



Climate Change

Overview

The Law on Climate Change was adopted at the beginning of 2021, but still cannot be fully implemented. For its full implementation a large number of by-laws must be adopted (only two of which have been adopted so far).

In its Negotiating Position for Chapter 27, Serbia requested the postponement of the implementation of Directive 2003/87/EC on the EU Emissions Trading System (EU ETS), however, it is currently not known for how long (Serbia will submit a position on transitional arrangements after the preparation of the Specific Implementation Plan of the Directive and the adoption of the National Climate Change Strategy and Action Plan).

Two years after the completion of the public discussion, the National Climate Change Strategy (i.e. the Low Carbon Development Strategy, as it was referred to during the public discussion) has still not been adopted. Serbia did not update its Nationally Determined Contributions, nor did it report to the UN Framework Convention on Climate Change through the Second Biennial Updated and Third National Reports. Work on the development of integrated national energy and climate plan began in 2021, but the National Energy and Climate Plan (NECP) was not adopted.

Strategic and Legislative Framework

The Law on Climate Change and the EU regulations transposed through this Law

The NPAA¹⁶⁰, Negotiating Position for Chapter 27, and the Government's Work Plan, envisage the transposition of all key EU regulations in the field of climate change through the Law on Climate Change, as well as five decrees and four regulations.

The Law on Climate Change¹⁶¹ was adopted in March 2021, although its adoption was originally planned for 2018.¹⁶² It transposes parts of EU legislation (Directives 2003/87 and 2009/29 and Regulations 600/2012 and 601/2012) regulating the EU Emission Trading System – EU ETS.

Although the Negotiating Position for Chapter 27, as well as the Law itself, state that by-laws should be adopted within a year from the adoption of the Law, this has not yet been done. Of the large number of by-laws necessary for the implementation of the Law, only two were adopted. The first is the Regulation on the types of activities and greenhouse gases¹⁶³, which lists the types of activities and gases for which a permit for GHG emissions is necessary. Additionally, the Rulebook on the Verification and Accreditation of GHG Emissions Report Verifiers¹⁶⁴ further elaborates the provisions of the Law related to the verification of emissions and accreditation of verifiers. The Law transposed only those provisions of EU legislation that refer to the system of

160 Ministry of European Integration (2014): National program for the adoption of the EU Acquis

161 "Official Gazette of RS", no. 26/2021-3

162 Government of the Republic of Serbia (2018): Government's work plan for 2018

163 "Official Gazette of RS", no. 13/2022-4

164 "Official Gazette of RS", no. 107/2021-31

monitoring, reporting and verification (MRV Framework) of greenhouse gases, while the Law does not contain mechanisms for the implementation of the EU ETS, or mechanisms for reducing GHG emissions. The Negotiating Position for Chapter 27 states that the Republic of Serbia will request a transition period and/or deviation from the implementation of requirements from the target legislation (EU ETS). The reasons given are as follows: electricity producers will not receive free CO₂ emission units during the 2021-2030 trading period; there is no opportunity to make use of the Modernization Fund; and implementation would be a burden on industry, especially in the energy sector.¹⁶⁵

For full compliance with the Regulation on monitoring mechanism no. 525/2013¹⁶⁶, five by-laws must be adopted (three decrees and two regulations). None of these documents were included in the Government's Work Plan for 2021. At the time of writing this report, the Government's Work Plan for 2022 had not been published.

In the Negotiating Position for Chapter 27 from 2019, the Republic of Serbia stated that the following documents have been compiled:

- 1.** the Draft Regulation on the national system for creating GHG inventories and the system for reporting on policies, measures and projections, as well as
- 2.** the Draft Rulebook on reporting on GHG emissions.¹⁶⁷

However, none of the secondary legal acts have been adopted in the meantime.

