PLASTER for the CLUSTER

Shadow Report on Chapter 27



ENVIRONMENT AND CLIMATE CHANGE

MAY 2025 – JUNE 2026

COALITION27

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PLASTER for the CLUSTER

Shadow Report on Chapter 27:
Environment and Climate Change

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* Associate Member





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Introduction – Which bin for the plaster?

This is the thirteenth edition of Coalition 27's Shadow Report on Serbia's progress in Chapter 27 – Environment and Climate Change. It covers the period from the beginning of May 2025 to the end of June 2026, with one exception: we have also analyzed the Environmental Protection Strategy, the key strategic document in this field, which was adopted on 30 July this year.

This year's report coincides with an important milestone. On 14 December 2026, it will be five years since Serbia opened Cluster 4 – Green Agenda and Sustainable Connectivity, which includes Chapter 27, in its accession negotiations with the European Union (EU). Needless to say, the negotiations have not moved forward in those five years, even though Serbia has adopted a raft of new regulations intended to speed up alignment with the EU acquis. That acceleration, however, is largely nominal: as a rule, it does not mean that new standards for protecting and improving the environment are actually put into practice. As this report has argued for years, genuine reform takes more than transposing European acquis. It also requires adopting implementing bylaws to make it work; ensuring consistency with existing regulations and planning documents, with which new laws should form a coherent whole; fostering transparent legislative processes built on public participation; building institutional capacity; and securing the funding needed to implement the rules.

Consider the last two. Over the past five years, the process of building administrative capacity in local self-governments, which bear the brunt of implementing legislation in this field, has not even begun. If municipalities and cities have inspectors at all, those inspectors typically juggle several roles at once. Over the same period, the last vestiges of an independent, dedicated mechanism for financing environmental protection have been swept away. Ten years after the Green Fund was set up, Serbia still has no institutional mechanism for the earmarked spending of revenue it collects through various environmental fees and charges, as provided for by the Law on Environmental

Protection. Reform therefore has neither an institutional foundation nor remotely adequate funding, and it is increasingly divorced from the very thing it is meant to regulate – reality.

Waste management is a case in point. Our reports analyse processes that may seem abstract to most people, so it falls to us to make the language of policy more accessible by tying it to everyday life. And what example could be more vivid – more plastic, even – than throwing rubbish away? It has long been one of the first points at which citizens come into contact with the environmental protection system. Most of us have heard at least once that 'in European countries' waste is recycled and there are 'different bins', whereas in Serbia, in 2026, 'all the rubbish still goes into the same communal bin' – if there is one at all. So how has the opening of the cluster affected the way we dispose of waste? Here, too, the Government has accelerated reform. On paper, at least. Although the current law was adopted only last year, early this year the Government set about drafting an entirely new one rather than amending it. Both the current law and its predecessors have for years required waste producers (individuals and legal entities alike) to 'collect the waste generated separately and sort it in accordance with applicable regulations and the requirements of future treatment' (Article 35). The law also makes local self-government units responsible for regulating and organising 'the separation and separate collection of (municipal) waste, including methods of collecting waste for recycling (paper, metal, plastic, glass, textiles, bulky waste)' (Article 56). Today, the vast majority of Serbia's cities and municipalities have still not put in place the infrastructure needed for waste separation. No new law can alter the fact that the most basic provisions of the current one have gone unenforced for years – or that even citizens who would like to sort their waste have no way of doing so.

The past five years have also seen intense legislative activity in the EU, which Serbia has only recently begun to catch up with: the Carbon Border Adjustment Mechanism (CBAM), the Corporate Sustainability Due Diligence Directive, the Corporate Sustainability Reporting Directive, the Omnibus package, the Nature Restoration Law, the EU Deforestation Regulation and more. If Serbia was already failing to keep pace with the EU when the cluster was opened, it is now further behind than it was then. On paper and in substance alike.

All of this is merely a symptom of a deeper crisis in Serbian society and of the steady erosion of the rule of law – not just in Chapter 27, but across the board. Our assessment may be bleak, but we do not consider our work futile. We remain convinced that European integration offers the best framework for improving environmental protection in Serbia. That process, however, cannot succeed without democratic progress, strong institutions and the rule of law. Only then will the Cluster 4 negotiations fulfil their real purpose: a better environment, and better lives, for the people of Serbia.

Coalition 27 brings together eight organizations – seven members (Safer Chemicals Alternative, Belgrade Open School, Climate Action Network Europe (CAN Europe), Environment Improvement Center, Environment Engineering Group, Young Researchers of Serbia and World Wide Fund for Nature Adria – Serbia (WWF Adria – Serbia)) and one associate member, the Bird Protection and Study Society of Serbia.

The report covers ten thematic areas: financing for environmental protection and climate action, horizontal legislation, air quality, waste management, water quality, nature protection, chemicals management, industrial pollution and risk management, and climate change. It does not address civil protection. Because forestry overlaps significantly with several of these areas, notably nature protection and climate change, this year's report once again includes an overview of forestry. For each area, the report examines developments in policy-making, legislation and implementation, and sets out recommendations for improving the process.

The report also contains the following annexes:

1. a list of abbreviations;
2. a table comparing the recommendations in Coalition 27's previous report with those in this year's report;
3. an explanation of the methodologies used, and a list of the authors (organisations) responsible for each area;
4. Green Cards, which show how local self-government units in Serbia apply environmental protection policies and standards.

We are grateful to the Platform for Social Development and Innovation (CORE), the Association of Young Researchers of Bor, the Association of Private Forest Owners 'BOR' and the members of the Coalition 27 Advisory Board for their contributions to this report; to Damjan Rehm Bogunović and Goran Sekulić (The Nature Conservancy) for their helpful comments and advice; and to the civil society organisations that, alongside Coalition 27's member organisations, helped to collect data in local self-government units through their project activities. These organisations are listed in the Green Cards.



Financing in the field of environmental protection and climate change

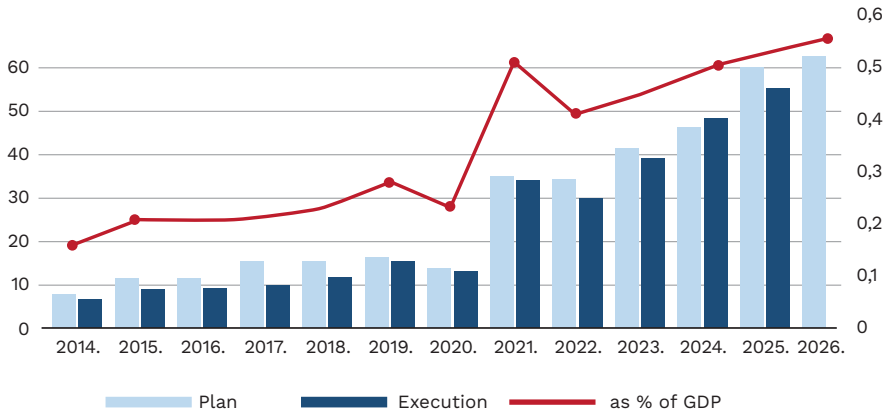
Introduction

Establishing sustainable financing in the fields of environmental protection and climate change is one of the most important issues in the EU accession process. Negotiating Chapter 27 is considered the most technically complex and financially demanding, as it requires transposing extensive European legislation into domestic law, followed by its effective implementation in areas such as water and waste management, climate change, and industrial pollution. The scale of necessary investments was also established in the Environmental Protection Strategy until 2033, adopted in July 2026, which estimates the total costs of achieving the goals at EUR 27.2 billion. The largest part of said amount relates to decarbonization and climate change, while only 4–6% of these costs are expected to be covered directly from the state budget.

Despite the growth in total allocations, Serbia still does not fundamentally apply the polluter pays principle. The problem lies not only in sluggish reforms but also in the design of financing instruments. Since its establishment in 2016, the Green Fund has been set up as a regular budget appropriation, lacking a mechanism that would automatically earmark environmental fee revenues to environmental protection. A similar shortcoming is present with the new greenhouse gas emissions tax, introduced in late 2025 as part of the preparation for the Carbon Border Adjustment Mechanism (CBAM): the law does not stipulate that future revenues must be earmarked for decarbonization.

Nevertheless, the level of spending continued its upward trend. National budget expenditures for environmental protection reached a historic high in 2025, exceeding 0.5% of the gross domestic product, with the 2026 budget projecting further, albeit more moderate, growth (Figure 1). This growth, however, was not accompanied by significant systemic improvements. The adoption of the Environmental Protection Strategy and the introduction of a domestic carbon tax represent formal steps forward, but both – as demonstrated by the analysis in this report – share the same structural weaknesses observed in previous Coalition 27 reports.

Figure 1. Environmental protection expenditures from the national budget, 2014–2026 (in billions of RSD and as % of GDP)



Source: Calculation based on data from the final budget account of the Republic of Serbia for the 2014–2025 period and the 2026 Budget Law of the Republic of Serbia

Overview of financing in the field of environmental protection and climate change in 2025 and 2026

According to the budget execution data of the Republic of Serbia,[1] total expenditures for environmental protection and climate change reached RSD 54.85 billion in 2025, representing 0.53% of the gross domestic product (GDP). As illustrated in Figure 1, this marks a new historical high in absolute terms and the third consecutive year of growth. Relative to GDP, this also represents the highest level of environmental spending since these data have been tracked, exceeding the previous record from 2021. In comparison to 2024, expenditures increased by RSD 6.6 billion, or 13.6%. Unlike the previous year, the budgeted amounts were not fully spent. The 2025 Budget Law provided for nearly RSD

1 Data on 2025 budget execution of the Republic of Serbia, Treasury Administration of the Ministry of Finance.

60 billion, with 91.7% of the plan actually executed, i.e., approximately five billion dinars short of the approved amount. Unlike in 2024, when expenditure exceeded the budgeted amount, the 2025 result does not indicate a steady improvement in the capacity to spend funds according to plan. Despite record spending, expenditures for environmental protection and climate change accounted for about 2.1% of the total national budget expenditures.

Nominal amounts, however, somewhat overestimate the actual scale of growth. National budget expenditures for environmental protection have increased 8.4 times in nominal terms since 2014, yet, with cumulative inflation nearing 59% over the same period,[2] the real increase is 5.3 times.[3] The same holds true for 2025: instead of a nominal 13.6%, real growth amounted to 9.5%. Adjusting for inflation alters the trajectory illustrated in Figure 1. Rather than a steady upward trend, the real amounts show two separate spikes – the first in 2021 and the second in 2024 – between which spending stagnated, meaning the level reached in 2021 in real terms was not exceeded until 2024.

The largest deviation from the plan was observed in projects financed through IPA funds. Of RSD 9.7 billion allocated for ten projects, a mere RSD 2.5 billion – or 26% – was spent. Four projects saw no disbursements at all, including the establishment of a regional waste management system for Novi Sad and six neighboring municipalities (RSD 1.7 billion), and the energy efficiency and air quality project (RSD 860 million). Unspent IPA funds exceeded the total spending shortfall relative to the planned 2025 budget, while spending above the budgeted amounts on some other projects partially offset the overall deviation. This highlights a long-standing issue: the average absorption rate of these funds in the 2014–2023 period stood at around 50%,[4] making the 2025 result a deterioration relative to an already low multi-year average. Insufficient administrative capacities to prepare and implement projects – an issue which the European Commission has been pointing out for years – remain a serious constraint. Ultimately, the problem is less a lack of funds than the capacity to use them.

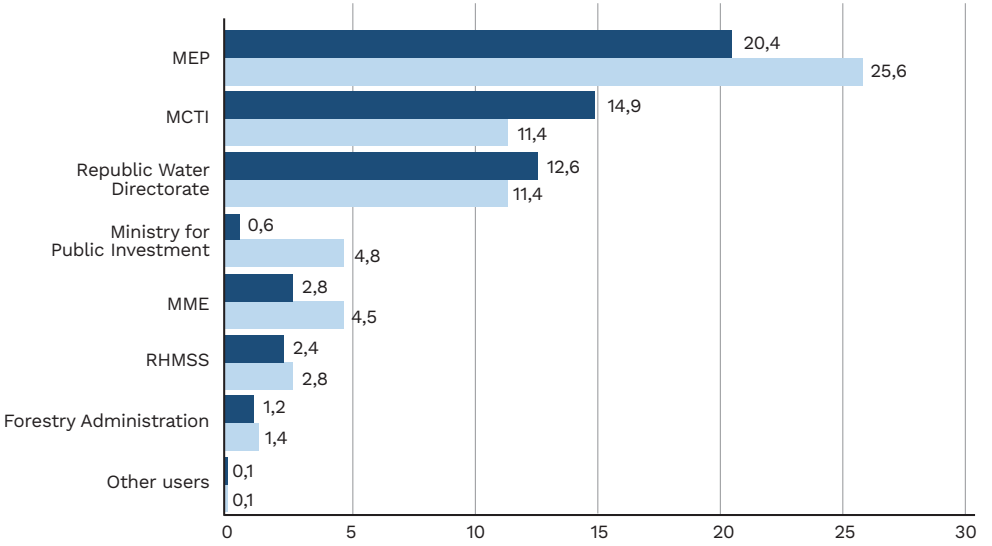
2 Calculation based on average annual growth rates of consumer prices, Statistical Office of the Republic of Serbia.

3 Expressed in euros, allocations rose from 56 million in 2014 to 468 million in 2025; given the stability of the exchange rate, this series shows the same nominal dynamics as the dinar series.

4 Coalition 27 (2024). Chapter 27 in Serbia: Years Go By, We Stand Still, April 2023 – April 2024, Belgrade, pp. 9–44.

When analyzed by budget users, the expenditure structure in 2025 indicates that funds remain concentrated among a small number of users, though with a certain shift compared to the previous year (Figure 2). The largest portion of funds continues to be spent by the Ministry of Environmental Protection (MEP), which, including the Environmental Protection Agency and institutions under its authority, spent RSD 20.4 billion. However, this is practically the same amount as in 2024, even though the plan projected a rise to RSD 23.8 billion. The line ministry executed only 85.6% of its own budget, thereby reducing its share in total environmental protection expenditures from 43% to 37%. In contrast, the Ministry of Construction, Transport, and Infrastructure spent RSD 14.9 billion (27%), primarily through the Clean Serbia project, which utilized RSD 14.6 billion instead of the budgeted RSD 10 billion. The biggest shift was recorded at the Republic Water Directorate, where spending doubled – from RSD 6.1 to 12.6 billion – which is a quarter above the plan and accounts for 23% of all spending in the sector. These three users together account for 87% of the total expenditures for environmental protection. The performance across other institutions is significantly weaker: the Ministry of Mining and Energy's spending fell by RSD 2.5 billion, executing only 71% of its budget, while the Ministry for Public Investment utilized only RSD 640 million out of the planned 2.5 billion, i.e., 25.7%, thereby repeating the previous year's pattern of low execution. All other budget users combined accounted for the remaining RSD 3.6 billion. Overall, expenditure growth in 2025 was focused on several large-scale infrastructure activities, primarily under the Ministry of Construction, Transport and Infrastructure and the Republic Water Directorate. At the same time, several budget users fell short of their planned targets, reflecting an uneven level of budget execution across sectors.

Figure 2. Structure of environmental protection and climate change expenditures per budget users 2025 execution and 2026 plan (in billions of RSD)



Source: Calculation based on the Law on the Final Account of the Budget of the Republic of Serbia for 2025, and 2026 Budget Law of the Republic of Serbia

The 2026 budget announces a continued increase in environmental protection expenditures, albeit at a more moderate pace compared to previous years. The 2026 Budget Law of the Republic of Serbia[5] allocates nearly RSD 62 billion for environmental protection and climate change, which represents an increase of RSD 7.1 billion, or 13%, compared to the 2025 execution. If this plan is fully met, allocations will reach 0.56% of GDP and 2.3% of total national budget expenditures, achieving record highs for both indicators. In relation to the previous year's plan, however, the growth rate stands at just 3.6%, marking a noticeable slowdown compared to the double-digit increases in budgeted amounts in the preceding two years. The structure of the planned growth is also shifting: after a year in which funds were directed toward infrastructure projects, 2026 is expected to see the line ministry return to the forefront, with RSD 25.6 billion and a 41% share. In contrast, the budget of the Ministry of Construction,

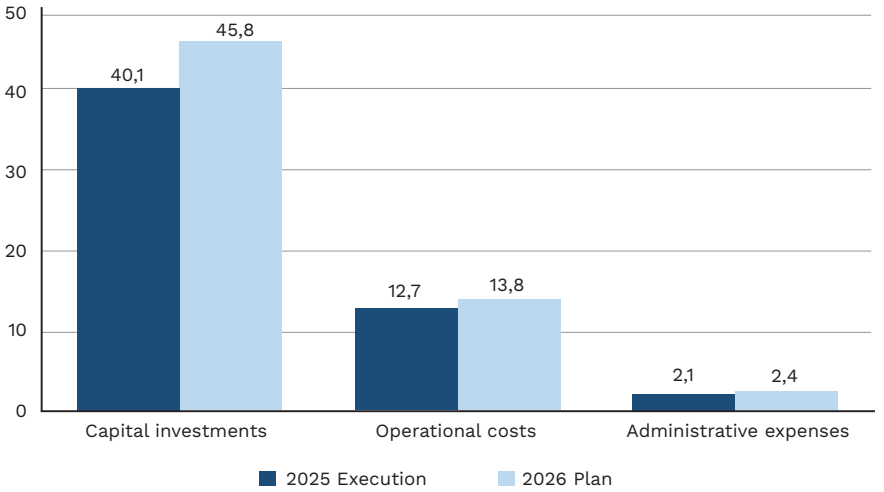
5 https://www.mfin.gov.rs/propisi/zakon-o-budzetu-republike-srbije-za-2026-godinu-slubeni-glasnik-rs-br-1082025

Transport, and Infrastructure is being reduced by nearly a quarter. This decline is primarily due to the fact that RSD 8 billion has been planned for the Clean Serbia project – significantly less than the RSD 14.6 billion spent in the previous year – with the accompanying budgetary documentation offering no explanation for such a major change. Nonetheless, the question remains as to how realistic this plan actually is. Despite an absorption rate of only 26% in the previous year, the scale of planned IPA projects has actually increased to RSD 10.2 billion spanning eleven projects. Furthermore, the Ministry for Public Investment, which executed only a quarter of its budgeted amount in 2025, has now been allocated as much as RSD 4.8 billion – over seven times more than it spent last year. Implementing the 2026 budget plan will primarily depend on accelerating the IPA projects implementation rate and increasing budget execution by the Ministry for Public Investment. Should the poor performance from 2025 be repeated, the projected growth in expenditures may fall short.

In 2025, the economic structure of expenditures continued to favor capital investment (Figure 3). Capital investments amounted to RSD 40.1 billion, accounting for 73.1% of all environmental protection spending. These funds primarily relate to the construction of sewer networks and wastewater treatment plants, regional waste management centers and river training works. Compared to the previous year, capital expenditures increased by four billion dinars, but their share edged down from 74.7% to 73.1%. It is particularly noteworthy that capital investments were also the best-executed expenditure category, reaching a 92.8% execution rate. This marks a major shift from past trends, where investment spending was precisely what usually fell short. Operational costs totaled RSD 12.7 billion (23.2%), representing the fastest-growing category with an increase of 44% compared to 2024. The largest portion of this amount comprises incentives for waste reuse and recovery, i.e., for the recycling industry (RSD 3.4 billion), alongside subsidies to public enterprises responsible for forestry, hunting, and management of protected natural areas (1.5 billion). Administrative expenses, which include employee salaries and benefits, stood at RSD 2.1 billion, representing 3.7% of total spending. The 2026 budget anticipates maintaining this structure, with capital investments rising to RSD 45.8 billion and a slight increase in their share to 73.9%. The high proportion of capital expenditures is a positive element of the budget structure, given the significant infrastructure

deficit in wastewater and waste management. However, the actual results will also depend on the quality of project preparation, their maintenance upon completion of construction, and the capacity of the relevant institutions.

Figure 3. Economic structure of environmental protection expenditures, 2025 execution and 2026 plan (in billions of RSD)



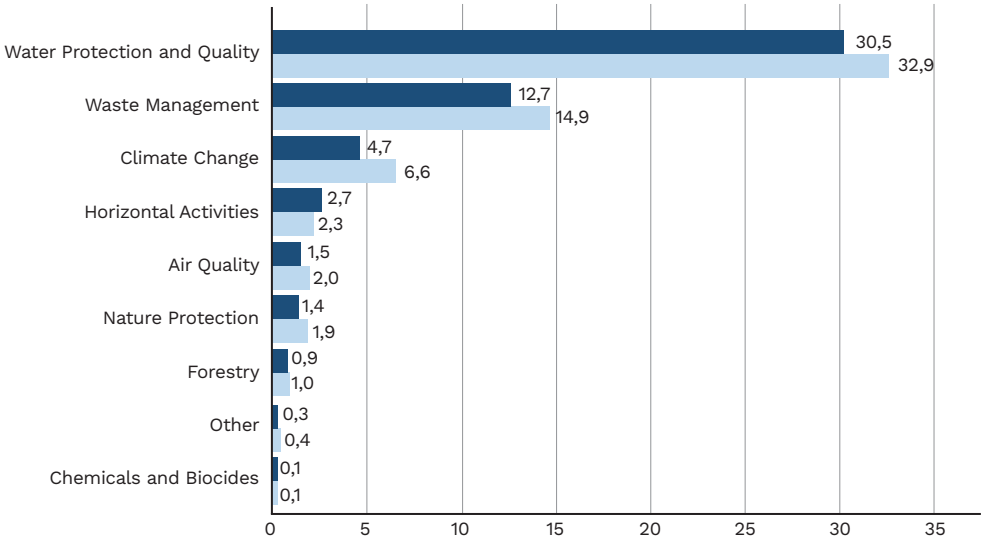
Source: Calculation based on the Law on the Final Account of the Budget of the Republic of Serbia for 2025, and 2026 Budget Law of the Republic of Serbia

Sectoral structure of environmental protection expenditures in 2025 and 2026

Sectoral expenditure analysis shows that the concentration of funds in 2025 was further intensified (Figure 4). A total of RSD 30.5 billion, or 55.6% of all environmental protection funds, was spent on water protection and quality, while waste management accounted for RSD 12.7 billion (23.2%). Together, these two sectors absorbed 79% of the budget, compared to 74% in the previous year, fulfilling

last year's forecast that the most infrastructure-intensive areas would claim nearly four-fifths of the budgetary resources. Moreover, this budget expansion was almost entirely driven by the water sector, which saw an increase of RSD 6.3 billion out of a total RSD 6.6 billion. All other sectors combined grew by a mere RSD 300 million, with spending declining in two sectors: climate change funding dropped by RSD 1.2 billion year-on-year to RSD 4.7 billion (8.6%), while air quality funding fell to RSD 1.5 billion, accounting for 2.8% of total spending – the lowest share since these data have been tracked. These are followed by horizontal administration and supervision activities with RSD 2.7 billion (4.8%), nature protection with 1.4 billion (2.6%) and forestry with 850 million (1.6%). A total of RSD 46 million was spent on the management of chemicals and biocidal products, while the remaining RSD 330 million refers to related areas such as hunting and seismic monitoring. The 2026 budget introduces a shifting growth distribution: the water sector funding exhibits the slowest growth across all sectors (7.8%), while climate change allocations are set to rise by 40%, nature protection by 30%, and air quality by 26%. Consequently, the budget share for water management would drop to 53.1%, for the first time after several consecutive years of growth.

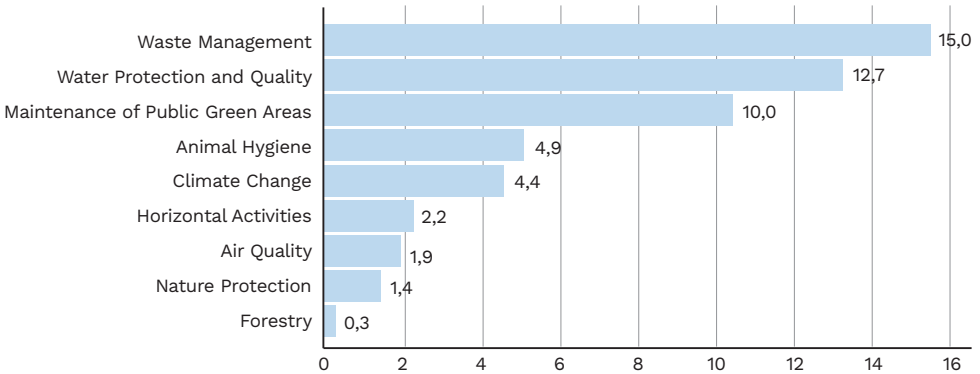
Figure 4. Sectoral structure of national budget environmental protection expenditures, 2025 execution and 2026 plan (in billions of RSD)



Source: Calculation based on the Law on the Final Account of the Budget of the Republic of Serbia for 2025, and 2026 Budget Law of the Republic of Serbia

Given that a significant portion of competencies in the field of environmental protection is vested in cities and municipalities, an important part of these activities is financed through local government budgets. According to budget execution data for 168 local self-government units (LSGs),6 total expenditures associated with environmental protection in 2025 amounted to RSD 52.9 billion. Their structure differs considerably from that of national-level expenditures (Figure 5): the largest share, RSD 15 billion or 28.4%, was directed toward waste management, followed by water protection with RSD 12.7 billion (24.1%), maintenance of public green areas with RSD 10 billion (19%), animal hygiene services with RSD 4.9 billion (9.2%), and climate change with RSD 4.4 billion (8.4%). A total of RSD 5.8 billion was spent on horizontal activities, air quality, nature protection and forestry. Two major items – maintenance of greenery and animal hygiene – lack corresponding line items in the national budget as they fall under municipal utility services, therefore, a narrower expenditure total of RSD 38 billion can be used for comparison against the national level. As in previous years, it is incorrect to simply add these amounts to the national government's expenditures, as a portion of local activities is financed through transfers from the national budget. Data on financing sources indicate that transfers from other levels of government account for 9.3% of local environmental expenditures.7 This figure, however, should be taken with a grain of salt, since local self-government units do not always record funding sources consistently.

Figure 5. Structure of local government environmental expenditures by sector, 2025 (in billions of RSD)



Source: Calculation based on the 2025 LSGs budget execution data

6 2025 Local Self-Government Budget Execution Data, Treasury Administration of the Ministry of Finance.

7 These include financing source 07 (transfers from other levels of government) totaling RSD 3.4 billion, and source 17 (unspent transfer funds from other levels of government carried forward from previous years), amounting to RSD 1.5 billion.

How was local government environmental spending measured?

At first glance, the reported figure of RSD 52.9 billion for 2025 appears to be significantly higher than the figure from last year's report, which put local government environmental protection spending for 2024 at RSD 30.6 billion. This apparent sudden spike, however, is not the result of an actual increase in funding, but rather a shift in the methodology used to determine these expenditures. Namely, prior report analyses relied exclusively on the functional classification of local self-government budget expenditures, specifically codes 510–560, which are dedicated precisely to this sector. If the same approach were to be applied to the 2025 data, total spending at the local government level would stand at RSD 32.8 billion, representing a 7.3% rise compared to 2024 – which reflects the actual measure of the annual shift.

However, this time, all expenditures across 168 LSGs were covered, totaling over 81,000 individual line items. Functional codes were cross-checked against program activity names and the program classification to identify all expenditures associated with the sector, irrespective of where they were recorded. The final result is the identification of additional expenditures amounting to approximately RSD 20 billion, which LSGs recorded under different functional codes, even though they essentially belong to environmental spending.

An equally important finding is the confirmed presence of serious inconsistencies in the way LSGs record these expenditures. For instance, the maintenance of public green areas was recorded under as many as nine different functional codes, while animal hygiene services were recorded under as many as eleven, including codes designated for general public services and veterinary services. On the other hand, energy management expenditures, totaling RSD 1.8 billion, were not included at all under the codes intended for environmental protection, even though in a large number of cases these involve energy efficiency improvement programs, which are classified as expenditures for the energy and climate transition.

Evident inconsistency in the recording of expenditures makes it difficult to monitor and review these allocations at the national level. Namely, in order to reliably determine local government expenditures, more than 81,000 individual budget items had to be manually searched and cross-checked across three different classifications. This goes beyond the scope of regular annual monitoring and is not something the interested public could routinely replicate. This analysis highlights the importance of the recommendation in the previous Coalition 27 report regarding the need to consistently introduce and apply the functional classification of budget expenditures at both the national and local levels of government. Otherwise, an accurate insight into total government spending on environmental protection will remain inaccessible to the public – and, consequently, the ability to reliably track these allocations on a year-to-year basis.

Water management and protection remains by far the largest single area within national expenditures for environmental protection. In 2025, this sector accounted for RSD 30.5 billion, or 55.6% of total funding, representing a RSD 6.3 billion increase compared to the previous year. This growth stems almost entirely from two projects – Clean Serbia, under which the construction of the sewerage infrastructure is financed with RSD 14.6 billion, and the river training and protection against harmful effects of water by the Republic Water Directorate with RSD 10.6 billion – both of which experienced substantial budget overruns. It is important, however, to keep in mind that the latter project primarily focuses on flood defense, i.e., climate change adaptation, rather than water pollution control in the strict sense. Due to the dominant share of these projects, as much as 88.6% of total funding relates to capital expenditures – the highest share across all sectors. A similar trend, with flood defense prevailing over pollution control, also characterizes the local government level, where RSD 12.7 billion were spent in this category, with nearly two-thirds (RSD 8.2 billion) going toward river training.

The 2026 budget projects continued growth in spending, albeit at a more moderate pace, reaching RSD 32.9 billion, which is 7.8% higher than the previous year. This represents the slowest planned growth across all sectors, which would reduce sector's share for the first time, to 53.1%. At the same

time, funding for the Clean Serbia project has been nearly halved to RSD 8 billion, while RSD 7 billion has been allocated for the Republic Water Directorate project. A special case is the Central Sewer System of the City of Belgrade, which has faced implementation challenges for years. In 2024, after the initial allocation of RSD 3 billion was reduced to RSD 1 billion through a budget revision, the execution amounted to zero dinars, while in 2025, out of the planned RSD 5 billion, only RSD 166 million, or 3.3 % of the budget, was spent. Although a substantial RSD 2 billion has again been budgeted for 2026, the accompanying budget documentation fails to clarify whether the hurdles that caused low execution in previous years have been resolved.

Waste management is the second-largest expenditure sector for environmental protection at the national level. In 2025, RSD 12.7 billion was spent, accounting for 23.2% of all funds, which is one billion dinars more than the previous year. The largest individual expenditures went toward incentives for waste reuse and recovery, namely the recycling industry (RSD 3.4 billion), the construction of regional waste management centers (RSD 3 billion, exceeding the budgeted amount by 37%) and the remediation and closure of non-sanitary landfills (RSD 1.3 billion). The sector, however, was also characterized by an example of unused EU funds: out of RSD 1.7 billion planned for establishing a regional waste management system in Novi Sad and six surrounding municipalities, not a single dinar was spent in 2025. At the local government level, waste management is the largest individual sector, accounting for RSD 15 billion. Together, Belgrade and Novi Sad make up nearly 26% of these expenditures (RSD 2.7 billion and RSD 1.2 billion, respectively), but with a vastly different structure: only 6.7% goes toward capital expenditures, while regular cleaning of public areas accounts for nearly half of the funds, totaling RSD 7 billion. The amounts spent on the remediation and removal of illegal dumpsites at the local level (RSD 1.8 billion) roughly match the funds transferred for this purpose to local self-government units by the Ministry of Environmental Protection (RSD 1.9 billion) – suggesting that local governments largely finance dumpsite remediation through national-level funds.

The 2026 budget projects an increase in expenditures to RSD 14.9 billion, which is 16.7% higher than in the previous year – marking a faster growth rate than

the average across all sectors. Allocations for the construction of regional waste management centers are set to rise to RSD 3.2 billion, while planned incentives for the recycling industry are being reduced for the third consecutive year, this time to RSD 2.9 billion. Hence, the trend of budget reallocation from subsidies toward direct investments in waste management infrastructure continues, as was also outlined in the previous report.

Climate change was one of only two sectors in which spending declined in 2025, amounting to RSD 4.7 billion, or 8.6% of all funds – falling below one-tenth of total spending for the first time and decreasing by RSD 1.2 billion compared to 2024. Furthermore, the sector is financed by three institutions in a highly uneven manner: the Republic Hydrometeorological Service, with RSD 2.4 billion, primarily for the hail defense system and the regular meteorological observing system; the Ministry of Mining and Energy, with RSD 2.2 billion for energy efficiency measures and renewable energy sources, including the construction of self-balanced solar power plants with a total capacity of 1GW and battery storage systems (RSD 413 million); and the Ministry of Environmental Protection, with a mere RSD 140 million for reporting under the Paris Agreement and urban low-carbon transition projects. It should be noted that more than half of the funding in this sector is allocated to regular meteorological services, whereas merely a symbolic portion – coming from the Ministry of Environmental Protection's budget – goes toward climate policy in the strict sense. At the local government level, RSD 4.4 billion was expended on climate change, led by the Autonomous Province of Vojvodina (RSD 1 billion) and Belgrade (RSD 641 million). With a quarter of its funding coming from transfers and 11% from European Union funds, this sector is the most heavily dependent on external financing sources.

The 2026 budget projects the highest percentage increase across all sectors – rising to RSD 6.6 billion, or 40% more than in the previous year, which would bring the share of climate change expenditures in total spending back to above 10%. The growth stems almost entirely from the Ministry of Mining and Energy, whose budget for this sector is being increased by nearly two-thirds, mainly through programs promoting the development of the biomass market (RSD 540 million) and energy efficiency for central government buildings

(RSD 580 million). In contrast, the budgeted expenditures of the Republic Hydrometeorological Service are higher by only 7%, maintaining the same structure as in previous years.

In 2025, a total of RSD 1.5 billion – or just 2.8% of all environmental protection funds –was spent for air protection. This marks the lowest share since these figures have been tracked, and a RSD 1.2 billion drop compared to 2024. The largest part of the decline stems from a single project: IPA 2025 Energy Efficiency and Air Quality. Despite a planned budget of RSD 860 million, no payments whatsoever were made – mirroring the same pattern of unutilized EU funds seen across the overall environmental protection budget. For other projects, the budget execution was more favorable: RSD 523 million were spent on the procurement, replacement, and refurbishment of boiler rooms for heating (exceeding the budgeted amount by 49%), and RSD 453 million for incentives to purchase eco-friendly vehicles (exceeding the budgeted amount by 166%). In contrast, only RSD 42 million was spent on the district heating project in Kragujevac, out of the budgeted RSD 200 million. At the local government level, expenditures for air quality amounted to RSD 1.9 billion; however, budget data reveal that only 37 out of 168 local self-government units have a specific line item for this purpose,[8] which is less than a quarter of the cities and municipalities in Serbia. Nearly half of these funds, amounting to RSD 818 million, relates to a single city – Bor.

The 2026 budget projects an increase to RSD 1.9 billion, which is 26% more than in the previous year, which would bring share back to the 2024 level. The largest allocated item is a new Serbia Air Quality Improvement project, budgeted at RSD 670 million, while the IPA project, following a complete lack of implementation in 2025, has been allocated a smaller amount of RSD 289 million.

In 2025, approximately RSD 1.4 billion was spent from the national budget for nature and biodiversity protection, accounting for 2.6% of all environmental

8 This refers to the number of local self-government units with a dedicated budget line for air quality; however, it cannot be ruled out that some local self-government units finance air pollution reduction measures under broader program activities, making it impossible to separate these funds from other allocations. For comparison, 146 local self-government units have a dedicated budget line for waste management, 133 for climate change, and 55 for nature protection.

protection expenditures. Although this marks an increase of RSD 240 million compared to the previous year, nature protection continues to be among the least-funded sectors – with only chemical management and forestry receiving fewer resources. The entire funding originates from the line ministry's budget, distributed almost exclusively across four key activities: incentives for programs for the management of protected natural areas (RSD 525 million), the arrangement and improvement of nature protection and biodiversity conservation (RSD 452 million), operational support for the Institute for Nature Conservation of Serbia (RSD 315 million) and afforestation aimed at protecting landscape diversity (RSD 147 million). Two minor budgeted projects – incentives for local self-governments to establish geoparks and preserve soil as a natural resource – were not implemented at all in 2025. At the local government level, approximately RSD 1.4 billion was spent, led by Belgrade (RSD 354 million) and the Autonomous Province of Vojvodina (RSD 274 million), with as much as 89% spending recorded under the generic activity of "nature protection", which also includes employee salaries, operational costs, and subsidies to public enterprises. For activities that are unambiguously linked to nature, such as the management of protected areas, afforestation, and soil preservation, a mere RSD 94 million was spent, representing only 7% of the total expenditures of local self-government units in this field.

The 2026 budget projects a 30% increase to RSD 1.9 billion, marking the highest percentage growth after climate change, albeit from a low baseline. While budgeted expenditures are rising across all existing activities, a new, minor line item of RSD 3 million has been introduced for forest management in the buffer zone of a protected natural area. The allocation for soil preservation remains unchanged at RSD 66 million, despite no expenditure being recorded in 2025 – which brings into question the reality of the plan.

In 2025, forestry was funded with RSD 850 million (1.6%), almost entirely through the Forestry Administration's Sustainable Development and Improvement of Forestry program (RSD 668 million). At the local government level, this area was funded only by the Autonomous Province of Vojvodina, with RSD 339 million. Expenditures for horizontal activities – administration, inspection and monitoring – totaled RSD 2.7 billion (4.8%), with the increase compared

to the previous year being almost entirely the result of payments pursuant to court decisions under the budget of the Ministry of Environmental Protection, incurred due to a dispute with private companies over unpaid incentives for the recycling industry dating prior to 2020.[9] In contrast, expenditures for both the Environmental Protection Inspectorate and the Environmental Protection Agency fell short of the budgeted amounts.

The management of chemicals and biocidal products remains by far the least funded sector, with only RSD 46 million in 2025, which is 0.1% of all environmental protection expenditures. The largest part, RSD 39 million, relates to the regular activity of chemical management system regulation, while the implementation of the UNEP-supported Further Strengthening of National Capacities for Risk Management of Hazardous Substances Throughout Their Life Cycle project (RSD 6.8 million) also continued, which, in accordance with the original plan, no longer appears in the 2026 budget. The 2026 budget projects a rise in expenditures to RSD 58 million. Despite this increase, the system remains fundamentally unchanged: although the European Union's REACH and Biocidal Products Regulation (BPR) stipulate that the costs related to regulatory procedures must be borne by economic operators generating income from chemicals and biocidal products, the 2021 Law on Biocidal Products failed to incorporate such a fee system. As a result, administrative expenses continue to be financed from general budget revenues rather than through earmarked funds provided by those who place these products on the market.

Unlike other areas, protection against noise and vibration lacks a dedicated budget line at the national level, whereas at the local level, it is tracked under the Noise Control and Protection subsection within the environmental protection budget fund programs – mostly in cities legally required to draft strategic noise maps or conduct regular monitoring. Budgeted expenditure is also unevenly distributed: for 2025, the City of Belgrade allocated RSD 78 million for strategic noise mapping, alongside another RSD 12 to RSD 15 million for regular annual community noise monitoring. Other cities budgeted smaller amounts – Novi Sad budgeted six to eight million dinars for the noise level

9 Following a five-year dispute, the Commercial Court in Belgrade ruled in favor of four companies that sued the Ministry back in 2020, with claims exceeding RSD 1.19 billion. See, inter alia: N1 info, Forbes Serbia, BBC News in Serbian, and reports from the period January–July 2026.

measurement program and for equipping inspectors with phonometers; Niš around RSD 2.3 million for monitoring and drafting an action plan; Zrenjanin RSD 2.2 million for a contract with the Institute of Public Health; while Valjevo allocated a mere RSD 264 thousand. In the majority of smaller local self-government units – such as Kraljevo, Loznica, Užice, Sombor, Šabac and others – either no funds were budgeted under this specific subsection, or the noise monitoring was merged into a joint procurement for overall environmental monitoring, making it impossible to isolate the exact expenditure. In total, the identifiable planned expenditures for protection against noise and vibration in 2025 amount to approximately RSD 100 million across all local self-governments in Serbia.

