\*<sup>13</sup>, Macedonia, Montenegro, Serbia, and Slovenia to endorse a high-level regional agreement for the protection of the environment in the Dinaric Arc region - *Big Win for Dinaric Arc*. Countries formally committed to strengthen regional cooperation in conservation and sustainable development, to assess the economic value of their natural capital, while integrating nature conservation goals into economic development plans, evaluate the contribution of protected areas to their own and the region's economy. European Commissioner for Environment Janez Potočnik opened the conference and congratulated all governments for endorsing the *Big Win for Dinaric Arc*. Furthermore, each country presented a set of national commitments to be delivered over the next 4 years – designation on new protected areas, development of management plans, improvement in ranger services, etc<sup>14</sup>.

## Challenges

The coverage of protected areas is approximately 6% of the total territory (Biodiversity strategy, 2011). This is clearly a low percentage and far below the EU and global average of protected areas coverage, and significantly below the anticipated 17% by 2020, as defined by the Aichi Targets of the *Convention on Biological Diversity*. *The Spatial Plan of the Republic of Serbia for the period 2010-2020* foresees an increase of the protected area by 10%. Bearing in mind the present situation, such as the stagnation in establishing new protected areas (just 0.14% of new protected areas was designated during the last 5 years), it will be quite a challenge to achieve this goal. Another significant problem for nature protection is inadequate and ineffective management of protected areas (Biodiversity strategy, 2011). Overall, Serbia is lagging behind on both major aspects of protected areas – coverage and management.

The construction of dams without a serious assessment of existing alternatives, environmental impact assessment and socio-economic cost and benefit analysis is the main threat to freshwater biodiversity in the Republic of Serbia. Planned projects are expected to alter the natural flows and drastically change the complex interactions between surface water, underground flows and wetland environments in which many native species have evolved. There is great concern about the ability of the species and wetland ecosystems to maintain. Fragmentation of rivers by dams and water extraction at a higher rate than it can be replenished by the natural systems has been the pattern of water use within the country. At the same time, the system's own capacity to replenish water resources has been drastically reduced due to deforestation and loss of wetlands. With the disappearance and degradation of wetlands,

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<sup>13</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

<sup>14</sup> <http://www.discoverdinarides.com/en/downloads>

important habitats have been lost causing declines in plant and animal species' numbers and diversity.

In current legislation there is no acknowledgement of the role and value of ecosystems (natural capital) in providing a wide range of benefits that are essential for human well-being and economic development perspectives. Generally the economic benefits of these services are not recognized or captured in markets, resulting in ecosystem degradation and the irreversible loss of natural capital.

## **RECOMMENDATIONS**

The following activities foreseen by the Biodiversity Strategy should be implemented:

- Development of a monitoring system for climate change impacts on biodiversity;
- Development of an evaluation system for elements of biodiversity and ecosystem services;
- Expansion of protected areas;
- Development of ecological network NATURA 2000;
- Improvement of protected areas management;
- Protection and improvement of forest ecosystems;
- Protection and improvement of water ecosystems;
- Monitoring of invasive species and action plans for the suppression of their spreading;
- Development of monitoring of species that are used for commercial purposes and action plan for their sustainable utilization;
- Promotion of biodiversity values and awareness raising.

The need to integrate ecosystem services' assessment into key sector policy and planning processes will have to be addressed by the Republic of Serbia as the country moves towards EU membership. The EU spearheaded the valuation of natural capital in the economy and human well-being by the supporting study, "The Economics of Ecosystems and Biodiversity" (TEEB)<sup>15</sup>. The coalition of CSOs is favoring investment in the natural capital of the country (forest/rural areas, water ecosystems, renewable energy) over « hard » investments (grey infrastructure development) as well as promoting innovative tools for environmental integration and the protection of natural resources, such as Payment for Environmental Services initiatives or the implementation of the Ecosystem Based Approach. New developments need to be carefully planned to avoid irreversible damage to natural capital, the environment and human health. Systematic assessment and implementation of the Environmental Impact Assessments (EIAs) and Strategic Environmental Assessments (SEAs) would be required.