For full compliance with the Decision on joint efforts to reduce greenhouse gas emissions (EZ/406/2009), a Strategy for the Fight against Climate Change with an Action Plan must be adopted. Drafting of the Strategy began in 2016, but

165 Government of the Republic of Serbia (2019): Negotiating position of the Republic of Serbia for the Intergovernmental Conference on the Accession of the Republic of Serbia to the European Union for Chapter 27 – Environment and Climate Change

166 <https://eur-lex.europa.eu/legal-content/HR/ALL/?uri=celex:32013R0525>

167 Ibid.

it has not yet been adopted. The Government's Work Plan for 2021 envisaged the adoption of the Strategy for December 2021.¹⁶⁸

The Law failed to include all of the obligations of the Republic of Serbia arising from the Paris Agreement and membership in the Energy Community, including those that existed before 2021. For example, the Law does not mention Nationally Determined Contributions (NDCs), nor the obligation to regularly improve, monitor and report on the implementation of Contributions. Additionally, the Law prescribes, but does not further elaborate, the preparation of the Biennial Report and the Republic of Serbia's Report to the UN Framework Convention on Climate Change in accordance with the obligations arising from the Convention, which raises the question of whether Serbia will report in accordance with the obligations assumed by ratifying the Paris Agreement.¹⁶⁹

Low-Carbon Development Strategy

The Draft Low Carbon Development Strategy with an Action Plan was prepared, and was put up for public discussion from December 27, 2019 to January 24, 2020.¹⁷⁰ According to the Government's Work Plan for 2021, the adoption of the Strategy was planned for March 2021, but it has not yet been adopted.¹⁷¹ The Law on Climate Change sets a deadline for the adoption of the Strategy of two years after the Law enters into force.¹⁷²

The goal of the Draft Low Carbon Development Strategy with an Action Plan (which was presented to the public during the public insight procedure) is to define the Republic of Serbia's development goals towards a low carbon and resource efficient economy. In addition, the Strategy is the basic instrument

168 Government of the Republic of Serbia (2021): Government work plan for 2021, available at: https://www.srbija.gov.rs/extfile/sr/370541/plan_rada_vlade_za_2021_cyr.pdf

169 RERI (2022): Analysis of the Law on Climate Change, available at: <https://www.reri.org.rs/wp-content/uploads/2022/03/RERI-Analiza-Zakona-o-klimatskim-promenama.pdf>

170 Ministry of Environmental Protection (2020): Report on the public debate on the Republic of Serbia's Draft Low Carbon Development Strategy with an Action Plan, available at https://www.ekologija.gov.rs/sites/default/files/javne_rasprave/2020/lzvestaj_javn%D0%B0%20rasprava_Nacrt%20Strategije_final_%D1%9B%D0%B8%D1%80.pdf

171 Government of the Republic of Serbia (2021): Government Work Plan for 2021, available at: https://www.srbija.gov.rs/extfile/sr/370541/plan_rada_vlade_za_2021_cyr.pdf

172 "Official Gazette of RS", no. 26/2021-3

for fulfilling obligations assumed under the Paris Agreement and other international obligations.

The Republic of Serbia's Climate Ambitions and obligations under the United Nations Framework Convention on Climate Change (UNFCCC)

The international obligations of the Republic of Serbia are determined by the Law on the Ratification of the UN Framework Convention on Climate Change and its accompanying acts: the Kyoto Protocol, the Doha Amendment to the Kyoto Protocol and the Paris Agreement.

One of the most important obligations of the signatories of the United Nations Framework Convention on Climate Change is reporting under the Convention (UNFCCC). The project "Preparation of the Second Biennial Updated and Third National Report", which the Ministry of Environmental Protection implemented in cooperation with the UN Development Program, prepared the Second Biennial Update Report (BUR) and the Third National Report (National Communications - NC) according to the UNFCCC. The drafts of both reports were finalized in 2020. The Government's Work Plan for 2021 envisaged the adoption of the Second Updated Biennial Report (in March) and the Third National Report (in December). Neither of the two documents was adopted.