Legislative framework

Systemic Financing Framework

The legal framework governing environmental protection financing has essentially remained unchanged compared to the previous report: the Law on Environmental Protection[10] (Article 89) defines the sources of financing, which include funds from the budgets of all levels of government and international financial assistance, while explicitly establishing the polluter pays principle. The law also provides for the establishment of the Green Fund of the Republic of Serbia as a budgetary fund for financing environmental activities (Arts. 90–90v); however, its sources are not specifically tied to revenues from pollution fees, but are instead reduced to regular annual budget appropriations, donations, loans and other public revenues. In practice, the previous report's assessment still holds true - that the Green Fund is an example of institutional atrophy: although it was established back in 2016, the 2018 amendments to the Law on Environmental Protection further specified that these funds should be allocated through public calls for applications, the Green Fund has never

10 Official Gazette of RS, nos. 135/2004, 36/2009, 36/2009 – as amended, 72/2009 – as amended, 43/2011 – decision of the Constitutional Court, 14/2016, 76/2018, 95/2018 – as amended, 95/2018 – as amended and 94/2024 – as amended.

acquired the earmarked funding arrangements that the former Environmental Protection Fund had before it was abolished in 2012. The law was amended in December 2024,[11] but solely in the section relating to chemical accident control; this subject matter has now been separated into a distinct piece of legislation. The provisions governing financing and the Green Fund remained completely unchanged. Ten years after the establishment of the Green Fund, Serbia still lacks an institutional mechanism for the earmarked spending of funds collected through various environmental taxes and fees.

An attempt to regulate the system for collecting environmental taxes and fees in a unified manner was made through the Law on Fees for the Use of Public Goods,[12] passed in late 2018. However, a more detailed analysis of the distribution of collected revenues reveals a fragmentation that deviates from the idea that the polluter should pay "at the source". Thus, the municipality hosting a thermal power plant receives only 40% of the revenue from sulfur dioxide and nitrogen oxide emission fees, while revenues from fees for special waste streams (tires, batteries, oils, electrical and electronic waste) are entirely allocated to the national budget, regardless of where the waste was actually generated. The most widespread fee, the so-called eco-tax is fully retained by LSGs, but the amount is determined as a lump sum based on the type and size of the company, rather than its actual pollution levels. In practice, this implies that a large IT company may pay a substantially higher fee than a small business which is the actual polluter. Such a system makes it difficult for local self-governments to independently finance the resolution of their own environmental issues, rendering them dependent on transfers from the national budget. Since 2023, the Law has been amended three times – at the end of 2023, in December 2025, and in April 2026 – but all three amendments remain within the scope of expanding the tax base and broadening the number of exemptions, rather than a substantive reform of revenue distribution: for instance, the special waste stream fee now applies to motor vehicles, whereas associations, religious communities, and protected area managers are now exempt from the eco-tax. Ultimately, none of these amendments alter the fact

11 The Law governing control of chemical accident hazards, which simultaneously amended the Law on Environmental Protection by deleting Arts. 58–63.

12 Official Gazette of RS, nos. 95/2018, 49/2019, 92/2023, 109/2025 and 35/2026.

that the collected funds continue to serve as general budget revenue, rather than earmarked funding dedicated to environmental protection.

A three-week gap between two regulatory decisions illustrates this problem well. Following amendments to the Law on Fees for the Use of Public Goods of December 4, 2025, the special waste streams fee was extended to motor vehicles, broadening thereby the scope of fee collection. Already on December 26 of the same year, the Government passed a regulation repealing the regulation on the allocation of incentive funds to operators of special waste streams, effective as of January 1, 2026. For nearly fifteen years, the old model reimbursed licensed operators for a portion of the costs associated with collecting and treating waste whose processing cannot be financed solely through the sale of separated secondary raw materials – particularly waste tires, electrical and electronic waste, batteries and accumulators, which require special treatment. The government explained the abolition on the grounds of harmonization with the European Union state aid rules; the industry, on the other hand, argued that the system should be based on the principle of extended producer responsibility, rather than discretionary state aid contingent upon the annual budget. The key oversight was in the transitional phase: the old instrument was abolished before the new framework became operational, creating a regulatory and financial vacuum. The consequences were swift and measurable: licensed recyclers largely suspended or drastically limited the collection of waste tires, electronic waste, and accumulators; it is estimated that about 70,000 tons of special waste streams were not collected in the first six months of 2026, compared to an annual capacity of 120,000 to 130,000 tons.[13] During the same period, approximately two-thirds of the workforce employed by the operators of these waste streams was laid off, while the environmental risk increased due to prolonged and inadequate storage of tires and hazardous electronic waste components.[14]

Industry representatives publicly challenged the newly proposed model. The abolition of the system was described as the disruption of a mechanism that,

13 Available at: https://forbes.n1info.rs/biznis/industrije/vulkanizeri-prepuni-starih-guma-nicu-nove-deponije-zbog-drzave-otpusteno-dve-trecine-zaposlenih-kod-operatera-otpada/

14 See, inter alia: N1 info, Forbes Serbia, BBC News in Serbian, Vreme, Ozon Press, Južne vesti, Biznis.rs, and reports from the period January–July 2026.

despite its shortcomings, represented an important pillar of the sector's financial sustainability. Recyclers were not necessarily seeking a return to the old model, but rather a stable, predictable and earmarked source of funding – arguing that polluters and consumers already pay a fee embedded in the product price; therefore, those funds should be directed toward actual collection and treatment of waste, instead of remaining non-earmarked general budget revenue. Industry representatives walked out of the meeting with the Ministry on March 6, 2026, dissatisfied with the draft of the new regulation. They specifically objected to treating incentives as state aid and implementing the proposed auctioning model, which would require operators to offer the lowest treatment cost per unit of waste mass – a solution that, according to experts, favors the lowest price rather than treatment safety and quality. The new regulation for the 2026–2028 period has been prepared, but the problem remained largely unaddressed throughout most of 2026. It involves the same flaw previously described with the Green Fund and the eco-tax – the absence of dedicated, predictable funding – with the distinction that this situation causes immediate and visible harm: job losses, untreated waste, and heightened environmental risks.

The European Commission's assessments follow the same pattern described in the previous report – a set of recommendations repeated year after year with the qualification that they have been "partially implemented". The report published on November 4, 2025,[15] which is included in this year's overview for the first time, confirms that continuity while introducing two novelties important for financing. In contrast to previous reports, the recommendation to operationalize the Green Fund is not explicitly mentioned this time. Instead, the Commission called for the adoption of the environmental protection strategy, which took place nine months later, and the introduction of an extended producer responsibility system for special waste streams, "in accordance with the polluter pays principle" – a requirement that almost word-for-word echoes the argument put forward by the recycling industry during its dispute with the Ministry. For the first time, the Commission is calling also for the introduction of a national carbon pricing mechanism and alignment with the EU

15 European Commission, Serbia 2025 Report, Commission Staff Working Document, SWD(2025) 755 final, Brussels, 4. 11. 2025, available at: https://enlargement.ec.europa.eu/document/download/6e-68ce26-b95b-48e1-921a-c60c12da8f00_en?filename=serbia-report-2025.pdf

Emissions Trading System – which Serbia, as detailed further in the following section, partially addressed through a law adopted in late 2025. The report also includes observations outside of Chapter 27 relevant to the issue of financing: namely, that the current budget contingency reserve is being used without a clearly defined purpose and transparent reporting, and that Serbia continues to award major infrastructure contracts non-transparently, often through intergovernmental agreements or special laws (lex specialis).

After several postponements, the Strategy was adopted on July 30, 2026[16] – with a delay of at least seven months compared to the deadlines set in its own draft, given that key activities in the field of financing, Analysis of Sustainable Financing Instruments, and the Definition of Institutional and Legal Framework, were scheduled to be completed by the end of 2025. The adopted text retains the essence of that measure, now designated as Measure 6.4.1 Reforming Environmental Protection Financing Instruments, which provides for the analysis of sustainable financing instruments, including fees, defining the institutional, legal, and organizational framework, and introducing a binding green budgeting methodology. It is particularly significant that the measure in the strategic document explicitly states the "earmarked use of funds collected from environmental taxes and fees" as a goal – which is precisely what this report has been identifying for years as the missing link in the system. The text of the Strategy itself, however, no longer outlines specific timeframes for implementing this measure. The scale of the challenge is further demonstrated by the estimate of the total costs of implementing the Strategy through 2033, estimated at EUR 27.23 billion. For the decarbonization and climate sector – which accounts for 70% of this amount – only 4% to 6% of the expenditures are expected to be financed directly from budget resources.

The second green budgeting cycle, conducted for 2026, shows that the methodology has remained virtually unchanged. Annex 1a of the 2026 Budget Law[17] includes 66 projects totaling RSD 124.2 billion, slightly higher than the 64

16 Environmental Protection Strategy of the Republic of Serbia until 2033 – Green Agenda for Serbia, published in the Official Gazette of RS, no. 71/2026, available at: https://www.eupropisi.com/dokumenti/SG_071_2026_005.docx

17 Annex 1a of the 2025 and 2026 Budget Law of the Republic of Serbia, Ministry of Finance – List of Green Projects.

projects and RSD 118.5 billion recorded in 2025. In terms of objectives, there is a stronger focus on climate change mitigation, which saw its share grow from 56.7% to 62.4%, while the shares of pollution prevention and control and climate change adaptation declined. The focus on three infrastructure mega-aprojects – the construction of the Belgrade subway and two railway lines (the Hungarian-Serbian railway and the Niš–Dimitrovgrad line) – continues to be the largest individual source of this imbalance. Their combined share, along with two smaller projects of the same type, increased from 53.1% to 59.1% of the total amount. The largest single driver of this shift is the construction of the subway, the allocation for which more than doubled in this Annex. All five infrastructure projects were marked as compliant with the DNSH (do no significant harm) principle, without any analysis of potential adverse side effects – which confirms last year's assessment that the counterfactual criterion in green tagging is applied rather straightforwardly. In other words, even though green budgeting methodology has since been made mandatory under the Environmental Protection Strategy itself, its application remains unchanged: a broad scope of infrastructure investments tagged as "green", accompanied by a negligible share of projects addressing biodiversity and water resources.

Finally, mention should be made of the Draft Law on Integrated Prevention and Control of the Environment Pollution, submitted for public consultation in March 2026, which further aligns national legislation with the EU IPPC Directive. While not directly related to financing, its implementation, through issuing integrated permits and strengthening inspection supervision over industrial polluters, will depend on the very administrative capacities that the European Commission has for years emphasized as a prerequisite for the functioning of the entire system.

CBAM and Domestic Carbon Tax

The response of the Republic of Serbia to the start of the CBAM implementation was formalized in late 2025 through the adoption of two laws described in the Fiscal Strategy as "preparation for CBAM" – the Law on Greenhouse Gas Emissions Tax and the Law on Carbon-Intensive Products Import Tax, both

effective as of January 1, 2026. The first law introduces an emissions tax for five sectors, namely the production of fertilizers, cement, pig iron and steel, aluminum, and electricity – at a rate of four euros per ton of CO2 equivalent, calculated on emissions exceeding the "reference emission" level, i.e., the technological minimum for a given production process. The second law introduces the same rate on the import of carbon-intensive products to level the playing field between domestic and imported goods. Electricity producers whose primary activity is power generation are entitled to a tax credit of up to 20% of their investments in emission reduction measures, capped at 80% of their total tax liability; the types of approved measures are prescribed by a special regulation,[18] and restricted to renewable energy sources, energy storage, and the closure of thermal power capacities. Taxpayers may also qualify for incentives from a dedicated budget line for climate and energy transition; the terms, criteria, and allocation methods for these incentives are prescribed by the Regulation on the Conditions, Criteria, and Procedure for Allocating Decarbonization Incentive Funds and the Deadlines and Method of Reporting on the Use of Those Funds (Official Gazette of RS, no. 51/2026), with a maximum amount of up to EUR 200 million per individual measure (Article 3). Although the laws have been in effect since January 2026, the first tax collection is not expected until 2027, as the deadline for filing the tax return is May 31 of the following year.

The Fiscal Strategy for the 2027–2029 period provided the first official assessment of the CBAM's impact on the Serbian economy.[19] According to data provided therein, more than 12% of Serbia's exports to the European Union, or over 8% of its total exports, fall within the scope of this mechanism.[20] Assuming the CBAM certificate price of EUR 75.36 per metric ton of CO2 equivalent, the overall impact of the mechanism is estimated at around EUR 140 million in 2026, rising to approximately EUR 161 million by 2029; under an alternative scenario, which assumes that the EU fully recognizes the domestic carbon

18 Regulation on the Types of Measures and the Method of Reporting on Implemented Measures for Reducing Carbon Dioxide Equivalent Emissions, Official Gazette of RS, no. 51/2026.

19 Fiscal Strategy for 2027 with Projections for 2028 and 2029, Annex 5 – Preliminary Assessment of the Effects of the Carbon Border Adjustment Mechanism (CBAM) on the Republic of Serbia, Ministry of Finance.

20 Within the Serbian economy, there are more than 3,500 companies directly or indirectly linked to the CBAM sectors, employing around 4.5% of the total workforce; of these, around 1,000 companies exported to the EU in 2025 and are potentially directly exposed to CBAM-related obligations.

price, the effect would be somewhat lower, ranging between EUR 127 million and EUR 148 million. The impact across sectors is starkly uneven: cement prices could surge by up to 71% by 2029, the increase in the price of electricity remains fixed at around 47% from the onset of application, while iron and steel, despite making the largest absolute contribution to the overall impact, face a price increase of 7 % to 11%. The direct effect on GDP in 2026 is estimated at 0.16%. On the other hand, total revenues from both domestic carbon taxes are estimated to range from just EUR 41 million to EUR 145 million in 2026 – collectible only in the subsequent year, whereas the liability of Serbian exporters would be reduced by only around EUR 12 million per annum, should the EU recognize this domestic carbon price.

In its opinion on the Draft Fiscal Strategy,[21] the Fiscal Council assessed that the presented carbon tax revenue projections are "indicative" and, given the wide range of possible parameters, were justifiably omitted from the official medium-term fiscal plan. However, the Council warns that there is no clear strategic commitment regarding the trajectory of the tax rate in the coming years – it was introduced at four euros per ton, with no indication of its medium- and long-term path, which undermines predictability for businesses. The Council illustrates the scale of the broader energy transition challenge with a striking figure: in 2024, all public-sector entities in the energy sector jointly invested just over EUR 1.1 billion, whereas meeting the targets of the Integrated National Energy and Climate Plan for the 2025–2030 period would require annual investments of at least EUR 3–3.5 billion from the public sector alone. According to the Council's estimates, the public sector is expected to cover 60–85% of the total of nearly EUR 30 billion in required investments by 2030. Furthermore, state guarantees for a portion of those projects, amounting to roughly EUR 3.5 billion, have not been factored into medium-term fiscal projections.

The Council also raised a serious methodological objection regarding the calculation of CBAM effects in the Strategy itself: it remains unclear whether the "CBAM effect" refers to the cost of purchasing certificates, lost export revenues due to reduced competitiveness, or some other indicator; moreover,

21 Fiscal Council of the Republic of Serbia, Opinion on the Draft Fiscal Strategy for the 2027–2029 Period.

industrial products and electricity were treated almost identically, even though these are fundamentally different cases. In the case of industrial products, where domestic emissions are 15–20% higher than the EU average, CBAM diminishes price competitiveness but will not completely push exporters out of the market; therefore, it is justified to measure the effect as the additional cost of certificates; for electricity, however, where domestic emissions are three to four times higher than the EU average, CBAM practically calls into question the profitability of exports, meaning the impact should be measured in terms of lost revenue. The Council further cautions that the estimated impact on industrial sectors of EUR 118 million vastly exceeds their earlier estimate of EUR 45 to 50 million, noting that the European Commission's updated benchmarks only partially explain this discrepancy, urging the Government to publicly disclose the assumptions behind these calculations.

According to an analysis by the Platform for Social Development and Innovation (CORE) the law was drafted in the absence of a publicly accessible analytical basis and with limited public involvement:[22] the 2023 working group, formed to evaluate the impact of CBAM, had no bearing on the actual legislative text, which, according to a written response from the Ministry of Finance, was prepared by an unidentified author, without a working group and without any official minutes. The public consultation lasted 20 days, which is the statutory minimum, while the rate of four euros per ton was determined without any published methodology. The Ministry initially claimed the figure was taken from the NECP, but later retracted this statement, making reference to a "special analysis" that has never been made public. The analysis points out that the law fails to guarantee the earmarked use of collected funds: in response to a proposal by the Chamber of Commerce and Industry of Serbia to establish a special fund, the Ministry of Finance replied in writing that "there is no formal legal basis for using tax revenues in this specific manner", thereby deviating from its own strategic documents – the NECP and the Energy Development Strategy, which provide for the earmarking of these funds. Furthermore, the tax credit is reserved exclusively for electricity producers,

22 Vojvodić, H., Popović, M., Vukčević, Lj., Milićević, I., Privid dekarbonizacije: Analiza Zakona o porezu na emisije gasova sa efektom staklene bašte, Platforma za društveni razvoj i inovacije – CORE, Beograd, 2026.

with no further explanation provided other than invoking "strategic reasons". The tax on greenhouse gas emissions confirms the pattern observed with the Green Fund and current environmental fees: revenues are introduced or collected without a legal mechanism for their earmarking for decarbonization and environmental protection. This discrepancy is particularly noticeable in relation to the Environmental Protection Strategy, where Measure 6.4.1 explicitly provides for the earmarked use of revenues from environmental taxes and fees. Consequently, aligning the tax and strategic frameworks remains one of the key prerequisites for the sustainable financing of the green transition.

Recommendations

1. Operationalize the Green Fund of the Republic of Serbia and amend the Law on Environmental Protection, the Law on Fees for the Use of Public Goods, and the Law on Greenhouse Gas Emissions Tax, ensuring that revenues from environmental fees and emission taxes are earmarked for environmental protection, decarbonization, and climate change adaptation.
2. Reform the distribution of environmental fee revenues to align more closely with the location where environmental pressures arise, ensuring that local self-governments are provided with predictable funding for pollution prevention, control, and remediation.
3. Establish a transparent medium-term framework for the greenhouse gas emissions tax, including the path of the tax rate, criteria for tax incentives, and a revenue utilization model for financing decarbonization.
4. Enhance the institutional capacity to prepare, contract, implement, and monitor environmental and climate projects, with particular emphasis on increasing the absorption of European Union funds and implementing major infrastructure investments.
5. Improve multi-year budgetary planning by aligning allocations with assessed project readiness, realistic implementation capabilities, and the removal of obstacles in projects with recurrent budget execution shortfalls.
6. Ensure full transparency of major infrastructure projects, including publicly available data on funding sources, contracts, implementation schedules and progress, payments made, contract amendments, expected outcomes, and reasons for any deviations from the plan.

7. Ensure the consistent application of the functional classification of budget expenditures across the national, provincial, and local levels of government, and establish a methodologically uniform framework for reporting on planned and executed expenditures for environmental protection and climate change.

8. Improve the green budgeting methodology through more precise expenditure tagging criteria, more reliable verification of compliance with the DNSH principle, and by expanding the coverage of relevant users of public funds.

9. Guarantee continuity when abolishing or reforming incentives and other financial instruments in the field of environmental protection, ensuring that existing mechanisms remain in force until the new system is fully operational from a legal, institutional, and financial standpoint.

10. Establish an effective system of extended producer responsibility for special waste streams, with a stable and predictable financing mechanism for collection, treatment, and recycling, in line with the polluter pays principle.

FINANCING IN THE FIELD OF ENVIRONMENTAL PROTECTION AND CLIMATE CHANGE

NATIONAL BUDGET EXPENDITURES FOR ENVIRONMENTAL PROTECTION IN 2025



1 RECORD BUDGET SPENDING

National budget expenditures for environmental protection reached a record **RSD 54.85 billion** in 2025 (over 0.5% of GDP), while the 2026 budget projects further growth to nearly **RSD 62 billion**.

2 FOCUS ON WATER AND WASTE

Nearly **79%** of environmental protection expenditures in 2025 were directed toward the water and waste management sectors. The Clean Serbia project remained the largest individual project, with **RSD 14.6 billion** in expenditures.

3 LOW ABSORPTION OF EU FUNDS

The absorption of EU funds continued to deteriorate, with only **26%** of the budgeted amount spent in 2025.

4 CHALLENGES IN THE RECYCLING SECTOR

The abolition of recycling incentives before a replacement system was operational left approximately **70,000 tons** of waste uncollected in the first half of 2026, resulting in job losses in the sector and increased environmental risks.

5 GREENHOUSE GAS EMISSIONS TAX

Serbia introduced a greenhouse gas emissions tax in response to CBAM, but without guarantees that the revenues collected would be earmarked for environmental protection and decarbonization.

Horizontal legislation

Overview

During the reporting period, development of the legislative framework in the fields of Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) continued, though a comprehensive and consistently applied system has yet to be established. While the new Regulation on Lists I and II and some by-laws for the implementation of the Law on EIA have been adopted, key secondary legislation is still lacking. Some of the new mechanisms, primarily the quantitative thresholds for List II projects and the retention of Article 6 of the Law, leave room for legal uncertainty and bypassing of full impact assessment procedures. Regarding SEA, accompanying by-laws have been adopted, but issues concerning effective legal protection and inspection supervision remain unresolved.

At the same time, there has been a further deterioration in the conditions for public participation. Amendments to the regulatory framework have narrowed the obligations to conduct consultations, public hearings, and impact analysis of public policies and regulations. Furthermore, in practice, the shortest possible deadlines are still being applied, procedures are scheduled during public holidays, and citizens' objections are addressed only formally. It is particularly concerning that some projects are being launched before their environmental impact assessments are completed, or that complex projects are broken down into smaller segments. This undermines the preventive purpose of the assessment and makes it impossible to evaluate the overall impacts.

Progress has also been lacking in other areas of horizontal legislation. Alignment with the INSPIRE Directive continues to lag behind, the Law on Liability for Environmental Damage has not been adopted, and the criminal law framework remains only partially aligned with the EU acquis. In addition, insufficient inspection capacities, slow action by relevant authorities, and persistent obstacles in accessing information of public importance confirm that the problem has long ceased to be just about the quality of regulations, but rather how poorly and unevenly they are enforced.

Strategic and Legislative Framework

Environmental Impact Assessment and Directive 2011/92 EU (Replaced by Directive 2014/52/EU)

The Law on Environmental Impact Assessment (Official Gazette of RS, no. 94/2024) was adopted on November 27, 2024, nearly three years after the public consultation was held. Article 6 of this Law remains a source of legal uncertainty, as it introduces a requirement to obtain an opinion from the Ministry of Environmental Protection as an additional step prior to initiating the formal procedure for deciding on the need for an impact assessment (hereinafter: screening). Although the opinion does not formally exempt the project proponent from the obligation to initiate the procedure, there is a risk that, in practice, it may be used instead of the legally prescribed procedures and decisions. This could lead to a centralized decision-making process that bypasses public participation, given that the Ministry issues the opinion even in cases where local government authorities are responsible for conducting the impact assessment procedure.

In November 2025, the Regulation on the List of Projects Requiring a Mandatory Environmental Impact Assessment, List of Projects Requiring Submission of a Request for Deciding on the Need for Environmental Impact Assessment, and Criteria for Deciding on the Need for Environmental Impact Assessment (Official Gazette of RS, no. 106/2025) was adopted. The new Regulation aligns national rules with Directive 2014/52/EU, introduces more detailed criteria for the screening phase (determining the need for an environmental impact assessment), ensures better integration of protected areas and ecological networks into the environmental impact assessment procedure, enables the evaluation of cumulative and climate impacts, and expands project scopes, particularly in the fields of renewable energy sources and new technologies. It is also significant that the new Regulation, through Annex 3, improves screening by more comprehensively assessing the nature of the project, the sensitivity of the location, and the types of potential impacts. However, the application of

these criteria is limited by quantitative thresholds for certain List II projects. As a result, projects with potentially significant impacts may remain outside of the screening process solely because they fall below the prescribed threshold, especially when these impacts stem from a combination of multiple factors or the sensitivity of the location itself.

The Regulation is contradictory to the provisions of the Law on Environmental Impact Assessment. Article 5 of the Law stipulates that the Government will determine (through the Regulation) the list of projects for which an impact assessment is mandatory (List I) and the list of projects for which there is an obligation to submit a request for deciding on the need for impact assessment (List II). On the other hand, Article 4 of the Regulation states that "List II contains the project title, categorized by its respective economic sector designated by an ordinal number, the point and sub-point next to the project title, and, depending on the potential environmental impact, its size, capacity, area, or length. For projects where no size, capacity, area, or length is specified, the obligation to submit a request for a decision on the need for an environmental impact assessment is mandatory for all projects of that type or title". This clearly indicates that the legislator does not view the stated criteria as the basis for deciding whether an environmental impact assessment study should be prepared for a project, but rather as criteria determining whether the procedure to evaluate the need for an impact assessment will be conducted at all. Consequently, this leaves room to bypass screening for certain List II projects, which is contrary to Article 5 of the said Law and the very purpose of the Environmental Impact Assessment Directive.

The Rulebook on the Procedure of Public Insight, Public Presentation and Public Consultation, and Preparation of the Report on the Conducted Public Consultation on the Project Environmental Impact Assessment Study (Official Gazette of RS, no. 26/2026) and Rulebook on the Work of the Technical Committee for the Evaluation of the Project Environmental Impact Assessment Study (Official Gazette of RS, no. 24/2026) were adopted in March 2026.

To ensure the full implementation of the Law on Environmental Impact Assessment, it is necessary to adopt or harmonize the following by-laws, which

are of direct relevance for the transposition and implementation of Directive 2011/92/EU, as amended by Directive 2014/52/EU:

1. rulebook prescribing the appearance and content of the request form for deciding on the need for an environmental impact assessment and the required documentation, as well as the appearance and content of the request form for determining the scope and content of the EIA study with supporting documentation;
2. rulebook specifying the content of the project's environmental impact assessment study and the documentation to be submitted therewith;
3. rulebook on the detailed content, appearance, and maintenance of the public register, including the electronic database maintained alongside the central register.

The Law on Environmental Impact Assessment stipulates that, pending the adoption of new by-laws, the regulations enacted on the basis of the 2004 Law will remain in force, provided they do not conflict with the provisions of the new Law.[23] While this prevents a complete legal vacuum, it also introduces a transitional phase that prolongs legal uncertainty and hinders the uniform application of the law. The two-year deadline set by the Law for the adoption of most by-laws essentially delays the establishment of a comprehensive and harmonized legal framework.

Following the latest amendment to the National Program for the Adoption of the Acquis (NPAA)[24] made in August 2025, the adoption of these regulations is scheduled for the final quarter of 2026, coinciding with the expiration of the statutory deadline for enacting these by-laws.

Public notification mechanisms are still not regulated in a way that would allow the interested public to learn about the initiation and progress of the environmental impact assessment procedure in a timely and reliable manner.

23 Law on Environmental Impact Assessment, Article 60, paragraph 1.

24 National Program for the Adoption of the Acquis 2024-2027, available at: https://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_2024-2027_preciscena_verzija.pdf.

Although the Law on Environmental Impact Assessment requires notices to be published in at least one printed daily newspaper and on the relevant authority's website, deadlines for public participation and the exercise of legal remedies begin to run from the date of publication in the press. Since there is no pre-designated newspaper in which the notice will be published, nor is there a unified electronic channel, the interested public is forced to monitor numerous media outlets so as not to miss the deadlines. Such a model fails to ensure adequate, timely, and effective public information, potentially hindering access to justice. The planned establishment of a central electronic database and a central internet portal could alleviate this problem, but the deadline for their establishment is set for December 2027. Frequent changes to the layout and technical solutions of the Ministry of Environmental Protection's website make it difficult, and sometimes even impossible, to access information regarding environmental impact assessment procedures.

Strategic Assessment and Directive 2001/42/EC

The new Law on Strategic Environmental Assessment was adopted on November 27, 2024.
During the reporting period, two by-laws were adopted:

4. Rulebook on the Method of Informing the Public and Conducting Public Debates on the Draft Plan and Program and the Strategic Environmental Assessment Reports (Official Gazette of RS, no. 121/2025);
5. Rulebook on the Appointment and Work of the Expert Commission for the Evaluation of the Strategic Environmental Assessment Reports of Plans and Programs (Official Gazette of RS, no. 112/2025).

The new Law introduces more detailed regulations for deciding when a strategic assessment is not required. The decision not to conduct a strategic assessment can no longer be made solely on the basis of a previously obtained opinion from the authority responsible for environmental protection; instead, the prior consent of that authority is now also required for its adoption. The Law, however, has not clearly defined the legal nature of this consent, nor

has it prescribed a specific legal remedy in the event of its refusal, or the authority's failure to act within the prescribed deadline. This strengthens the supervisory role of the authority responsible for environmental protection, but without the appropriate regulation of legal remedies and the consequences of the authority's action, or inaction. In addition, the question remains open regarding the availability and effectiveness of legal protection concerning both the decision to bypass the strategic assessment procedure and the decision to approve or reject the strategic assessment report. Under the existing framework, potential irregularities can only be raised indirectly, by challenging the planning document before the Constitutional Court, whereby the control of the Constitutional Court is limited to examining the legality of the adoption procedure.

With regard to inspection supervision, the new Law on Strategic Environmental Assessment stipulates that supervision over its implementation is carried out by the Ministry of Environmental Protection. However, the Law fails to specify the exact rights and duties of inspectors, or special powers to impose measures, bans, or other actions in the event of identified irregularities.

Public Participation in the Development of Certain Plans and Programs and Directive 2003/35/EC

In the Negotiating Position for Chapter 27, Serbia announced that it would fully comply with Directive 2003/35/EC by the end of 2020 through amendments to the Law on Environmental Impact Assessment, the Law on Integrated Prevention and Control of the Environment Pollution, and the Water Law, as well as by adopting the Regulation on Public Participation in the Development of Certain Plans and Programs in the Field of Environmental Protection.

In July 2026, a new Law on Integrated Prevention and Control of the Environment Pollution was adopted.[25] While the adopted solutions represent progress in certain aspects of public participation, they fall short of ensuring full compliance with the relevant standards. The definition of the term "the

25 Law on Integrated Prevention and Control of the Environment Pollution (Official Gazette of RS, no. 63/2026), available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2026/63/6/reg

public concerned" remains problematic, as it introduces additional conditions compared to the definitions in the Aarhus Convention and relevant EU directives, while associations promoting human health protection are not explicitly covered. The timeframes for public participation in the integrated permitting procedure also remained inadequate. While the 20-day deadline is an improvement compared to the originally proposed 15-day deadline, such a timeframe still does not provide sufficient time to review extensive and technically complex documentation.

The Water Law was not amended during the reporting period.

Environmental Crimes and Directive 2008/99/EC

The Directive 2008/99/EC on the protection of the environment through criminal law has not yet been fully transposed into national legislation. The latest amendments to the Criminal Code made in 2024 do not address environmental protection. The main shortcoming of the Criminal Code of Serbia concerns the criminal offense of environmental pollution. The legislator focuses the act of committing this criminal offense on the consequences for air, water, and soil, while completely omitting the consequences for human life and health, and failing to recognize that the right to health and environmental protection are inextricably linked. On the other hand, the discharge, emission, or introduction of substances into air, soil, or water that causes or is likely to cause death or serious injury to any person, or substantial damage to the environment is prescribed as a criminal offense under Directive 2008/99/EC.[26] Therefore, the Directive considers the consequences for human health and life and the consequences for the environment to be equal and alternative, meaning that the endangerment of just one of these protected interests suffices to constitute a criminal offense. In addition, the standard of probability of the consequence occurring ensures that incrimination also extends to instances where harm to health has not yet manifested, but remains imminent or highly probable due to the inherent nature of the underlying act.

26 Directive 2008/99/EC, Article 3 (a).

Regarding procedural rights, the current domestic legal framework provides environmental protection associations solely with the opportunity to observe trials as members of the general public, without any formal standing or authority in the proceedings. Considering the high degree of social threat posed by environmental crimes and the fact that such organizations actually represent a broader circle of citizens affected by these offenses, this solution is narrow and restrictive. Particular consideration should be given to the fact that expert organizations can make a significant contribution to the prosecution of environmental offenses and their perpetrators. Furthermore, there is a justified reason for the public concerned, namely environmental non-governmental organizations, to play a more prominent role in these criminal proceedings than they currently do as members of the general public without any participation rights. It should be noted that Directive 2008/99/EC does not explicitly prescribe the rights of non-governmental organizations in criminal proceedings, rather, this mechanism is introduced by the new Directive (EU) 2024/1203 on the protection of the environment through criminal law, which stipulates that NGOs promoting environmental protection, as members of the public concerned, have appropriate rights to participate in criminal proceedings against legal entities.[27]

Directive 2007/2/EC – INSPIRE Directive

In the Negotiating Position for Chapter 27, in order to fully implement the INSPIRE Directive, the Republic of Serbia requested a transition period of two years and four months starting from the date of EU accession. The duration of the transition period for the full implementation of the Directive[28] should be determined by the Specific Implementation Plan for the INSPIRE Directive, which is not publicly available.

According to the NPAA 2024–2027, alignment with the requirements of the INSPIRE Directive is not yet fully completed, particularly regarding network

27 Directive EU 2024/1203, Article 15.

28 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, available at: https://www.mei.gov.rs/upload/documents/pristupni_pregovori/pregovaracke_pozicije/pg_pozicija_27.pdf

services, access to and exchange of geodata, system interoperability and harmonization of datasets, which further extends the delay in implementing previously assumed obligations in this area. The 2024–2027 Reform Agenda of the Republic of Serbia[29] identifies non-standardized data exchange, the lack of geographic information systems (GIS) standards, and limited capabilities for spatial analytics as obstacles to the effective functioning of the system. Under the e-Space reform framework, the plans include improving data exchange between relevant authorities and standardizing planning documentation to align with the requirements of the INSPIRE Directive.

Access to Environmental Information and Directive 2003/4/EC

Directive 2003/4/EC on public access to environmental information has been almost fully transposed into national legislation.

The Negotiating Position for Chapter 27, which was adopted in 2019, envisaged the completion of this process by the end of 2020. However, the Law on Amendments to the Law on Free Access to Information of Public Importance was adopted in November 2021.[30] In September 2024, the Ministry of Public Administration and Local Self-Government formed a working group to draft amendments to the Law on Free Access to Information of Public Importance, in order to address the issue of "abuse of requests for access to information of public importance".[31] On February 14, 2025, the Government of the Republic of Serbia submitted the Draft Law on Amendment to the this Law to the National Assembly.[32] In early March 2025, the Draft was withdrawn from parliamentary procedure.[33] Civil society organizations highlighted that the proposed amendments failed to resolve key systemic issues in the implementation of the Law, including the non-enforcement of the Commissioner's decisions, inefficient

29 Reform and Growth Facility for the Western Balkans: Reform Agenda of the Republic of Serbia, available at: https://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/reformska_agenda_rs_2024_2027.pdf.

30 Official Gazette of RS, nos. 120/2004, 54/2007, 104/2009, 36/2010 and 105/2021.

31 Available at: https://mduls.gov.rs/saopstenja/menja-se-zakon-o-slobodnom-pristupu-informacijama-od-javnog-znacaja/?script=lat

32 Available at: https://www.parlament.gov.rs/Prva_sednica_Prvog_redovnog_zasedanja_Narodne_skup%C5%A1tine_Republike_Srbije_u_2025._godini.50715.941.html

33 Available at: https://www.partners-serbia.org/post?id=645.

inspection supervision, and hindered access to information regarding the work of certain public authorities. Furthermore, they noted that the majority of proposals submitted during the public consultation were not accepted.[34]

Liability for the Prevention and Remedying of Environmental Damage and Directive 2004/35/EC

No progress has been made regarding the adoption of the Law on Liability for Environmental Damage, i.e., the transposition of the Environmental Liability Directive 2004/35/EC. The transposition of this Directive is only in its initial phase, and its full implementation is contingent upon the adoption of the said Law.[35]

Implementation of Regulations

Environmental Protection Strategy

During the reporting period, the Government of the Republic of Serbia failed to adopt the Draft Environmental Protection Strategy – Green Agenda for Serbia, even though the public consultation was held at the end of 2024 and the consultation report was published in January 2025.[36]

Strategy for the Implementation of the Convention on Access to Information, Public Participation in Decision-Making, and Access to Justice in Environmental Matters (Aarhus Convention) with an Action Plan

Preparing the Draft Strategy for the Implementation of the Convention on

34 Partners Serbia: Statement Regarding the Withdrawal of the Draft Law on Amendments to the Law on Free Access to Information of Public Importance – An Opportunity for Systemic and Inclusive Reform, available at: https://www.partners-serbia.org/post?id=645.

35 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, available at: https://www.mei.gov.rs/upload/documents/pristupni_pregovori/pregovaracke_pozicije/pg_pozicija_27.pdf

36 The Government of the Republic of Serbia adopted the Strategy on July 30, 2026 (Official Gazette of RS, no. 71/2026), available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/strategija/2026/71/1/reg

Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) began in 2023 and continued during the reporting period.

In February 2025, eight civil society organizations, members of the Working Group for Preparing the Draft Strategy, decided not to attend future meetings of the Working Group due to the non-application and violation of the fundamental principles of the Aarhus Convention in procedures related, primarily, to environmental impact assessment.

At the time of preparing this report, there was no publicly available information regarding the further progress on the Draft Strategy for the Implementation of the Aarhus Convention.

Public Participation

During the reporting period, there has been a further deterioration in conditions for effective public participation in decision-making processes in the Republic of Serbia, given that amendments to the regulatory framework narrowed the institutional mechanisms for public involvement in those processes.

Particularly concerning are the amendments to the Rules of Procedure of the Government of the Republic of Serbia from November 2025, which enable the Government to decide against conducting a public hearing if it determines that all issues were resolved during consultations or that the text already reflects the comments of stakeholders.[37] This creates conditions for excluding the public from one of the key steps of the process for adopting regulations and public policy documents.

In the field of spatial and urban planning, amendments to the Rulebook on the Content, Method, and Procedure for Developing Spatial and Urban Planning Documents have introduced the possibility of segmenting the public concerned into multiple groups and holding multiple public sessions, as well as

37 Article 41a of the Rules of Procedure of the Government of the Republic of Serbia (Official Gazette of RS, no. 106/25).

conducting sessions online "when there is a high level of public interest in participating in the commission's public session".[38]

The introduction of online sessions into the public review process is a cause for concern. Specifically, administrative authorities in Serbia lack the appropriate technical capacity or skills to manage online sessions in a manner that ensures unobstructed participation for all interested citizens. Furthermore, one should not overlook instances where competent authorities abuse the online format to obstruct or exclude the public. Media reports highlight instances of technical issues or attempts by the commission chairperson to restrict public participation during public hearings on planning documents.[39]

Such solutions directly affect legal certainty, transparency, and the possibility of effective participation. By dividing participants into separate groups, the public concerned is prevented from hearing the objections of other participants, building upon them, or responding to them, which causes the session to lose its core purpose. The online format raises the question of equal access, bearing in mind the varying levels of digital technology availability and technical capabilities of citizens, as well as of the public authorities themselves.