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<sup>15</sup> <http://www.teebweb.org/InformationMaterial/TEEBReports/tabid/1278/Default.aspx>

## 2.5 Industrial Pollution & Risk Prevention

### ASSESSMENT

Little progress has been achieved in the area of industrial pollution and risk prevention. More effort is needed in implementing provisions of the *IPPC Directive* as well as moving forward in aligning with the *Industrial Emissions Directive* (IED).

### RATIONALE

#### Developments

Serbia started translation of BREF documents although it has not been disclosed for which technologies and sectors.

#### Challenges

Lack of reliable data in both domestic and international resources (E-PRTR) remains one of the main problems.

Slow progress in IPPC implementation and the idea to prolong the date for its full implementation (which was discussed in the Parliament in 2013) are key IPPC compliance impediments. There is a proposal to have 12 months pilot operation for IPPC capacities which do not have IPPC license. They would be granted a permit if during this period no excessive pollution is recorded. If this procedure is to be implemented successfully, strong safeguards against corruption will have to be put in place. Proposed amendments to the IPPC Law, relating to prolongation of the deadline for permits, has not been accepted in parliament of Serbia.

One of the main sources of pollution in Serbia - the energy generation capacities - are far from complying with obligations of the *Industrial Emissions Directive*. Serbia is trying to negotiate longer transitional periods and adaptations for the full enforcement of the IED under the *Energy Community Treaty*, which is not in line with obligations coming from the EU accession process. New proposed capacities in the energy sector, primarily of coal power plants, which are in early (blueprint) project phase, are already planned to pollute in limit level values. It is thus evident that such plans will not be sustainable since deposits of lignite in Serbia are much worse than those excavated in present time, qualities and fluctuations in calorific values (and high presence of sands in lignite mixture) will lead to higher emissions.

### RECOMMENDATIONS

Republic of Serbia needs to take urgent steps to fully comply with IPPC and IED Directives.

## 2.6 Climate Change

### ASSESSMENT

There was some progress regarding climate change and at the moment most climate change-related activities remain project based. This area is still one of the main challenges that needs to be addressed more comprehensively, especially in the terms of integrating climate change aspects in sectoral policies and strategies.

### RATIONALE

Climate change is yet to be recognised as a priority and both climate change adaptation and mitigation policies need to be addressed with more efforts. Stronger integration of disaster risk reduction is also needed. The floods in May 2014, which caused damage appraised at EUR 1,532 million, demonstrated the lack of functional prevention and reaction system and climate change vulnerability.

There is no comprehensive climate change legislation act in power, but there is certain progress with the preparation of the *Call for Development of Climate Change Strategy with its Action Plan* that will identify national contribution to the GHG emissions reduction by 2020 and 2030, taking into account requirements of *Decision 406/2009/EC*. Drafting the framework strategy for 2050 is planned as a part of the Strategy.

In the current Government, since April 2014, Climate Change Division is under the Ministry of Agriculture and Environmental Protection, which is responsible for climate change policy, while Division for Sustainable Development and Climate Change in energy sector remained under the Ministry of Energy and Mining. Same administrative division existed within the former Ministry of Energy, Development and Environmental Protection, which indicates that no integrated approach to climate change has been considered.

For the United Nation Climate Change Conference that will take place in Paris in 2015, Serbian delegation will prepare its own position, which is expected to be in line with EU position in the international context.

### Developments

*Development of Climate Change Strategy with its Action Plan* project has been submitted by the Ministry of Agriculture and Environmental Protection to the Delegation of The European Union in Serbia. The project aims to assess cost-effective mitigation potential of Serbia and to assess adaptation costs and opportunities. The project funding through the unallocated IPA 2012 funds was confirmed in March 2014. Prior information notice has been published in June, with expected first announcement for the Call for implementing entities by the end of 2014.