One of the basic instruments for the implementation of the Paris Agreement are the Nationally Determined Contributions (NDCs), through which the signatory states of the Agreement declare, among other things, how much they will contribute to the reduction of greenhouse gas emissions. In 2015, Serbia submitted its first NDCs to the UNFCCC and should have updated its contributions in 2020, like all other signatories. The Ministry of Environmental Protection, in cooperation with the UN Development Program, within the project "Establishing a Transparency Framework in the Republic of Serbia", worked on revising the Nationally Determined Contributions. After the Draft NDCs were presented¹⁷³ to members of the working group and the public in

173 Serbia and climate change website (2020): The NDC revision process is ongoing; available at: <https://www.klimatskepromene.rs/izdvajamo/proces-revizije-ndc-je-u-toku/>

2020 (via the website www.klimatskepromene.rs), the document was completed, but it was not adopted in 2021.

The Government's work plan for 2021 envisaged the adoption of a Conclusion on adopting Nationally Determined Contributions for the reduction of greenhouse gas emissions in March 2021¹⁷⁴. The Draft NDCs¹⁷⁵ show the possibility for a significant increase in Serbia's climate ambition. While the first NDCs set the goal of reducing GHG emissions by 9.8% by 2030 compared to 1990, the Draft of the second NDCs shows that it is possible to increase the ambition to 33.3% (scenario with measures) or even 45.2 % (scenario with additional measures).

The United Nations Framework Convention on Climate Change – COP 26¹⁷⁶ was held in Glasgow in 2021. The signatories of the Convention were expected to present improved climate ambitions, which would keep the world on the path to achieve the goals of the Paris Agreement and prevents warming in excess of 1.5°C. Many countries submitted their new NDCs before the start of the Glasgow Summit, some waited until the Summit began, and some countries failed to present them altogether – such as Serbia, which took part in COP26 without updated NDCs.

National Energy and Climate Plan – NECP

One of the European Commission's key recommendations in the previous report for both Chapter 15 and Chapter 27 was that Serbia should adopt an ambitious National Energy and Climate Plan, which would align its climate goals with the goal of zero emissions set out in the European Green Deal for 2050 and with the Green agenda for the Western Balkans, and allow Serbia to take concrete steps towards those goals.

174 Government of the Republic of Serbia (2021): Work plan of the Government of the Republic of Serbia for 2021, p. 189, available at: <https://www.srbija.gov.rs/dokument/370535/plan-rada-vlade-republike-srbije.php>

175 Aleksandar Jovović and Dušan Todorović (2020) Draft of the Second Biennial Update Report under the UN Framework Convention on Climate Change; available at: <https://www.klimatskepromene.rs/wp-content/uploads/2020/06/Aleksandar-Jovovic-Masinski-fakultet-2BUR.pdf>

176 Belgrade Open School: COP26 and the messages it brings – the moment of truth in Glasgow (2021), available at: <https://www.bos.rs/rs/vesti/21/10272/cop26-i-poruke-koje-donosi---trenutak-istine-u-glazgovu.html>

NECP is an instrument through which the European Union integrates public policies in the areas of climate and energy¹⁷⁷, in order to reach its goals by 2030, i.e. to reach carbon neutrality by 2050.¹⁷⁸ National energy and climate plans were introduced into the EU Acquis as part of the Clean Energy for All Europeans policy package. These ten-year plans will serve as the basic instrument of the energy transition. A NECP should reflect a state's policy choices for energy transition through the following dimensions: 1) decarbonization through the reduction of greenhouse gas emissions and the increase of the share of renewable energy sources; 2) energy efficiency; 3) energy security; 4) internal energy market; 5) research and innovation.

In January 2018, the harmonization of the Energy Community Acquis¹⁷⁹ (with Serbia as an EC Contracting Party) with these changes began by adopting the Recommendation of the Ministerial Council of the Energy Community on preparing for the development of integrated national energy and climate plans.¹⁸⁰ Energy Community Contracting Parties then undertook to adopt their NECPs for the period 2021-2030. However, since none of the Contracting Parties adopted the final version of their NECP by the beginning of 2021, in November 2021 a Decision of the Ministerial Council of the Energy Community was adopted,¹⁸¹ which, among other things, moved the deadline for the adoption of the final national energy and climate plans to June 30, 2024, and the period covered by the NECP was moved to 2025-2030.