The timing of these amendments in relation to the planning procedures for projects connected to the EXPO 2027 exhibition and the National Stadium is particularly problematic. The Rulebook was published on May 30, 2025, and entered into force on June 7, 2025, while the Agency for Spatial Planning had already announced on June 4 that the commission's session regarding the National Stadium project would be held online on June 11.[40] Such a sequence of events indicates that the changes to the procedural rules were tailored to meet the needs of specific projects of national importance, which had previously generated significant public interest and criticism.

38 Article 65 Rulebook on the Content, Method and Procedure for Developing Spatial and Urban Planning Documents (Official Gazette of RS, nos. 32/19, 47/25 and 40/26).

39 N1, The public consultation on expanding "Belgrade Waterfront" from the participants' perspective, July 31, 2025: https://n1info.rs/vesti/kako-je-iz-ugla-ucesnika-izgledala-javna-rasprava-o-prosirenju-beograda-na-vodi/; allegations regarding the abuse of online sessions can also be found in posts by participants on social media, available at: https://www.linkedin.com/posts/milica-luki%C4%87-petrovi%C4%87-phd%F0%9F%8C%8D-096994a4_21vek-elektronska-javna-sednica-komisije-ug-cPost-7442141559145263104--_9E/

40 Available at: https://reri.org.rs/otkazati-nezakonitu-javnu-sednicu-o-prostornom-planu-za-nacionalni-stadion/

During the reporting period, public participation guarantees related to impact analysis of public policies and regulations and drafting of public policy documents were also weakened. Amendments to the Impact Analysis of Public Policies and Regulations and to the Regulation on the Methodology of Public Policy Management introduced in late March 2026 provided for exemptions from the obligation to conduct consultations for regulations related to European Union accession and the fulfillment of certain international obligations.[41] Alignment with the EU acquis should reinforce the standards of transparent, inclusive, and evidence-based decision-making, rather than serve as an excuse for lowering existing standards. Instead, through amendments to the said regulations, the Government of Serbia has actually abolished the obligation of ministries to:

- conduct impact analysis for key public policy measures and provisions of laws, regulations, and rulebooks that significantly affect the interests of citizens and the economy (during the drafting phase), thereby abolishing the requirement to make evidence-based decisions;
- request an opinion from the Public Policy Secretariat (PPS) regarding those analyses, namely an opinion on the quality of the analysis conducted during the drafting of such regulations and public policy documents, thereby eliminating a sound system of internal control and accountability;
- conduct consultations (during the drafting phase) with citizens and businesses affected by those regulations and public policy measures, as well as consult the institutions responsible for implementing them, thereby reducing the inclusiveness and transparency of how laws and public policies are made.

It is important to note that there are no indicators suggesting that public participation is the cause of Serbia's delays in transposing and implementing the EU acquis. On the contrary, experience in the environmental sector reveals prolonged delays even after consultations have concluded, pointing to issues

41 Regulation on the Methodology of Public Policy Management (Official Gazette of RS, nos. 20/25-18, 27/26-25, and 30/26-4) and Impact Analysis of Public Policies and Regulations (Official Gazette of RS, nos. 20/25-18, 27/26-25, and 30/26-4).

with administrative capacity, planning, coordination, and political monitoring of implementation obligations, rather than public participation. A case in point is the Environmental Protection Strategy, which underwent an extensive public participation process, yet the Government delayed its adoption by more than a year and a half after the public consultation had ended. Restricting consultations therefore does not resolve the underlying causes of the delay, but it does eliminate one of the mechanisms for external quality control of regulations. In addition to regulatory changes, the reporting period saw a continuation of practices that formally allow public participation while effectively obstructing it. Consultations, public hearings, and participation in individual environmental procedures were repeatedly scheduled during or immediately around public and religious holidays.

The public consultation on the Draft Law on Integrated Prevention and Control of the Environment Pollution, held from March 13 to April 15, 2026, spanned the Easter holidays, which reduced the time available for analyzing the draft and preparing comments, particularly considering the complexity of the subject matter and the Law's importance in tackling the serious problem of industrial pollution in Serbia.[42] The public consultation on the Circular Economy Development Program 2026–2030 started on December 31, 2025, and lasted until January 25, 2026, spanning the New Year and Christmas holidays.[43] On the same day, December 31, 2025, consultations began on the drafting of the Law on the Exploration and Exploitation of Hydrocarbons, with a deadline of January 18, 2026.[44] In the procedure for extending the integrated permit for the Šabac Branch of HBIS Group Serbia Iron & Steel, the narrow 15-day window for review and comments coincided with the Statehood Day non-working public

42 Public call for Participation in the Public Consultation on the Draft Law on Integrated Prevention and Control of the Environment Pollution, available at: https://www.ekologija.gov.rs/lat/informacije-od-javnog-znacaja/javne-rasprave/javni-poziv-za-ucesce-u-javnoj-raspravi-o-nacrtu-zakona-o-integrisanom-sprecavanju-i-kontroli-zagadivanja-zivotne-sredine

43 Public call for Participation in the Public Consultation on the Draft Circular Economy Development Program in the Republic of Serbia for 2026–2030 Period, available at: https://www.ekologija.gov.rs/informacije-od-javnog-znacaja/javne-rasprave/javni-poziv-za-ucesce-u-javnoj-raspravi-o-predlogu-programa-razvoja-cirkularne-ekonomije-u-republici-srbiji-za-period-2026-2030-godine.

44 Notice of the Commencement of Drafting the Law on Exploration and Exploitation of Hydrocarbons, available at: https://www.mre.gov.rs/tekst/sr/14047/-obavestenje-o-pocetku-izrade-nacrta-zakona-o-istrazivanju-i-eksploataciji-ugljovodonika.php.

holidays.[45] During the same period, the Spatial Plan of the Special Purpose Area of the Kostolac Coal Basin, along with its Strategic Environmental Assessment Report, was also made available for public insight.[46]

Formal compliance with the minimum number of calendar days does not imply that the public has been granted sufficient time for effective participation. Article 8 of the Aarhus Convention requires that the public be provided with effective timeframes to participate in the preparation of generally applicable legally binding norms. Furthermore, the Maastricht Recommendations on Promoting Effective Public Participation in Decision-making in Environmental Matters stipulate that, whenever possible, public participation procedures should not be scheduled during major holiday periods.[47]

The problem is exacerbated by the frequent practice of applying minimum statutory deadlines to multiple complex regulations simultaneously. For instance, public consultations on the draft laws governing oil, gas, and mandatory reserves of oil, oil derivatives, and natural gas were held concurrently, from October 20 to November 10, 2025, while consultations on the new Law on Mining and Geological Explorations took place between October 27 and November 11, 2025.[48] Under such circumstances, civil society organizations, the expert public, and local communities are left with even less time to analyze several technically demanding regulations at once and prepare high-quality, reasoned comments.

45 Draft Decision on Extending the Validity of the Integrated Permit for the Operator HBIS Group Serbia Iron & Steel d.o.o., Šabac Branch, available at: https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/nacrti/nacrt-resenja-o-produzenju-vazenja-integrisane-dozvole-za-operatera-hbis-group-serbia-iron-steel-doo-ogranak-sabac

46 Public Insight into the Spatial Plan of the Special Purpose Area of the Kostolac Coal Basin and Strategic Environmental Assessment Report, available at: https://urbanizam.pozarevac.rs/download/javni-uvid-ppppn-kostolackog-ugljenog-basena-2026/

47 UNECE, Maastricht Recommendations on Promoting Effective Public Participation in Decision-making in Environmental Matters, ECE/MP.PP/2014/2/Add.2, para. 77(e), https://unece.org/environment-policypublic-participation/recommendations-public-participation-decision-making.

48 Notice of Public Consultation on the Draft Law on Oil, https://www.mre.gov.rs/tekst/sr/12436/-obavestenje-o-sprovodjenju-javne-rasprave-za-nacrt-zakona-o-nafti-.php; Notice of Public Consultation on the Draft Law on Gas, https://www.mre.gov.rs/tekst/sr/12427/-obavestenje-o-sprovodjenju-javne-rasprave-o-nacrtu-zakona-o-gasu.php; Notice of Public Consultation on the Draft Law on Mandatory Reserves of Oil, Oil Derivatives and Natural Gas, https://www.mre.gov.rs/tekst/sr/12607/-obavestenje-o-sprovodjenju-javne-rasprave-o-nacrtu-zakona-o-obaveznim-rezervama-nafte-derivata-nafte-i-prirodnog-gasa.php. Notice of the Commencement of Drafting the Law on Mining and Geological Explorations, https://www.mre.gov.rs/tekst/sr/12757/-obavestenje-o-pocetku-izrade-nacrta-zakona-o-rudarstvu-i-geoloskim-istrazivanjima.php.

However, the most critical issue is neither the number of days allowed for comments, nor the holidays during which public consultations are organized – the real question is whether public participation can actually influence the outcome of decision-making at all. It often happens that detailed and well-argued objections from civil society organizations, experts, citizens, and even business entities are rejected with brief and generic explanations, leaving the drafts substantively unchanged after the consultation process. The Draft Law on Integrated Prevention and Control of the Environment Pollution is one of the examples where public consultation outcomes had little to no impact on the subsequent version of the draft text.[49] A similar pattern was also observed during the consultations on the Draft Law on Greenhouse Gas Emissions Tax.[50] While the Aarhus Convention does not require the relevant authority to accept every single public objection, it does require that the results of public participation be taken into account during the decision-making process. This means that objections should be thoroughly evaluated and addressed with a clear, reasoned response, rather than merely being checked off as a formality in the consultation report.

The fact that public participation is a mere formality for the competent authorities of the Republic of Serbia is best demonstrated by cases where project works begin before the environmental impact assessment procedure is finalized. Accordingly, on June 8, 2026, the City of Belgrade issued a construction permit for preparatory works preceding the construction of the Belgrade Aquarium, even though the decision-making process regarding the need for an environmental impact assessment for this project had not yet been concluded. Decision-makers justified this by claiming that the preparatory works are not part of the Aquarium construction project. However, this conclusion lacks both legal and logical backing, as these works serve no independent purpose and are entirely intrinsic to the project. The decision by the Secretariat for Environmental Protection of the City of Belgrade dated July 1, 2026, stating

49 Report on the Conducted Public Consultations on the Draft Law on Integrated Prevention and Control of the Environment Pollution, https://www.ekologija.gov.rs/informacije-od-javnog-znacaja/izvestaji-sa-javnih-rasprava/izvestaj-o-sprovedenim-javnim-konsultacijama-o-nacrtu-zakona-o-integrisanom-sprecavanju-i-kontroli-zagadjivanja-zivotne-sredine.

50 Report on the Conducted Public Consultation on the Draft Law on Greenhouse Gas Emissions Tax, available at: https://www.mfin.gov.rs/sr/propisi-1/javna-rasprava-o-nacrtu-zakona-o-porezu-na-emisije-gasova-sa-efektom-staklene-bate-1.

that the construction of the Aquarium does not require an environmental impact assessment, further shows that public participation has only a formal and declarative role. This project is planned in one of the rare preserved green oases in the urban core, within the Zone III water source protection area, in the immediate vicinity of protected areas and the ecologically significant corridor of the Danube River (specifically 40 meters from the Danube riverbank itself). When making its decision, the competent authority completely disregarded the cumulative effects of the project, even though available urban plans clearly show that the Aquarium is planned alongside several highly significant projects within Ušće Park itself. A similar pattern is evident in the project for tailings disposal from the Severni Revir open-pit mine in Majdanpek, during which the project proponent's representative confirmed citizens' claims at the public hearing that works on the site in question were already underway.[51] Conducting an environmental impact assessment after a project has already commenced runs entirely counter to its preventive purpose and prevents the public from contributing in a timely manner to the evaluation of alternatives, the assessment of potential consequences, and the determination of protective measures.

The strategic environmental assessment is also bypassed through alternative means. Complex projects are broken down into individual facilities and stages, which are then planned and approved separately from one another. This artificially narrows the scope of the project and prevents the consideration of reasonable solutions, as well as the overall impacts and consequences of the entire undertaking. The example of the Čukaru Peki mine expansion shows that certain facilities, such as the new flotation facility, are planned through urban development projects, with construction commencing before the adoption of the spatial plan of the special purpose area and the strategic environmental assessment.[52] This order of events seriously undermines the purpose of public participation, as the public is engaged only after key decisions have been made and construction of certain segments has already started. Consequently, the public is deprived of any real opportunity to influence or modify the planned solutions through their

51 Environmental Impact Assesssment Study of the Supplementary Severni Revir Open-Pit Mine Tailings Disposal Project, available at: https://www.majdanpekinfo.rs/wp-content/uploads/2026/07/SoPU-DRP-odlaganja-jalovine-iz-PK-Severni-revir.pdf.

52 Expansion of the Čukaru Peki Mine: How to Build a Mine When an Investor Runs Out of Patience, available at: https://core-psd.org/index.php/blog-1/sirenje-rudnika-cukaru-peki-kako-se-gradi-rudnik-kada-investitoru-ponestane-strpljenja.

comments. A similar pattern is observed in the planning of the Malka Golaja mine, where everything points to operations starting prior to the adoption of the spatial plan and the assessment of the overall impacts of the planned activities.

Environmental Protection Inspectorate

According to data from the 2026 Inspection Supervision Plan, the Environmental Supervision and Preventive Action Department within the Ministry of Environmental Protection lacks nearly one-third of the required staff for the position of the national environmental inspector (while the Rulebook on Internal Organization and Job Classification provides for 86 positions, only 58 inspectors are currently deployed). Almost half of these national environmental inspectors are based in Belgrade (27), while the remaining inspectors are distributed across 17 locations throughout the Republic of Serbia: in Šabac (2), Užice (3), Nova Varoš (1), Kraljevo (2), Čačak (1), Novi Pazar (1), Kragujevac (1), Batočina (1), Požarevac (1), Smederevo (1), Zaječar (1), Niš (7), Pirot (2), Leskovac (1), Vranje (4), Kosovska Mitrovica (1) and Šid (1).

The 2025 Annual Report on the Work of the Environmental Supervision and Preventive Action Department is not available on the Ministry's website, with the latest available report being for the year 2024. Under the Inspection Supervision Plan of the Environmental Protection Inspectorate, the objective of the environmental protection inspectorate for 2024 was a more efficient enforcement of regulations in the field of environmental protection, with the following performance indicators:

Indicator 1: Percentage of completed inspections envisaged by annual inspection work plans and operational work plans. The target value in 2024 was 90%.

Indicator 2: Percentage of inspections with no detected irregularities. The target value in 2024 was 80%.

Based on the 2024 Report on the Work of the Environmental Supervision and Preventive Action Department,[53] it is impossible to conclusively determine

53 https://www.ekologija.gov.rs/sites/default/files/inline-files/Godi%C5%A1nji%20Izve%C5%A1taj%20o%20radu%20za%202024%20god%20%20Inspekcija%20zzs.pdf

whether these target values have been met, even though the report states a 100% plan fulfillment rate for most areas. According to the fields of activity, the report presents the following data:

- Soil protection and unsanitary landfills control – a total of 21 inspections
- Noise protection – 14 inspections
- Protection against non-ionizing radiation – 24 inspections
- Integrated pollution and protection from pollution – 658 inspections
- Protection against chemical accidents / Seveso – 137 inspections
- Chemicals and biocidal products – 184 inspections
- Waste management, cross-border movement and special streams: 504 inspections
- Nature protection – 509 inspections
- IPARD – 258 inspections

One of the key mechanisms for enforcing environmental regulations is the extraordinary inspection, which should enable a rapid response when there are indications of irregularities and threats to human health, property, and the environment. Practice, however, shows that citizens' requests often do not lead to such control being initiated in a timely manner. The residents of Krivelj called for an extraordinary inspection over suspected unauthorized exploitation and the expansion of the Veliki Krivelj open-pit mine, as well as damage to the local cemetery caused by blasting, including the collapse of tombstones and the opening of graves, but their request was not acted upon even after an urgent reminder and a formal complaint.[54] A similar situation occurred regarding the request filed by the residents of Slatina concerning air pollution and irregularities in emissions monitoring. It took three months for the inspectorate to even announce an inspection, and the citizens subsequently did not receive any information about its execution, findings, or any measures

54 The residents of Krivelj submitted a request for an extraordinary inspection to the Ministry of Mining and Energy on February 17, 2026.

taken.[55] The issue persists even when an irregularity has been established; for instance, in the case of the lime factory in Zagrađe, the only measure issued was a temporary suspension of operations until the necessary permit is obtained, without initiating any punitive proceedings.[56] An additional hurdle lies in the fact that during the inspection procedure, the status of a party is granted neither to organizations acting in the public interest nor to citizens directly affected by mining activities, thereby denying them access to case files, participation in the evidentiary proceedings, and the use of legal remedies.[57]

Access to Information of Public Importance

Commissioner for Information of Public Importance and Personal Data Protection

During 2025, the Commissioner handled 21,104 active complaints, and a total of 24,875 cases were opened – the data speaks for itself regarding the workload of this Office. The Commissioner's annual report shows that exercising the right to access information of public importance continues to be accompanied by a number of serious problems. One of them is a consequence of the Administrative Court's change of stance in 2022 regarding the reimbursement of legal representation costs, which has triggered widespread abuse of the appeals process and further burdened the system designed to protect access to information.[58] However, the issues extend beyond the sheer volume of cases; they also involve the withholding of information of public interest, such as data on

55 The residents of Slatina submitted a request for an extraordinary inspection to the Ministry of Environmental Protection in March 2026, and the inspectorate provided its response in June 2026 (Letter by the Ministry of Environmental Protection no. 002287198 2026 14850 008 012 383 of June 1, 2026).

56 Letter by the Ministry of Public Administration and Local Self-Government no. 001243835 2025 14800 010 004 070 002 of June 9, 2025.

57 Decisions by the Ministry of Mining and Energy no. 001831532 2025 14820 007 003 070 001 of May 29, 2025, and no. 210-02-310-02-533/2018 of June 19, 2025.

58 Commissioner for Information of Public Importance and Personal Data Protection, 2025 Annual Report, Belgrade, 2026. Available at: https://poverenik.rs/h-content/uploads/2026/03/godisnji-izvestaj-2025-poverenik.pdf

environmental protection, capital projects, and the spending of public money. The most frequent grounds for rejecting requests include privacy protection (38.2%), claims that the information is not of public importance (28.3%) and trade secret protection (14.3%), whereby the Commissioner pointed out in multiple cases that the explanations given for withholding information were inadequate.

Although the law prescribes an urgent 48-hour deadline to process requests related to environmental information, as many as 3.3% of the Commissioner's unenforced decisions pertained precisely to this area. This reflects a lack of awareness among public authorities regarding the importance of timely public information on matters directly affecting citizens' health and the state of the environment.

Out of a total of 24,875 cases initiated in 2025, the majority of complaints concerned violations of the right to access information of public importance. The Commissioner's Office received 8,802 complaints during that year, representing a 19.4% decrease compared to the previous year, while 12,302 complaints were carried over from the prior period as pending. In total, including cases from the previous year, the Commissioner handled 34,002 cases in the field of free access to information, of which nearly half (16,602) were resolved. The largest number of appeals was submitted by citizens and lawyers (82.64%), followed by civil society organizations (5.91%) and journalists (1.99%). Out of the 9,817 appeals resolved by the Commissioner in 2025, more than half (56.31%) related to cases where public authorities completely ignored requests from applicants (the so-called administrative silence). The remaining appeals concerned cases where public authorities rejected the requests as unfounded, provided an incomplete response, or similar.

Data for 2025 indicates that in a large number of cases, citizens had justified grounds to file complaints with the Commissioner. Out of the total number of complaints, 44.62% were well-founded. At the same time, out of 4,380 well-founded complaints, as many as 2,133 proceedings (48.7%) were suspended because the authorities subsequently acted upon the applicant's request after being notified of the complaint and asked to respond. In 248 cases, the

applicants themselves later withdrew their further appeals. A comparison of data for 2024 and 2025 shows that access to information has remained essentially unchanged. The percentage of well-founded complaints fell from 47.65% in 2024 to 44.62% in 2025. Although a slight decline was recorded, the fact remains that even in 2025, citizens frequently encountered obstacles when trying to exercise their right to access information of public importance.

According to official data, environmental protection was the third most requested information category in 2025, with 1,616 recorded requests. Yet, when citizens are not satisfied with the initial response and turn to the Commissioner, the picture changes: only 2.41% of resolved appeals (237) relate to environmental information. More concerning still is that one out of every 30 unenforced decisions by the Commissioner (3.3%) falls into this exact category. This is particularly critical given that the law mandates an urgent 48-hour deadline for acting upon environmental information requests. In other words, public authorities not only delay their responses, but frequently fail to deliver the requested data concerning matters of direct significance to public health and the state of the environment even after the Commissioner's order.

Criminal Acts Against the Environment

According to the 2023 Report on the Work of the Public Prosecutor's Offices on the Suppression of Crime and Protection of Constitutionality and Legality,[59] reports were filed against 1,399 persons for criminal offenses against the environment. An increase in the number of reports compared to the previous year was recorded for criminal offenses such as illegal hunting, negligent provision of veterinary care, killing and abuse of animals, violation of the right to information on the state of the environment, import of hazardous substances into Serbia, unauthorized processing, disposal and storage of hazardous substances, as well as for the criminal offense of environmental damage.
For other criminal offenses, a decrease in the number of reports was recorded compared to the previous year, with particularly notable data showing that 767 individuals were reported for the criminal offense of timber theft, which

59 Supreme Public Prosecution Office: 2024 Report on the Work of the Public Prosecutor's Office on the Suppression of Crime and Protection of Constitutionality and Legality, available at: http://www.vrhovnojt.gov.rs/docs/Izvestaj-VrhJT-za-2024-godinu.pdf

is 212 fewer than the previous year, while 31 individuals were reported for the offense of environmental pollution, marking a decrease of 172 comparing to the previous year. Judicial practice, however, reveals a deeper problem. Since the adoption of the Law on the Liability of Legal Entities for Criminal Offenses in 2008, no criminal proceedings have been instituted against companies in their capacity as legal entities for offenses against the environment. Even though environmental pollution is one of the most serious criminal offenses in this field and directly linked to the operations of the largest companies in the Republic of Serbia, judicial practice only changed in 2024. This occurred following the first criminal proceedings against the company Serbia Zijin Copper, resulting in a conviction.[60] On appeal, the second-instance court reversed the judgment and remanded the case to the first-instance court for a retrial. Following the retrial, the company was once again found guilty of the criminal offense of environmental pollution, and the case is currently under appeal.

Acting upon Reports Related to Economic Offenses under the Law on Environmental Protection, the Law on Nature Protection, the Law on Air Protection and the Law on Chemicals

In 2024, the number of reports concerning economic offenses in the field of environmental protection remained consistent, with a total of 49 new reports filed and a total of 76 cases handled by prosecution offices, including unresolved cases from previous periods. Although the number of reports has remained stable compared to previous years, it still highlights an extremely low inflow of proceedings relative to the actual environmental situation, as evidenced by numerous reports of air, water and soil pollution. The low number of reports against business entities raises concerns about the capacity of inspection and supervision bodies to identify and report such economic offenses.

Most reports were related to non-compliance with prescribed protection measures during the operation of industrial facilities, as well as the prolonged an improper storage of hazardous substances. Out of the total number of cases, 89 individuals (both legal entities and responsible persons) were indicted, indicating a certain level of prosecution. However, the low number of convictions

60 Judgment by the Basic Court in Bor K 19/2024 of September 3, 2024.

(23 of which were suspended sentences), and the fact that only one appeal was resolved in favor of the prosecution, point to the conclusion that penal policies remain lenient.

Financing

Financing in the field of Horizontal Legislation is covered in more detail in the chapter Financing in the Field of Environmental Protection and Climate Change.

Recommendations

Strategic and Legislative Framework

1. Improve the quality of the processes of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA). Organize a public consultation and involve stakeholders in drafting the remaining by-laws, particularly those relating to screening, scope, and content of the environmental impact assessment study.
2. Amend the Regulation on List I and List II to ensure full alignment with Article 5 of the Law and the purpose of Directive 2011/92/EU. Note: The new Regulation on List I and List II was adopted in November 2025. However, the manner in which quantitative thresholds for certain List II projects are determined and applied leaves open the possibility that projects with potentially significant environmental impacts remain excluded from the screening procedure, thereby calling into question the compliance of this mechanism with Article 5 of the Law and the underlying purpose of Directive 2011/92/EU.
3. Amend the Law on Environmental Impact Assessment by removing Article 6.

Implementation of Regulations

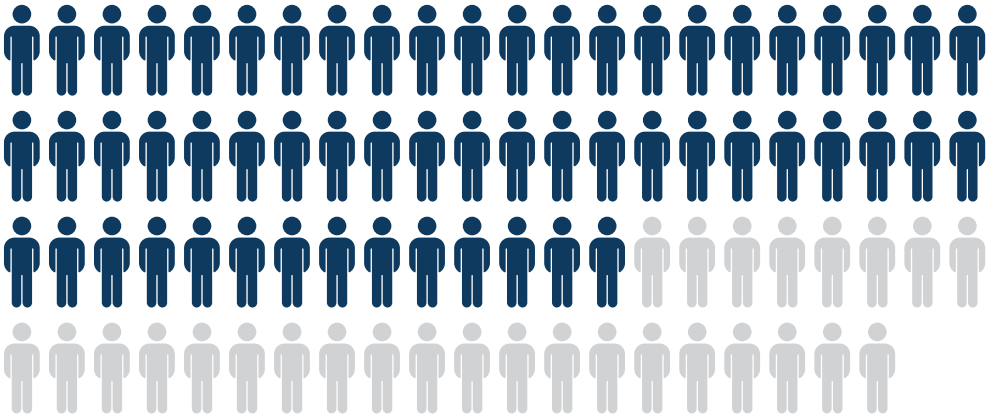
4. Ensure transparent and timely information to the public regarding public consultations through enhanced online notification systems. Improve the operation of the e-Consultations portal to make it user-friendly and adapted for the average internet user (providing easy access to documents and clear information about the start, duration, and venue of public consultations, etc.)

5. Ensure the inclusion of a cumulative impact assessment in environmental impact assessment studies.

6. Tighten the penal provisions prescribed by the Law on Environmental Protection for economic offenses, including those committed by legal entities, entrepreneurs and individuals, as well as for responsible persons within administrative bodies, local self-government units or organizations exercising public authority. Consistently apply the Law on the Liability of Legal Entities for Criminal Offenses (Official Gazette of RS, no. 97/08) and the provisions of the Criminal Code (Official Gazette of RS, no. 94/2024) relating to environmental crimes and environmental pollution.

HORIZONTAL LEGISLATION

The Environmental Protection Inspectorate is understaffed by nearly one-third of its required inspectors.



The staffing plan provides for

86

NATIONAL ENVIRONMENTAL INSPECTORS

Only **58** positions are currently filled, leaving **28** vacancies.

Of the **58** inspectors,

27 ARE **BASED IN BELGRADE,**

while the remaining

31 ARE DISTRIBUTED **ACROSS 17 locations outside Belgrade**


Air
Quality

Overview

During the reporting period, air quality in Serbia continued to be characterized by widespread exceedances of pollution limits, slow progress in implementing air quality measures and delays in aligning the national regulatory framework with new European standards. Although the European Union has adopted a revised Air Quality Directive introducing more stringent limit values, the Directive has not yet been transposed into Serbian legislation. Serbia continues to exceed the national emission ceilings applicable to large combustion plants, particularly for sulfur dioxide. Delays in official reporting practices further constrain timely and effective responses. Data for 2024, together with preliminary data and results from citizen-led monitoring for 2025, confirm that particulate matter (PM10 and PM2.5) remains the most significant air quality concern. The expansion of the monitoring network has also led to the identification of pollution in areas that were previously inadequately covered by official monitoring. Implementation of the Air Protection Program continues to lag significantly behind the established deadlines. At the local level, assessments point to insufficient monitoring capacity, incomplete data on pollution sources, delays in the adoption of required planning documents and measures that are not sufficiently targeted toward the main sources of pollution or the areas experiencing the highest pollution levels. Energy-efficiency renovation programs remain an important policy instrument for reducing emissions from the residential sector. However, their effectiveness continues to be constrained by unequal access to financial support, slow implementation and financial and administrative barriers affecting the most vulnerable households.

Strategic and Legislative Framework

In 2024, the European Union adopted the new Directive (EU) 2024/2881 on ambient air quality and cleaner air for Europe, which introduces stricter limit values for several key pollutants, reduces the permitted number of exceedances and strengthens the link between air quality standards and the protection of public health. Serbia has not yet transposed this Directive into domestic legislation, meaning that air quality requirements continue to be based on the 2010 Regulation on Monitoring Conditions and Air Quality Requirements, which largely reflects the earlier European regulatory framework. A comparison of domestic standards with the new EU rules, also presented in an analysis of the Renewables and Environmental Regulatory Institute (RERI), points to a widening regulatory gap: pollution levels that, under the new Directive, would require action by the competent authorities in Serbia may still fall within the applicable limit values or may not be sufficiently recognized as a problem.

The most pronounced differences concern pollutants with the greatest impact on health. For sulfur dioxide, Serbia and the EU have the same hourly limit value, but Serbian regulations allow a higher number of exceedances, while the differences are even more pronounced for daily and annual limit values. For nitrogen dioxide, the annual limit value applicable in Serbia is twice as high as that prescribed by the new EU Directive, and the domestic framework also allows a higher number of exceedances of the hourly limit value.

The regulatory gap is particularly pronounced with regard to particulate matter. For PM10, domestic legislation "allows" 35 days per year with exceedances of the daily limit value, whereas the new EU Directive allows no more than 18 days, along with a lower daily limit value. The annual limit value for PM10 in Serbia is twice as high as the new European value. For PM2.5, the difference is even more significant: domestic regulations do not establish a daily limit value, whereas the new Directive introduces both a daily standard and an even stricter annual limit value.

For some other pollutants, the differences are not as pronounced, but they also indicate the need for further alignment. The standard for lead is the same under both systems, while the new European value for benzene introduces a stricter standard. For carbon monoxide, the same maximum daily eight-hour mean value is retained, but the new Directive also introduces an additional daily value. For ground-level ozone, both regulatory frameworks recognize a target value, but the new EU Directive allows fewer exceedances and introduces a long-term objective to be reached by 2050.

Delays in aligning with the new European standards mean that Serbia continues to apply limit values that, for a number of key pollutants, are more lenient than the 2030 standards adopted by the EU. This particularly refers to PM10, PM2.5, SO_2 and NO_2, given that the existing regulatory thresholds could lead to underestimating the level of exposure for citizens and to postponing air quality improvement measures.[61]

In 2025, Serbia again failed to meet its obligations under the National Emission Reduction Plan (NERP) for large combustion plants. According to the report titled Comply or Close,[62] coal-fired power plants covered by the NERP emitted 177,756 tons of sulfur dioxide, which was 5.09 times higher than the national ceiling of 34,898 tons. At the same time, the ceilings for other pollutants were also exceeded: particulate matter emissions amounted to 4,132 tons, or 1.09 times the permitted level, while nitrogen oxide emissions were 1.21 times higher than the established ceiling. Serbia has thus continued its failure to meet its NERP obligations over multiple years, with sulfur dioxide remaining the biggest problem.

TENT B stands out in particular, having emitted 77,470 tons of SO_2 in 2025, approximately 5.7 times its individual emission ceiling. The desulfurization facility at Kostolac B also failed to ensure compliance, as SO_2 emissions amounted to 17,452 tons, approximately 3.3 times the permitted level for the plant. The

61 RERI, Analysis of the State of Air Quality in the Republic of Serbia in 2025, 2026, available at: https://reri.org.rs/vazduh-u-srbiji-ubija-skoro-10-000-ljudi-godisnje/ (accessed on July 31, 2026).

62 Bankwatch, Comply or Close: Eight Years of Deadly Legal Breaches by Western Balkan Coal Plants, 2026, available at: https://bankwatch.org/publication/comply-or-close-eight-years-of-deadly-legal-breaches-by-western-balkan-coal-plants

report also indicates that, following several years of gradual reductions, NOx emissions increased again in 2025, while the reduction in particulate matter was no longer sufficient to meet the increasingly stringent NERP ceiling.

The prolonged exceedance of the NERP ceilings is already resulting in consequences within the Energy Community framework. In 2021, the Energy Community Secretariat initiated proceedings against Serbia for exceeding the permitted emission levels for sulfur dioxide. In July 2025, the proceedings were expanded through the issuance of a Reasoned Opinion, which also addressed exceedances of the NOx ceiling beginning in 2023.

Implementation of Regulations

Air Quality Assessment – 2024 Annual Air Quality Report for Serbia

The 2024 Annual Air Quality Report for Serbia was published on the website of the Environmental Protection Agency (SEPA) in January 2026, eight months later than the prescribed deadline. According to regulations, SEPA was obliged to make the Report for the previous year available by May 31 of the current year. By the end of the reporting period, the 2025 Annual Air Quality Report for Serbia had not yet been published. Therefore, the analysis of air quality in 2025 relies on preliminary data from the automatic monitoring network compiled by the National Ecological Association (NEA), as well as on the air quality assessment based on measurements from the citizen monitoring network prepared by the Belgrade Open School.

According to the Annual Air Quality Report of the Serbian Environmental Protection Agency, air pollution exceeded permissible levels in all eight agglomerations in Serbia in 2024 — Belgrade, Novi Sad, Niš, Pančevo, Smederevo, Bor, Kosjerić and Užice — as well as in 16 additional cities. Exceedances of the limit values for particulate matter (PM10 and PM2.5) were recorded in Novi Pazar, Valjevo, Kraljevo and Kruševac. The cities in which the limit value for

PM_{10} was exceeded were: Paraćin (Popovac), Zaječar, Loznica, Šabac, Subotica, Čačak, Kragujevac, Požarevac (Kostolac), Pirot, Kraljevo, Beočin, Sombor and Zrenjanin.[63]

PM10 and PM2.5 particulate matter continue to be the most widespread pollutants. In Belgrade, in addition to particulate matter, the limit values for nitrogen dioxide (NO_2) were also exceeded, while in Bor, excessive pollution was attributed to PM_{10} concentrations and the lead content of the particles.

According to the measurement results, the highest annual average PM_{10} levels were recorded in Popovac near Paraćin, at 59 µg/m^3, followed by Zaječar and Valjevo, each at 56 µg/m^3. High average concentrations were also recorded in Novi Pazar and the Leštane suburb of Belgrade, where levels reached 50 µg/m^3. The highest single daily PM_{10} level was recorded in Valjevo at 296 µg/m^3 — almost six times the daily limit value of 50 µg/m^3. The highest annual average PM2.5 concentrations were recorded in Novi Pazar (39 µg/m^3), Valjevo (33 µg/m^3) and Kosjerić (31 µg/m^3). Indicative PM_{10} measurements showed an even higher average concentration in central Arilje, at 66 µg/m^3. However, these results are based on a smaller number of samples and therefore cannot be directly compared with the results of fixed-site annual monitoring.

The problem was not limited to just high average levels, but was also reflected in the large number of days on which the daily limit value for PM_{10} was exceeded. While no more than 35 days of exceedance are permitted per year, the Popovac monitoring station recorded exceedances on 173 days, followed by Valjevo with 146 days, Novi Beograd with 135 days, Leštane with 132 days, Novi Pazar with 129 days and Radinac near Smederevo with 128 days. These data confirm that residents in numerous areas were exposed not merely to occasional episodes of air pollution, but to persistently elevated concentrations of particulate matter over extended periods of time.

The results of measurements of heavy metals in PM_{10} particulate matter in Bor are particularly concerning. Although the annual limit value for lead was not

63 Environmental Protection Agency, 2024 Annual Air Quality Report for the Republic of Serbia, 2026, available at: https://sepa.gov.rs/wp-content/uploads/2026/01/Vazduh2024.pdf

exceeded at any monitoring station, the daily limit value for lead was exceeded 14 times at the Bor–Jugopetrol station and seven times at the City Park. At the Bor–Jugopetrol station, the maximum daily lead concentration was measured at 2,898 ng/m^3, nearly three times the daily limit value. At the same time, the annual average arsenic concentration at this station was 42 ng/m^3, seven times higher than the target value of 6 ng/m^3. Arsenic exceedances were also recorded at the City Park and in the Industrial Zone. The cadmium target value of 5 ng/m^3 was likewise exceeded at all three locations, with a concentration of 20 ng/m^3 recorded at the Bor–Jugopetrol station — four times the target value. These results confirm that, in addition to high concentrations of particulate matter, residents of Bor continue to be exposed to specific industrial pollution from heavy metals.

Data for 2024 show that excessive air pollution remains a widespread and persistent problem in Serbia. Although the monitoring network has been expanded, measurement results have not yet been followed by sufficiently prompt adoption and implementation of air quality plans and measures capable of delivering measurable reductions in pollution levels. The expanded monitoring network therefore contributes to better documentation of the problem, but without more effective action by the relevant authorities, it has not yet resulted in improvements in air quality.

2025 Air Quality Assessment – Preliminary Data of the National Ecological Association (NEA)

In the absence of an official annual air quality report for 2025, a systematized review of data from the national monitoring network, as well as local automatic air quality monitoring networks, provides a preliminary assessment of air quality conditions in Serbia. According to an analysis by the National Ecological Association, based on data from automatic air quality monitoring stations available through the national network, air quality conditions in 2025 remained unchanged in cities where exceedances of the limit values for particulate matter had also been recorded in previous years. In addition, all cities where air quality monitoring was established during 2025, recorded exceedances of the annual limit values for particulate matter and/or exceeded

the permitted number of days with excessive pollution, defined as exceedances of the daily limit value.[64] The analysis covers data that were available in real time throughout the year. Accordingly, its findings should be considered a preliminary assessment pending publication of the official annual report by the Environmental Protection Agency. Particulate matter — particularly PM2.5 and PM10 — continues to represent the most significant air quality concern. According to this analysis, no exceedances of the applicable limit values were recorded for sulfur dioxide or carbon monoxide.

The expansion of automatic air quality monitoring has made it possible to document pollution in cities that had previously been inadequately covered by monitoring. During 2025, nine new automatic monitoring stations and nearly 20 new particulate matter detectors were brought into operation, with exceedances recorded at almost 90% of monitoring stations. Among the ten locations with the highest annual average PM2.5 levels, as many as seven are in cities with newly established monitoring: Zaječar, Leskovac, Negotin, Prokuplje, Kruševac, Vranje and Šabac. These findings do not necessarily indicate a sudden deterioration in air quality during 2025. Rather, they primarily confirm that the expansion of the monitoring network has made the existing pollution problem visible across a larger number of communities.

The highest annual mean levels of PM2.5 were recorded in Zaječar (42.9 μg/m^3), Novi Pazar (42.6 μg/m^3), Leskovac (41.6 μg/m^3), Negotin (38.3 μg/m^3) and Prokuplje (37.6 μg/m^3). Taking into consideration all the analyzed monitoring stations, the average PM2.5 levels are higher by 2.8%, whereas substantial increases compared to 2024 were recorded at the monitoring stations Belgrade–Despota Stefana, by 26.8%, in Pirot by 23.9%, in Čačak by 14.5% and by 11.8% in Niš.