In terms of implementing EU emissions trading system, 5 reports were completed in order to provide pre-assessment of existing capacities for the transposition and implementation of Directive 2009/29/EC through the project: *Establishment of a monitoring, reporting and verification system necessary for the effective implementation of the EU emissions trading system (EU ETS)*, funded through IPA 2012, from May until September 2014. The scope of the project has been widened on the complete EU ETS and first assessments of the possible options for the implementation of the complete EU ETS has been conducted. Recommendations for the establishment of the institutional structure for the EU ETS and first draft of legislation have been prepared. Public participation was ensured through a workgroup consisting of 43 members - representatives of ministries, national agencies, CSOs and relevant stakeholders. In order to assist ETS installations in meeting their obligations arising from the *Directive 2009/29/EC*, the project proposal *Establishment of helpdesks for the industry's reporting required by the EU Directive 2009/29/EC (EU ETS)* was developed, currently under evaluation for funding.

*Serbia's First Biennial Update Report to the UN Framework Convention on Climate Change (UNFCCC)* is expected to be finished by the end of 2014, and *Second National Communication to the UNFCCC for Serbia*, and final draft report *Vulnerability and adaptation on changed climate conditions for agriculture, water and hydrology and forestry* has been prepared. Based on the legal responsibility, Serbian Environment Protection Agency (SEPA) started preparation of the GHG inventory (using 2006 IPCC methodology) which will be included in both documents.

Strengthening the country's monitoring, reporting, and verification capacity and alignment with EU climate acquis and fulfillment of the UNFCCC requirements is planned to be executed through *Establishment of mechanism for the implementation of MMR* project, sectoral proposal by the MAEP for IPA 2013. Twinning partner was selected in June 2014. This project should enable preparation of a system needed for implementation of *Regulation (EU) 525/2013* on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and EU level relevant to climate change.

Representatives of relevant institutions participated in seminars and trainings, as a part of the Climate Change Workgroup, under the Environment and Climate Regional Accession Network (ECRAN).

### Challenges

There is no standing climate change intra-governmental or inter-institutional body appointed for horizontal cooperation and coordination.

There is a significant need of vertical cooperation and coordination enhancement in order to strengthen the local level stakeholders to implement mitigation and adaptation measures. Very low level of participation in Covenant of Mayors/Mayors Adapt initiatives is recorded.

Already adopted sectoral policies do not acknowledge climate change or take into account mitigation and adaptation measures.

There is an evident lack of funding for investment in priority sectors, prevention and risk reduction.

## **RECOMMENDATIONS**

Based on the issues presented above, we believe that following actions should be taken:

- Establishing a single governmental climate change division based on the existing Division in the Ministry of Agriculture and Environmental Protection, that would coordinate all national activities related to climate change and supervise civil servants from other ministries dealing with sectoral climate change policies;
- Increasing the number of public servants within the ministries that deal with sectoral climate change impacts and focus on raising their capacities;
- Providing trainings and financial support for local municipalities to assess climate change exposure and vulnerabilities and produce action plans for mitigation and adaptation;
- Developing financing mechanism to support strategic priority needs.

## **Conclusion: A Long Way Ahead**

*National Sustainable Development Strategy of the Republic of Serbia* (2008), as a baseline for NEAS development defines the EU membership as a key national priority. Government of Serbia defines several priority areas during the negotiation process and environmental policy is among those priorities (prime minister's opening speech<sup>16</sup> in the Parliament, in May 2014). *National Environmental Approximation Strategy of the Republic of Serbia - NEAS* (2011) emphasizes the complexity, administrative and financial challenges in the process of negotiation in Chapter 27. Thus, as demonstrated above, there is little progress in approximation with EU legislation in 2013 and 2014.

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

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

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<sup>16</sup> In Serbian only: [http://www.b92.net/info/dokumenti/index.php?nav\\_id=841275](http://www.b92.net/info/dokumenti/index.php?nav_id=841275)

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