In order to comply with the obligations from the Energy Community Treaty, at the beginning of 2021, through amendments to the Law on Energy, the NECP

177 European Commission: National Energy and Climate Plans, available at: https://ec.europa.eu/info/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans_en

178 The EU introduced the obligation to develop ten-year integrated national energy and climate plans for member states, through the adoption of Regulation (EU) 2018/1999 of the European Parliament and the Council on the management of the Energy Union and action in the area of climate. (The Regulation on the Governance of the Energy Union and Climate Action (EU) 2018/1999 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1999&from=EN>)

179 Energy Community and National Energy and Climate Plans, available at: <https://www.energy-community.org/regionalinitiatives/NECP.html>

180 Recommendations of the Ministerial Council of the Energy Community number 2018/1/IMC-EnC, on preparing for the development of integrated national energy and climate plans by Contracting Parties of the Energy Community, available at: Recommendation 2018/01/MC-EnC; https://www.energy-community.org/dam/jcr:de3adce9-e047-4fb3-a632-f63c64a5c9c6/REC_2018_01_MC_CLI.pdf

181 Decision of the Ministerial Council of the Energy Community No. DL2021/14/IMC-EnC, available at: https://www.energy-community.org/dam/jcr:c755f9db-f6e7-448c-9cf5-0a5f02113ae2/19thMCDDecision14_CEPII_30112021.pdf

was introduced into the domestic legislative framework.¹⁸² The Government's work plan for December 2021 planned to reach a conclusion to adopt the Integrated Climate Energy Plan (INEKP). The Ministry of Mining and Energy has started work on preparing the NECP as part of the IPA project "Further development of energy planning capacity". Working groups for the preparation of the document were formed in March 2021, after which the Ministry provided only brief information to the public about the start of work on this document via its website.¹⁸³ In July, the Ministry announced an invitation for civil society organizations to take part in drafting the NECP, and the selected organizations¹⁸⁴ (including BOŠ, a member of Coalition 27) joined the process in August 2021 (six months after drafting began). Despite the recommendations of the European Commission that the NECP be prepared in a transparent and effective manner, and despite the provisions of the Aarhus Convention, which prescribes that the public should have the opportunity to be involved in environmental decision-making processes in the early stages when all options are still open, by the end of 2021, the Ministry of Mining and Energy had not informed the general public about the content of the documents created in the process of drafting the NECP. In November 2021, civil society organizations held consultations¹⁸⁵ in which representatives of the Ministry presented parts of the document to the public concerning proposed plans for decarbonization and green transition. However, until the end of March 2022, the public still has not been given direct insight into the content of the documents from the Draft NECP, or the opportunity to participate in decision-making.

182 Law on Energy ("Official Gazette of RS", no. 145/2014, 95/2018 – other laws and 40/2021), Article 8a, available at: https://www.paragraf.rs/propisi/zakon_o_energetici.html

183 Ministry of Mining and Energy of the Republic of Serbia (2021): Mihajlovic: We are starting to draft an integrated national plan for energy and climate, available at: <https://www.mre.gov.rs/lat/aktuelnosti/saopstenja/mihajloviceva--kreemo-u-izradu-nacrta-integrisanog-nacionalnog-plana-za-energetiku-i-klimu>

184 Ministry of Mining and Energy (2021): Results of the Public Call for civil society organizations for membership in the working groups of the Ministry of Mining and Energy, available at: <https://www.mre.gov.rs/lat/aktuelnosti/javni-pozivi/rezultati-javnog-poziva-organizacijama-civilnog-drustva-za-clanstvo-u-radnim-grupama-ministarstva-rudarstva-i-energetike>