With regard to levels of suspended PM10 particles, the highest annual average levels were recorded in Leskovac (55.9 μg/m^3), Prokuplje (55.7 μg/m^3), Zaječar (53 μg/m^3), Novi Pazar (51.9 μg/m^3) and Valjevo (50.9 μg/m^3). What is particularly concerning is the number of days on which the daily limit value of 50 μg/m^3 was

64 National Ecological Association NEA, "Air 2025", 2026, available at: https://nea.rs/index.php/2026/01/01/vazduh-2025/

exceeded, which should not occur on more than 35 days per year. Exceedances were recorded on 156 days in Prokuplje, 140 days in Leskovac, 137 days in Zaječar, 131 days in Novi Pazar and 128 days in Valjevo. More than 100 days with exceedances were also recorded at a number of monitoring stations in Belgrade, Šabac, Popovac, Čačak, Kruševac, Niš, Užice and Loznica.

Exceedances of the nitrogen dioxide concentration limit value were recorded at three monitoring stations based on annual average levels. The highest exceedance was recorded at the Belgrade–Despota Stefana monitoring station, where the annual average level was 46.6 μg/m^3, while the hourly limit value was exceeded for 197 hours, compared with the permitted maximum of 18 hours per year.

NEA's findings for 2025 indicate that there has been no clear or consistent improvement in air quality in Serbia. What is particularly concerning is the fact that the largest number of monitoring stations with the highest concentrations of particulate matter are located in cities where air quality monitoring has only recently been established. Of the ten locations with the highest annual average PM2.5 concentrations, seven are the newly established monitoring stations in Zaječar, Leskovac, Negotin, Prokuplje, Kruševac, Vranje and Šabac.

Results of Citizen Monitoring in 2025

Although the national air quality monitoring network continues to expand, numerous cities and municipalities remain without comprehensive air quality monitoring. As a result, data obtained through indicative measurements conducted over limited periods of time cannot be used to provide an official assessment of air quality. Consequently, cities and municipalities without official monitoring are not subject to obligations related to improving air quality. With the aim of providing any real-time information on air quality and encouraging national and local institutions to expand the official air quality monitoring network, the Belgrade Open School continued to expand citizen air quality monitoring networks. To this end, the Belgrade Open School team also prepared an Analysis of Air Quality in Serbia in 2025, based on data collected through a network of citizen sensors monitoring particulate matter.

The network comprises more than 340 monitoring stations across more than 100 municipalities. For the purposes of the analysis, however, data from 278 sensors in 85 municipalities were used, as these sensors had at least 80 percent data availability over the course of the year.[65] Data series containing obvious errors or unusual or inconsistent values during the measurement period were excluded from the analysis. Citizen sensors are not a substitute for official monitoring; however, they can provide reliable indications of spatial patterns of air pollution and help identify areas where official monitoring should be established.

The results were assessed against three criteria. For PM2.5 particulate matter, the annual limit value under Serbian legislation is 25 μg/m^3. The new EU Directive sets a limit value of 10 μg/m^3, while the World Health Organization (WHO) recommends an annual guideline concentration of no more than 5 μg/m^3 for this pollutant. For PM10 particulate matter, the annual limit value is 40 μg/m^3, the new EU limit value is 20 μg/m^3, while the WHO recommends a maximum concentration of 15 μg/m^3.

For PM2.5 particulate matter, the limit value of 25 μg/m^3 was exceeded in 37 of the 85 municipalities analyzed. Additional 28 municipalities recorded concentrations above the standard set by the new EU Directive, while in the remaining four municipalities, concentrations exceeded the WHO guideline value. This means that none of the municipalities analyzed had an average PM2.5 level that met all of the applicable criteria for safe air quality. The highest concentrations were recorded in Arilje (56.4 μg/m^3), Zaječar (49.4 μg/m^3), Tutin (48.2 μg/m^3), Pirot (48.1 μg/m^3) and Novi Pazar (44.4 μg/m^3).

As for PM10 particulate matter, the annual limit value under Serbian legislation was exceeded in 12 municipalities. In additional 64 municipalities, concentrations exceeded the limit value established by the new EU Directive, while eight municipalities recorded concentrations above the WHO guideline value. Only Čajetina, with an average concentration of 12 μg/m^3, met all of the criteria considered. The highest annual average PM10 concentrations were recorded

65 Belgrade Open School, Air Quality in Serbia in 2025 Measured by the Citizen Air Quality Monitoring Sensors Network, 2026, available at: https://www.bos.rs/rs/publikacije/20/2234/kvalitet-vazduha-u-srbiji-u-2025_-godini-meren-u-mrezi-gradanskih-senzora-za-monitoring-kvaliteta-vazduha-2026.html

in Tutin (65 μg/m^3), Arilje (64.5 μg/m^3), Zaječar (61 μg/m^3), Pirot (55.1 μg/m^3), Vranje (51.2 μg/m^3) and Požega (51.1 μg/m^3).

Citizen monitoring findings show that high concentrations of particulate matter are also present in numerous smaller towns that are not covered by continuous official monitoring. Taking into account both the recorded pollutant concentrations and the number of residents exposed to excessively polluted air, the municipalities identified as priorities for inclusion in the official monitoring network are Tutin, Arilje, Bajina Bašta, Gornji Milanovac, Priboj, Batočina and Prijepolje. Establishing official, preferably automated, monitoring in these areas is essential to formally determine air quality categories and enable the planning of appropriate measures to reduce pollution.

The findings confirm that air pollution is more geographically widespread than earlier, more limited data could indicate. Expanding the monitoring network is an important step forward, but it also reveals that residents of numerous cities were likely exposed to high concentrations of particulate matter in the past without adequate data to enable the relevant authorities to take action. The establishment of new monitoring stations must therefore be accompanied by the identification of pollution sources, the development and implementation of air quality plans, and specific measures to reduce emissions. Otherwise, expanding the monitoring network will contribute to more accurate documentation of the problem, but not to a genuine improvement in air quality.

Measures for Clean Air at the National and Local Levels

Implementation of the Air Quality Program

Implementation of the Air Quality Program of the Republic of Serbia for the Period 2022-2030 is significantly behind the deadlines set out in its Action Plan. Although the Program serves as the primary strategic document for

aligning Serbia with EU air quality standards, an analysis of the responses from six relevant ministries, collected by RERI in March and April 2026 through requests for access to information of public importance, shows that a significant share of activities scheduled for completion by the end of 2025 has either not been implemented or has not been supported by concrete evidence of implementation. What is particularly concerning is the fact that institutional responses often consist primarily of formal or procedural steps — such as the adoption of regulations, transposition of directives, workshops, or general information — while measurable results demonstrating actual reductions in emissions and improvements in air quality are lacking.

The largest number of unimplemented activities falls under the responsibility of the Ministry of Environmental Protection, which is in charge for implementing the majority of the measures. Activities identified as unimplemented include those aimed at increasing capacity for issuing integrated permits, bringing the operation of large and medium combustion plants into compliance with emission limit values, and applying stricter standards to small combustion plants. Some progress has been made in the issuance of integrated permits for farms, with 12 permits issued. However, the remaining procedures have not been completed due to incomplete documentation, lack of water permits and changes in ownership. As a result, this activity cannot be considered fully implemented.[66]

With regard to the Ministry of Mining and Energy, the responses received indicate that the directives concerning fuel quality and the reduction of sulfur content in certain liquid fuels have been transposed into national legislation and that their implementation is underway. However, no specific information was provided on the completion of the compliance program, the investments required, or the recruitment of the six additional staff members envisaged to monitor the implementation of these directives. Implementation challenges are also evident in other ministries. The Ministry of Construction, Transport and Infrastructure has not strengthened its capacity to implement standards governing emissions from engines used in heavy machinery, while implementation of the Regulation on Marine Propulsion Engines has been postponed

66 RERI, Analysis of the Air Quality in the Republic of Serbia in 2025, Chapter 3, 2026, available at: https://reri.org.rs/wp-content/uploads/2026/06/Analiza-stanja-kvaliteta-vazduha-u-Republici-Srbiji-za-2025.-godinu.pdf

until the end of 2027. The Ministry of Internal and Foreign Trade has not confirmed the introduction of stricter Euro standards for the import of used vehicles, although the Action Plan envisaged meeting the Euro 5 standard as of 2024 and the Euro 6 standard as of 2025.

Air Quality Protection at Local Level

A significant share of responsibility for air protection rests with local self-government units. They are required to maintain local air quality monitoring networks, adopt air quality plans and short-term action plans, maintain and update local registers of pollution sources, as well as to conduct inspections to oversee the implementation of these measures at facilities for which local authorities issue construction or occupancy permits. During the reporting period, civil society organizations across Serbia were active in the area of local air protection policies and addressed these issues at the municipal level through activities ranging from air quality monitoring and advocacy to monitoring the implementation of the aforementioned plans and supporting inspection oversight. During the reporting period, several local initiatives, research projects and advocacy efforts by civil society organizations in Kragujevac, Ćićevac, Trstenik, Gornji Milanovac and Vranje were analyzed. These initiatives addressed various aspects of local air protection policy, including air pollution resulting from inadequate waste management, shortcomings in local monitoring and the preparation of air quality plans. A common conclusion across these initiatives is that local communities have insufficient data, planning documents are often delayed or fail to include the measures required and the responses of competent authorities generally consist of isolated, reactive interventions rather than systematic efforts to prevent pollution.

Kragujevac. An analysis by the Ekomar Association shows that air quality in Kragujevac deteriorates significantly during the heating season, particularly in parts of the city with a high number of individual heating systems and heavy traffic. The most pronounced exceedances of PM10 levels and the black smoke index were recorded during the winter and autumn months, with the Mala Vaga monitoring station standing out as one of the most heavily affected locations. Although the City implements programs providing subsidies for energy efficiency improvements and heating system replacement, these measures are

not sufficiently aligned with the spatial distribution of pollution. Residents also report inadequate access to information, complex application procedures and financial barriers. The proposed measures include improving local monitoring, developing a digital registry of individual heating systems, targeting subsidies toward the most polluted neighborhoods, simplifying the application process and providing greater support to energy-vulnerable households.[67]

Ćićevac. The Citizens' Association Okular has highlighted the long-standing problem of the Moravište unsanitary landfill, located between Ćićevac and Varvarin. Due to inadequate management, fires frequently break out at the landfill, requiring repeated intervention by the police and fire services. Citizen monitoring has also indicated high concentrations of particulate matter and volatile organic compounds. A key institutional problem is that the Municipality of Ćićevac has never adopted a local Waste Management Plan, despite this being a legal obligation. In response to the current situation regarding air pollution and the Moravište landfill, the Citizens' Association Okular, in cooperation with Team 42 Leskovac and the Belgrade Open School, submitted an initiative to the Municipality of Ćićevac calling for the adoption of a local Waste Management Plan. The initiative calls for the preparation of the plan to be initiated, a working group to be established, citizens and civil society organizations to be involved through a public call and experts in waste management and environmental protection to be engaged.[68]

Trstenik. During the public consultation on the Environmental Protection Program of the Municipality of Trstenik, the organization Mlado srce pointed out that the claim that air is clean or only slightly polluted, based on the current official air quality assessment, cannot be considered well-founded. This is because the municipality does not monitor concentrations of suspended PM10 and PM2.5 particulate matter, benzene, carbon monoxide, ground-level ozone, arsenic, mercury, nickel, or benzo(a)pyrene — key air quality parameters required under applicable legislation. In its comments on the draft document, prepared with support from the Novi put organization from Kraljevo, Mlado

67 Ekomar Association, Smoke Season: How Kragujevac Heats Its Homes and What Residents Breathe?, 2026.

68 Belgrade Open School, Landfill Fires are Poisoning Ćićevac and Varvarin: 20,000 People Demand a Solution, December 8, 2025, available at: https://www.bos.rs/rs/vesti/3/2226/pozari-na-deponiji-truju-ci-cevac-i-varvarin_-20_000-ljudi-ceka-resenje.html (accessed on July 28, 2026)

srce proposed that the Program's Action Plan allocate funding for an automatic monitoring station to enable adequate monitoring of PM10 and PM2.5 concentrations and the publication of results in real time.[69] Following Mlado srce's comments on the Draft Environmental Protection Program, the Municipality of Trstenik confirmed its intention to establish monitoring of PM10 and PM2.5 concentrations. The proposal to conduct monitoring through an automated monitoring station was partially accepted, and the Action Plan provides for the establishment of PM10 and PM2.5 monitoring "using automated measurement instruments where possible."[70]

Gornji Milanovac. Gornji Milanovac does not have regular automated air quality monitoring, although citizen-led measurements and periodic monitoring funded by the local self-government have indicated exceedances of particulate matter concentrations for several years. During the public consultation Why Should We Talk About Air Quality in Gornji Milanovac?,[71] organized by the TRN Initiative on December 5, 2025, with support from the Belgrade Open School, participants highlighted that the existing monitoring system does not provide residents with timely information about air quality, as PM measurement results may not become available until one or two months after the measurements are conducted. What was particularly concerning was the reported PM2.5 concentration of 593 $\mu g/m^3$ recorded in January 2025.

Findings from citizen-led monitoring further underscore the need to establish regular official air quality monitoring. Across four citizen-operated sensors with data availability exceeding 80% in 2025, the average annual PM2.5 levels were 25.7 $\mu g/m^3$, exceeding the national annual limit value. In January 2026, the TRN Initiative therefore called on the Municipality of Gornji Milanovac to allocate funding and establish regular air quality monitoring throughout the year, with measurements conducted 365 days annually. The initiative's primary recommendation was to install an automatic monitoring station and make the

69 Belgrade Open School, Trstenik Residents Demand an Automated Air Quality Monitoring Station, December 15, 2025, available at: https://www.bos.rs/rs/vesti/3/2229/gradani-trstenika-zahtevaju-automatsku-mernu-stanicu-za-vazduh.html (accessed on July 30, 2026).

70 Public Consultation Report, available at: https://trstenik.rs/javne-rasprave-2025/

71 Belgrade Open School, Why Should We Talk About Air Quality in Gornji Milanovac?, December 5, 2025, available at: https://www.bos.rs/rs/vesti/3/2227/zasto-treba-da-razgovaramo-o-vazduhu-u-gornjem-milanovcu-.html

results publicly available in real time. As an alternative, it proposed continuous gravimetric monitoring conducted by an authorized institution.

The request was submitted to the Municipality of Gornji Milanovac, the Ministry of Environmental Protection and the Environmental Protection Agency. TRN also proposed that the relevant measure be incorporated into the local Air Quality Program, with implementation scheduled for 2026. In addition to procuring and installing a monitoring station, the request calls for transparent publication of monitoring data and the involvement of experts and other interested members of the public in planning and implementing the measure.

Vranje. Vranje is one of the cities that did not have comprehensive air quality monitoring in place until February 2025. Citizen-led monitoring, however, has been in place for several years. The organization Team 42 from Leskovac prepared an analysis of air quality in Vranje based on data from both the newly established state monitoring system and citizen monitoring. At the state-operated automatic monitoring station on Beogradska Street, 77 days with PM10 concentrations exceeding the daily limit value were recorded in 2025. During the winter months, daily PM10 and PM2.5 levels reached 100–200 μg/m^3, with the highest values in January exceeding 200 μg/m^3.[72] Citizen monitoring showed a similar seasonal pattern and a high number of exceedances at multiple locations across the city: 64 days with exceedances on Hilandarska Street, where the highest PM10 concentrations ranged from 110 to 176 μg/m^3; 74 days on Miodraga Stojkovića Street, where PM10 reached 240–250 μg/m^3 and PM2.5 reached 200–210 μg/m^3, and as many as 132 days with PM10 exceedances on Vojvode Putnika Street during the period for which data were available in 2025. At the latter location, daily PM10 concentrations exceeded 180–200 μg/m^3, while PM2.5 concentrations frequently exceeded 120–150 μg/m^3. The analysis estimates that Vranje will be classified in the second air quality category, which would trigger an obligation to adopt an Air Quality Plan. As a basis for developing the plan, the City should collect detailed data on emissions from industry, households, transportation, public facilities, and landfills, as well as relevant meteorological and geospatial data. This would

72 Team 42, Contribution to the Assessment of Air Quality in the Territory of the City of Vranje, 2026, p. 10, available at: https://tim42.org.rs/publikacije/

help ensure that measures are based on a comprehensive assessment of air quality conditions and the actual sources of pollution.

The initiatives analyzed show that local air quality challenges vary depending on the predominant sources of pollution, but that institutional shortcomings are highly similar across municipalities. Key issues include underdeveloped monitoring systems, incomplete emissions source inventories, delays in adopting planning documents, a lack of alignment between measures and the areas experiencing the highest levels of pollution and insufficient public participation. Civil society organizations are helping to address important gaps by conducting citizen-led monitoring, producing analyses, participating in public consultations and overseeing the actions of public institutions. Their initiatives indicate that improving air quality requires closer integration of monitoring with the planning and budgeting of measures, timely action by local authorities, transparent public participation and consistent enforcement of applicable regulations.

Energy Poverty and Measures for Clean Air

The household energy renovation subsidy program is one of the Government's main instruments for improving energy efficiency. The way support is targeted toward the most vulnerable households changed significantly between 2024 and 2025. In 2024, support covering up to 90% of the investment cost was available to energy-vulnerable customers through a separate public call, and local self-governments could decide whether to implement this type of support. Approximately RSD 220 million was allocated to this category of beneficiaries, compared with approximately RSD 1.9 billion allocated to other beneficiaries. Beginning in 2025, support for the most vulnerable households is no longer optional for participating local self-governments. All local self-governments participating in the program are required to issue a single public call for citizens, while eligibility for subsidies covering up to 90% of investment costs has been expanded from energy-vulnerable customers to a broader group of socially vulnerable households that meet the criteria established in the public call.[73] The RES Foundation analyzed the implementation of the Clean Energy and

73 Ministry of Mining and Energy, Scaling Up Residential Clean Energy (SURCE), available at: https://www.mre.gov.rs/tekst/sr/2149/projekat-cista-energija-i-energetska-efikasnost-za-gradjane-surce.php (accessed on August 7, 2026)

Energy Efficiency for Citizens program, focusing in particular on whether public funds intended to improve energy efficiency actually reach lower-income households. An analysis of public calls conducted in 2023, 2024 and 2025 found significant disparities in access to support. Under calls issued on the basis of the 2024 program, only 153 energy-poor households were selected for support, compared with 7,215 other beneficiaries. The RES Foundation concludes that the co-financing model favors households that are able to provide a larger share of the investment from their own resources and implement a greater number of measures, while financial and administrative barriers make it more difficult for the most vulnerable households to access the program.

Additional challenges include slow implementation and insufficient transparency. By mid-November 2025, 91% of the local self-governments participating in the 2024 call had issued calls for final beneficiaries, 55% had completed the process, and only 49% had published complete information on beneficiaries and the use of public funds. According to findings by the State Audit Institution, only 8.8% of local self-governments implemented the measures under the 2023 call within the prescribed one-year period, while 58% had still not completed implementation after nearly two years.[74]

Filters for Individual Heating Systems – Addressing the Consequence Rather Than the Cause and Delays

In 2024, the City of Belgrade conducted a public procurement procedure for 150,000 chimney filters for individual heating systems, with an estimated value of RSD 747 million. The contract award decision was issued on December 31, 2024, at a value of approximately RSD 746.9 million. Installation was planned for 2025 and 2026, with 80,000 filters to be installed in the first year and 70,000 in the second. According to the procurement documentation, the filters are expected to reduce PM10 particulate matter emissions by at least 40%. Civil society organizations have questioned the rationale for this approach. The Center for Green Policies (CZP) raised concerns about the filters' operating mechanism and stated efficiency, contractors' capacity to carry out and maintain large-scale installations and

74 RES Foundation, Who Owns Energy Efficiency: Clean Energy for Some Citizens – Updated Edition, December 2025, available at: https://resfoundation.org/rs/category/pregledi-javne-politike/

potential issues affecting chimney operation. CZP also assessed that the measure's impact on total PM10 emissions in Belgrade could be substantially lower than the stated reduction at the level of an individual heating unit.[75] The RES Foundation also questioned whether there is a sufficiently robust evidence base to support the large-scale application of a single technical solution across different types of heating devices, fuels and chimneys. It emphasized that systemic measures should primarily focus on improving combustion efficiency, replacing inefficient solid-fuel heating devices and applying eco-design standards.[76]

Implementation of the measure began in 2025, when the City of Belgrade announced the installation of the first filters in Lazarevac, followed by reports of individual installations in other city municipalities. However, a review of the official websites of the City of Belgrade and its municipal governments indicates that, as of June 2026, no consolidated data were publicly available on the actual number of filters installed or on progress toward the target of 80,000 filters planned for installation in 2025.[77] In April 2026, the City again invited residents to apply and announced that installation would continue after the heating season. Meanwhile, information published on municipal websites has generally focused on open or extended public calls, the number of filters available, and application procedures, rather than implementation results. For example, the public call on the Palilula municipality website remained open during 2026 for the distribution of more than 26,000 filters, without any published information on the number of devices already installed. The absence of consolidated data makes it difficult to assess the extent to which the measure has been implemented relative to its planned coverage, as well as to evaluate its actual contribution to reducing particulate matter emissions from individual heating systems.

75 Center for Green Policies, Are Filters a Solution to Belgrade's Air Pollution Problem?, October 6, 2025, available at: https://czp.org.rs/opinion/da-li-su-filteri-resenje-za-problem-zagadjenog-vazduha-u-beogradu/ (accessed on August 7, 2026).

76 RES Foundation, Standard. Not Cold. And No Stench, December 24, 2024, available at: https://resfoundation.org/rs/standard-da-ne-bude-hladno-i-da-ne-smrdi/ (accessed on August 7, 2026).

77 Review of the websites of the City of Belgrade and its municipal governments, last conducted on August 7, 2026.

Recommendations

Strategic and Legislative Framework

1. Ensure citizen participation in the development of documents related to air quality at both national and local levels.

Implementation of Regulations

2. Ensure that competent institutions enforce regulations related to legal deadlines for putting in place public policies concerning air quality, regulations related to air quality monitoring, exchange of air quality information and obligations under international agreements.
3. Monthly reports on detected exceedances of hourly and daily limit values (LV) must include information as to which monitoring stations were not operating during that month. In addition, it is necessary to provide a cumulative display of pollution exceedances in monthly tables, illustrating therein the exact number of days with excessive pollution recorded since the beginning of the year, up to and including the month concerned. This information is important because there are no monthly limits on the number of days with allowed exceedances – only annual limits exist.
4. Stakeholders responsible for monitoring air quality should guarantee proper maintenance of measurement systems and data availability and finance uninterrupted high-quality operation of air quality monitoring networks, especially for urban agglomerations such as Belgrade.
5. Local self-governments/cities should improve the accuracy and visibility of air quality data, as well as ensure easy public access to air quality data provided by the local monitoring networks.

Financing

6. Secure financing and proper conditions for the unobstructed work of inspectorates for environmental protection, in line with authorizations.

AIR QUALITY

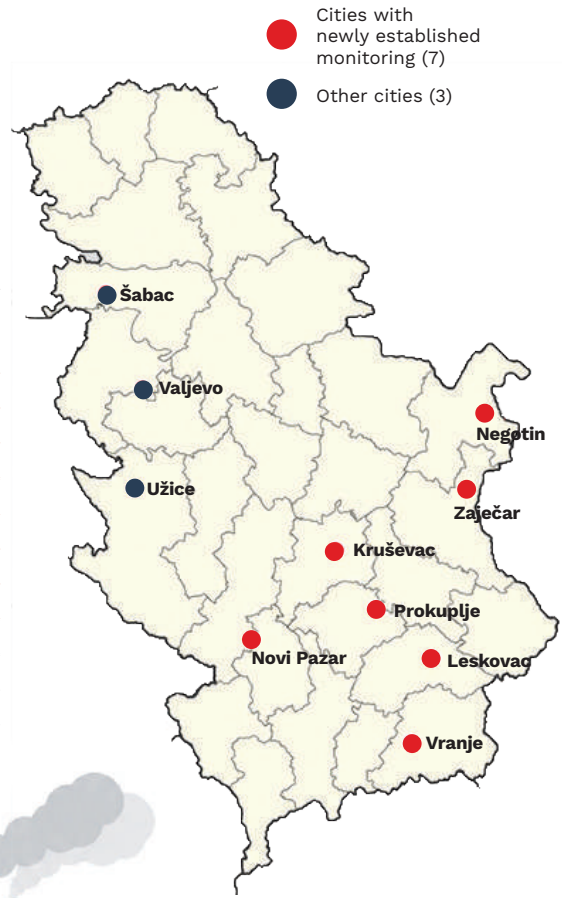
7 out of 10

of the ten locations with the highest annual average $PM_{2.5}$ concentrations in 2025, seven had newly established monitoring stations.

The expansion of the monitoring network revealed that some of the most polluted cities had previously been inadequately covered by air quality monitoring.

No	City	$PM_{2.5}$ concentration ($\mu g/m^3$)	New monitoring station
1	Zaječar	42,9	Yes
2	Novi Pazar	42,6	Yes
3	Leskovac	41,6	Yes
4	Negotin	38,3	Yes
5	Prokuplje	37,6	Yes
6	Kruševac	36,6	Yes
7	Vranje	35,5	Yes
8	Valjevo	33,9	No
9	Šabac	32,7	No
10	Užice	31,9	No

Source: *National Ecological Association (NEA), Air 2025.*







Waste Management

Overview

A new Law on Waste Management[78] was adopted in December 2025, enabling the import of non-hazardous waste for energy-recovery purposes. The Law failed to adequately capture the complexity of the overall waste management system, resulting in an amendment process being initiated just five months after its enactment.

In 2025, the number of registered landfill fires reached a new record of 2,217,[79] indicating that an average of six landfills caught fire daily across Serbia.

The financing system for the treatment of products that become special waste streams after use has been amended. This systemic shift has caused operational issues for certain recyclers, resulting in a months-long "vacuum". During this time, the generation of this type of waste continued, but without a clear picture of how its treatment would be funded. Consequently, this led to the stockpiling of such waste at generator sites and its inadequate disposal in the environment.

Inspection supervision was primarily focused on business entities and entrepreneurs, whereas cases of non-compliance with legal provisions by local self-government units still remained without adequate reactions and sanctions.

Strategic and Legislative Framework

The adoption of the new Law on Waste Management was a key event that marked the observed period from June 2025 to June 2026. Although the

78 Law on Waste Management, Official Gazette of RS, no. 104/2025 (https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2025/109/35/reg)

79 Ministry of Interior – Response to the Request for Access to Information of Public Importance 07.7 Number 35/2026 of February 24, 2026.

enactment of a new law had long been advocated and featured as a recommendation in previous Shadow Reports, the solutions it introduced and/or redefined were not used as an opportunity to substantially improve the regulatory framework for environmental protection. The entire process started as amendments to the existing Law, but ended with passing a new Law on Waste Management, whereas the Working Group[80] created to directly participate in this process never had the opportunity to see the draft of the new Law on Waste Management, and instead provided comments on the current Law. Furthermore, the Ministry of Environmental Protection held a clear position as to which comments and proposals would be incorporated in the proposed Draft, stating that the final decision would be made by the Cabinet of the Minister of Environmental Protection, irrespective of the views expressed within the Working Group.

The speed at which other institutions approved the draft of the new Law on Waste Management suggests an intention to fast-track a major change – the import of non-hazardous waste for energy-recovery purposes, which had been prohibited prior to the enactment of this law. At the Working Group, proponents of importing waste for energy recovery were the Provincial Secretariat for Urban Planning and Environmental Protection of the Autonomous Province of Vojvodina, the Chamber of Commerce and Industry of Serbia, and the Association of Serbian Energy-Intensive Industry, while representatives of civil society organizations opposed the proposal. Allowing waste imports for energy recovery proves that the existing system is incapable of generating sufficient quantities of RDF/SRF fuel from domestic waste. The lack of will among local authorities, which are responsible for municipal waste, combined with a weak oversight from higher levels of government, has led to a situation where waste in Serbia largely continues to be disposed of in unsanitary and illegal landfills, rather than being processed into alternative RDF/SRF fuel for which there is a demand in the domestic industry.

The working method of the Working Group is yet another confirmation that the relevant institutions still view the civil society and other stakeholders'

80 Decision on the Establishment of the Working Group for Drafting the Law on Amendments to the Law on Waste Management (https://www.activity4sustainability.org/wp-content/uploads/2025/09/Resenje-o-formiranju-radne-grupe-ZuO.pdf)

involvement in the regulatory drafting process merely as a box-ticking exercise. The Working Group for Drafting the Law on Amendments to the Law on Waste Management was established on August 29, 2025, and held its first meeting as early as September 2 of the same year. Out of a total of 46 members, civil society organizations had only three representatives, whereas the Ministry of Environmental Protection, together with one representative from the Environmental Protection Agency – which operates under its direct control – held an absolute majority of 24 members. Adding 10 representatives from other ministries to this number renders the disproportionate ability to voice opinions outside of ministerial offices clearly evident. The business sector had six representatives in the Working Group, predominantly from companies that are members of the Association of Serbian Energy-Intensive Industry, while the Chamber of Commerce and Industry of Serbia, public utility companies, and the Provincial Secretariat for Urban Planning and Environmental Protection of Autonomous Province of Vojvodina each had one representative; the Working Group meetings took place on a weekly basis, clearly demonstrating the urgency.

The fact that the process of drafting amendments and forming a new working group for the Draft Law on Amendments to the Law on Waste Management started as early as May 2026 – just five months after its adoption – demonstrates that the new Law on Waste Management was not based on a comprehensive system overview.

Regarding secondary legislation and bylaws, the new Law sets a one-year deadline for the adoption of new regulations stipulated therein (Article 112) and for legal entities and individuals to align their business operations with the new Law (Article 111), whereas other bylaws enacted pursuant to the old Law remain in force until new ones are adopted (Article 113). Aligning with a new Law, followed by the adoption of further amendments to the Law that will require yet another round of harmonization in a very short timeframe, places a heavy burden on the entire waste management system. The waste management system itself has been struggling with a severe lack of capacity for many years. This hurried way of passing laws, without a broad social dialogue and an overview of the entire waste management system, further complicates enforcement and increases the risk that the regulations will remain a dead letter.

Implementation of Regulations

The systemic neglect of municipal waste management issues is highlighted by the number of registered landfill fires, which breaks records year after year: 2,171 fires were recorded in 2024, with the figure rising to 2,217 in 2025, according to data from the Ministry of Interior. This implies that throughout 2025, six landfills caught fire on average each day in Serbia, causing direct harm to the environment and public health.

Recognizing the gravity of this environmental issue, the United Nations Environment Programme (UNEP) partnered with other organizations in 2025 to launch the project Promoting Policy Solutions for Circularity and Sound Agricultural and Municipal Waste Management for Improved Urban Air Quality and Resilience to Health, Economic, and Social Shocks in Selected Beneficiary Countries in Asia-Pacific and the Western Balkans. The project is implemented in Serbia, India, and Bosnia and Herzegovina, and its goal is to curb the adverse effects of landfill fires and agricultural organic waste burning on air pollution and public health through the enhancement of systemic policies in each of the participating countries.

In addition to the previously listed regulations, two other important acts were adopted in the reporting period: the Regulation on Waste Lists for Cross-Border Movement, Content and Appearance of Instructions for Filling Out the Notification and the Document Accompanying the Cross-Border Movement of Waste (Official Gazette of RS, no. 19/2026) and the Rulebook on Medical Waste Management (Official Gazette of RS, no. 30/2026). The enforcement of these rules is expected to contribute to enhancing the waste management system, with a particular focus on governing medical waste handling and the cross-border movement of waste.

The primary publication for tracking waste management in Serbia is the Report on Waste Management in the Republic of Serbia, prepared and published

annually by the Environmental Protection Agency. Although the waste management data submission process is largely digitalized and subject to a legally mandated deadline (March 31 of the current year for the preceding year), the 2024 waste quantities data and waste management status-related reports were not released until November 2025 – eight months past the statutory deadline.

Unfortunately, practice shows that when the civil society sector requests certain public data from this field ahead of the Report's release - using the official procedure for accessing information of public importance - the Ministry of Environmental Protection delays their delivery until the annual report is published, despite a complete lack of legal basis for this practice under current regulations. The late release of data and the failure to provide requested information prior to the report's publishing prevent the monitoring of waste management status – both regarding quantities of waste generated, treated, exported, or imported, and regarding the legal entities responsible for these activities. This reduces the overall transparency of the system and the ability to track its development. In practice, this means that in July 2026, the public only has access to data from 2024, while data for 2025 – which were legally required to be submitted to the Environmental Protection Agency by March 31, 2026 –remain available only to a select group of institutional insiders.

Inspection Supervision

The 2025 Report on the Work of the Environmental Protection Inspectorate[81] was published in January 2026.

The Report indicates that throughout 2025, regular inspections were conducted for licensed waste management operators (collection, transport, storage, treatment, and disposal of waste), alongside preventive activities carried out by the inspectorate.

Following the notification from the Environmental Protection Agency, the Environmental Supervision and Preventive Action Department processed the

81 Report on the Work of the Environmental Protection Inspectorate, https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf

1,792 cases involving legal entities and entrepreneurs - importers of products that become special waste streams after use - who failed to comply with their legal reporting requirements with respect to the National Register of Pollution Sources for the 2023 reporting year. Pursuant to the Law on Fees for the Use of Public Goods, requests to initiate misdemeanor proceedings have been filed with the misdemeanor courts of competent jurisdiction.

Out of all the requests filed, the Department received hard-copy first-instance rulings from misdemeanor courts concerning 809 legal entities. Of that number, requests were rejected in 583 cases. Proceedings were dismissed in 45 cases, and in three cases the courts declared a lack of territorial jurisdiction. In 30 cases, additional information was requested by the courts, in four cases witness summons were issued, while in three cases the proceedings were stayed.

Proceedings for the remaining 141 legal entities ended in verdicts: in four cases, the defendants were found not liable, 88 cases resulted in fines, and in 49 cases formal warnings were issued.

The law clearly stipulates the obligation of local self-government units to keep records of municipal waste and report the data from these records to the Environmental Protection Agency no later than March 31 of the current year (Article 94). Without an adequate response from the relevant authorities, this legal regulation remains unimplemented, and a large number of local self-government units will continue failing to submit the requested data. To date, we have not been able to find any record that this behavior has triggered any inspection response or sanction, other than the fact that the violation of this legal obligation repeats year after year.

Financing

Following the adoption of the Regulation on the Cessation of Validity of the Regulation on the Amount and Conditions for the Allocation of Incentive Funds on December 26, 2025 (Official Gazette of RS, no. 118/2025), the existing system

for financing recycling incentives for special waste streams ceased to operate, creating thereby a regulatory vacuum in the management of the waste previously falling under the scope of this regulation. As a result of this decision, the majority of recycling companies stopped accepting these types of waste and laid off a significant number of workers, with the consequences rippling across the entire network of collectors. On June 4, 2026, the Serbian Government passed a Regulation on the Type, Criteria, Amount, Elements, Conditions, and Manner of Allocating Incentive Funds to Waste Reuse and Recovery Operators for the Period from 2026 to 2028 (Official Gazette of RS, no. 49/2026). Pursuant to the Regulation, the Ministry of Environmental Protection announced on June 17, 2026 a Public Call for the allocation of de minimis aid to waste reuse and recovery operators for 2026, with the application deadline set for July 1, 2026.

This approach brings up numerous concerns, a key one being: how will authorities handle waste produced during the transition gap between the old system ending on December 25,2025, and the new one taking effect? Regardless of the legal and financial "vacuum" (which lasted at least six months), special waste streams, largely comprising hazardous waste, will not stop being generated because the system change was clearly neither time-synchronized nor carefully planned. The question also arises as to what will happen to the fees paid by citizens for the disposal of products that become special waste streams after use which the state continued to levy despite failing to establish a system to ensure they are used for their intended purpose. This issue persists across other environmental sectors as well, because since the abolition of the Environmental Protection Fund in 2012, revenues collected through various "environmental" taxes and fees have been systematically redirected to other costs that have nothing to do with environmental protection.[82] Furthermore, the very formulation of financial support for the treatment of special waste streams as de minimis aid is itself questionable.

82 Environmental protection investements: a social and fiscal priority https://www.fiskalnisavet.rs/doc/analize-stavovi-predlozi/FS-Investicije-u-zastitu-zivotne-sredine.pdf

Recommendations

Strategic and Legislative Framework

1. Build partnerships with the civil society and business sectors in the regulatory process, as well as clear public communication based on dialogue backed by arguments and facts.
2. Encourage industry involvement in applying circular economy principles and provide funds from the budget of the Republic of Serbia to carry out activities planned by the program.
3. Adopt clear guidelines for keeping records of the takeover of hazardous waste from individuals.

Implementation of Regulations

4. Analyze the impact of facility operations on resolving hazardous waste treatment challenges in Serbia.
5. Ensure capacities for the management of hazardous waste in Serbia and analyze the contribution of existing and planned facilities to meeting treatment needs, particularly in the context of the expected ban on hazardous waste exports.
6. If the export of hazardous waste is unfeasible, provide capacities for its treatment and permanent disposal within the Republic of Serbia, accompanied by an assessment of how existing and planned facilities address the hazardous waste treatment needs in Serbia.
7. Provide financial support to the civil sector and resolve the ongoing administrative dispute initiated over the allocation of funds contrary to the call for proposals' terms as soon as possible.

8. Conduct a detailed investigation into the failures in the operation of the Regional Waste Management Center Duboko Užice, identify responsible persons and take appropriate actions in accordance with the law, including penalties for those responsible for the identified irregularities. Ensure transparency regarding all data and information relevant to establishing facts and accountability throughout the entire process.

Financing

9. Instead of relying on credit arrangements, build the capacities and ensure political backing to leverage available EU funds and grants for infrastructure development, with absolute transparency regarding the process and all associated expenses.

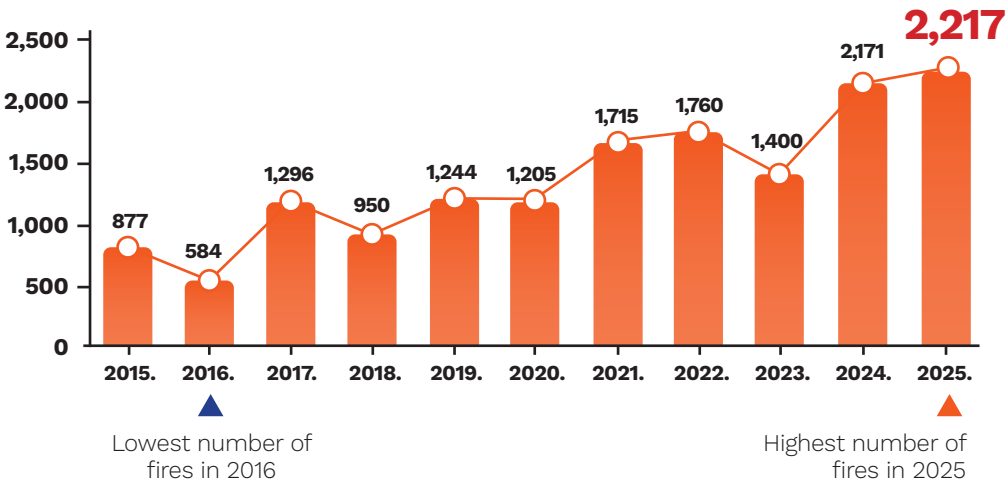
WASTE MANAGEMENT

WASTE MANAGEMENT

877
fires in 2015

2,217
fires in 2025

NUMBER OF REGISTERED LANDFILL FIRES IN SERBIA (2015–2025)



2.5 times as many **fires** as in 2015


Water
Quality

Overview

The water-related part of Chapter 27 requires that candidate countries align their national legislation with the EU acquis. The objective of the relevant legislation is to protect human health, preserve aquatic ecosystems and ensure the sustainable management of water resources. Accordingly, this area covers not only water quality but also the integrated management of surface water and groundwater. Pursuant to the Water Law[83] of the Republic of Serbia, integrated water management comprises a set of measures and activities aimed at maintaining and improving the water regime; ensuring the availability of the required quantities of water of the appropriate quality for different uses; protecting water resources against pollution; and preventing and mitigating harmful effects of water. These activities are carried out at the national, provincial and local levels, involving several competent ministries, authorities of the Autonomous Province, local self-government units and public enterprises.

Given the complexity of the institutional framework, before assessing the progress achieved, it would be useful to recall the key obligations that the European Union places before candidate countries in the area of water, since the EU acquis in this field requires the adoption and implementation of several interrelated directives and regulations. These include:

- The Water Framework Directive,[84] the overarching legislative instrument aimed at preserving and protecting surface water and groundwater in order to ensure sufficient quantities of water of an appropriate quality for human and environmental needs, through the establishment of a coherent and transparent institutional framework that promotes public participation in water management.

83 Water Law, Official Gazette of RS, 30/2010, 93/2012, 101/2016, 95/2018, 95/2018 – as amended.

84 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, OJ L 327, 22. 12. 2000, p.1.

- The Drinking Water Directive,[85] which protects human health by ensuring that water intended for human consumption is safe and clean, while improving access to such water. It establishes quality standards and requires the public to be informed about the quality of drinking water.
- Urban Wastewater Treatment Directive,[86] which establishes rules for the collection, treatment and discharge of urban wastewater and certain industrial wastewater, with the aim of protecting the environment from adverse effects of such discharges.
- Bathing Water Directive,[87] which monitors and classifies the quality of bathing waters in order to protect public health during recreational use and provides the public with information on water quality and pollution incidents.
- The Groundwater Directive,[88] which complements the Water Framework Directive by establishing measures to prevent and control groundwater pollution, achieve good groundwater chemical status and prevent deterioration in the status of groundwater bodies.
- Legislation on protecting water from pollution originating from industrial and agricultural sources, including the Industrial Emissions Directive (integrated pollution prevention and control),[89] the Nitrates Directive,[90] which addresses the protection of water against pollution caused by nitrates from agricultural sources, and the Environmental Quality Standards Directive in the field of water policy.[91]

85 Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 on the quality of water intended for human consumption (recast), OJ L 435, 23. 12. 2020, pp. 1–62.

86 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02024L3019-20241212

87 Directive 2006/7/EC of the European Parliament and of the Council of 15 February 2006 concerning the management of bathing water quality and repealing Directive 76/160/EEC, OJ L 064, 4. 3. 2006, p. 37.

88 Directive 2006/118/EC of the European Parliament and of the Council of 12 December 2006 on the protection of groundwater against pollution and deterioration, OJ L 372, 27. 12. 2006, p. 19.

89 Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (Recast), OJ L 334, 17. 12. 2010, p. 17.

90 Council directive of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (91/676/EEC), OJ L 375, 31. 12. 1991, p. 1.

91 Directive 2013/39/EU of the European Parliament and of the Council of 12 August 2013 amending Directives 2000/60/EC and 2008/105/EC as regards priority substances in the field of water policy, OJ L 226, 24. 8. 2013, p. 1.

- The Floods Directive,[92] which establishes a framework for assessment and management of flood risks in order to reduce adverse consequences for human health, the environment, cultural heritage and economic activity.
- The Birds Directive[93] and the Habitats Directive,[94] which need to be integrated into the water sector. Since a significant part of Serbia's future Natura 2000 environmental network will include rivers, lakes, wetlands and other aquatic habitats, it is essential to integrate species and habitat conservation objectives into water management planning and the implementation of water management measures. This would contribute to achieving favorable conservation status for protected species and habitats, while also supporting the objectives of the Water Framework Directive and other water protection policies.

The Nature Restoration Regulation[95] is a key component of the EU Biodiversity Strategy, which establishes binding targets for restoring degraded ecosystems, particularly those with the greatest potential for carbon sequestration, as well as for preventing and reducing the impact of natural disasters. Restoring wetlands, rivers and lakes will help increase biodiversity, secure the free benefits provided by nature, such as water purification and flood protection, contribute to limiting global warming to 1.5°C, strengthen resilience and help prevent natural disasters, among other benefits.

The above-mentioned directives have been transposed, to varying degrees, into Serbian legislation. However, meeting the requirements of Chapter 27 involves more than merely transposing directives into national legislation. It

92 Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks, OJ L 288, 6. 11. 2007, p. 27.

93 Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (codified version), OJ L 20, 26. 1. 2010, pp. 7–25, amended by Council Directive 2013/17/EU of 13 May 2013, OJ L 158, 10. 6. 2013, p. 193 and Regulation (EU) 2019/1010 of the European Parliament and of the Council of 5 June 2019, OJ L 170, 25. 6. 2019, p. 115.

94 Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Habitats Directive), OJ L 206, 22. 7. 1992, pp. 7–50, Directive (EU) 2025/1237 of the European Parliament and of the Council of 17 June 2025 amending Council Directive 92/43/EEC as regards the protection status of the wolf (Canis lupus), PE/8/2025/REV/1, OJ L, 2025/1237, 24. 6. 2025.

95 2024/1991, REGULATION (EU) 2024/1991 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869.

also requires their effective application, planning and implementation of investments, establishment of monitoring and reporting systems, strengthening administrative and institutional capacities and mobilization of significant financial resources, including financing from EU funds and international donors.

Since the signing of the Stabilization and Association Agreement and Serbia's attainment of candidate status for European Union membership, the water sector has consistently been identified as one of the most financially demanding and institutionally complex areas under Chapter 27. More than a decade later, it remains difficult to identify reform processes that have been fully completed, institutionally consolidated and consistently implemented in practice. Despite individual infrastructure projects, strategic documents and announced investments, implementation of water management measures often remains fragmented and slow, while cooperation among the competent institutions remains insufficiently transparent and coordinated.

What is particularly concerning is the fact that alignment with European Union policies in this area is still largely viewed as a financial cost or an administrative obligation, even though the measures in question have a direct impact on public health, access to safe drinking water, quality of surface water and groundwater, preservation of ecosystems and society's resilience to the impacts of climate change, including droughts and floods. The key question, therefore, is no longer limited to the cost of implementing these measures, but also concerns the cost of failing to implement them over the long term. Insufficient access to drinking water of adequate quality, inadequate wastewater treatment, pollution of watercourses and the degradation of natural resources all contribute to increased health risks and long-term economic consequences, including rising costs associated with pollution remediation, flood and drought risk management and the restoration of ecosystems that continue to deteriorate as a result of human activities. In addition, long-term environmental, social and economic consequences are still not being fully recognized or adequately accounted for.

Strategic and Legislative Framework

According to the amendments to the National Program for the Adoption of the EU Acquis (NPAA 2024–2027), adopted on August 7, 2025,[96] the adoption of a new Water Law, which has been postponed on several occasions, is expected in the fourth quarter of 2026.

The same document sets new deadlines for the adoption of several regulations in the water sector. These include the Rulebook on Drinking Water, by-laws establishing quality standards and monitoring requirements for surface waters, as well as regulations governing the assessment and status of groundwater. The adoption of the Drinking Water Law is expected by the end of 2026 or during 2027. We expect to provide a more detailed assessment of their content in future Shadow Reports.

Following the public consultation held in the summer of 2024 on the Draft Action Plan for the Implementation of the Water Management Strategy on the territory of the Republic of Serbia from 2024 to 2026, the document was not adopted in its final form. As a result, the website of the Republic Water Directorate still contains the previous version of the Action Plan, covering the 2021–2023 period. Without a document covering the current implementation period, it is not possible to adequately monitor the implementation of the measures and works envisaged by the Water Management Strategy.

In March 2026, the Government adopted the Regulation on Determining the Water Management Program in 2026.[97] The Program defines works of general interest in water management that, pursuant to the Water Law, fall within the remit of the water sector and are to be funded during the current year in the fields of water management and use, water protection, river training

96 National Program for the Adoption of the EU Acquis adopted on October 24, 2024, as amended on August 7, 2025, https://www.mei.gov.rs/srl/dokumenta/nacionalna-dokumenta/npaa

97 Regulation on Determining the Water Management Program in 2026, Official Gazette of RS, 24/2026 dated March 13, 2026.

and protection against harmful effects of water, as well as planning and international cooperation in the field of water management. The Program also specifies the funding allocated for these activities. Funding has been earmarked for the construction and rehabilitation of water infrastructure for the supply of drinking water and water for sanitary and hygiene purposes throughout the territory of the Republic of Serbia, excluding the autonomous provinces. However, no information is provided on the specific works planned. The implementation status of the measures and works is also difficult to monitor, as the competent authorities do not publish regular, consolidated reports on the implementation of the Program. Instead, information, where available, is provided only in a fragmented manner through individual announcements and news concerning specific projects or activities. The Program also does not cover measures or projects related to the protection of water from pollution, where a substantial portion of investments in sewage infrastructure and wastewater treatment plants is implemented through different ministries (the Ministry of Construction, Transport and Infrastructure and the Ministry of Environmental Protection, etc.), the Province or individual local self-government units. Publicly available information does not allow for a reliable assessment of the current status of the Clean Serbia project,[98] valued at approximately EUR 3.5 billion, which covers works at 93 sites in 73 cities and municipalities across Serbia. The project involves the construction of municipal wastewater (sewage) infrastructure and solid waste disposal infrastructure. Its implementation falls under the responsibility of the Ministry of Construction, Transport and Infrastructure. The project is financed through a loan from a Chinese bank (repaid by the citizens of the Republic of Serbia), and is being implemented by China Road and Bridge Corporation (CRBC). The Clean Serbia project website states that the project is part of the Serbia 2020–2025 program, which contains a plan of investment projects aimed at further development of Serbia over the following five years. This underscores the project's importance and the need for its urgent implementation. In light of the above, the Water Management Program does not provide a basis for assessing overall progress toward achieving Serbia's water management objectives.

98 https://cistasrbija.rs/

According to data from the Statistical Office of the Republic of Serbia,[99] the total volume of wastewater generated in 2025 amounted to 425 million m^3. Of this amount, 300 million m^3 were discharged into public sewage systems, while the remainder was discharged into septic tanks. Only 68 million m^3, or approximately 16%, underwent treatment, with secondary treatment being the most common treatment method. This means that approximately 232 million m^3 of wastewater discharged through public sewage systems remained untreated before being released into rivers, lakes and other watercourses. According to the same source, with regard to drinking water supply, 61.2% of the total volume of water abstracted came from groundwater and spring water, 28.6% from rivers, and 10.1% from lakes and reservoirs. This suggests that a significant share of the water used by citizens of the Republic of Serbia for drinking is sourced from the same rivers and lakes into which wastewater is discharged. Under the European Union's new Urban Wastewater Treatment Directive, wastewater treatment plants serving agglomerations of 150,000 or more population equivalents in EU Member States will, within the prescribed deadlines, be required to provide treatment to a level that includes even quaternary treatment. Belgrade and Novi Sad are among the largest European cities that continue to discharge their municipal wastewater without adequate treatment into two major international rivers, the Sava and the Danube. As these cities account for a significant share of the country's wastewater pollution load, the construction of wastewater treatment plants (WWTPs) in both cities is seriously behind schedule or, in some cases, nowhere near beginning. Given that the implementation of such major infrastructure projects requires a considerable amount of time (including the preparation of technical documentation, securing financial resources, procurement, and the actual construction works), it remains unclear how the Republic of Serbia intends to address these challenges and what priorities it has established in this area.

One area that remains insufficiently addressed in water management in Serbia is the systematic assessment of hydromorphological pressures on water bodies. Although the effectiveness of implemented measures is most often evaluated based on the completion of infrastructure projects and the amount of funding

99 https://publikacije.stat.gov.rs/G2026/HtmlL/G20261142.html

spent, considerably less attention is given to changes in the physical characteristics of watercourses and their impact on ecological status. In accordance with the Water Framework Directive, the assessment of the status of water bodies is not based solely on physicochemical indicators. It also requires an analysis of hydromorphological elements, including river continuity, flow regime, sediment transport, the connectivity of rivers with riparian areas and other relevant criteria.

On a positive note, in recent years, the Republic of Serbia has undertaken efforts to identify hydromorphological pressures on certain water bodies through the preparation of technical studies. However, the pace at which these studies are being developed remains insufficient to meet the needs of the process of alignment with the EU acquis. If the current rate of progress were to continue, completing the assessment of all water bodies could take more than two decades, significantly delaying the establishment of a reliable basis for assessing ecological status and planning appropriate management measures. It is therefore necessary to secure additional financial resources and accelerate the implementation of these activities. The particular importance of these studies is reflected in their ability to provide systematic mapping of hydromorphological alterations and barriers within watercourses, including dams, weirs and other transverse structures that disrupt the longitudinal connectivity of river ecosystems. Such information provides an important technical basis for planning restoration measures, including consideration of the removal or modification of obsolete and non-functional structures where the necessary technical, ecological and social conditions exist. These measures can contribute to restoring river continuity, and achieving good ecological status of water bodies.

The Regulation on Establishing the General Flood Defense Plan[100] was adopted with a minor delay and will remain in force until August 16, 2031. The Order on Establishing the Operational Flood Defense Plan for 2026[101] was adopted in a timely manner and in its standard form. Incorporating the designations

100 The Regulation on Establishing the General Flood Defense Plan, Official Gazette of RS, 70/2025 dated August 8, 2025.

101 Order on Establishing the Operational Flood Defense Plan for 2026, Official Gazette of RS, 117/2025 dated December 24, 2025.

of pumping stations into internal waters section of the Plan (covering each hydromelioration system) would further contribute to its completeness.

A particular challenge in flood risk management concerns the organization and implementation of activities related to 2nd order streams, which fall under the responsibility of local self-government units. In practice, a significant number of municipalities and cities lack the financial resources, qualified personnel and technical capacity required for systematic maintenance of watercourses, implementation of preventive measures and timely response to emergency hydrological events. As a result, the level of flood protection varies among local self-governments, while measures are often taken only after damage has already occurred. Given that flash floods and flooding of smaller watercourses can have serious consequences for communities and infrastructure, it is necessary to consider models for strengthening local-level capacity and improving cooperation with national institutions, in line with the principles of integrated flood risk management promoted by the EU Floods Directive.

The Rulebook on Establishing the River Sediment Extraction Plan[102] has been adopted, together with a map atlas identifying locations where sediment extraction is necessary, prohibited or permitted subject to obtaining specific conditions. However, the atlas has not been updated since 2019, despite the requirement for it to be revised in conjunction with each new River Sediment Extraction Plan.

The Regulation on Establishing the Annual Water Status Monitoring Program for 2026[103] was adopted in March 2026.

Plan for Water Protection against Pollution is yet to be adopted. According to information on the website of the National Water Directorate, drafting of this plan was in its final stages and was expected to be adopted more than ten years ago.

102 Rulebook on Establishing the River Sediment Extraction Plan, Official Gazette of RS, 118/2025 dated December 26, 2025.

103 Regulation on Establishing the Annual Water Status Monitoring Program for 2026, Official Gazette of RS, 22/2026. dated March 9, 2026.

The repeated delays in adopting the Plan for Water Protection against Pollution have consequences that extend beyond the formal failure to fulfill statutory obligations. In the absence of a unified planning document, it is more difficult to establish priorities for reducing pollution from municipal, industrial and agricultural sources, as well as to coordinate activities of various institutions responsible for water management and environmental protection.

In 2025, the Republic Water Directorate initiated the development of a Rulebook on the Methodology for Determining Water Land Boundaries and invited interested stakeholders to submit comments and proposals on the draft text by June 14, 2025.[104] However, no publicly available information appears to exist regarding the subsequent progress of the process or the adoption of the Rulebook. This case points to a broader issue concerning the availability of information on regulatory development processes in the water sector. Calls for public consultations are often published only on specialized portals or on websites of the competent authorities, failing to involve or inform the broader interested public.

In this context, the lack of publicly available information on the work of the National Water Conference is particularly concerning. Under the Water Law, the Conference is intended to serve as a mechanism for public participation and cross-sectoral dialogue in water management. Similarly, there is no publicly available information regarding the possible establishment of the Water Council, a body envisaged to consider technical and professional matters, provide expert opinions and participate in the implementation of project-related tasks. More active engagement by these bodies would contribute to greater transparency, improved public access to information and more meaningful involvement of the professional and expert community in decision-making processes.

Pursuant to the Law on Management of Companies Owned by the Republic of Serbia,[105] the Public Water Management Company Srbijavode changed its

104 E-consultation – REPUBLIC WATER DIRECTORATE

105 Law on Management of Companies Owned by the Republic of Serbia, Official Gazette of RS, 76/2023 dated September 7, 2023.

legal form and, as of January 21, 2026, operates as a limited liability company (LLC). The Republic of Serbia has retained 100% ownership of the company.

Implementation of Regulations

The construction of dams with reservoirs remains part of a state policy that continues to view large-scale water infrastructure as a key response to challenges related to water supply, flood protection and regional development. According to the Water Management Program, the Svračkovo Reservoir on the Veliki Rzav River and the Selova Reservoir on the Toplica River are primarily intended to provide water for households and industry, protect against floods, generate electricity, support irrigation, improve water quality, retain sediment and manage downstream flow regimes by ensuring an environmental flow. These two dams are often presented publicly as green investments, although it is unclear what criteria are used to characterize them as such.

The justification for continuing or resuming these projects on karst terrain after several decades of construction interruptions also remains an open question. Construction and other works in landslide-prone karst terrain engender some of the most complex engineering and geological challenges. Karst processes (limestone dissolution and the formation of caverns and underground channels) combined with unstable slopes can increase the risk of severe ground subsidence and landslides. In the meantime, climatic conditions have changed, alternative water supply solutions have been developed, renewable energy sources have become more accessible, and modern water management policies increasingly prioritize nature-based solutions for retaining water within river basins and preserving the natural river continuity. This raises the question of whether large reservoir systems remain a sustainable and economically viable solution under changing climatic, social and technological conditions. In addition, the Veliki Rzav valley has been undergoing the protection procedure to be established as a Category I protected natural area since 2022, under the proposed designation of the Veliki Rzav Special Nature Reserve.[106] Under the

106 https://www.ekologija.gov.rs/obavestenja/zastita-prirode/obavestenje-o-postupku-pokretanja-zastite-specijalnog-rezervata-prirode-veliki-rzav-izvod-iz-studije-zastite-srp-veliki

Law on Nature Protection,[107] an area for which a protection procedure has been initiated is considered protected, and until the formal designation act is adopted, the protection measures specified in the protection study apply. The Environmental Impact Assessment Study for this project dates back to 2011. Under the Law on Environmental Impact Assessment,[108] the project developer is required to prepare a new assessment or update the existing study where changes in environmental conditions warrant such an update.

Contemporary European Union water management policies increasingly promote Nature-based Solutions (NbS) as a sustainable alternative or complement to traditional hydro-technical measures. This approach includes restoring natural floodplains, rehabilitating river side-channels and wetlands, reconnecting rivers with their floodplains, removing or modifying obsolete barriers and other structures along watercourses, as well as conserving and restoring riparian vegetation. Unlike an approach based exclusively on gray infrastructure, these measures can also help attenuate flood peaks, increase water retention capacity during periods of drought, improve water quality and protect and restore biodiversity.

With regard to water supply, some experts argue that reliance on regional water supply systems based on large dams and reservoirs is outdated. This strategy was developed in the 1970s, when projections of population growth and water consumption were considerably more optimistic than subsequent trends have shown. Such systems require substantial investment and complex management and can have significant environmental impacts. By contrast, hydrogeological studies indicate that groundwater in large parts of Serbia represents a high-quality but underutilized resource for water supply. Experts therefore suggest that priority should be given to protecting existing water sources, managed aquifer recharge where conditions permit and reducing the substantial losses occurring in water distribution networks. Such an approach could address water supply challenges more rapidly, at lower cost and with fewer adverse environmental impacts than the construction of new large-scale reservoirs.

107 Law on Nature Protection

108 Law on Environmental Impact Assessment

According to data from the Statistical Office of the Republic of Serbia, 711 million m^3 of water were abstracted for drinking water supply in 2025.[109] Of this amount, a total of 445 million m^3 was delivered to users, while water losses in the distribution network amounted to 266 million m^3, or 37.4% of the total volume abstracted.

Additional concerns arise from the impacts of climate change. The reliability of reservoir systems depends on the volume of water flowing into them, and inflows are among the hydrological variables most directly affected by climate change. Examples from different parts of the world demonstrate that even large reservoirs are not immune to the effects of prolonged drought, changes in precipitation patterns and increased evaporation. Under conditions of more frequent and prolonged droughts and heat waves, this raises the question of whether systems that depend on stable inflows are the most resilient long-term solution for water supply.

Flood protection is another frequently cited justification for dam construction. However, technical analyses indicate that the benefits of dams are generally limited to the local level. Individual reservoirs may reduce the intensity of flood peaks in areas immediately downstream of dams, but the existing reservoir system cannot be expected to have a significant impact on protecting the most vulnerable lowland areas. Moreover, flood protection is generally not the primary purpose of reservoirs. To ensure water supply and electricity generation, reservoir operators seek to maintain relatively high water levels and minimize fluctuations in storage levels. This, in turn, reduces the available storage capacity that could otherwise be used to accommodate flood peaks.

Dams can reduce certain flood risks, but they are not a universal solution to flooding. In fact, they can also create new risks. This is precisely what concerns some residents of Arilje regarding the Svračkovo Dam.[110] According to the 2011 project documentation, in the event of dam failure, a flood wave approximately 12 meters high would reach Arilje within just two to three minutes, leaving

109 https://publikacije.stat.gov.rs/G2026/HtmlL/G20261142.html

110 The Great Rzav and Svračkovo Dam Explained, Rzavljani – Association for Protecting the Rzav River, https://www.youtube.com/watch?v=r1tZJ0uzZ2M

virtually no time to evacuate the residents. Although dam safety regulations require the preparation of studies assessing the consequences of a potential dam failure and identifying flood inundation zones, this information is not readily accessible to the public. As a result, residents often do not know whether they live in a potentially affected area or what actions they should take in the event of an emergency.

The argument that dams are necessary for electricity generation is also less clear-cut today than it was several decades ago. Hydropower is still considered a renewable energy source, but there is growing recognition that hydropower facilities can have significant adverse impacts on river ecosystems, biodiversity and the natural flow dynamics of watercourses. At the same time, the development of solar and wind power has created opportunities to generate electricity without damming rivers or causing permanent alterations to river ecosystems.

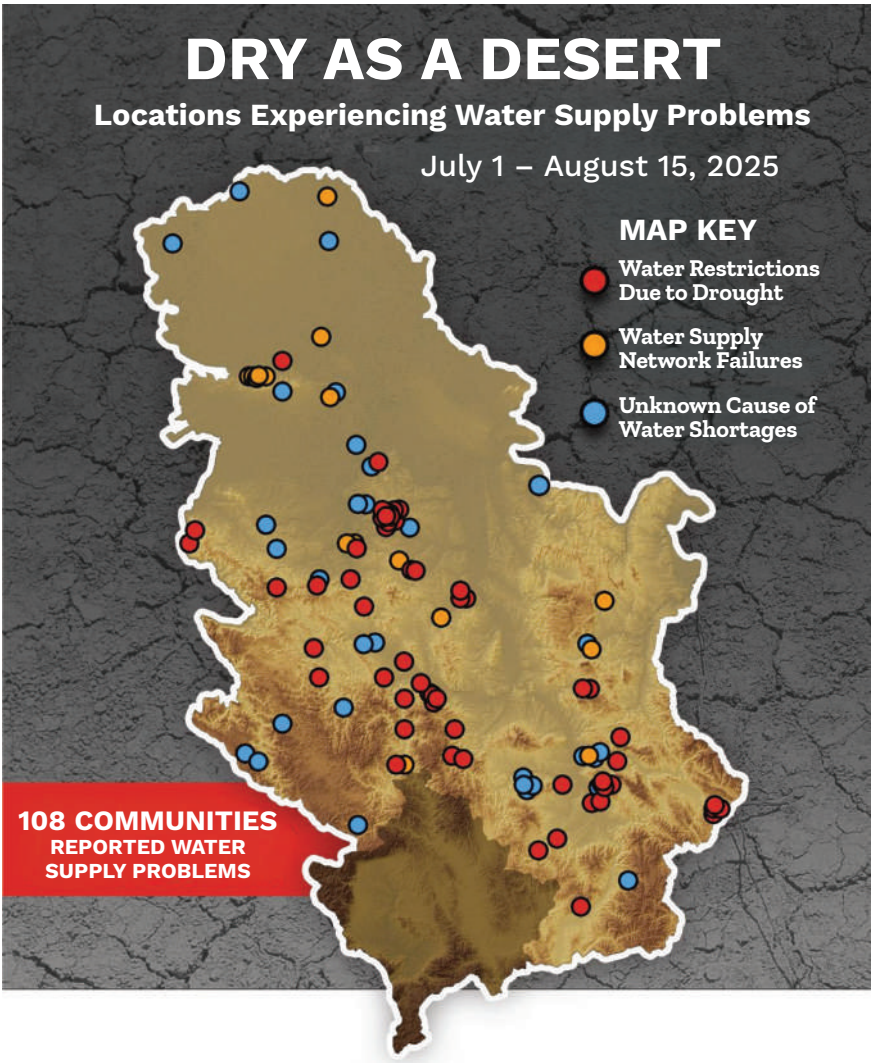
The claim that reservoirs will contribute to improved water quality is an additional cause for concern. Natural watercourses have a capacity for self-purification due to continuous flow, water mixing and aeration. When a river is dammed and a reservoir is created, these processes are altered: water moves more slowly, remains in the system for longer periods, and organic matter and nutrients accumulate in sediments. In general, a river ecosystem is transformed into a lake-like ecosystem, resulting in changes in biodiversity. Biological elements are among the indicators used to assess water quality, including ecological status or potential, which must comply with the legislation of the Republic of Serbia and EU requirements. Due to uncontrolled inflows of wastewater from surrounding areas and changes to natural processes within the newly formed ecosystem, reservoirs are often susceptible to eutrophication. This can lead to algal blooms, that is, the rapid and uncontrolled proliferation of phytoplankton and cyanobacteria at the water's surface, and, consequently, to reduced oxygen levels. This can in turn cause mass mortality of fish, crawdads and other aquatic organisms, while the water becomes turbid and develops an extremely unpleasant odor and taste, making it unsuitable for drinking, irrigation and recreation, particularly during warm and dry years. In Serbia, algal and cyanobacterial blooms in artificial reservoirs have become increasingly common, driven directly by climate change and pollution. The most serious

concern is that many of these reservoirs are used for municipal water supplies, meaning that the emergence of toxic algae can directly threaten sources of drinking water. For example, at the Vrutci Reservoir near Užice, a massive bloom of the cyanobacterium Planktothrix rubescens occurred in late 2013, causing the water to turn bright red due to the organism's distinctive pigment. The Gruža Reservoir, also known as Gruža Lake, near Kragujevac, supplies drinking water to more than 70 percent of the residents of Kragujevac and the municipality of Knić. Water-bloom incidents were recorded there in 2014 and have occurred continuously every year since 2023. The Ćelije Reservoir near Kruševac, which supplies water to Kruševac and surrounding municipalities, has also experienced multiple occurrences of toxic cyanobacteria, including a major bloom in 2015 involving blue-green bacteria that produce microcystin.

Contemporary water management policies emphasize the importance of maintaining free-flowing rivers and preserving natural river processes. Dams disrupt river continuity, alter sediment transport, affect the migration of aquatic organisms and transform entire ecosystems. It is therefore particularly noteworthy that preventing sediment transport is sometimes cited as one of the benefits of reservoirs, even though sediment is a natural and essential component of functioning river systems. Its retention can cause downstream riverbed erosion, while sediment gradually accumulates within reservoirs, reducing their effective storage capacity over time.

Sediment management is one of the issues that has yet to receive attention commensurate with its importance in domestic water management practices. River sediment is often viewed solely as an obstacle to infrastructure operations or as a resource for extraction, while its role in maintaining the natural dynamics of watercourses is less frequently considered. At the same time, sediment transport is essential to maintaining the shape and stability of riverbeds, replenishing sandbars and riparian habitats and supporting the functioning of river ecosystems.

Construction of dams and other transverse structures, such as groins, levees and bank protection structures, can disrupt or, in some cases, accelerate sediment transport. In addition to the gradual filling of reservoirs and the



Infographic 1 – Locations Experiencing Water Supply Problems
(https://polekol.org/2025/08/16/rastuca-humanitarna-kriza-u-srbiji-vise-od-100-mesta-bez-vode/)

resulting reduction in their effective storage capacity, these impacts are also reflected in changes that typically occur downstream, where sediment deficits or surpluses along riverbanks can lead to riverbed incision, bank destabilization and habitat degradation. For this reason, the planning of new water infrastructure should include a long-term analysis of the sediment balance

and consideration of measures to preserve or restore the natural dynamics of sediment transport, rather than treating sediment management solely as the periodic removal of accumulated sediment. Another consequence of damming rivers is the disruption of fish migration routes. Although fish passages are constructed at some dams, experts warn that their construction does not necessarily guarantee actual functionality and may instead serve primarily to meet formal design or legal requirements, as fish often do not recognize these structures as viable migration corridors in practice. The issue of maintaining longitudinal connectivity in rivers has gained increasing importance in European water management policy in recent years. In addition to constructing functional fish passages at structures that remain in operation, there is growing consideration of removing or modifying obsolete transverse barriers that no longer serve their original purpose or for which suitable alternatives are available. Such measures have the potential to help restore natural sediment transport, improve the migration of aquatic organisms and enhance the ecological condition of watercourses.

Serbia currently lacks a comprehensive, publicly available assessment that systematically evaluates all transverse structures in terms of their functionality, safety and environmental impacts. Future efforts to identify hydromorphological pressures provide a good foundation for using a multidisciplinary approach to establish priorities for river system restoration and assess where adapting or removing individual structures could deliver the greatest benefits while posing the least risk to existing users and the water management system. There is also cause for concern in the fact that state authorities themselves have been pointing to serious problems in dam management in Serbia for years. Complete and consistent information is not available on who is responsible for managing all dams; property and legal issues remain unresolved for a large number of structures, and a significant number do not have the required permits. As a result, the 2024 Water Management Program was amended at the end of that year to provide funding for a study examining the legal, economic, technical and safety aspects of managing high dams. However, no publicly available information on the findings of that process is currently available.
Another concern is that local residents are generally not recognized as equal stakeholders in the planning of such projects. While state authorities emphasize

that reservoirs will address water supply, flood protection and economic development needs, some local communities argue that they do not view these issues as priorities, that the benefits of the projects have not been adequately substantiated and that the projects even expose them to new risks. It is therefore important that decisions involving permanent changes to the natural and social characteristics of entire areas be preceded by open, transparent and evidence-based consultation with local residents and the expert community. While the Zapadna Morava River, which we covered in the previous Shadow Report, continues to adjust to its new, straightened riverbed, new projects are being planned that could subject other rivers to a similar fate. The construction of the Kraljevo–Raška–Novi Pazar expressway raises questions about its potential impact on the Raška River.

Reports on the implementation of the National Program for the Adoption of the EU Acquis (NPAA) indicate very limited progress in this area during the final two quarters of 2025. The Ministry of Environmental Protection and the Ministry of Agriculture, Forestry and Water Management report progress only in strengthening administrative capacities for alignment with EU regulations, primarily through the implementation of training programs.

In addition to clearer planning of future activities, it is necessary to assess the effectiveness of completed works. In domestic practice, systematic monitoring of changes to watercourses following the completion of channel regulation projects, construction of water infrastructure or other publicly funded works is rarely carried out. This means missing an opportunity to determine, based on conditions in the field, whether the intended objectives have been achieved and whether any unintended consequences have occurred for hydrological regimes, sediment transport or the condition of aquatic and riparian ecosystems. Introducing mandatory post-project monitoring following the completion of significant works would allow future decisions to be based on evidence and lessons learned from actual field conditions rather than on design assumptions. This approach is particularly important in the context of climate change and the increasing use of river restoration measures, where monitoring outcomes can provide the basis for timely adjustments to future project designs.

Financing

Financing in the field of Water Quality is covered in more detail in the chapter Financing in the Field of Environmental Protection and Climate Change.

Recommendations

Strategic and Legislative Framework

1. Integrate nature directives (Birds Directive and Habitats Directive) into the field of water management. Better coordination is needed between the water management sector and the environmental sector regarding the implementation of EU directives.
2. Develop specific strategies to improve investment in wastewater treatment plants. Initiate the development of models and strategies for knowledge transfer in the field of wastewater treatment in order to reduce costs and mobilize domestic capacities.
3. Adopt and amend strategic and planning documents in accordance with the obligations arising from relevant EU policies.
4. Adopt the new Water Law without further delay, along with the necessary by-laws, to ensure a coherent and effective legal framework for water management policy planning and implementation.

Implementation of Regulations and Institutional Capacity

5. Develop capacities and improve the organization of public institutions responsible for water management, especially at the local level.
6. Develop a more solid cooperation with environmental protection, energy, agriculture and spatial planning sectors.
7. Introduce mandatory public participation in the early stages of developing strategic, planning and investment documents in the water sector, including the public disclosure of comments received and explanations of how those comments were considered.

8. Integrate nature-based solutions into water management practices and consider ecosystem services more seriously.
9. Improve control and prevent or mitigate actions that threaten water resources, such as poorly planned small hydroelectric power plants, gravel extraction, pollution, uncontrolled use of groundwater and illegal construction on riverbanks.
10. Develop an integrated database on planning and constructing wastewater treatment plants WWTPs that is available to competent institutions and the public.
11. Enhance the capacities of the Water Inspectorate and increase the number of water inspectors.
12. Establish water quality monitoring in full accordance with the requirements of the Water Framework Directive.
13. Establish the water land boundaries in the cadaster.
14. Establish a Water Council as a professional and advisory body prescribed by the Water Law, and ensure continuity in the work of the National Water Conference in order to improve inter-sectoral cooperation, professional support and transparency in the decision-making process.

Financing

15. Gradually increase water prices and fees for wastewater collection and treatment services in order to provide sustainable financing of water infrastructure.
16. Permanently increase budget funds for financing water management activities and water protection.
17. When planning new investments in the water sector, establish long-term mechanisms for financing the operation, maintenance and rehabilitation of constructed infrastructure, particularly wastewater treatment plants.

WATER QUALITY



Nature protection

Overview

Access to information regarding the state and protection of nature remains limited, while dialogue and cooperation between public administration bodies and citizens' associations are almost non-existent.

For the first time since the establishment of Coalition 27 and the inclusion of civil society organizations in activities related to Chapter 27, the field of nature protection has been the focus of heated daily politics. This has heavily influenced how these issues are discussed and decided upon. Numerous events organized in protected areas have served to promote partisan agendas, which negatively affects transparency, good governance and the financing of nature protection. Bearing in mind global crises, pressures on natural resources in Serbia, and capacity gaps in the sector, this management style poses a serious threat to the conservation, protection and restoration of nature.

While work regarding strategic documents and regulations intensified during the reporting period, the adopted and drafted documents still fail to establish sufficiently clear objectives, measurable indicators, or mechanisms for the effective enforcement of nature protection policies.

Despite years of work on transposing the EU Birds Directive and Habitats Directive, full integration into national legislation remains incomplete, and no by-laws have been adopted.

Work on the Draft Law on Nature Protection is underway, however, information regarding the working group's activities is not publicly available.

The process of declaring new protected areas is slow, yet progress is being made; however, the management of these areas remains centralized and lacks sufficient efficiency. On the other hand, setting up Stakeholder Councils in protected areas is moving at a faster pace. By May 2026, according to publicly

available data, Stakeholder Councils have been formed in the national parks of Đerdap, Tara and Fruška gora, nature parks of Golija, Radan and Veliki Jastrebac, as well as in the special nature reserves of Mojstirsko-Draške Mountains and Kraljevac.

No progress was made during the reporting period on establishing the European ecological network Natura 2000 in Serbia.

Strategic and Legislative Framework

In August 2025, the Government of the Republic of Serbia adopted the Amendments to the National Program for the Adoption of the Acquis (NPAA) for 2024–2027.[111]

The draft amendments have been prepared using data entered by relevant institutions into the NPAA electronic monitoring system, with the aim of aligning with the Plan for Fulfilling Key Obligations in the EU Accession Process of the Republic of Serbia by the end of 2026. The necessary alignment of timeframes for legislative, institutional, and administrative measures set out in the NPAA 2024–2027 has been completed.

For the year 2026, the following nature protection regulations are scheduled to be adopted: Regulation on Appropriate Assessment; Regulation on the Ecological Network; Rulebook on Amendments to the Rulebook on the Criteria for the Separation of Habitat Types, Types of Habitat, on Vulnerable, Endangered, Rare and Priority Protection Habitat Types and the Protection Measures for the Conservation of Habitat Types; Rulebook on Cross-Border Movement and Trade in Protected Species; Rulebook on Amendments to the Rulebook on Declaration and Protection of Strictly Protected Wild Species of Plants, Animals, Fungi and Mushrooms; Rulebook on Amendments to the Rulebook on Conditions of Keeping, Manner of Marking and Recording

111 https://www.mei.gov.rs/srl/dokumenta/nacionalna-dokumenta/npaa

Wild Animals in Captivity; Rulebook on Compliance Measures for Users of the Nagoya Protocol; Rulebook on the Prevention and Management of the Introduction and Spread of Invasive Alien Species.

The Law on Nature Protection is listed in the NPAA with an adoption deadline in the fourth quarter of 2025. The CELEX identifiers indicated next to this piece of legislation show the intention to align it with the following EU regulations: Regulation 511/2014 – Nagoya Protocol on Genetic Resources; Regulation 1007/2009 – Trade in Seal Products; Directive 2009/147/EC – Birds Directive; Regulation 338/97 – CITES requirements in the EU; Regulation 3254/91 – Leghold Trap Ban; Directive 83/129/EEC – Seal Pups Directive; Directive 92/43/EEC – Habitats Directive.

In June 2025, the Ministry for Human and Minority Rights and Social Dialogue, in cooperation with the Ministry of Environmental Protection, announced a public call for civil society organizations to propose candidates to take part in the work of the Working Group for Drafting the Law on Nature Protection. Coalition 27, alongside a large number of other civil society organizations with established experience in environmental protection, nature conservation and biodiversity, did not apply, believing that the socio-political circumstances fail to ensure a transparent, inclusive, and fair law-making process. Only two organizations submitted applications to join the Working Group for Drafting the Law on Nature Protection: the Serbian Association of Employers and the Center for Inclusion and Sustainable Development. The Commission proposed representatives from these two organizations as members of the Working Group. Coalition 27 analyzed the compliance with the criteria, as well as the work of said organizations, following which, with the support of twenty-six civil society organizations, it raised concerns over irregularities in the selection process for the Working Group members, calling upon the Ministry of Environmental Protection to reconsider the Commission's proposal. Through the inconsistent application of selection procedures and criteria, the Ministry sent a message that the involvement of civil society in decision-making is viewed as a mere checkbox exercise, lacking any genuine intention to effectively include organizations in the process.

In August 2025, the Ministry of Environmental Protection published a notice on the initiation of drafting the Law on Nature Protection with the starting points. Interested public was invited to provide written proposals and suggestions regarding the regulation of the specified areas to be covered by the Draft Law on Nature Protection. Coalition 27, in cooperation with other organizations, submitted comments, proposals and suggestions.