185 Belgrade Open School (2021): Towards energy security and climate neutrality through the development of an integrated national energy and climate plan – greater ambitions and greater involvement of the public are necessary, available at: <https://www.bos.rs/ekz/vesti/134/10227/do-energetske-sigurnosti-i-klimatske-neutralnosti-kroz-izradu-integrisanog-nacionalnog-energetskog-i-klimatskog-plana---neophodne-su-vece-ambicije-i-vece-ukljucivanje-javnosti.html>

Serbia is facing uncertainty over the coming period with regard to the so-called tax on imported carbon (Carbon Border Adjustment Mechanism – CBAM). The CBAM is an instrument developed by the EU in order to integrate the principles and objectives of its climate policy into trade exchange with external partners. This means that from 2023 a mechanism will be gradually introduced for the taxation of goods imported into the EU that release large amounts of carbon dioxide during their production, such as: iron, cement and electricity. The list of goods to be taxed also includes clinker, steel, aluminium and fertilizer. The list will certainly be expanded in the future. The instrument for taxing imported carbon should function in parallel with the European system for taxing greenhouse gas emissions (EU ETS). Importers of goods to the EU market will be obliged to buy carbon certificates, the price of which will correspond to the price they would pay for carbon emissions if the goods were produced within the EU. Importers who can prove that they have paid for carbon emissions in the country of origin of the manufactured goods will be exempted from this obligation (if the country of origin of the goods has its own carbon emission taxation system). The aim of this instrument will be to encourage trading partners outside the EU to decarbonize their production processes and reduce GHG emissions. Although the final mechanism for this instrument is still unknown (it is expected to be completed during the summer of 2022), it is known that it is expected to be implemented from the beginning of 2023. Given that more than 65%¹⁸⁶ of Serbia's exports are to the EU market, and that Serbia relies heavily on lignite for electricity production, it is certain that this mechanism will significantly affect the competitiveness of the Serbian economy. The Law on Climate Change does not in any way foresee measures that would prepare the economy for this instrument, despite the fact that at the time of the drafting of the Law it was already known that the EU was preparing the CBAM.

186 Eurostat (2021): Enlargement countries – international trade in goods statistics, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Enlargement_countries_-_international_trade_in_goods_statistics#:~:text=The%20goods%20exported%20from%20Serbia,2020%20and%2040.0%20%25%20in%202010

The Implementation of Regulations

Very limited progress has been made in implementing climate change mitigation or adaptation measures. More significant progress in the implementation of measures has been forestalled, as a significant number of by-laws that should enable the implementation of the Law on Climate Change are still missing.

It is clear from the lack of integration of climate change policies change into other sectors that climate change policy is still not being integrated in Serbia. For example, the Draft Spatial Plan of the Republic of Serbia, which was publicly debated during April and May 2021, contains as many as six new thermal power plants, while the issue of adaptation to climate change is taken into account very superficially. This is also confirmed by the European Commission Report from 2021, which states that Serbia needs to work harder to integrate climate action into other sectors.

Pursuant to the Law on Climate Change, in August 2021, the Government of the Republic of Serbia adopted a Decision on appointing representatives and members of the National Council for Climate Change.¹⁸⁷ The National Council has 29 members. Council members are representatives of the Ministries of Environmental Protection, State Administration and Local Self-Government, Agriculture, Forestry and Water Management, Finance, Mining and Energy, Economy, Construction, Transport and Infrastructure, Internal Affairs, Education, Science and Technological Development, Human and Minority Rights and Social Dialogue, Health, Foreign Affairs, European Integration and ministries without portfolio, the provincial government, the academic sector, the Serbian Chamber of Commerce, the Standing Conference of Cities and

187 "Official Gazette of the Republic of Serbia", no. 83/2021, Decision on the appointment of the president and members of the National Council for Climate Change, p. 35, available at: <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/viewdoc?uuiid=878d5755-1b8f-42d2-bc07-90d21bee6c6d>

Municipalities and one representative of civil society. As of August 2021, the Council had held one session¹⁸⁸, at which the Rules of Procedure of the National Council for Climate Change were adopted.