The Ministry provided no response to written proposals and suggestions, and no further publicly available information regarding the drafting process existed up to the time of compiling this report.

Following a multi-year drafting process, the Nature Protection Program of the Republic of Serbia 2026–2031 has been unveiled to the public. Between late March and early April 2026, the Ministry of Environmental Protection called upon business representatives, institutions, the scientific and expert communities, and other stakeholders to submit proposals and suggestions on the Draft Program text. A public consultation, regarding the said Draft Nature Protection Program and its accompanying action plan was held just one month later.

Several civil society organizations, as well as citizens, submitted dozens of comments and suggestions. Based on the public consultation report,[112] it can be concluded that there was no willingness to thoroughly review these inputs, nor to find a way to incorporate some of the proposals into the Program.

Although Coalition 27, through the participation of the Young Researchers of Serbia, had its representative in the Working Group for Drafting the Nature Protection Program, a review of the document that underwent public consultation revealed a number of shortcomings. The Program lacks ambition and activities related to modern trends – from digitalization and the responsible AI use in nature conservation to innovative conservation approaches. Too much focus is placed on procedural activities, nature restoration measures and actions are missing, funding is heavily donor-dependent, clear and robust

112 https://www.ekologija.gov.rs/informacije-od-javnog-znacaja/izvestaji-sa-javnih-rasprava/izvestaj-o-sprovedenoj-javnoj-raspravi-o-predlogu-programa-zastite-prirode-republike-srbije-za-period-2026-2031-godine-sa-akcionim-planom

mechanisms to curb sectoral pressures are absent, while the ability to measure actual effects on biodiversity remains constrained. Deadlines for key systemic measures are set too late, precise indicators and a clear division of responsibilities are missing in many cases, while the financial framework appears inadequate given the needs and scope of work.

The Nature Protection Program should also be aligned with the Working Version of the Environmental Protection Strategy of the Republic of Serbia, specifically Pillar IV titled Protection and Investment in Biodiversity and Ecosystems, which – despite consultations and a public hearing held in October 2024 – has not yet been adopted.

In April 2026, the Ministry of Agriculture, Forestry and Water Management formed a Working Group to prepare the Draft Law on Amendments to the Law on Game and Hunting, appointing representatives of all relevant institutions and stakeholders from the hunting sector in the Republic of Serbia. The Working Group[113] is tasked with drawing up the text of the Draft Law and submitting it to the Ministry's Department for Normative Affairs and Harmonization of Regulations, with the deadline for completing the task being October 30, 2026. Looking at the composition of the Working Group, it can be observed that its members are exclusively focused on hunting, even though drafting this law requires a transparent process based on scientific knowledge, with the participation of experts in ecology, biology and nature conservation. It is necessary to ensure conditions for the full alignment of this law with the Birds Directive, the Habitats Directive, and other international obligations of the Republic of Serbia. For many years, the Bird Protection and Study Society of Serbia has insisted on removing certain bird species from the list of game species and placing them under permanent protection (closed season).

The Law on Fees for the Use of Public Goods (Official Gazette of RS, nos. 95/2018, 49/2019, 92/2023, 109/2025 and 35/2026) has once again been amended. In April 2026, following a proposal submitted by the Ministry of Environmental Protection, the National Assembly of the Republic of Serbia

113 https://lovackisavezsrbije.rs/formirana-radna-grupa-za-pripremu-teksta-nacrta-zakona-o-izmenama-i-dopunama-zakona-o-divljaci-i-lovstvu/

adopted amendments to the said Law. Under the new rules, citizens residing in local self-government units where protected areas are located, as well as those from neighboring municipalities, are exempt from paying the fees.[114]

The Regulation on the Ecological Network has not yet been adopted, even though work on it has been ongoing since 2023. The representative of the Young Researchers of Serbia has been a member of the Working Group for Preparing the Draft Regulation on the Ecological Network since its inception. No activities related to the drafting of this document took place during the reporting period, as the last meeting of the Working Group was held in March 2024.

Declared protected areas (2025–2026)

During the reporting period, several regulations on the declaration of protected areas were adopted.

Protected areas			
Name of the area	Surface area/ha	Date of protection declaration	Status
Mount Jelica Area of Outstanding Characteristics	6,196	July 2025	New area
Zlatar Special Nature Reserve	7,865	November 2025	New area
Šalinac Grove Natural Monument	19	December 2025	Revision (minor decrease in surface area)
Prebreza – Paleontological Site Natural Monument	0.92	December 2025	Revision (minor increase in surface area)
Bosut Forests Special Nature Reserve	17,618	March 2026	New area
Tufa Accumulation near Tumane Monastery Nature Park	56	February 2026	Revision (an increase from 8.5 ha)
Areas for which a draft regulation on declaration has been prepared and a public hearing conducted			
Povlen and Sušica Canyon Area of Outstanding Characteristics	4,117	Public consultation held in November 2025	New area

114 https://www.parlament.gov.rs/upload/archive/files/lat/pdf/zakoni/14_saziv/153-26-lat..pdf

Areas for which the protection procedure has been initiated			
Gradac Area of Outstanding Characteristics	3,403	Procedure published in February 2026	Revision (an increase from 1,268 ha and an upgrade from category II to category I)
Veliki Rzav Special Nature Reserve	4,858	Procedure published in February 2026	New area (procedure was published also in August 2024)
Gornjak Gorge Area of Outstanding Characteristics	1,718	Procedure published in August 2025	New area
Vršac Mountains Area of Outstanding Characteristics	5,329	Procedure published in July 2025	Revision (modification of protection regime)

Table 1: Declared protected areas and areas for which a draft regulation on declaration has been prepared and a public consultation conducted in the period from May 2025 to May 2026

The Law on Placing Timber and Timber Products on the Market[115] (Official Gazette of RS, no. 96/2025) is important for nature protection as it transposes the EUTR (Regulation no. 995/2010 of the European Parliament and the Council laying down the obligations of operators who place timber and timber products on the market) and partially incorporates the latest EUDR elements (Regulation (EU) 2023/1115 of the European Parliament and the Council of May 31, 2023 on making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No. 995/2010.).

By adopting this law, Serbia aligns its legislation also with EU regulations regarding the fight against illegal logging and illegal trade in timber and timber products, under Chapter 27. This also means that the forestry and wood industry sectors are required to prove, in addition to monitoring the legality of harvesting, that the timber does not originate from areas where deforestation has taken place. A by-law has also been adopted prescribing the form for the declaration of timber origin for all legal entities trading in timber and timber products in Serbia. In this way, the due diligence system under the EUTR has been implemented. Nevertheless, the form lacks geolocation data

115 https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2025/96/5/reg

(GPS coordinates) showing where the timber was harvested, as mandated by the new EUDR regulation.

The Rulebook on Amendments to the Rulebook on Declaring Closed Hunting Season of the Protected Wild Game Species[116] (Official Gazette of RS, no. 9 of February 5, 2012, no. 31 of April 5, 2013, no. 55 of June 25, 2015, no. 67 of July 29, 2015, no. 75 of September 7, 2016, no. 92 of September 22, 2021, no. 6 of January 23, 2026) was jointly adopted by the Ministry of Agriculture, Forestry and Water Management, and the Ministry of Environmental Protection following the harmonization of requests and proposals, with the aim of sustainable use and protection of game, conservation of biodiversity, and balanced management of hunting grounds in compliance with national and international standards. Hunting of grey partridge is suspended until October 14, 2027, and hunting of the European turtle dove until August 14, 2027. Exceptions are possible only in cases of prevention and suppression of infectious diseases, care or treatment of sick or injured wildlife, scientific research, or activities contributing to the conservation and replenishment of the population.

The Bird Protection and Study Society of Serbia views this as a positive yet temporary measure. The hunting of turtle doves and quail should be banned entirely and permanently, as populations of these birds in Serbia are in steady decline, and unregulated hunting – often using illegal methods and exceeding legal quotas – is widespread.

The Regulation on Benchmarks and Criteria for the Allocation of Incentive Funds for the Conservation and Protection of Biological, Landscape and Geological Diversity in 2026[117] (Official Gazette of RS, no. 6/2026) was adopted in January 2026, based on which a public call was announced for local self-government units on whose territory national parks and protected areas declared by an act of the Government are located.

116 https://minpolj.gov.rs/%D0%B4%D0%BE%D0%BD%D0%B5%D1%82%D0%B5-%D0%B8%D0%B7%D0%BC%D0%B5%D0%BD%D0%B5-%D0%B8-%D0%B4%D0%BE%D0%BF%D1%83%D0%BD%D0%B5-%D0%BF%D1%80%D0%B0%D0%B2%D0%B8%D0%BB%D0%BD%D0%B8%D0%BA%D0%B0-%D0%BE-%D0%BF%D1%80/

117 https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/uredba/2024/16/3/reg

Implementation of Regulations

The 2025 Report of the Commissioner for Information of Public Importance and Personal Data Protection does not show complaints related to access to nature protection information as a separate category.

In September 2025, the Bird Protection and Study Society of Serbia requested information from relevant institutions regarding specific criminal activities targeting wild birds or wild animals. A total of 61 requests for access to information of public importance were sent to all appellate public prosecutor's offices, basic public prosecutor's offices, the Institute for Nature Conservation of Serbia and the Provincial Institute for Nature Conservation, and every relevant institution responded. However, the information received indicates that basic public prosecutor's offices keep inadequate records of cases involving wild birds or wild animals, resulting in certain cases being omitted.

The implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) follows already established rules and procedures. During the reporting period, there were publicly confirmed cases involving attempts to smuggle protected species across the Horgos[118] border crossing. The Bird Protection and Study Society of Serbia has filed reports regarding six cases involving CITES-listed species. The reports refer to attempts to sell African elephant tusks (Loxodonta africana), grizzly bear fur (Ursus americanus), brown bear fur (Ursus arctous), a snowy owl taxidermized specimen (Bubo scandiacus), several live individual snakes, and similar items.

Some progress has been achieved through Article 7 of the Law on Placing Timber and Timber Products on the Market, which stipulates that "Timber and timber products for the harvesting of which the state has issued a FLEGT or CITES permit, respectively, shall be considered legally harvested within the meaning of this law".

118 https://vojvodinauzivo.rs/na-horgosu-sprecen-pokusaj-krijumcarenja-zasticenih-ptica/

There are problems and challenges in implementing FLEGT (Forest Law Enforcement, Governance and Trade), such as the administrative burden on small businesses and enterprises. Additionally, FLEGT requires digital transformation and the use of advanced tools in forestry for real-time data tracking, which currently faces technical hurdles in Serbia. Part of the problem also lies in imported timber and raw materials, as supply chain control and the verification of foreign licenses at the border require training of customs and inspection personnel.

The implementation of the Law on Nature Protection, in the part related to the drafting of the State of Nature Report, is not fully transparent and participatory. In February 2026, the Ministry of Environmental Protection reported[119] that the Government adopted the State of Nature Report for Serbia for the period from 2021 to 2023, and that this report confirms progress in improving the condition of protected areas, expanding surface areas under protection, and preserving biological, geological and landscape diversity.

This report is not publicly available, nor is it known whether it was drawn up by the Institute for Nature Conservation of Serbia in cooperation with the Provincial Institute for Nature Conservation and other expert and scientific institutions, as required by the Law on Nature Protection. Furthermore, it remains unknown whether the Autonomous Province and local self-government units have prepared the state of nature reports for their respective areas (Article 114 of the Law on Nature Protection).

According to publicly available data, no concrete activities were undertaken regarding the establishment of the European ecological network Natura 2000 in Serbia during the reporting period. Public access to information and involvement of the expert community in this process remain limited.

The introduction of alien wild species into a natural environment and the unintentional introduction of alien wild species and their hybrids into the natural environment across the territory of the country is governed by Articles 82 and

119 https://www.ekologija.gov.rs/saopstenja/vesti/izvestaj-o-stanju-prirode-u-srbiji-potvrdio-napredak-u-zastiti-i-unapredjenju-prirodnih-vrednosti

83 of the Law on Nature Protection. These provisions set out a mechanism for declaring invasive species on the territory of the Republic of Serbia, drawing upon recognized international criteria, scientific knowledge, and obligations arising from international treaties and documents.

Although the Republic of Serbia formally follows European guidelines on invasive species management, serious challenges remain: insufficient funding, poor inter-institutional coordination, a lack of field monitoring, the absence of a single national database, and reactive rather than proactive responses once the species has already spread.

In May 2025, the Ministry of Environmental Protection formed a Working Group for Preparing the Draft Order on Measures to Destroy or Prevent Further Spread of the Introduced Alien Wild Species Heracleum Sosnowski. The Order was adopted and entered into force in July 2025, nine years after the first record of the species' presence in Serbia.[120] The Order outlines measures to eradicate and stop the further spread of this species, recognized as one of the most dangerous alien plant species due to its invasive nature and the threat it poses to biodiversity and human health. This example is a good, but unfortunately, rare case of tackling the issue of invasive alien species seriously in Serbia.

The 2025 Report on the Work of Environmental Protection Inspectorate[121] shows that the inspection of legal entities continued throughout that year, bringing their operations to a high level of compliance with the law via administrative measures. The report notes that entities frequently reached out to inspectors for guidance regarding any uncertainties in their operations with a view to rectifying potential oversights and aligning their work with nature protection regulations. Nine national environmental protection inspectors took part in carrying out the 2025 Inspection Supervision Plan in the field of nature protection.

120 https://doiserbia.nb.rs/img/doi/0353-4537/2017/0353-45371716215S.pdf

121 https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf

In the course of 2025, inspectors from the Department for Soil Protection, Non-Ionizing Radiation and Biodiversity filed a total of 367 misdemeanor reports, one economic offense report, gave two testimonies, and 137 judgments were rendered.

Throughout 2025, as part of its inspections, the Environmental Protection Inspectorate in the field of nature protection temporarily confiscated strictly protected wild bird species from keepers who were found to be in violation of the law (birds in captivity). Depending on their health and physical condition, and based on expert assessment by the Institute for Nature Conservation of Serbia, the birds were released back to the wild.

Over the reporting period, the Institute for Nature Conservation of Serbia carried out multiple expert inspections. For instance, within the Vlasina Area of Outstanding Characteristics (AOC), special attention was paid to the most endangered sites around the Vlasina Rid settlement, where a large number of newly built and installed prefabricated holiday structures were observed. Experts have recorded serious environmental degradation caused by illegal road carving and pathways cutting, as well as damage to slopes driven by changes in terrain morphology. Ditches, gullies, and illegally installed water supply and electrical grid infrastructure were also observed, which further disrupted the natural appearance and ecosystem functions of this protected area.[122]

A joint inspection and expert supervision determined that the municipality of Surdulica, in its capacity of the manager of the Vlasina AOC, acted in line with its powers concerning detected irregularities involving site users. Between January and November 2025, the manager filed 46 requests for the initiation of misdemeanor proceedings, predominantly due to site users carrying out works without a decision on nature protection conditions.

Data from the inspection and expert supervision at the Vlasina AOC illustrate the complexity of managing protected areas in the Republic of Serbia and the challenges encountered by area managers.

122 https://www.piovlasina.org/Lat/Newsview.asp?ID=662

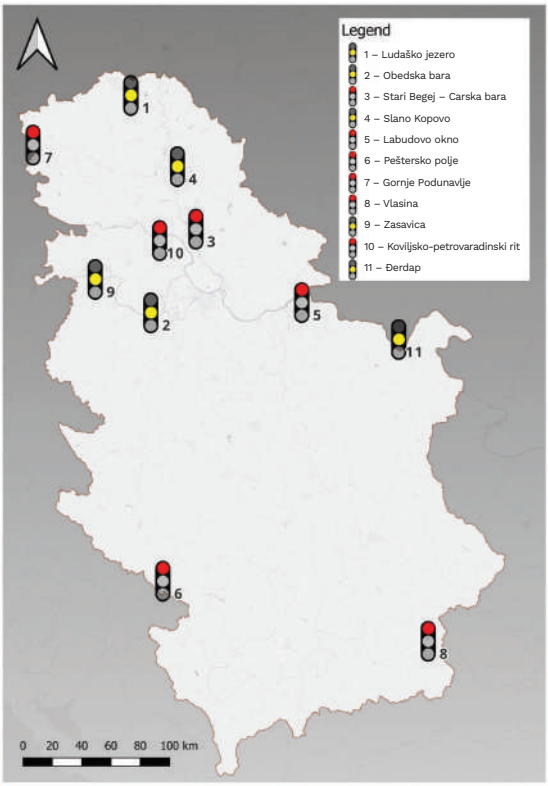
Certain wind farm construction projects also pose a major pressure on nature conservation, because decisions - such as the relocation of the meteorological radar to Gudurički vrh, the highest peak of the Vršac Mountains AOC, are made without full enforcement of the law and without taking into account the opinions of experts.[123]

During the reporting period, several protected area managers changed their legal form. These include Fruška gora National Park, Đerdap National Park, and Srbijašume, which are no longer pubic enterprises but limited liability companies.

While Coalition 27 lacks sufficient data to evaluate the impact of this transformation, it views the change as worthy of attention. For instance, Srbijašume manages 892,707 hectares of state forests and forest land, provides expert and advisory services across 1,221,265 hectares of privately-owned forests, manages 56 protected areas spanning 418,185 hectares, and operates 27 hunting grounds totaling 272,070 hectares. They also in charge of managing the Belgrade, Danube and Mlava fishing and protected areas.

The implementation of the Law on Nature Protection, with respect to drafting protected area management plans, has seen some progress. Throughout 2025 and 2026, management plans were drawn up for the Rajac Area of Outstanding Characteristics and the Ritovi donjeg Potisja Special Nature Reserve using a new methodology and a participatory approach. The IUCN and The Nature Conservancy, in cooperation with the Ministry of Environmental Protection, supported the managers of these two areas in the drafting process. This launched an initiative for the systemic improvement of the management plan quality, which was previously recognized as a major deficiency across the entire protected area management system. The main novelties in the new approach to drafting plans include a clearer structure of the plan's content, better definition of goals, activities and indicators with clear interrelations, and active stakeholder involvement through at least two consultative workshops.

123 https://staniste.org.rs/gradnja-radara-na-vrsackim-planinama-je-protivzakonita/



Map 1: Ramsar sites in the Republic of Serbia with threat factors

Over the course of 2025 and 2026, the Ministry of Environmental Protection announced public calls for the legal harvesting of protected species of flora, fauna, and fungi, with permits granted exclusively to registered gatherers and legal entities with no prior nature protection violations. The enforcement of regulations was carried out by the environmental protection inspectors, border control and customs authorities, the police, and the Institute for Nature Conservation of Serbia. Illegal harvesting of certain species and unauthorized trade remain problematic. For instance, Serbia has only a handful of registered businesses that gather and sell truffles and truffle-based products, yet an estimated 3,000 to 5,000 people actively hunt and gather truffles. Estimates by the Mycological Association of Serbia indicate that as much as 70% of the truffle trade takes place in the grey economy.[124]

124 https://simptom.rs/forbs-srbija-siva-ekonomija-i-nezakonit-sistem-sakupljanja-tartufa-u-srbiji/?utm_source=chatgpt.com

The implementation of the Convention on Wetlands of International Importance – the Ramsar Convention – faces a series of challenges. The Bird Protection and Study Society of Serbia analyzed all eleven Ramsar sites in the Republic of Serbia, based on eight criteria: legal protection, poaching, illegal fishing, urbanization, pollution, climate change impact, overgrowth and habitat destruction. The results show that no area is color-coded green, which would indicate the presence of only one threat factor. Areas with two or three threat factors are marked in yellow, while areas with four or more threat factors are marked in red. Of particular concern is the fact that six Ramsar sites exhibit more than four threat factors.

These findings point to the deteriorating state of wetlands in Serbia, where conservation efforts remain ineffective and yield poor results, with estimates suggesting that these ecosystems could face irreversible destruction in just a few years.

A positive example – law enforcement and cooperation between organizations and institutions in cases of wildlife poisoning

In May 2026, a case of poisoning involving a strictly protected cinereous vulture (Aegypius monachus) - a specimen included in the international program for the return of this species to the Balkans - was documented near Svrljig.

Following a swift response by ornithologists from the Bird Protection and Study Society of Serbia, and excellent cooperation with the police and the prosecutor's office, the suspect was identified, an attempt to destroy evidence was foiled, and the perpetrator was arrested. The arrested person faces three criminal charges, and the dead bird specimens were sent to the Institute of Forensic Medicine in Niš for analysis.

This case demonstrates that effective cooperation between civil society organizations and relevant institutions is one of the prerequisites for successfully combatting illegal activities targeting strictly protected species.

During the reporting period, the state of twenty fish ponds within twelve Internationally Important Bird Areas (IBA) was analyzed. These fish ponds are part of the national ecological network and are planned to be included in the European Natura 2000 ecological network. Out of the total number, only twelve fish ponds remain active, mostly operating at a reduced capacity. Production has been completely wiped out in as many as eight large fish ponds, resulting in the loss of 5,267 hectares of prime habitat for wild birds and other important species. Furthermore, at least 3,000 hectares of lake areas are not currently used for fish farming because they are dry or plowed over.

The management of strictly protected species has been improved through the implementation of the Brown Bear (Ursus arctos L.) Population Management Plan in the Republic of Serbia for the period from 2025 to 2033. For the purpose of implementing this plan, a Working Group, i.e., an Expert Commission, was established. In September 2025, the Ministry of Environmental Protection issued a Decision Appointing a Special Team of Expert Natural and/or Legal Persons for Interventions Involving Live Brown Bear Specimens in the Wild or in Captivity.

A positive step forward in protecting species from poisoning is the EU for Sustainable Plant Protection in Serbia project, implemented by the Food and Agriculture Organization of the United Nations (FAO), with financial support from the European Union. Its main goals are to strengthen the implementation of national legislation on pesticide management, upgrade registration and monitoring systems for plant protection products, build professional capacities at different levels, as well as raise public awareness of pesticide risks and eco-friendly alternatives in line with European Union standards. This project is part of a broader process of aligning national agricultural and environmental policies with the European Green Deal, the Farm to Fork Strategy and the Biodiversity Strategy, targeting a 50 percent reduction in the overall use and risk of pesticides.

In application of the Regulation on Benchmarks and Criteria for the Allocation of Incentive Funds for the Conservation and Protection of Biological, Landscape and Geological Diversity in 2026, the Ministry of Environmental Protection

has announced a public call for the allocation of incentive funds, totaling RSD 300,000,000.00, to finance works and other costs, stipulated by the Law on Nature Protection and this Regulation.

The Ministry of Environmental Protection received a total of 33 applications from local governments. Even though funds were designated exclusively for projects to be implemented in territories with national parks and protected areas of national interest, the City of Novi Sad received support for the construction of the main water supply pipeline in Veternik.[125] Total funds for the implementation of this project amount to RSD 229,817,239.00, of which RSD 183,853,791.20 is provided by the Ministry of Environmental Protection, and the remaining RSD 45,963,447.80 is covered from the budget of the City of Novi Sad. The project includes the construction of a water supply network in the settlement of Veternik, with a length of 13,210 m, featuring 712 planned household connections spanning a total length of 3,154.5 m. The objective is a continuous and safe public water supply.[126]

While not disputing the need to ensure a "continuous and safe public water supply", the question arises as to whether a fund intended for the conservation and protection of biological, landscape and geological diversity is the right source of financing for such a project? In addition, the Regulation stipulates: "Incentive funds are allocated to local governments based on submitted programs and projects in accordance with permitted works and activities defined by the Law on Nature Protection, the Law on National Parks, and the protected area declaration act."

Financing

Financing in the field of Nature Protection is covered in more detail in the chapter Financing in the Field of Environmental Protection and Climate Change.

125 List of approved projects

126 https://novisad.rs/lat/sredstvima-grada-novog-sada-i-ministarstva-zastite-zivotne-sredine-gradice-se-magistralni-vodovod-u

Recommendations

Strategic and Legislative Framework

1. Draft and adopt a new Law on Nature Protection in line with the EU legislation, ratified international agreements, good practices in the field, and the specific needs related to nature protection in Serbia, through a transparent and inclusive process. Regulate the appropriate assessment procedure for the ecological network, define biosphere reserve as a category of protected area, and prescribe competencies and key conditions for managing such areas through the said Law.
2. Permanently ban hunting of quail, turtle dove, and partridge. Permanently ban hunting of common pochard (Aythia ferina), garganey (Spatula querquedula), bean goose (Anser fabalis) and greater white-fronted goose (Anser albifrons). Permanently protect the northern goshawk (Accipiter gentilis).
3. Amend the Rulebook on the Declaration and Protection of Strictly Protected Wild Species of Plants, Animals, Fungi, and Mushrooms and the Rulebook on Declaring Closed Hunting Season for the Protected Wild Game Species in order fully transpose the provisions of the Habitats Directive and the Birds Directive.
4. Draft and adopt a protocol to precisely determine the sequence and manner of action of competent authorities upon the discovery of cases of poisoning, as well as other cases of illegal activities against wild species. Establish an expert cross-sectoral working group to draw up a national action plan for the prevention of wildlife poisoning.
5. Form an inter-ministerial working group for protected areas and an ecological network to coordinate work on the development of planning documents, protection studies, management plans and area protection acts.
6. Adopt the Regulation on Appropriate Assessment and enable its proper implementation.

7. Align the Criminal Code with the Environmental Crime Directive in the section concerning wildlife trafficking.

Implementation of Regulations

8. Enhance the capacities of the nature protection sector within the Ministry of Environmental Protection and institutes for nature conservation (both at the provincial and national levels), by increasing the number of qualified personnel and technical resources.
9. Continue building the capacities of the police, inspectorates, prosecution and judiciary to enforce regulations related to protecting species and habitats, in cooperation with professional civil society organizations. Furthermore, strengthen the capacities of the Unit for the Suppression of Environmental Crime and Environmental Protection, and its coordination with other sectors.
10. Improve the planning and implementation of inspection supervision over protected areas, i.e., ecological network sites.
11. Provide free access to the online database comprising decisions on nature protection conditions issued by the Ministry of Environmental Protection of the Republic of Serbia and the institutes for nature conservation to all stakeholders.
12. Improve cooperation with stakeholders regarding the implementation of international agreements in the field of nature protection through regular information exchange and consultations.
13. Form a National Council for the Natura 2000 ecological network in order to ensure inter-sectoral cooperation and continuous institutional support.
14. Conduct a protected area management effectiveness assessment, establish mechanisms for monitoring management effectiveness, and ensure public access to reports.
15. Create appropriate, targeted guides for more detailed explanations of the appropriate assessment procedure and practical examples

from practice (preferably, illustrations of good and bad practices). Familiarize stakeholders with the appropriate assessment procedure using the guide and supporting materials.

16. Provide public access to the electronic Central Register of Protected Natural Assets and develop its functionalities so that each protected area contains, inter alia, a ten-year management plan, annual management programs, and reports on the implementation of the annual management program.

17. Establish cooperation with the Ministry of Tourism and Youth to prevent foreign tourists from being misled regarding hunting opportunities in Serbia, as well as to improve the control of commercial hunting, especially in cases involving foreign hunters.

18. Accelerate the establishment of functional Stakeholder Councils in protected areas, and in addition to existing recommendations on Council composition, introduce a requirement for adequate representation of women and youth.

19. The Supreme Public Prosecutor's Office should issue a binding instruction to basic public prosecutor's offices prohibiting the application of the principle of opportunity (deferred prosecution) to wildlife-related criminal offenses, as frequent use of deferred prosecution has been observed even in cases where the perpetrator's guilt is clearly established, particularly regarding illegal wildlife hunting, trafficking and poisoning.

Financing

20. Continue regular financing of the activities aimed at establishing the ecological network of the Republic of Serbia and Natura 2000, with full and regular reporting on the activities carried out and the funds spent.

21. Provide greater financial resources from the Budget of the Republic of Serbia for managing protected areas, including constant and appropriate funds for hiring new wildlife rangers in protected areas, their training and procurement of necessary equipment.

NATURE PROTECTION

POISONING, POACHING AND ILLEGAL BIRD TRAPPING ARE WIDESPREAD PROBLEMS IN SERBIA

200 DISCOVERED CASES OF BIRD POISONING IN SERBIA

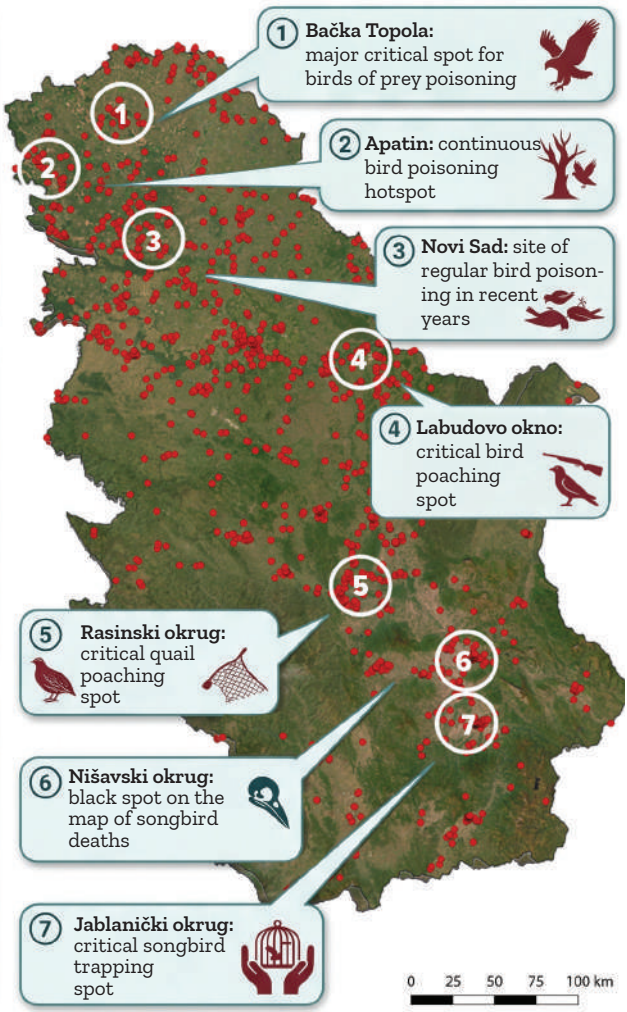
1,353 BIRD FATALITIES

779 DISCOVERED CASES OF BIRD POACHING IN SERBIA

1,548 BIRD FATALITIES

418 DISCOVERED CASES OF BIRD TRAPPING IN SERBIA

1,053 BIRD FATALITIES



Data from the Bird Protection and Study Society of Serbia – adapted for the report



Chemicals Management

Overview

As an EU membership candidate country, Serbia has achieved a satisfactory level of alignment of its chemicals management legislation with the relevant EU regulations. By-laws are being continuously aligned with amendments to EU regulations, although the pace of this process should be accelerated. However, alignment of legislation in itself does not guarantee its effective implementation. In this regard, Serbia continues to face significant challenges, including due to the limited administrative and technical capacities of the competent institutions.

During the reporting period, there were no major changes to the strategic and legislative framework governing safe chemicals management. Some progress has been made in aligning certain regulations with European legislation in this field. One of the more significant changes was the introduction of a ban on synthetic polymer microparticles, i.e., microplastics, in products such as detergents and certain cosmetic products.

However, progress in legislative alignment has not been adequately accompanied by strengthening the systems needed for its implementation and enforcement. The effectiveness of chemicals management depends on institutions' capacity to consistently enforce regulations, monitor their effects and respond to risks. Key challenges continue to be reflected in insufficient inter-institutional cooperation, unclear division of responsibilities and limited capacity for inspection supervision. In addition, the public does not have sufficient access to information about chemicals on the market, the results of inspections, completed projects and compliance with obligations arising from relevant international conventions. This makes it more difficult to keep track of the actual effects of chemicals management policies and undermines public confidence in the system.

Transparency of the system for controlling the safety of products intended for general use remains insufficient, given that neither the results of state

monitoring, nor annual reports on the health safety of these products are publicly available. Furthermore, by-laws regulating materials and articles intended to come into contact with food require further alignment with the latest scientific knowledge and EU legislation.

With regard to green public procurement, a new Rulebook adopted by the Public Procurement Office introduced an obligation to apply environmental aspects to certain categories of goods and services. However, what is lacking are clearly established minimum green criteria, without which it is difficult to speak of consistent and comparable application of environmental requirements in line with EU practice. Another problem is the fact that monitoring the implementation of green public procurements is based on self-assessment by contracting authorities, without mechanisms for verifying compliance with the criteria, making it difficult to assess the actual level of implementation.

Strategic and Legislative Framework

During the reporting period, there were no major changes to the strategic and legislative framework governing safe chemicals management, although some progress has been made in aligning certain regulations with European legislation in this field.

One of the more significant changes was the introduction of a ban on synthetic polymer microparticles, i.e., microplastics, in certain products, primarily detergents and some cosmetic products. However, unlike the EU REACH Regulation 2023/2055, which introduces a broader and more systematic approach to banning intentionally added microplastics, covering not only cosmetics but also fertilizers, sports surfaces and industrial materials, Serbia's approach is currently partial and limited to certain categories of products.

The ban was introduced through amendments to the Rulebook on the Restrictions and Ban of Production, Placing on the Market and Use of Chemicals.[127] Synthetic polymer microparticles are defined as solid polymers

127 Official Gazette of RS, no. 90/2013, no. 25/2015, no. 2/2016, no. 44/2017, no. 36/2018, no. 9/2020, no. 57/2022, no. 29/2024 and no. 90/2025.

contained in particles that account for at least 1% of weight of those particles or form a continuous coating on the particles, where at least 1% of weight of those particles meets the size requirements of up to 5 mm, or up to 15 mm in length in the case of fibers, with a length-to-diameter ratio greater than three. The applicable Rulebook currently contains 78 entries, while Annex XVII to the EU REACH Regulation contains 83. In other words, Serbia has not yet transposed the latest five bans, including those concerning PFHxA, DMAC, and NEP, as well as PFAS in firefighting foams.

With the adoption of the new Law on Waste Management[128] in December 2025, Serbia formally introduced a ban on four toxic phthalates (DEHP, DBP, BBP, and DIBP) in electrical and electronic equipment, thereby achieving legislative alignment with the EU RoHS Directive. This followed years of advocacy by civil society organizations for the alignment of national regulations with the aforementioned directive. Due to the significant delay in transposing European requirements into national legislation, in October 2024 ALHem submitted an initiative to the Ministry of Environmental Protection, with the support of 15 civil society organizations from Serbia, calling for the urgent introduction of restrictions on the use of phthalates in electrical and electronic equipment. The Ministry did not respond to the initiative at the time, but the same proposal was raised again in September 2025 at a meeting of the Working Group tasked with drafting the new law — this time by the Environment Engineering Group (EEG) — and was subsequently accepted and incorporated into the final text of the law.

However, the Rulebook on the List of Electrical and Electronic Products, Measures Restricting or Prohibiting the Use of Electric and Electronic Equipment Containing Hazardous Substances, the Manner and Procedure for Management of Waste Originating from Electrical and Electronic Products,[129] needs to be updated in order for the ban on the four toxic phthalates to be fully implemented. This means that electrical and electronic products containing toxic phthalates at concentrations exceeding the permitted limits might still be available on the Serbian market, even though these substances have been banned in the European Union since 2019.

128 Official Gazette of RS, no. 109/2025.

129 Official Gazette of RS, no. 99/2010.

With regard to updating regulations related to the classification and labeling of chemicals in line with technical and scientific advancements, a new Rulebook on the List of Classified Substances[130] was adopted in early 2025, followed by the publication of the Introduction to the List of Classified Substances and Table 1 of the Rulebook[131] in October 2025. These amendments introduced new hazard classes: endocrine disruptor for human health and endocrine disruptor for the environment, with the categories "ED human health 1," "ED human health 2," "ED environment 1" and "ED environment 2."

During the reporting period, the Candidate List of Substances of Very High Concern[132] was also updated and now contains 251 entries. Since the corresponding EU list has meanwhile been expanded and currently contains 253 entries, the difference between the national and EU lists is now only two entries. This is a significant progress compared to the previous reporting period, when the discrepancy between the national and EU lists was 23 substances, and effectively means that consumers in Serbia are now in a better position to exercise their right to access information about the presence of harmful substances in products.

The List of Substances of Very High Concern,[133] i.e., the list corresponding to the EU Authorization List, is fully aligned with the relevant EU list.
When it comes to administrative capacities for enforcing the regulations, there were no significant changes compared to the previous period.

Implementation of Regulations

The Department of Chemicals at the Ministry of Environmental Protection is responsible for conducting administrative procedures in the field of chemicals and biocidal products management. The prescribed administrative procedures are carried out on a regular basis, but taking into account the scope and

130 Official Gazette of RS, no. 11/25.

131 Official Gazette of RS, no. 88/25.

132 Official Gazette of RS, no. 58/2016, no. 22/2018, no. 86/2021, no. 83/2023, no. 34/2026, no. 34/2026.

133 Official Gazette of RS, no. 94/2013, no. 101/2016, no. 22/2018, no. 86/2021, no. 83/2023.

complexity of the required documentation, as well as the confidentiality of certain information involved in these procedures, there is a need to improve the administrative capacity, transparency and efficiency of the system as a whole.

As for inspection supervision, based on the 2025 Report on the Work of the Environmental Protection Inspectorate,[134] preventive inspection activities were carried out aimed at supporting businesses in complying with their legal obligations.

With regard to the control of chemicals and biocidal products, the inspection authorities acted on complaints submitted to the Ministry of Environmental Protection by legal entities and individuals. In accordance with the Inspection Supervision Annual Plan, inspections were also conducted at manufacturers, importers, distributors and downstream users of chemicals and biocidal products. Inspection priorities were determined based on risk assessment, with particular attention in 2025 given to chemicals and biocidal products used in the construction sector, as well as to verifying the legality of placing biocidal products on the market.

As in the previous year, this year's Report on the Work of the Environmental Protection Inspectorate contains no information indicating that any inspections were carried out regarding the enforcement of regulations on the restriction and ban of production, placing on the market and use of certain hazardous chemicals (substances and mixtures) within the scope of their jurisdiction. This is a significant shortcoming, given that bans and restrictions are among the key instruments for protecting human health and the environment from the most hazardous chemicals.

The previous Shadow Report had already highlighted the problem of an unclear distribution of jurisdiction between the Sanitary Inspection and the Environmental Protection Inspectorate regarding supervision of certain groups of products, particularly soft plastic products that come into contact with skin or mucous membranes. ALHem has raised this issue with

134 https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf

the competent inspection authorities and the Coordination Commission for Inspection Supervision on several occasions, but without a proper resolution — the competent authorities have maintained the position that this group of consumer products does not fall under their respective jurisdiction. The consequence of this institutional gap is the absence of effective supervision over products that may pose a risk to consumer health.

Although the domestic Candidate List of Substances of Very High Concern was further aligned with the EU list during this reporting period, questions remain regarding consistent implementation, particularly with regard to the availability of information and the effectiveness of market surveillance. Publicly available reports provide no evidence that regular inspection supervision has so far been carried out regarding compliance with Article 27 of the Law on Chemicals, which requires that suppliers, upon a consumer's request, disclose information on the presence of SVHCs in products where their concentration exceeds 0.1%.

Projects

In 2023, the Ministry of Environmental Protection initiated a project called Further Strengthening of National Capacities for Risk Management of Hazardous Substances Throughout Their Life Cycle, which was financed by the UNEP Special Programme. The agency responsible for the implementation of this project is the United Nations Development Programme (UNDP).

As noted in the previous Shadow Report, during this reporting period the Ministry of Environmental Protection again failed to publish information regarding the progress in the implementation of project activities. Four publications resulting from the project are available on the UNDP website: Gender Study on Exposure to Identified Consumer Products Containing Nanomaterials and Microplastics,[135] Study on Identified Consumer Products Containing Nanomaterials and Microplastics,[136] the brochure Happy Planet – Children

135 https://www.undp.org/sr/serbia/publications/studija-o-izlozenosti-zena-i-muskaraca-mikroplastici-i-nanomaterijalima

136 https://www.undp.org/sr/serbia/publications/studija-o-mikroplastici-i-nanomaterijalima-u-identifikovanim-proizvodima

Learn About Plastics and Microplastics [137] and Brochure on Reducing Exposure to Microplastics in Everyday Life.[138] Given that the project is scheduled to complete in December 2026, it is concerning that the public still has no insight into the activities carried out, the plans or the expected outcomes of the project. As a result, it is not possible to assess how the project will contribute to improving the system for managing hazardous substances in Serbia.

In addition to this, information related to the implementation of international conventions under the jurisdiction of the Ministry of Environmental Protection is not publicly available, either. It is necessary to ensure public access to all information concerning the implementation of the Stockholm, Minamata, Basel and Rotterdam Conventions, including reports, plans, actions, results and data on compliance with the obligations undertaken by Serbia.

Consumer Products

In May 2025, the Ministry of Health conducted a public consultation on the Draft Law on Amendments to the Law on Consumer Goods. ALHem actively participated in the consultation, submitting comments and proposals aimed at strengthening and improving the draft legislation. One of the key issues raised by ALHem was the long-standing absence of a dedicated by-law governing materials and articles that come into direct contact with the skin or mucous membranes during use. This is particularly relevant for consumer products made of textiles, leather and other materials intended for widespread use.

ALHem pointed out that the insufficiently precise definition of this category of products in the current Law on Consumer Goods,[139] combined with the failure to adopt the relevant implementing regulation, creates serious challenges for the effective enforcement of inspection controls, particularly with regard to monitoring compliance with bans and restrictions on chemicals in products. ALHem therefore proposed that this category of articles be more clearly and precisely defined in the Draft Law, and that the relevant by-law be adopted as

137 https://www.undp.org/sr/serbia/publications/srecna-planeta-deca-uce-o-plastici-i-mikroplastici

138 https://www.undp.org/sr/serbia/publications/brosura-za-smanjenje-izlozenosti-mikroplastici-u-svakodnevnom-zivotu

139 Official Gazette of RS, no. 25/2019 and no. 14/2022.

soon as possible, thereby addressing the existing legal and institutional gap in enforcement and oversight. A second set of comments concerned the need to clarify the mechanisms for informing the public in cases where non-compliant consumer products are withdrawn or recalled by manufacturers, importers or distributors. The aim of these proposals was to increase transparency and ensure that consumers are informed in a timely manner about products that may pose a risk to health or safety. By the end of the reporting period, the Ministry of Health had not published a Report on the Public Consultation on the Draft Law. It was therefore not possible to determine how the comments and proposals submitted during the consultation had been considered or addressed.

The Rulebook on Establishing the Program for Health Safety Monitoring of Consumer Goods for the year 2025[140] envisages the inspection of a total of 2,250 samples of consumer products, the same number as in the previous year, but higher compared to earlier years, when 1,662 samples were included in the Program.

Supervision includes products that may contain substances defined in the regulations on bans and restrictions in line with the Law on Chemicals, the Law on Consumer Goods and corresponding by-laws. The planned inspection supervision includes testing of the following product categories:

1. Children's toys made entirely or partially of soft polymer materials – a total of 846 samples – in order to examine irregularities in the declaration and deviations in the content of the plasticizer.
2. Children's toys made of hard polymer materials – a total of 340 samples – in order to examine irregularities in the declaration and non-compliance with requirements concerning physical and mechanical properties.
3. Toys – liquid, i.e., bubble-blowing solution – a total of 58 samples – in order to examine irregularities in the declaration and non-compliance with chemical content requirements, particularly with regard to formaldehyde.
4. Materials and items intended to come into contact with food – enamelled, ceramic, porcelain and earthenware dishes and utensils – a total of 594

140 http://demo.paragraf.rs/demo/combined/Old/t/t2025_06/SG_053_2025_004.htm

samples – in order to examine physical characteristics and the migration of metals, particularly lead and cadmium.

5. Cosmetic products intended to remain on the skin for prolonged periods – a total of 190 samples – in order to examine irregularities in the declaration, deviations in preservative content and non-compliance with microbiological safety requirements.
6. Cosmetic products intended to be removed from the skin after a short period of time – a total of 222 samples – in order to examine irregularities in the declaration, deviations in preservative content and non-compliance with microbiological safety requirements.

The Report on the Implementation of the Monitoring Program, including the results of laboratory testing and information on the measures taken, is not publicly available. It cannot be found on the websites of the Institute of Public Health of Serbia Dr Milan Jovanović Batut or the Ministry of Health, nor has it been published in the Official Gazette of the Republic of Serbia. ALHem has repeatedly contacted the competent authorities requesting access to the report on the monitoring results; however, the requested documentation has never been provided.

Given that the Monitoring Program is financed from the budget of the Republic of Serbia, and that its results constitute information of public interest relevant to the protection of public health, reports on its implementation should be published regularly and made publicly accessible. Publishing the Program itself, without providing information on how it was implemented and what its findings were, significantly undermines the transparency of the system and prevents experts and other interested public from assessing its effectiveness.

Products withdrawn from the market due to identified chemical risks should be publicly reported through NEPRO (the National Rapid Alert System for Unsafe Products) in the Republic of Serbia. As part of the broader market surveillance mechanism, the objective of this system is to strengthen consumer protection, provide information and education to all market participants and raise awareness of the importance of product safety.

According to data from the NEPRO database, a total of nine products were withdrawn from the market due to chemical risk during the reporting period. Eight of these cases concerned non-compliance of food-contact materials and items, most commonly due to excessive levels of heavy metal migration.

In late 2025, the Serbian organization ALHem and the Czech organization Arnika published a report titled A Heavier Sip, presenting test results showing excessive migration of lead and cadmium from ceramic mugs available on the Serbian market. These findings raise concerns about consumer safety and clearly demonstrate the need for strengthened market surveillance and inspection controls. Of the 30 samples tested, five failed to comply with regulatory standards mandated by the applicable Rulebook on the Health Safety Requirements for General-Use Items That Can Be Placed on the Market. One of these five samples was purchased from a retail souvenir store, while the remaining four came from a set of mugs purchased through a seller's Instagram account. Two samples showed non-compliant levels of both lead and cadmium migration, two showed excessive lead migration, and one showed excessive cadmium migration. In several cases, the measured levels of lead migration were several dozen times higher than the permitted limits. Lead and cadmium most commonly originate from pigments used to color and decorate ceramic articles.

Based on these findings and with the support of 12 civil society organizations, ALHem submitted an initiative to the Sanitary Inspection Department of the Ministry of Health calling for the unsafe mugs for which laboratory test results had been provided to be withdrawn from the market and recalled from consumers, and for information about these products to be published through the NEPRO rapid alert system. The aim was to ensure that citizens in Serbia received timely information about products that could pose a risk to their health.

The Sanitary Inspection responded to the initiative by conducting an extraordinary inspection supervision. Following the inspection, the non-compliant products were withdrawn from the market and information about them was published in the NEPRO system. A review of the 2025 Annual Report of the Sanitary Inspection Department of the Ministry of Health confirmed that

ALHem's request for the withdrawal of the products was recorded in the report and that the products in question had been published in the NEPRO database.

In addition to this initiative, ALHem also submitted an initiative to the Ministry of Health calling for the urgent adoption of a new Rulebook on Materials and Articles Intended to Come into Contact with Food. The current Rulebook, insofar as it concerns food containers and packaging, has not been substantively updated since 1989 and does not reflect scientific, technological or regulatory developments in this field. ALHem emphasized the need to adopt a new rulebook aligned with EU regulations and current scientific knowledge in order to ensure a higher level of protection for public health and the environment, and to strengthen the system for monitoring the safety of materials and articles that come into contact with food. According to information available to ALHem, the Ministry of Health is currently working on a new rulebook, which is expected to be adopted by the end of 2026.

Nevertheless, inspection of other information in the report revealed that, based on information received through the RAPEX/Safety Gate system, the number of products withdrawn from the Serbian market due to chemical risks to consumer health does not correspond with the number of product withdrawals recorded in the NEPRO database, indicating a lack of consistency between notification and record-keeping systems among the competent state authorities.

The Institute of Public Health Dr Milan Jovanović Batut prepares an Annual Report on the Health and Safety of Consumer Goods in the Republic of Serbia. Given the importance of this information for protecting public health and consumers, as well as ensuring institutional transparency, it would be reasonable to expect that these reports are publicly available on the Institute's website. However, since 2021, these reports are no longer publicly available, and the reasons for this lack of access are unknown.

Green public procurements

The Circular Economy Development Program in the Republic of Serbia for the

Period 2026–2030[141] recognizes green public procurement as one of the key instruments for the transition to a circular economy. The Program builds on the Public Procurement Development Program in the Republic of Serbia for the Period 2024–2028,[142] which provides for the development of practical tools to support its implementation, including guidelines and model procurement documents, with the aim of strengthening the implementation of environmental and social criteria in public procurements.

During the reporting period, the Public Procurement Office adopted a new Rulebook on the Types of Goods for Which the Contracting Authorities are Obliged to Apply Environmental Aspects in Public Procurement Procedures,[143] which has been in force since January 1, 2026. The Rulebook covers six groups of goods (photocopier paper, computer equipment, office electronic equipment, air-conditioners, cleaning products and household electrical appliances) as well as cleaning services. It also introduced a requirement for environmental aspects to account for at least 10% of the overall scope of public procurement contracts for these categories. These aspects may be incorporated through technical specifications, criteria for the selection of economic operators, contract award criteria or contract performance conditions.

Although a binding framework for applying environmental aspects in certain public procurement procedures has been established, the regulatory framework still does not ensure a level of green procurement consistent with EU practices. The current regulations do not define minimum environmental criteria that a procurement item must meet in order to qualify as green public procurement. This leaves room for differing interpretations and inconsistent application of environmental aspects in public procurement procedures. By contrast, the European Commission has developed standardized criteria for green public procurements (EU Green Public Procurement Criteria – EU GPP Criteria[144]), which provide a reference framework for establishing environmental requirements in this area. It is therefore necessary to align the guidelines and model procurement documents published by the Public Procurement Office with the

141 Official Gazette of RS, no. 41/2026.

142 Official Gazette of RS, no. 68/2024.

143 Official Gazette of RS, no. 118/2025.

144 Green Public Procurement – Green Forum – European Commission

EU GPP Criteria in order to ensure the consistent implementation of green public procurements and further alignment with European Union practices.

The Public Procurement Office monitors the implementation of green public procurements through annual reports, which provide data on the number and value of contracts in which environmental aspects have been applied. However, the reliability of these data is limited because the reporting system is based on self-assessment by contracting authorities, which, when posting data on the Public Procurement Portal, tick a box to indicate that they have applied environmental criteria in the procedure. Without clearly defined minimum green criteria and mechanisms for verifying their application, there is a risk that data on the scope of green public procurements may not accurately reflect their actual level of implementation.

Further development of the green public procurement system requires expanding its scope, establishing clearer criteria and ensuring consistent application. This would enable public spending in Serbia to contribute more significantly to the objectives of the circular economy and the green transition, with positive effects on the environment, public health and citizens' quality of life.

Financing

Financing in the field of chemicals and biocidal products management is covered in more detail in the previous reports of Coalition 27, and there have been no significant changes in the meantime.

Recommendations

Strategic and Legislative Framework

1. Continue with the development of the legislative framework through further harmonization of regulations by taking into account new EU regulations and amendments to the existing ones, as well as by strengthening the capacities necessary for their implementation.
2. Update the National Implementation Plan for the implementation of the Stockholm Convention and the Action Plan.
3. Adopt the Law on the Implementation of the REACH Regulation.
4. Adopt the Law on the Implementation of the BPR Regulation.
5. Update the Rulebook on the List of Electrical and Electronic Products, Measures Restricting or Prohibiting the Use of Electric and Electronic Equipment Containing Hazardous Substances, the Manner and Procedure for Management of Waste Originating from Electrical and Electronic Products with EU Directive 2015/863/ EU (RoHS III), in line with Article 63 of the Law on Waste Management.
6. Adopt a new Rulebook on Materials and Articles Intended to Come into Contact with Food.

Implementation of Regulations

7. Strengthen administrative and professional capacities in this area, especially the registration of chemicals and biocidal products in the Register, statistical analysis of collected data, management of biocidal products, creation of guides and guidelines for the info desk and instructions for inspection supervision.
8. Make data from the Chemicals Register on the number of reported chemicals by hazard class available on the website of the Ministry of Environmental Protection and update them regularly on an annual basis.

9. Establish a joint body for the integrated management of chemicals in order to establish satisfactory cooperation and coordination between all relevant sectors and ensure the safe management of chemicals throughout the entire life cycle — that is, the adoption and implementation of the Integrated Chemicals Management Program. The joint body should consist of representatives of competent state authorities in the field of chemicals management and representatives of the industry, scientific researchers and non-governmental organizations.
10. Strengthen inspection supervision over chemical and biocidal product control activities by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions. Supervise the implementation of Article 27 of the Law on Chemicals, protect the rights of consumers and check compliance with the bans and restrictions on chemicals, i.e., non-consumer goods.
11. Strengthen inspection supervision over the implementation of the Law on Consumer Goods by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions, as well as the capacity for entering unsafe products from the market into the NEPRO rapid alert system for unsafe products, in order to ensure adequate information for citizens about the products withdrawn from the market due to chemical risks.
12. Improve the information available on the Chemicals Info Desk by posting the guides and guidelines of the European Chemicals Agency, which are used in practice and which are insisted on within the training and exams for chemicals advisers, in the Serbian language, as well as the administrative procedure itself; introduce a section with the most frequently asked questions.
13. Make information available to the public through the NEPRO Rapid Alert System for Unsafe Products and update it regularly.
14. Make the information on the implementation of all conventions under the jurisdiction of the Ministry of Environmental Protection publicly available.
15. Establish a mechanism for the implementation of Article 82 of the Law on Chemicals, which instructs the Ministry of Environmental Protection to develop and implement projects for monitoring the market placement

and use of chemicals, their metabolites and the path of chemicals in the environment and living organisms.

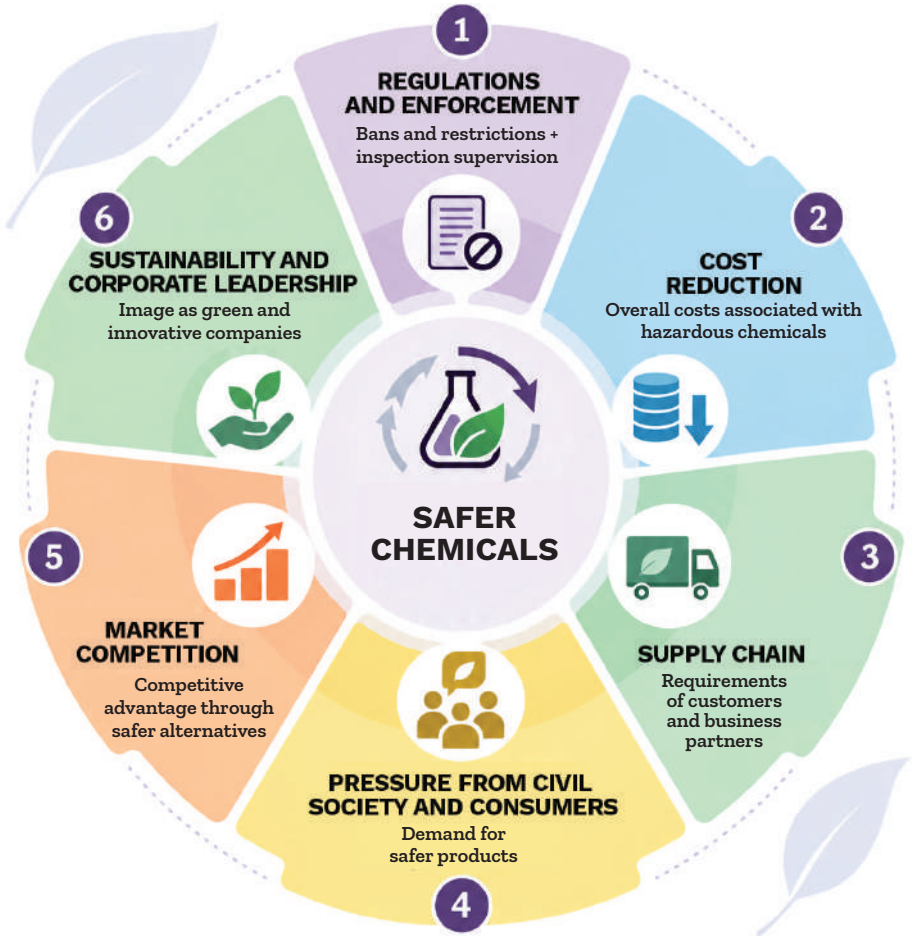
16. Publish updated data from the Chemicals Register on the entry of substances of concern and assess whether the risk reduction measures applied by businesses are sufficient to control the risk these chemicals pose.
17. Clearly define the jurisdiction between the Sanitary Inspection and the Environmental Protection Inspectorate regarding the supervision of the implementation of the Rulebook on the Restrictions and Ban of Production, Placing on the Market and Use of Chemicals, which applies to a specific group of consumer products for which both inspections have declared themselves not competent.
18. Post information on the Chemicals Info Desk clearly indicating the sequence and date of each amendment to the regulation related to the classification, packaging and labeling of chemicals in accordance with the relevant ATP. This information is of key importance for international companies operating in Serbia and the EU, as it enables them to track progress and harmonize labels of chemicals and products that often apply to multiple markets simultaneously, including Serbia.
19. Improve the green public procurement system by establishing clear and measurable green criteria aligned with EU GPP criteria, and establish more reliable mechanisms for monitoring their implementation.

Financing

20. Amend the domestic system governing the collection of fees and charges in line with the EU financing model to ensure that funds collected through regulatory procedures related to chemicals and biocidal products are actually used to improve the chemicals and biocidal products control system.
21. Secure financial resources for strengthening the administrative and professional capacities of the Department of Chemicals of the Ministry, as well as the inspection authorities that control compliance with the Law on Chemicals and the new Law on Biocidal Products, so that administrative procedures can be carried out without breaking deadlines, bearing in mind their scope and complexity.

CHEMICALS MANAGEMENT

WHAT DRIVES COMPANIES TO REPLACE HAZARDOUS CHEMICALS WITH SAFER ALTERNATIVES?



Source: *J. Ranđelović and L. Šojić, Phthalates and Bisphenols in Serbia, ALHem, 2026.* https://alhem.rs/wp-content/uploads/2026/03/FINAL-Verzija-na-srpskom_ALHem-Country-Situation-Report_Serbia_March-2026.pdf


Climate
Change

Overview

Despite the fact that the Law on Climate Change was adopted as early as 2021, the regulatory framework remains incomplete even five years later.

The most notable progress has been achieved in setting up the monitoring, reporting, and verification system for greenhouse gas emissions, including the digitalization of the procedure and the issuance of 96 permits to operators up to May 2026.

The adoption of the Law on Greenhouse Gas Emissions Tax and the Law on Carbon-Intensive Products Import Tax has introduced the first national fiscal mechanisms for carbon pricing. Nonetheless, their potential to drive decarbonization is restricted by a low tax rate, the lack of a clear roadmap for its increase, and the absence of a mechanism to ensure the earmarked use of revenues. The Low Carbon Development Strategy is still awaiting an action plan, while the Environmental Protection Strategy has not been adopted even a year after the public consultation ended.

The release of the first report on the implementation of the Action Plan of the Program for Adaptation to Changed Climate Conditions for the year 2024 revealed limited and uneven progress, primarily focused on regulatory frameworks and capacity-building activities.

Implementation of the Reform Agenda has been sporadic. By the end of 2025, only one reform step had been achieved in the green transition sector, whereas the majority of commitments were either left unfulfilled or only partially implemented.

Despite the adoption of the Just Transition Plan in July 2025 and the formation of an interministerial working group in early 2026, no concrete activities have been implemented nor has a dedicated financial mechanism been established. The Implementation Program of Energy Sector Development Strategy

2026–2028 has been approved, drafting of a new Integrated National Energy and Climate Plan (INECP) with projections up to 2040 is underway, and the status of active customers and active customers group has been more closely defined by secondary legislation. However, certain segments of the reform are falling behind: citizen energy communities remain non-operational due to the absence of the relevant by-law, while the development of renewable energy source (RES) projects is being hindered by grid connection constraints, inadequate system balancing capacities, and new administrative requirements.

The share of renewable energy sources in gross final energy consumption edged up from 25.43% in 2023 to 25.86% in 2024, leaving this modest growth well short of the 2030 target set at 33.6%.

Strategic and Legislative Framework

Law on Climate Change

The Law on Climate Change was adopted in March 2021. It provided for the enactment of several by-laws necessary for its full implementation, with the deadline for their adoption being one year from the entry into force of the Law, except for regulations relating to aircraft operators. Five years later, this regulatory framework remains incomplete.

Since the adoption of the Law up to the end of the reporting period, a total of seven by-laws were adopted, governing specific elements of the greenhouse gas emissions monitoring, reporting, and verification (MRV) system, as well as a part of the obligations regarding climate change adaptation.[145]

The adoption of the new Law on Climate Change has been scheduled for the fourth quarter of 2026,[146] in accordance with the amendments to the National Program for the Adoption of the Acquis (NPAA 2024–2027).

145 Law on Climate Change, Official Gazette of RS, no. 26/2021, available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2021/26/1

146 National Program for the Adoption of the Acquis (NPAA 2024–2027) https://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_2024-2027_preciscena_verzija.pdf

Despite this, the Law is absent from the priority list set out in the 2026 Government's Work Plan.[147]

Law on Energy

The amendments to the Law on Energy from November 2024 introduced new mechanisms for final customers to actively participate in the electricity market. Nevertheless, their secondary legislation framework has not progressed evenly: while amendments to the Regulation on the Terms of Delivery and Supply of Electricity more concretely regulated the status of active customers and active customers groups, the secondary legislation necessary for the establishment and functioning of citizen energy communities has not yet been established.

Active customer

The amendments to the Regulation on the Terms of Delivery and Supply of Electricity from 2026[148] laid down the requirements and connection procedure for final customers intending to acquire the status of an active customer. It is stipulated that the installed active capacity of a power plant connected to the final customer's internal installations cannot be less than 150 kW.

Grid connection studies for potential active customers are generally prepared in two annual cycles – from March 1 to June 30, and from September 1 to December 31 – while special deadlines apply to certain potential active customers who do not feed energy back into the system. For potential active customers whose facilities are being connected to the transmission system, i.e., the part of the distribution system managed by the transmission system operator, the obligation to submit bank guarantees is also prescribed.

147 2026 Government's Work Plan, available at: https://www.gs.gov.rs/extfile/sr/255/%D0%9F%D0%9B%D0%90%D0%9D%20%D0%A0%D0%90%D0%94%D0%90%20%D0%92%D0%9B%D0%90%D0%94%D0%95%20%D0%97%D0%90%202026.%20%D0%93%D0%9E%D0%94%D0%98%D0%9D%D0%A3.pdf

148 Regulation on the Terms of Delivery and Supply of Electricity, Official Gazette of RS, no. 84 of October 5, 2023, no. 58 of July 3, 2025, no. 67 of July 31, 2025, no. 48 of May 22, 2026, available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/uredba/2023/84/1/reg

A bank guarantee for the construction of the facility is not required for existing facilities of potential active customers permanently connected to the transmission system, featuring a type A, B or C power generating module, or an energy storage facility with an equivalent capacity, provided that the generated and stored electricity is used for self-consumption, with no possibility of feeding electricity into the power system.

Group of active customers

Amendments to the Regulation have also introduced a model allowing a group of final customers to act jointly as an active customer. The group can include customers with billing metering points in the same building with multiple residential and/or business units. In dealing with energy entities, the group acts as a single entity, while members' mutual relations, shares, and the distribution of benefits from a shared power plant or electricity storage facility are governed by a contract. The group is treated as a single entity in terms of interactions with energy entities.

Citizen energy communities

Although the Law on Energy of November 2024 prescribed a six-month deadline for the adoption of a by-law that would regulate the establishment of citizen energy communities, energy sharing among members, and the terms and content of incorporation agreements, the said by-law has not yet been adopted, thus citizen energy communities still remain non-operational.
In June 2026, the Ministry of Mining and Energy launched the process of amending the Law on the Use of Renewable Energy Sources to align with RED II Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources and partially incorporate provisions of RED III Directive (EU) 2023/2413. Plans include introducing RES acceleration areas and establishing spatial-energy mapping, improving incentive schemes and guarantees of origin, strengthening the rights of prosumers and energy communities, as well as streamlining and accelerating RES grid connection procedures.

Environmental Protection Strategy

In December 2024, the Ministry of Environmental Protection held a public consultation regarding the Draft Environmental Protection Strategy for the 2024–2033 Period. The document's structure aligns with the core pillars of the Green Agenda for the Western Balkans.

Even though more than a year has passed since the public consultation ended, the Environmental Protection Strategy and its Action Plan were not adopted during the reporting period.[149] Furthermore, its adoption is not even mentioned in the 2026 Government's Work Plan, raising doubts as to whether the timelines set in the Action Plan remain achievable. The lack of an overarching strategic document in the field of environmental protection hinders the alignment of policies concerning both environmental protection and climate change.

Regarding climate change, the Draft Strategy introduces no new targets or policy instruments, but rather incorporates existing obligations set out in the Low Carbon Development Strategy, the Program for Adaptation to Changed Climate Conditions, and the Integrated National Energy and Climate Plan.

Reform Agenda

As part of the Reform and Growth Facility for the Western Balkans, the Reform Agenda of the Republic of Serbia was adopted in October 2024, containing a specific section dedicated to the green and digital transition.

The Reform Agenda provides for full alignment with the Energy Community Treaty, the EU Third Energy Package and the Clean Energy Package, the Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action, the Renewable Energy Directive (RED II and RED III), the Energy Efficiency Directive and the Energy Performance of Buildings Directive, as well as the acquis related to the EU Emission Trading System – EU ETS.

149 The Government of the Republic of Serbia adopted the Environmental Protection Strategy at its 109th session held on July 30, 2026, available at: https://www.srbija.gov.rs/prikaz/991087

First Independent Monitoring Report on the Implementation of the Reform Agenda of the Republic of Serbia,[150] prepared by the NCEU Intersectoral Working Group for Monitoring the Implementation of the Reform Agenda, reveals that, by the end of 2025, its implementation was highly uneven and largely incomplete. Only one reform step has been achieved regarding the green transition, which relates to the implementation of the Electricity Integration Package, whereas the majority of the remaining commitments remain unfulfilled or only partially completed.

The only manifest progress made concerns the establishment of the legislative and institutional framework for greenhouse gas emissions monitoring.

In the field of just energy transition, the Government has formally set up governing bodies and adopted the Just Transition Plan; however, a sustainable financial mechanism in the form of a dedicated fund for financing the just transition has yet to be established, even though the deadline for its setting up stipulated by the Reform Agenda was December 2025.

Just Transition

The Ministry of Mining and Energy held a public consultation on the Draft Just Transition Action Plan[151] between May 21 and June 10, 2025. While this formally satisfies the legal requirement to organize a public consultation, the manner in which it was conducted reflects the previous pattern of restricted involvement of the interested public. The consultation period lasted a mere 21 days – the absolute legal minimum – with only one public presentation taking place, namely in Belgrade. Not a single event was organized in the local communities that will be hardest hit by the transition, including Lazarevac, Obrenovac, Kostolac and Požarevac. This approach minimized the opportunity for citizens, workers, trade unions, and other local stakeholders to engage directly in the discussion regarding measures that will directly affect their socio-economic status.

150 First Independent Monitoring Report on the Implementation of the Reform Agenda of the Republic of Serbia, available at: https://eukonvent.org/wp-content/uploads/2026/06/First-Independent-Monitoring-Report-on-the-Implementation-of-the-Reform-Agenda-1.pdf

151 Draft Just Transition Action Plan, available at: https://www.mre.gov.rs/extfile/sr/10350/PREDLOG%20AKCIONOG%20PLANA%20PRAVEDNE%20TRANZICIJE%20MAJ%202025.pdf

The Draft Action Plan envisages a total of 15 measures for implementing the just transition process at both national and local levels. However, most of these measures pertain to preparatory activities, data analysis, and further research, while concrete support instruments for workers and coal-dependent local communities remain absent. The document lacks both a detailed assessment of the socio-economic consequences of the transition and clear indicators to monitor the successful implementation of the planned measures.

The Plan fails to establish timelines for phasing out thermal power plants, and it does not specify the pace of transition for regions currently reliant on coal exploitation and thermal power plant operations. Lacking clear deadlines, the workers, local authorities, and business entities are left without sufficient information for long-term planning and adapting to the changes brought about by the energy transition.

In July 2025, Serbia's Government adopted the Just Energy Transition Plan[152] of the Republic of Serbia Until 2030.[153] In early 2026, an interministerial working group for managing the just energy transition process was formed, comprising representatives from state institutions, civil society organizations, international organizations, and the donor community. At the initial meeting held in June 2026, it was noted that none of the activities outlined in the adopted plan had yet been implemented.

In June 2026, the European Union Support to Facilitate a Just Transition for Western Balkans Regions, Industries and Workers – JET Balkans project was launched, representing an important step towards the re-establishment of institutional support for the just transition process in the Western Balkans. The project comes after nearly two and a half years without a regional support mechanism for coal-dependent regions, following the conclusion of the Coal Regions in Transition for Western Balkans and Ukraine – CRiT WBUA initiative at the end of 2023.[154]

152 The document was adopted in the form of a Plan, rather than an Action Plan, since it has not been elaborated in terms of specific measures and activities; the envisioned measures are either "preparatory" in nature or require further analysis and research.

153 Just Energy Transition Plan of the Republic of Serbia Until 2030, available at: https://www.mre.gov.rs/extfile/sr/11676/PLAN%20PRAVEDNE%20TRANZICIJE%2022%2007%202025%20USVOJENO.pdf

154 https://www.eeas.europa.eu/delegations/bosnia-and-herzegovina/eu-support-fair-energy-transition-western-balkans-launched-

The new project is being implemented by Expertise France in partnership with the Slovenian Center for International Cooperation and Development. In contrast to the prior initiative, the project envisages the appointment of national coordinators across all Western Balkans countries and the opportunity to develop pilot activities, thereby creating avenues for a stronger connection between regional and national just transition processes.

Carbon Border Adjustment Mechanism (CBAM)

Bearing in mind Serbia's strong trade ties with the EU market, as well as the high carbon intensity of its domestic production – particularly in the energy sector – the effects of CBAM could heavily affect the competitiveness of the national economy.

During the reporting period, Serbia made initial strides towards setting up a national carbon pricing system. Following a public consultation on the Draft Law on Greenhouse Gas Emissions Tax[155] and the Draft Law on Carbon-Intensive Products Import Tax[156] organized by the Ministry of Finance, both laws were adopted on December 3, 2025, taking effect on January 1, 2026.

The deadline for drafting the key by-laws required for determining tax base, filing tax returns, claiming tax credits, and exchanging data between the relevant authorities is 180 days from the date the Law[157] enters into force.

The law-making and adoption process highlighted serious shortcomings regarding transparency and stakeholder involvement. No early-stage consultations were held during the drafting phase of this piece of legislation, and the

155 https://www.paragraf.rs/propisi/zakon-o-porezu-na-emisije-gasova-sa-efektom-staklene-baste.html

156 https://www.paragraf.rs/propisi/zakon-o-porezu-na-uvoz-ugljenicno-intenzivnih-proizvoda.html

157 In July 2026, the Government of the Republic of Serbia adopted the following pieces of legislation: Regulation on the Conditions, Criteria, and Method of Allocating Decarbonization Incentive Funds, and the Deadlines and Method of Reporting on the Use of Those Funds (Official Gazette of RS, no. 51/2026-4); Regulation on Types of Measures and Method of Reporting on Implemented Measures for Reducing Carbon Dioxide Equivalent (CO_2eq) Emissions (Official Gazette of RS, no. 51/2026-3); Rulebook on the Form, Content and Method of Filing Tax Return for Greenhouse Gas Emissions Tax, the Method of Exercising the Right to a Tax Credit, and the Form, Content, and Method of Keeping Records of Investments in Measures to Reduce Carbon Dioxide Equivalent (CO_2eq) Emissions (Official Gazette of RS, no. 65/2026-3); Rulebook on Reference Greenhouse Gas Emissions Values for Production Processes, and Activities Related to the Greenhouse Gas Emissions Tax (Official Gazette of RS, no. 62/2026-1);

public hearing period was kept to the absolute legal minimum. Furthermore, information regarding the composition of the working groups that participated in the preparation of these laws was not made public.
In addition to procedural matters, concerns persist regarding the effectiveness of the adopted approach. Uncertainty stems from the lack of a long-term carbon pricing growth trajectory. Although strategic documents foresee a gradual shift toward EU-level emission costs, the law fails to provide a mechanism for automatic tax rate hikes, or timelines for its alignment with the European system. Consequently, it remains uncertain whether the established model can ensure long-term convergence of the national system with EU ETS requirements and reduce the domestic economy's exposure to costs imposed by CBAM.

In the explanation of the Draft Law, the Ministry of Finance omitted any reference to the projections outlined in the Integrated National Energy and Climate Plan (INECP), which foresee a phased increase in CO_2 emission prices up to 40 euros per ton by 2030, with complete alignment with the European Union Emissions Trading System (EU ETS) being planned only by 2045.[158] Instead, the Ministry of Finance stated it possesses internal assessments that formed the basis for the proposed starting price of 4 euros per ton of CO_2. However, these assessments were not publicly available, nor were they included in the explanatory memorandum of the law, making it impossible to evaluate the methodology, assumptions, and arguments underlying the proposed figure.

A particular issue is the lack of legal mechanism to ensure that tax revenues are specifically earmarked for financing decarbonization measures, the energy transition, or supporting the economy in adapting to new climate requirements. Instead, these tax revenues flow into the general budget, with no obligation whatsoever to spend them on climate policies.

The adoption of the law constitutes a significant step toward establishing a carbon pricing system. However, its effectiveness will hinge upon future amendments to the regulatory framework, transparency in enforcement, the allocation of revenues, and a gradual alignment of the domestic carbon price

158 Integrated National Energy and Climate Plan of the Republic of Serbia for the Period up to 2030 with a Vision to 2050.

with European Union levels, which, at the time of writing this report, are up to 20 times higher than the current domestic tax rate of four euros per ton of CO_2 equivalent.

Implementation of Regulations

Program for Adaptation to Changed Climate Conditions of the Republic of Serbia for the 2023–2030 Period

In November 2025, the Ministry of Environmental Protection released the first Action Plan Implementation Report (for the 2024–2026 period), tracking the progress under the Program for Adaptation to Changed Climate Conditions for the 2023–2030 Period for the year 2024.[159]

The Action Plan for the 2024–2026 period encompasses 25 measures organized across four specific objectives, aimed at enhancing knowledge and awareness, strengthening institutional capacities, boosting the resilience of infrastructure and natural resources, as well as improving financial support for climate change adaptation.

Some progress was made in 2024, primarily in establishing the regulatory framework and conducting training and capacity-building activities. The Regulation on the List of Authorities and Organizations Responsible for Implementing Adaptation Measures and on the Content and Format of Reports on Implemented Climate Change Adaptation Measures has been adopted. A public opinion poll has been carried out, draft handbooks have been prepared, and training modules for agricultural advisors have been delivered, while the field of climate change has been included in the licensing programs for forestry engineers. Guidelines on incorporating green criteria into public policy documents have also been developed, alongside the adoption of a new rulebook concerning forest management. Within the framework of the Green Infrastructure Strategy of the City of Belgrade, a general overview of possible amendments to

159 2024 Action Plan Implementation Report (2024–2026) for the Program for Adaptation to Changed Climate Conditions for the 2023–2030 Period.

regulations and public policy documents has also been prepared to facilitate the implementation of the green infrastructure concept.

The Report states that activities have commenced on integrating climate change adaptation aspects into the Nature Conservation Program, as well as on improving the methodology for developing local climate change adaptation plans. The analysis regarding the use of meteorological data from other institutions has also been initiated, and a new agrometeorological drought-monitoring tool has been introduced into operational use. Furthermore, support to local self-government units has also continued through training sessions and afforestation projects.

The implementation of the Action Plan, however, has been uneven. Out of 54 activities included in the Plan, ten were due by the end of 2024, and another seven were scheduled for completion by the end of 2025, while the deadline for the remaining 37 is the end of 2026. According to the status as of the end of 2024, ten activities have been completed, seven were in progress, 24 have not yet started, while the status for 13 was not specified. Out of ten activities scheduled for completion by the end of 2024, five have been completed, one has not been initiated, while for four no status was provided. The methodology for assessing damages, losses and needs from natural disasters has not been developed, the planned analysis on the potential use of existing artificial reservoirs for irrigation has not been carried out, nor have any updates been provided regarding the development and adoption of the green budget expenditure tagging methodology.

Due to a lack of data, it is currently not possible to fully evaluate progress against specific targets. Within the specific objective related to raising awareness, knowledge, and understanding of climate change impacts, progress was noted through a higher number of visits to the Digital Climate Atlas than planned. Nevertheless, the actual values for indicators concerning the development of studies, handbooks, and methodologies were not displayed. The target objective – requiring 50% of adopted sectoral public policy documents to recognize climate change impacts and incorporate adaptation measures – has not been met, given that the reported value for 2024 stood at 0%. Furthermore,

no achieved values were presented for indicators relating to the inclusion of climate change in capital projects and the provision of financial resources for adaptation.

The Ministry for Human and Minority Rights and Social Dialogue, in cooperation with the Ministry of Environmental Protection, issued a Public Call to Civil Society Organizations to Submit Applications for Membership in the Working Group for Drafting the Action Plan for the 2027–2030 Period Regarding the Implementation of the Program for Adaptation to Changed Climate Conditions for the 2023–2030 Period.[160] The call for applications remained open from May 22 through June 15, 2026, during which period three civil society organizations applied. Following the completion of the procedure, the proposal of civil society organization representatives for membership in the Working Group was published.

Low Carbon Development Strategy

The Low Carbon Development Strategy of the Republic of Serbia 2023–2030 with Projections Until 2050, was adopted in June 2023. It targets a 33% cut in greenhouse gas emissions by 2030 and 65.4% reduction by 2050, using 1990 as the baseline. However, the strategy does not set a goal for climate neutrality by the middle of the century.

The implementation of the Strategy has been stalled because, despite the legal obligation, the Action Plan – which is envisioned by the Law on Climate Change as an instrument for achieving its goals – has not been adopted.