The inventory of greenhouse gases of the Republic of Serbia is still not publicly available.

188 Ministry of Environmental Protection of the Republic of Serbia (2021): Minutes of the 1st session of the National Council for Climate Change from September 29, 2021, available at: <https://www.ekologija.gov.rs/sites/default/files/2021-09/zapisnik-sa-prve-sednice-nacionalnog-saveta-za-klimatske-promene.pdf>

Financing

The Law on the Budget of the Republic of Serbia for 2021¹⁸⁹, planned funds within the budget of the Ministry of Environmental Protection in the amount of RSD 18,000,000 for the program "Local development resistant to climate change", as well as funds for the program "Afforestation for the purpose of protecting and preserving natural diversity" in the amount of RSD 100,000,000.

The Law, as part of the project "IPA 2013 - Environment and Climate Change" also allocates funds in the amount of RSD 125,801,000 (RSD 49,977,000 from the budget of the Republic of Serbia and RSD 75,824,000 from EU funds) to the Ministry of Environmental Protection, and RSD 88,939,000 (RSD 8,894,000 from the budget of the Republic of Serbia, and RSD 80,045,000 from EU funds) to the Ministry of Mining and Energy. According to the Law on Amendments to the Law on the Budget of the Republic of Serbia for the year 2021¹⁹⁰, as part of this project, the Ministry of Environmental Protection has been allocated funds reduced by almost 77%, i.e. RSD 29,627,000 (RSD 14,110,000 from the budget of the Republic of Serbia, and RSD 15,517,000 from EU funds), and the Ministry of Mining and Energy's funds were also reduced, amounting to RSD 87,465,000 (RSD 9,049,000 from the budget of the Republic of Serbia, and RSD 78,416,000 from EU funds).

Additionally, the funds initially allocated in the amount of RSD 59,139,000 for "Climate monitoring and analysis and forecasting of climate variability and climate change", by the Law on Amendments to the Law on the Budget of the Republic of Serbia¹⁹¹, were reduced by about 6.5%, amounting to 55,314.000

189 The Law on the Budget of the Republic of Serbia for 2021 ("Official Gazette of the RS", No. 149/2020), available at: http://www.parlament.gov.rs/upload/archive/files/cir/pdf/zakoni/2020/1861-20_budzet2020.pdf

190 Law on Amendments to the Law on the Budget of the Republic of Serbia for 2021 ("Official Gazette of the RS", No. 100/2021), available at: <http://www.parlament.gov.rs/upload/archive/files/cir/pdf/zakoni/2021/1843-21.pdf>

191 Law on Amendments to the Law on the Budget of the Republic of Serbia for 2021 ("Official Gazette of the RS", No. 100/2021), available at: <http://www.parlament.gov.rs/upload/archive/files/cir/pdf/zakoni/2021/1843-21.pdf>

RSD. The funds allocated for “Climate observations, modelling and services in Europe” were increased from the originally planned RSD 980,000 to RSD 1,276,000 by the budget rebalance. The budget rebalance also allocated funds in the amount of RSD 594,000 for “Improving the Climate Information System – Climate of the Carpathian Region”.

The Law on the Budget of the Republic of Serbia for 2021 also allocated funds in the amount of RSD 500,240,000 to the Ministry of Energy and Mining for the activity “Incentives for the improvement of energy efficiency – transfers to other levels of government”, which has increased in the second budget revision¹⁹² to RSD 695,410,000, or about 39%.

The amount of funds allocated by the Law on Amendments to the Law on the Budget, and the amount of approved expenditure stated in the Report on the Budget Execution of the Ministry of Environmental Protection¹⁹³ do not match.

According to the Report on the execution of the budget of the Ministry of Environmental Protection, 100% of the approved expenditure was spent for the project “Local development resistant to climate change”, i.e. RSD 17,847,235.80. The Ministry realized 97.96% of the approved expenditure from the “IPA 2013 – Environmental Protection and Climate Change” program, i.e. RSD 62,925,992.14.

The funds allocated for the program “Afforestation for the purpose of protecting and preserving natural diversity” were spent in the amount of RSD 99,827,600.90, or 99.83%. Funds have been allocated to 38 local self-governments¹⁹⁴ based on a public call for financing the implementation of afforestation projects for protecting and preserving natural diversity.¹⁹⁵

192 Law on Amendments to the Law on the Budget of the Republic of Serbia for 2021 (“Official Gazette of the RS”, No. 100/2021), available at: <http://www.parlament.gov.rs/upload/archive/files/cir/pdf/zakoni/2021/1843-21.pdf>

193 Ministry of Environmental Protection: Implementation of the budget for the period 1. 1-31. 12. 2021, available at: <https://www.ekologija.gov.rs/sites/default/files/inline-files/IZVR%C5%A0ENJE%20BUD%C5%BDETA%20MZSS%2001.01-31.12.2021.pdf>

194 Ministry of Environmental Protection: Decision on determining the final ranking list for the project of financing from the funds of the Ministry of Environmental Protection of the Republic of Serbia according to the public call for the allocation of funds for co-financing the implementation of afforestation projects for to protecting and preserving natural diversity in 2021, available at: <https://www.ekologija.gov.rs/sites/default/files/inline-files/Konacna%20Lista-Posumljavanje.pdf>

195 Ministry of Environmental Protection: Public call for co-financing of the implementation of afforestation projects aimed at protecting and preserving natural diversity in 2021, available at: <https://www.ekologija.gov.rs/sites/default/files/inline-files/%D0%88%D0%B0%D0%B2%D0%BD%D0%B8%20%D0%BA%D0%BE%D0%BD%D0%BA%D1%83%D1%80%D1%81-%D0%BF%D0%BE%D1%88%D1%83%D0%BC%D1%99%D0%B0%D0%B2%D0%B0%D1%9A%D0%B5.pdf>

In the course of 2021, the Ministry of Mining and Energy issued two public calls for local self-governments: a public call for the allocation of funds for financing the Energy Rehabilitation Program for residential buildings, family houses and apartments implemented by local self-governments - JP 2/21¹⁹⁶, and a public call for the allocation of funds for financing the Energy Rehabilitation Program for family houses implemented by local self-governments as well as city municipalities - JP 3/21¹⁹⁷.

Through the first call, the Ministry supported 67 local self-governments, in the total amount of RSD 235,049,936, while local self-government units also provided funds in the amount of RSD 224,299,536.32 from their own budgets¹⁹⁸. However, based on the Report on the Status of Implementation of the Energy Rehabilitation Program¹⁹⁹, only 25 local self-government units announced public calls for citizens.

In the second call, the Ministry distributed funds to 37 local self-government units in the total amount of RSD 97,700,600, and local self-government units provided RSD 97,601,000 from their own budgets²⁰⁰. The report on the status of the implementation of this call is not available.

The report on the budget execution of the Ministry of Mining and Energy is not publicly available at the time of writing this report.

196 Ministry of Mining and Energy of the Republic of Serbia: Public call for the allocation of funds for financing the Energy Rehabilitation Program for residential buildings, family houses and apartments implemented by local self-governments, JP 2/21, available at: https://www.mre.gov.rs/sites/default/files/2021/04/tekst_javnog_poziva.pdf

197 Ministry of Mining and Energy of the Republic of Serbia: Public call for the allocation of funds for financing the Energy Rehabilitation Program for family houses (solar panels) implemented by local self-governments as well as city municipalities, JP 3/21, available at: https://www.mre.gov.rs/sites/default/files/2021/09/tekst_javnog_poziva_jp3-21objava03092021.pdf

198 Ministry of Mining and Energy of the Republic of Serbia: Decision on the allocation of funds for financing the Energy Rehabilitation Program for residential buildings, family houses and apartments implemented by local self-governments, JP 2/21, available at: https://www.mre.gov.rs/sites/default/files/2021/06/odluka_o_dodeli_sredstava_jp_2-21.pdf

199 Ministry of Mining and Energy of the Republic of Serbia: Status of implementation of the energy rehabilitation program, JP 2/21, available at: <https://www.mre.gov.rs/sites/default/files/2021/08/opstine-24.08.2021.pdf>

200 Ministry of Mining and Energy of the Republic of Serbia: Decision on the allocation of funds for financing the Energy Rehabilitation Program of family houses implemented by local self-governments, as well as city municipalities, JP 3/21, available at: https://www.mre.gov.rs/sites/default/files/2021/10/resenje_o_dodeli_sredstava_jp3-21.pdf

Recommendations



Strategic and Legislative Framework

- 1.** Adopt all necessary bylaws in order for the Law on Climate Change to be applied.
- 2.** Review and increase ambitions to reduce GHG emissions and adopt revised NDCs by the next United Nations Framework Convention on Climate Change (UNFCCC) Summit, in line with the Paris Agreement. The ambition of the new/revised NDCs should be in line with the new EU targets for 2030, as well as the Green Deal's goal of decarbonisation by 2050.
- 3.** Integrate climate change issues into the process of drafting development plans by local self-governments and establish a mechanism for monitoring the development and work of local self-governments on the issues of climate change mitigation and adaptation by adopting appropriate by-laws based on the Law on Climate Change.
- 4.** Fully support the work of the Energy Community Secretariat and, through the NECP, define goals for reducing greenhouse gas emissions and improving energy production from renewable energy sources and energy efficiency, which are in line with the goals of the Energy Community and the Green Agenda for the Western Balkans; in accordance with the Aarhus Convention and the Law on the Planning System of the Republic of Serbia, carry out activities on the development of the Integrated National Energy and Climate Plan (NECP) of Serbia within the given period and enable adequate public participation.

5. In accordance with the Law on Climate Change, Article 15, define and adapt the legal and institutional framework related to adaptation to climate change and integrate it into other sectors, primarily: water management, agriculture, urban planning and construction, infrastructure, forestry, nature protection and energy.
6. Implement the Regulation on types of activities and greenhouse gases: 13/2022-4, and the Rulebook on the Verification and Accreditation of GHG Emissions Report Verifiers: 107/2021-31.
7. Adopt Amendments to the Law on Climate Change to establish a CO₂ tax mechanism, and thus fully comply with the ETS Directive and prepare for the implementation of the carbon border adjustment mechanism, which is expected to enter into force in 2023.



The Implementation of Regulations

8. Improve the work of the National Council for Climate Change through: holding regular sessions, making recommendations to the Government of Serbia on issues relevant to climate change and through public reporting on the Council's activities.
9. Adopt and submit the Third National Report under the UN Framework Convention on Climate Change and the Second Biennial Update Report to the UNFCCC.
10. Make information on the GHG inventory publicly available, verifiable and easily accessible, in accordance with the laws of the Republic of Serbia and international obligations, such as the Aarhus Convention and the Paris Agreement.
11. Adopt the Nationally Determined Contributions of the Republic of Serbia with updated ambitions regarding the reduction of GHG emissions before the next Conference of the Signatories of the UNFCCC in November 2022.

- 12.** Increase the number and knowledge level of civil servants in ministries and local self-governments dealing with climate change in various sectors and focus on capacity building.



Financing

- 13.** Develop a financial mechanism that will support strategic priorities (which must be in line with the process of Serbia's accession to the European Union), among other things, by redirecting funds intended for the fossil fuel industry to climate change mitigation and adaptation measures.



CLIMATE CHANGE

HOW TO APPLY THE LAW?

The Law on Climate Change includes **23 MATTERS** to be resolved via sub-legal acts. Until March 2022, **ONLY TWO** sub-legal acts have been adopted.



* Source: <https://www.reri.org.rs/wp-content/uploads/2022/03/RERI-Analiza-Zakona-o-klimatskim-promenama.pdf>, str. 27