In its report on implementing the recommendations of the State Audit Institution, the Ministry of Environmental Protection stated that following the adoption of the INECP, it decided against drafting a separate Action Plan, explaining that the INECP already incorporates measures and activities for the implementation of the Strategy, as well as a financial cost assessment and a timeline for implementation. At the same time, the Ministry announced amendments to the Law on Climate Change to formally establish the INECP as

160 Public Call to Civil Society Organizations to Submit Applications for Membership in the Working Group for Drafting the Action Plan for the 2027–2030 Period for the Implementation of the Program for Adaptation to Changed Climate Conditions for the 2023–2030 Period, available at: https://minljmpdd.gov.rs/javni-poziv-organizacijama-civilnog-drustva-za-podnosenje-kandidature-za-clanstvo-u-radnoj-grupi-za-izradu-akcionog-plana-za-period-od-2027-do-2030-godine-za-sprovodjenje-programa-prilagodjavanja-na/

the primary instrument for implementing long-term strategy measures. The adoption of the revised law is expected by the first quarter of 2027.[161]

Integrated National Energy and Climate Plan (INECP)

During the reporting period, the development of a new Integrated National Energy and Climate Plan of the Republic of Serbia with Projections Until 2040 was initiated. The document is being prepared with the support of a project funded through the European Union's Instrument for Pre-accession Assistance (IPA), aiming to improve the planning and reporting system in alignment with the commitments under the Energy Community Treaty.

Following a public call issued by the Ministry of Mining and Energy for the selection of civil society representatives, four organizations were included in the plan-drafting process. Subsequent to the introductory meeting of the working group held in May 2026, no further activities have been recorded. According to the information presented at the meeting, the adoption of the new INECP is scheduled for completion by the end of 2027.
Between April 22 and May 11, 2026, the Ministry held public consultations regarding the draft rulebook on the preparation of and reporting on the INECP.

Implementation Program of the Energy Sector Development Strategy
Adopted in March 2026, the Implementation Program of the Energy Sector Development Strategy of the Republic of Serbia for the 2026–2028 Period serves as the operational document for carrying out objectives outlined in the Energy Sector Development Strategy of the Republic of Serbia Until 2040, with Projections Until 2050.

The Program recognizes the necessity of enhancing the regulatory framework to foster the advancement of renewable energy sources, citizen energy communities, and active customers. Amendments to secondary legislation are planned to more precisely regulate the procedures for connection to the power

161 Report on the Implementation of Recommendations to Eliminate Inefficiencies Identified in the Performance Audit 'Readiness of the Republic of Serbia for Climate Change Adaptation', available at: https://www.dri.rs/storage/newaudits/2025-2-OD%20SV%20Spremnost%20Republike%20Srbije%20za%20prilagodjavanje%20na%20klimatske%20promene%20Ministarstvo%20zastite%20zivotne%20sredine.pdf

grid, improve the models for using renewable energy sources, and remove administrative barriers for the development of citizen energy.

On a positive note, the Program introduces greater transparency to grid connection process for new generation capacities through the public disclosure of available capacities and the list of submitted connection requests. However, it remains to be seen to what extent the planned activities will be implemented and whether the predicted regulatory changes will enable the participation of citizens, local communities, and smaller producers in the electricity market.

The projected increases to prosumer installed capacity (from 30 MW in 2026, 35 MW in 2027, 40 MW in 2028) seem insufficiently ambitious compared to the Integrated National Energy and Climate Plan's target of 0.5 GW of installed capacity for self-consumption by 2030. Specifically, approximately 128 MW was installed between April 2022 and the end of 2025. Assuming the projected 105 MW increase is achieved during the 2026–2028 period, the total capacity would reach 233 MW. Consequently, an additional 267 MW would need to be installed over 2029 and 2030, which is more than half of the total capacity required to meet the 0.5 GW target by 2030.

Renewable Energy Sources

During the reporting period, the development of renewable energy sources (RES) projects was hindered by grid connection restrictions caused by a lack of system balancing capacity, the introduction of new administrative requirements in the construction process, and regulatory postponements affecting certain stages of the grid connection procedure.

Following the approval of the Transmission System Development Plan for the 2025–2034 Period,[162] conditions have been established for delaying the grid connection of power plants using variable RES[163] due to insufficient system

162 Transmission System Development Plan of the Republic of Serbia for the 2025–2034 Period, Elektromreža Srbije AD, available at: https://ems.rs/wp-content/uploads/2025/12/Plan-razvoja-prenosnog-sistema-2025-2034.pdf

163 Notification of the Occurrence of Conditions for the Postponement of the Grid Connection Procedure, Elektromreža Srbije AD, available at: https://ems.rs/obavestenje-o-nastupanju-uslova-za-odlaganje-postupka-prikljucenja/

balancing capacity. An exception is made for projects that can provide the required secondary reserve capacity.

At the same time, amendments to construction regulations[164] have introduced the obligation to obtain a works approval decision for small renewable energy power plants with a capacity of up to 50 kW, solar power plants of prosumers with a capacity from 10.8 to 150 kW, and similar systems equipped with energy storage. A lack of clear implementation guidelines for these new provisions led to a temporary suspension of operations by the distribution system operator, resulting in delays in the grid connection process.

Amendments to the Regulation on the Terms of Delivery and Supply of Electricity[165] stipulate that the transmission system operator is to conclude contracts for the preparation of grid connection studies based on complete requests submitted by variable RES electricity producers prior to the entry into force of the amendments after August 1, 2029, whereas the grid connection studies based on those requests are to be prepared from September 1 to December 31, 2029.

From 2021 to 2024, the share of energy from renewable sources in gross final consumption increased by only 0.6 percentage points, rising from 25.26% to 25.86%.

The electricity sector saw an increase from 29.9% to 32.05%, while the share in the heating and cooling sector rose from 35.40% to 37.23%. The transport sector experienced stagnation, showing a marginal decrease from 0.62% to 0.59%.

164 Rulebook on Special Types of Structures and Special Types of Works Not Requiring Decision of the Responsible Authority, as well as on Types of Structures Built, i.e., Types of Works Performed on the Basis of a Works Approval Decision, as well as the Scope, Content, and Control of the Technical Documentation Submitted with the Request and the Procedure Conducted by the Responsible Authority: 87/2023-79, 16/2024-36, 16/2026-71, Article 4, item 30, available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/ministarstva/pravilnik/2024/16/2

165 Regulation on the Terms of Delivery and Supply of Electricity, Official Gazette of RS, no. 84 of October 5, 2023, no. 58 of July 3, 2025, no. 67 of July 31, 2025, no. 48 of May 22, 2026, available at: https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/uredba/2023/84/1/reg

Share of energy from RES[166]	2021	2022	2023	2024	2030 Target[167]
Gross final energy consumption	25.26	24.67	25.43	25.86	33.6%
Electricity sector	29.9	30.14	31.75	32.05	45.2%
Heating and cooling sector	35.4	34.73	35.88	37.23	41.4%
Transport sector	0.62	0.6	0.6	0.59	3.2%

The growth momentum achieved thus far falls short of meeting the targets established in the INECP. Compared to the 2024 results, the total share of RES needs to be increased by 7.74 percentage points by 2030.

Monitoring, Reporting and Verification (MRV) System of Greenhouse Gas Emissions

The adoption of by-laws has created regulatory framework for establishing a system that represents one of the fundamental requirements of European climate legislation.

The basic elements of the system for monitoring emissions and issuing permits to plant operators have been established through the adoption of the Rulebook on Verification and Accreditation of Verifiers, the Regulation on the Types of Activities and Greenhouse Gases, and the Rulebook on Monitoring and Reporting of Greenhouse Gas Emissions. This enables the enforcement of the provisions of the Law on Climate Change related to the identification of operators, the preparation of monitoring plans, and the verification of emissions data.

The establishment of the system was considerably delayed relative to the deadlines stipulated by law. Owing to delays in adopting the key rulebook on monitoring and reporting, the commencement of the MRV system's operation

166 Share of energy from RES in gross final energy consumption in the Republic of Serbia, April 30, 2026, Statistical Office of the Republic of Serbia, available at: https://data.stat.gov.rs/Home/Result/SDGUN070201?languageCode=sr-Latn

167 Targets outlined in INECP.

was put on hold for nearly three years. As a consequence, the issuance of the first greenhouse gas emission permits did not begin until late 2024, almost four years after the Law entered into force.

An electronic system for monitoring, reporting, and verification has been established through the e-GHG portal. By the end of May 2026, the Ministry of Environmental Protection had issued a total of 96 greenhouse gas emission permits.[168]

National Climate Change Council

Following the formation of the new Government in April 2025, and due to organizational and personnel changes in the bodies represented in the National Climate Change Council, in September 2025, the Government of the Republic of Serbia adopted a new Decision on the Appointment of Representatives and Members of the National Climate Change Council.[169] The National Climate Change Council held its fifth session[170] on December 26, 2025, during which the Minutes of the Council's fourth session, the 2024 Council Work Report,[171] and the new Rules of Procedure of the National Climate Change Council were adopted.[172]

168 https://e-ghg-portal.ekologija.gov.rs/sign_in

169 Decision on the Appointment of Representatives and Members of the National Climate Change Council, available at https://pravno-informacioni-sistem.rs/slglrsViewPdf/4a02785f-7a9c-4920-aced-0dd735fb51a0?fromLink=true

170 Minutes of the Fifth Session of the National Climate Change Council, available at: https://www.ekologija.gov.rs/sites/default/files/2026-02/%D0%97%D0%B0%D0%BF%D0%B8%D1%81%D0%BD%D0%B8%D0%BA%20%D1%81%D0%B0%205.%20%D1%81%D0%B5%D0%B4%D0%BD%D0%B8%D1%86%D0%B5%20%D0%9D%D0%B0%D1%86%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%BD%D0%BE%D0%B3%20%D1%81%D0%B0%D0%B2%D0%B5%D1%82%D0%B0%20%D0%B7%D0%B0%20%D0%BA%D0%BB%D0%B8%D0%BC%D0%B0%D1%82%D1%81%D0%BA%D0%B5%20%D0%BF%D1%80%D0%BE%D0%BC%D0%B5%D0%BD%D0%B5_.pdf

171 Report on the Work of the National Climate Change Council, available at: https://www.ekologija.gov.rs/sites/default/files/2026-01/%D0%98%D0%B7%D0%B2%D0%B5%D1%88%D1%82%D0%B0%D1%98%20%D0%BE%20%D1%80%D0%B0%D0%B4%D1%83%20%D0%A1%D0%B0%D0%B2%D0%B5%D1%82%D0%B0%20%D0%B7%D0%B0%202024.%20%D0%B3%D0%BE%D0%B4%D0%B8%D0%BD%D1%83.pdf

172 Rules of Procedure of the National Climate Change Council, available at: https://www.ekologija.gov.rs/sites/default/files/2026-01/%D0%9F%D0%BE%D1%81%D0%BB%D0%BE%D0%B2%D0%BD%D0%B8%D0%BA%20%D0%BE%20%D1%80%D0%B0%D0%B4%D1%83%20%D0%9D%D0%B0%D1%86%D0%B8%D0%BE%D0%BD%D0%B0%D0%BB%D0%BD%D0%BE%D0%B3%20%D1%81%D0%B0%D0%B2%D0%B5%D1%82%D0%B0%20%D0%B7%D0%B0%20%D0%BA%D0%BB%D0%B8%D0%BC%D0%B0%D1%82%D1%81%D0%BA%D0%B5%20%D0%BF%D1%80%D0%BE%D0%BC%D0%B5%D0%BD%D0%B5.pdf

The Ministry of Environmental Protection presented the progress made in the field of climate change, including the submission of the Second National Greenhouse Gas Inventory Report for the 1990–2023 Period, and the 2024 Proxy Greenhouse Gas Inventory to the Secretariat of the Framework Convention, the adoption of Nationally Determined Contribution of the Republic of Serbia for the period up to 2035, as well as the establishment of a monitoring, reporting, verification, and accreditation system, including a fully digitized procedure for issuing greenhouse gas emission permits.

The Law on Greenhouse Gas Emissions Tax and the Law on Carbon-Intensive Products Import Tax have been presented, introducing fiscal mechanisms to tax emissions from certain industrial activities and imported carbon-intensive products.

The revision of the Law on Climate Change and the drafting of the new Action Plan for the Program for Adaptation to Changed Climate Conditions for the 2027–2030 Period have been presented, and activities are now underway.

Although the State Audit Institution recommended holding Council sessions at least once every six months and considering greater involvement of the scientific and professional public and civil society organizations, the Council met only once during the reporting period, and that meeting was predominantly informative in nature. The announced consideration of modalities for a more intensive involvement of the scientific community and civil society organizations was not accompanied by concrete decisions.

Recommendations

Strategic and Legislative Framework

1. Adopt all necessary by-laws in order for the Law on Climate Change to be applied.
2. Adopt an Action Plan for the implementation of the Low Carbon Development Strategy 2023–2030 with Projections Until 2050.
3. Integrate climate change issues into the process of drafting development plans by local self-government units and by adopting the necessary by-laws. Based on the Law on Climate Change, establish a mechanism for monitoring the development and work of local self-government units on the issues of climate change mitigation.
4. Harmonize the INECP with the Decision of the Ministerial Council of the Energy Community no. 2022/02/MC-EnC and set objectives that are in line with Serbia's obligations assumed as part of the Energy Community and the Green Agenda for the Western Balkans.
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. Amend the Law on Greenhouse Gas Emissions Tax to clearly earmark revenues for decarbonization and just energy transition projects, and to determine a clear and predictable tax rate growth trajectory up to 2030, in line with the ETS.
7. Adopt all necessary by-laws in order for the Law on Energy to be applied.

Implementation of Regulations

8. Improve the work of the National Climate Change Council through holding of regular sessions, broader engagement of scientific experts and civil society organizations, making recommendations to the Government of Serbia on issues relevant to climate change, and public reporting on the Council's activities.
9. Make information on the GHG inventory publicly available, verifiable and easily accessible, in accordance with laws of the Republic of Serbia and international obligations, such as the Aarhus Convention and the Paris Agreement.
10. Enhance the number and skills of civil servants (at the Ministry, Environmental Protection Agency and local self-government units) dealing with climate change in various sectors and focus on building their capacities.
11. Establish the Just Transition Fund of the Republic of Serbia, in line with the Reform Agenda and the Just Energy Transition Plan, to finance measures for mitigating the socio-economic consequences of carbon emission reductions, support workers and local communities in affected regions, and ensure stable and predictable funding for the transition to a low carbon economy.
12. Improve the system for monitoring the implementation of the Adaptation Program Action Plan and ensure regular annual reporting, providing complete data on the status of all activities, achieved indicators, funds spent, reasons for delays, and corrective measures taken.
13. Update the Nationally Determined Contribution of the Republic of Serbia to include an absolute economy-wide greenhouse gas emissions reduction target aligned with the 1.5°C global warming limit, the IPCC findings, and the outcomes of the first Global Stocktake under Paris Agreement.

Financing

14. Significantly increase state investments in climate change adaptation and mitigation, and develop financial mechanisms to support the implementation of the priorities outlined in the Low Carbon Development Strategy (which must be aligned with Serbia's EU accession process and the objective of achieving climate neutrality by 2050).

CLIMATE CHANGE

CARBON PRICES IN SERBIA AND THE EU IN 2026

€ 4
/tCO$_2$

National greenhouse gas emissions tax

€ 70–85
/tCO$_2$

EU Emissions Trading System (EU ETS)

WHY DOES THE DIFFERENCE MATTER?*

COSTS FOR SERBIAN EXPORTS TO THE EU

Costs will initially be moderate but will become substantial by 2030. In 2026, total costs for industrial products, excluding electricity, are estimated at approximately **€45 milion**.

SERBIA'S ECONOMY AND COMPETITIVENESS

Serbia's economy has a significantly higher carbon footprint per unit of output than its EU competitors. Emissions from industrial products, excluding electricity, are **15–20%** higher.

CARBON INTENSITY OF ELECTRICITY GENERATION

Electricity generation in Serbia is **3–4**times more carbon-intensive than in the EU. In 2026, CBAM has significantly reduced the competitiveness of Serbia's electricity exports to the EU.

* Fiscal Council, Serbia's Climate and Energy Transition and Public Finances: Will CBAM Be a Trigger for Change?, October 2025, Belgrade.


Forestry

Overview

During the reporting period (May 2025 – May 2026), significant advancements were made in the field of forestry in the Republic of Serbia towards essential systemic changes that might significantly improve the overall state in this sector. Most of the problems identified in the previous reporting period remain present, but progress has been made in developing the strategic framework. The Forest Administration of the competent ministry has initiated the process of drafting an overarching strategic[173] document for forestry in Serbia. Institutional capacities for enforcing regulations remain limited, while the problems related to the management of privately-owned forests have not been resolved. Progress has been made in monitoring and controlling illegal activities in forests through the adoption of the new Law on Placing Timber and Timber Products on the Market.

During the reporting period, the process of aligning national legislation with the European Union acquis in the area of trade in timber and timber products continued, primarily through activities aimed at preparing regulations governing placing timber and timber products on the market. At the same time, the European regulatory framework was amended through the postponement of the full implementation of the Regulation on Deforestation-free Products (EUDR), which will require further alignments of national legislation and institutional frameworks in the coming period.

At the same time, the forestry sector continued to face challenges that are being further exacerbated by climate change. The increasing frequency of extreme weather events, including storms, periods of drought and other climate extremes, is increasing risks to the stability of forest ecosystems and highlighting the need to strengthen forest resilience through sustainable forest management and long-term planning.

173 https://sumarskakomora.rs/2026/01/15/odrzan-prvi-sastanak-radne-grupe-za-izradu-programa-razvoja-sumarstva-republike-srbije-za-period-2027-2036-godine/

Implementation of a major international FOREST INVEST project[174], valued at 84 million dollars and financed by the Green Climate Fund (GCF), with co-financing from the Government of the Republic of Serbia and the Food and Agriculture Organization of the United Nations (FAO), has begun. The project calls for afforestation of 7,000 hectares with tree species resilient to climate change, the conversion of 51,000 hectares of degraded low forests into high forests, as well as the restoration of at least 500 hectares of abandoned private agricultural land through the establishment of agroforestry systems. These and other measures are expected to reduce greenhouse gas emissions by 8.4 million metric tons of CO_2 equivalent. However, although the project has been underway for more than a year, no significant specific activities have been implemented to date. It also remains unclear how such a large-scale undertaking will be completed within the remaining seven years of the project period.

Progress in cross-sectoral cooperation and capacity building has largely been achieved through individual international cooperation projects and the activities of civil society organizations, while systemic solutions remain lacking. In the coming period, it will be critical to continue aligning national legislation with the EU regulations, strengthen institutional capacity and develop strategic documents that will support the sustainable management of forest resources in line with biodiversity conservation objectives.

Strategic and Legislative Framework

During the reporting period, the process of aligning the legislation of the Republic of Serbia with the European Union acquis in the areas of forestry and trade in timber and timber products continued, primarily through the transposition of the provisions of the FLEGT Regulation and the EUTR, which was recently replaced by the EUDR. Activities focused mainly on further developing the national legislative framework governing placing timber and timber products on the market, with the aim of improving traceability, strengthening controls over the legality of timber origin and meeting the obligations arising from Serbia's EU accession process.

174 https://www.fao.org/serbia/news/detail/officially-starts-the-forest-invest-project/rs

In this context, the National Assembly adopted the Law[175] on Placing Timber and Timber Products on the Market in November 2025. Its primary purpose is to introduce a so-called due diligence system, as provided for under the EUTR/EUDR framework. Entities that place timber or timber products on the market for the first time are required to implement a due diligence system. This includes collecting all necessary documentation on the origin of timber and timber products, conducting a risk assessment regarding placing illegally harvested timber and timber products on the market and taking appropriate measures to mitigate identified risks. This Law also requires traders to maintain records of their suppliers and customers throughout all stages of the timber and timber products supply chain, thereby ensuring the traceability of timber origin.

In the view of Serbian forestry experts, raised during the adoption of the Law, its main shortcoming – along with that of the transposed EU regulations – is that it recognizes only legal entities as operators placing timber and timber products on the market. This is particularly important given that more than 50% of Serbia's timber is harvested from privately-owned forests and is sold by private individuals. The Law on Forests and its provisions governing the control of timber trade will continue to apply to individuals, while legal entities will be subject to both the existing Law on Forests and the new Law. As a result, this area will effectively be governed by two separate laws.

During the reporting period, significant progress was made in the national strategic framework for forestry development. On December 31, 2025, the Forest Administration of the competent ministry established a Working Group for Drafting Forestry Development Program for the Territory of the Republic of Serbia for the 2027–2036 Period. Under the Law on Forests, this is the overarching strategic document whose absence has been highlighted for years. From January through May 2026, the Working Group prepared the first draft of the document, which is currently undergoing legal review by the Ministry of Agriculture, Forestry and Water Management's Department for Normative Affairs. Following the review, the document is potentially to be revised, after which it is expected to proceed to the public consultation stage. The Working Group responsible for preparing the initial draft included representatives of

175 https://www.paragraf.rs/propisi/zakon-o-stavljanju-na-trziste-drveta-i-drvnih-proizvoda.html

two civil society organizations operating at the national level in the forestry sector — the Serbian Environmental Movement and the National Alliance of Private Forest Owner Associations DendroSrbija. According to participants involved in the drafting process, the document sets out long-term forestry development objectives, measures for their implementation, as well as a financing system, implementation timeline and allocation of responsibilities.

At the European Union level, the regulatory framework for preventing deforestation and the degradation of forest ecosystems continued to evolve. The Regulation on Deforestation-free Products (EUDR), which replaces the previous system based on the EU Timber Regulation (EUTR), remains a key piece of legislation with which the Republic of Serbia will need to align its national legislation as part of its EU accession process. During the reporting period, a decision was made to postpone the full implementation of this regulation in order to give Member States and economic operators more time to comply with the new requirements related to traceability, geolocation data and due diligence systems.

Strengthening institutional capacity of competent authorities also remains a prerequisite for fulfilling international obligations in the forestry sector. This primarily involves more effective coordination between institutions responsible for forestry, nature conservation, inspection supervision and international trade. In the coming period, particular attention should be given to preparing institutions and economic operators for the implementation of the new European requirements, as well as to improving systems for verifying the legality of the origin of timber and timber products.

Implementation of Regulations

Implementation of forestry regulations remains one of the sector's key challenges. Although the existing legislative framework addresses most issues relevant to forest management, its consistent implementation in practice continues to be hampered by insufficient institutional capacity, weak coordination among the competent authorities and long-standing issues in forest management, particularly in privately-owned forests.

By-laws[176] to support the implementation of the Law on Placing Timber and Timber Products on the Market have been developed. By May 2026, all legal entities had received the required documentation for establishing and maintaining records under the due diligence system.

Illegal logging remains one of the most significant problems, particularly in areas where private forest holdings are highly fragmented and property rights remain unresolved. In addition, limited capacity for inspection supervision and monitoring makes it difficult to effectively detect and prevent illegal activities, while available data on their extent remain neither up to date nor comprehensive.

An additional challenge is the need to improve information systems and the quality of data on forest resources, particularly with regard to privately-owned forests. Reliable and up-to-date data are essential for forest management planning, monitoring forest conditions and making evidence-based decisions. However, the collection and sharing of such data among the relevant institutions remain a weak point.

Damage to State-Owned Forests[177]

Indicator	Republic of Serbia	Belgrade Region	Vojvodina Region	Šumadija and Western Serbia Region	Southern and Eastern Serbia Region	Kosovo and Metohija Region
2024						
Volume (m³)	181,544	332	66,394	58,799	56,019	...
2025						
Volume (m³)	140,753	119	992	75,310	64,332	...
Surface area (ha)	6,183	4	406	3,490	2,283	...
Damage – man-made (m³)	42,241	119	992	3,501	37,629	...
Surface area (ha)	290	2	17	38	233	...
Damage – insects (m³)	34,389	–	–	33,663	726	...

176 http://demo.paragraf.rs/demo/combined/Old/t/t2026_04/SG_034_2026_007.htm

177 https://publikacije.stat.gov.rs/G2026/Html/G20261164.html

Surface area (ha)	1,972	–	267	1,696	9	...
Damage – wildlife (m^3)	–	–	–	–	–	...
Surface area (ha)	16	–	16	–	–	...
Damage – natural disasters (m^3)	20,453	–	–	15,481	4,972	...
Surface area (ha)	1,320	–	–	944	376	...
Damage – disease (m^3)	20,486	–	–	20,459	27	...
Surface area (ha)	629	–	–	627	2	...
Damage – fire (m^3)	23,184	–	–	2,206	20,978	...
Surface area (ha)	1,956	2	106	185	1,663	...
Number of fires	93	3	11	22	57	...

The impacts of climate change are increasingly affecting the condition of forest ecosystems through more frequent periods of drought, severe storms, pest outbreaks and an increased risk of wildfires. These circumstances further underscore the need to improve monitoring systems, strengthen preventive measures and promote adaptive forest management in order to increase forest resilience to future pressures.

Some progress has been made through international projects and programs that contribute to the development of professional capacities, improved monitoring and exchange of expertise and experience. However, these efforts have not yet been translated into systemic solutions that would enable long-term improvements in regulatory enforcement and more effective management of forest resources.

Financing

The financial framework is one of the key factors determining the capacity to effectively implement forestry policies. Sustainable forest management, biodiversity conservation, restoration of degraded forest ecosystems,

improved monitoring and climate change adaptation require stable, long-term investment. However, available funding remains insufficient to achieve the set objectives.

During the reporting period, there were no significant changes in the way the forestry sector is financed. Financial resources continue to be directed primarily toward routine management of state-owned forests and the implementation of core activities by public enterprises, while investment in biodiversity conservation, development of information systems and forest monitoring remains limited. This funding structure makes it more difficult to implement measures that contribute to the long-term resilience of forest ecosystems and to fulfilling the international obligations of the Republic of Serbia.

A particular challenge is the provision of financial support for the management of privately-owned forests. Given the significant share of private forests in the Republic of Serbia's total forest resources, the limited availability of financial incentives and technical assistance constrains forest owners' ability to apply sustainable forest management principles, implement forest maintenance and restoration measures and invest in strengthening the resilience of forest ecosystems. At the same time, the fragmentation of private forest holdings further complicates the efficient use of available resources and the implementation of joint activities on the ground.

Additional funding to support the development of the forestry sector is provided through international projects and cooperation programs, including projects financed by the European Union and other international donors. These projects contribute to the development of professional capacity, improved monitoring, application of new methodologies and exchange of experience with EU Member States. However, their contribution remains project-based and time-limited, and therefore cannot substitute for a stable national financing system for the forestry sector.

In addition, the expected alignment with new requirements under European legislation, particularly in the areas of timber traceability, data digitization and strengthening control systems, will require additional investment in

institutional capacity, information infrastructure and employee training. Without proper financial planning, there is a risk that implementation of future obligations will be hampered, potentially slowing the process of alignment with the EU acquis.

In the coming period, it will be necessary to improve the sector's financing system by increasing investment in activities of public interest, strengthening the Budget Fund for Forests, developing incentive measures for private forest owners, and establishing long-term financing mechanisms for implementing measures related to the protection, restoration and sustainable management of forest ecosystems. At the same time, greater transparency in the planning and use of available funds will be needed to improve the efficiency of investments and ensure the achievement of national policy objectives and obligations arising from the European integration process.

Recommendations

Strategic and Legislative Framework

1. Organize a public consultation on the national strategic document (development program) for forestry, which is currently being prepared, as a prerequisite for ensuring the participation of interested members of the public and relevant stakeholders in the decision-making process. This document is to provide a long-term vision for development of forestry in Serbia, with an action plan that includes defined sources of funding, competent institutions and implementation dynamics. In its preparation, account should be taken of the relevant documents currently being developed at the EU level, including the Biodiversity Strategy for 2030 and other documents from the Green Deal package.
2. Continuously monitor the regulatory implementation, including the application of the EUTR and FLEGT Regulations, and ensure appropriate supervision of their enforcement.

Implementation of Regulations

3. Improve cooperation with other sectors (nature protection, energy, climate change, water management) in order to integrate forest ecosystems management. Improve the quality of data on privately-owned forests and strengthen control over their use.

Financing

4. Secure realistic planning of funding for the Budget Fund for Forests, with more resources directed toward afforestation, maintenance and forest protection measures.

FORESTRY

DAMAGE TO STATE-OWNED FORESTS[1]

SERBIA

93 forest fires

23,184m³ Volume of damage

1,956ha Area affected

Southern and Eastern Serbia

57 forest fires

20,978m³ Volume of damage

1,663ha Area affected

Šumadija and Western Serbia

22 forest fires

2,206m³ Volume of damage

185ha Area affected



1 https://publikacije.stat.gov.rs/G2026/Html/G20261164.html



Industrial Pollution and Risk Management

Overview

Pollution originating from industrial plants in Serbia represents one of the key environmental and public health concerns, particularly in the local communities where these facilities are located. It is also an important indicator of the ability of state and local authorities to ensure the rule of law and a sustainable model of economic development. Industrial emissions severely impact the quality of air, water, and soil, as well as waste management practices, resulting in environmental degradation and, consequently, posing risks to public health.

This report covers industrial pollution from three sectors: the metal processing and production industry, within which 22 operators are required to obtain an integrated permit; the mineral industry with integrated permits necessary for 25 operators; and the chemical industry, where 11 operators are required to hold integrated permits.

The most important piece of legislation governing industrial emissions, aimed at achieving alignment with EU regulations, namely the Industrial Emissions Directive (IED Directive),[178] is the Law on Integrated Prevention and Control of the Environment Pollution,[179] along with its accompanying by-laws. To ensure further alignment with this Directive, the drafting of a new law was initiated in early 2025; the process began with the publication of the Starting Points of the Draft Law on Integrated Prevention and Control of the Environment Pollution,[180] and was followed by a public consultation on the Draft[181] itself in early 2026. The adoption of the new Law on IPPC is scheduled for the third quarter of 2026. According to information in the Starting Points, a total of 57

178 Industrial Emissions Directive 2010/75/EU.

179 Law on Integrated Prevention and Control of the Environment Pollution, Official Gazette of RS, no. 135/2024, 25/2015 and 109/2021.

180 Starting Points of the Draft Law on Integrated Prevention and Control of the Environment Pollution, https://www.ekologija.gov.rs/saopstenja/najave/obavestenje-o-pocetku-izrade-nacrta-zakona-o-integrisanom-sprecavanju-i-kontroli-zagadjivanja-zivotne-sredine

181 Draft Law on Integrated Prevention and Control of the Environment Pollution, https://www.ekologija.gov.rs/informacije-od-javnog-znacaja/javne-rasprave/javni-poziv-za-ucesce-u-javnoj-raspravi-o-nacrtu-zakona-o-integrisanom-sprecavanju-i-kontroli-zagadjivanja-zivotne-sredine (accessed on June 5, 2026).

integrated permits have been issued since the current Law came into force. This accounts for 36% of all operators in the metal processing and production industry, 52% in the mineral industry, and 45% in the chemical industry.

For the prevention and control of industrial environmental pollution, it is of extreme importance that Best Available Techniques (BAT) are consistently and transparently applied in facilities, that relevant state authorities and local self-government units perform their functions appropriately, and that inspection supervision and the roles of judicial authorities are carried out responsibly.

Strategic and Legislative Framework

Implementation of Regulations

Novelties in the Draft Law

During the preparation of the new Law on Integrated Prevention and Control of the Environment Pollution, the Ministry of Environmental Protection was obliged to carry out an ex-ante regulatory impact analysis, publish the results on its webpage, and hold consultations,[182] which it failed to do.

The public consultation on the Draft Law was held between March 13 and April 15, 2026. In the course of its preparation, the non-governmental sector produced and publicly released two extensive analyses: the Analysis of the Starting Points of the Draft Law[183] and the analysis of the Draft Law.[184] The Report on the Public Consultation[185] has also been released, indicating that a total of 130 comments, remarks and proposals were received during the consultation, submitted by 21 participants, including individuals, organizations,

182 Law on the Planning System, Official Gazette of RS, no. 30/2018.

183 Analysis of the Starting Points of the Draft Law on IPPC, https://reri.org.rs/wp-content/uploads/2025/12/Analiza-Polaznih-osnova-Nacrta-Zakona-o-integrisanom-sprecavanju-i-kontroli-zagadjivanja.pdf (accessed on June 7, 2026).

184 Analysis of the Draft Law on IPPC, Industrial Pollution Control in Serbia, Regulatory Challenges and analysis of the Draft Law on Integrated Prevention and Control of the Environment Pollution https://core-psd.org/application/files/1517/7564/0945/Analiza_Nacrta_IPPC.pdf (accessed on June 7, 2026).

185 Report on the Public Consultation regarding Draft Law on IPPC, https://www.ekologija.gov.rs/sites/default/files/inline-files/Izvestaj_IPPC_JR.pdf (accessed on June 7, 2026).

and institutions. Only a small number of the proposals were accepted (16 in full and eight partially).

Among other things, the proposals made by civil society organizations to include public health institutions in the decision-making process regarding the issuance and revision of integrated permits were not accepted, nor was the proposal to regulate public-participation mechanisms for monitoring the implementation of issued permits.

The objective of the new law is more effective prevention, reduction, and control of environmental pollution through an enhanced integrated approach and alignment with Directive 2010/75/EU.

The new provision envisages that industrial plants can only operate on the basis of an issued integrated permit. It obliges operators to obtain the permit in a timely manner, within the timeframe to be provided for in a by-law.

The Draft Law stipulates that the BAT conclusions constitute the core document for issuing an integrated permit. The Ministry is required to monitor their adoption and ensure that this data is accessible to the public via the official website.

The novelties also concern the mandatory documentation to be submitted with the application for the issuance of an integrated permit. The current law requires operators to submit a project design, while the Draft of the new law also mandates the submission of an exploitation permit, a water permit, and a waste management permit. Provision is also made for the submission of a baseline report, serving as a basis for monitoring the outcomes of the integrated permit's application. For SEVESO plants – those where a hazardous SEVESO substance is present or may be present in quantities equal to or exceeding the prescribed thresholds – the Draft requires proof of compliance with regulations governing the control of major accident hazards involving dangerous substances. For facilities identified in accordance with regulations on disaster risk reduction and emergency management, approval of the accident prevention and response plan is required.

Furthermore, the operator is also required to submit an annual emission monitoring report to the relevant authority for comparison with the BAT-associated emission levels, as well as the data needed to verify compliance with prescribed limit values. The relevant authority is obliged to prescribe additional measures in the integrated permit if compliance with environmental protection standards cannot be achieved by applying the BAT.

An unfavorable provision of the Draft Law is the option for the relevant authority to stipulate less stringent measures, accompanied by an explanation, in special cases lacking clear definition. Furthermore, the Draft also mandates an inspection control at least once a year, which contradicts the already established practice of conducting inspection supervision multiple times a year (up to four times), depending on the level of risk the industrial facility poses to the environment.

Implementation of Best Available Techniques

Industrial plants subject to the integrated permitting regime represent the largest individual sources of pollutant emissions into air, water, and soil. Consequently, the European Union has developed a regulatory framework based on integrated permits and the implementation of Best Available Techniques (BAT) as a central instrument for the prevention and reduction of industrial pollution.
The 2024 Rulebook on the Content and Appearance of the Integrated Permit introduced an obligation requiring that, in addition to the assessment of the application of best available techniques (BAT), the integrated permit must also include the conclusion of the assessment, thereby ensuring compliance with the best available techniques.

Best Available Techniques Reference Documents (BREFs) are the outcome of the Seville Process[186] – a collaborative effort involving all stakeholders in establishing environmental standards within the European Union. The European Bureau for Research on Industrial Transformation and Emissions (formerly

186 https://bureau-industrial-transformation.jrc.ec.europa.eu/about/sevilla_process (accessed on June 2, 2026).

known as the European IPPC Bureau) has led this process for the last 20 years from the Joint Research Center (JRC) in Seville. This is a process that enables consensus-building for sectors with the highest environmental impact. The decisions are made based on scientific and techno-economic information and data, with the participation of all relevant stakeholders, which contributes to the effective implementation of the Industrial Emissions Directive. While most BREF documents target specific technologies and activities – known as "sectoral BREFs" - a range of "horizontal BREFs" covers cross-cutting issues, such as energy efficiency, industrial cooling systems, storage emissions, waste management, and monitoring.

Best Available Techniques (BAT) conclusions serve as the reference for setting permit conditions for installations covered by Chapter II of Directive 2010/75/EU. Their application requires the relevant authorities to set emission limit values that ensure that, under normal operating conditions, emissions do not exceed the BAT-associated emission levels specified in the Conclusions. These conclusions are meant to facilitate and drive the transition toward a zero-pollution, climate-neutral, and resource-efficient industry.

The BAT-AEL (Best Available Technique-Associated Emission Level) is a concept employed within environmental regulations, notably in the European Union, to determine the emission levels achievable by installations through the implementation of best available techniques. These levels are usually linked to specific industrial activities and serve as benchmarks for environmental permitting, with both upper and lower emission levels defined for each BAT-AEL.

The Regulation on the Criteria for Determining the Best Available Techniques for the Application of Quality Standards and for Determining Emission Limit Values in the Integrated Permit,[187] lays down the criteria for their determination, namely: the technical characteristics of the plant, its geographical location, local environmental conditions on the specific site, the cost-benefit balance of applying such techniques, the precautionary principle, and other special requirements. If their application does not ensure the prescribed environmental standards, the permit will specify additional measures in accordance

187 Official Gazette of RS, no. 84/2005.

with pollution reduction programs for the given area. The Regulation also contains a list of substances with set emission limit values. The permit can also prescribe stricter emission limit values than those required by special regulations, as well as mandate measures for achieving them.

All integrated permits set emission limit values in accordance with BAT-AEL values or higher, whereas lower emission limits are never specified. Integrated permits issued by the Ministry of Environmental Protection fail to evaluate the cumulative impact of all sources of environmental pollution and do not impose conditions more stringent than those provided for by law or regulations.

In the process of issuing an integrated permit, the relevant authorities must apply the Reference Document on Economics and Cross-Media Effects (ECM BREF),[188] developed primarily to facilitate the identification of best available techniques under Directive 96/61/EC concerning integrated pollution prevention and control. This BREF is based on an assessment of the likely costs and benefits of implementing measures, with a view to achieving the goals of environmental protection as a whole, in order to avoid creating a new, more serious environmental problem while addressing an existing one. The fundamental principle dictates that permit conditions must be based on the best available techniques, while taking into account the technical characteristics of the specific plant, its geographical location, and local environmental conditions.

The Starting Points of the Draft Law on Integrated Prevention and Control of the Environment Pollution, dated February 2025, recorded 57 issued integrated permits.[189]

The fundamental problems in the integrated permit issuance procedure include lengthy duration of the procedure itself, incomplete technical documentation at the time of submission of the application, failure to obtain the necessary approvals that must be attached to the application, poor knowledge of the Best Available Techniques (BAT) reference documents, inadequate capacities

188 https://bureau-industrial-transformation.jrc.ec.europa.eu/reference/economics-and-cross-media-effects (accessed on June 2, 2026).

189 Ministry of Environmental Protection, Starting Points of the Draft Law on Integrated Prevention and Control of the Environment Pollution, February 2025.

of local self-government units to issue decisions, insufficient public disclosure regarding submitted applications, lack of interest and low public engagement, untimely updates to the register of plants required to obtain a permit, and the absence of a centralized register of issued permits at both national and local levels.

Between May 1, 2025, and May 31, 2026, the Ministry of Environmental Protection issued one decision on the revision of an integrated permit in the mineral industry sector (cement production[190]), one decision on the issuance of an integrated permit for the same sector[191] (roof tile production) and one decision on the issuance of an integrated permit in the paper industry.[192]

The company Moravacem d.o.o. Popovac submitted a request for the revision of its integrated permit in August 2024,[193] and the decision on that request was issued on March 20, 2026 – meaning the procedure took nearly a year and a half. This is not an isolated case, as other requests are also taking an unreasonably long time to be processed. The reason for submitting the request was an "increase in the quantities of alternative raw materials, specifically fly ash, in the cement production process in accordance with the sales plan and product portfolio changes".[194] While the request specified that the best available techniques for cement were applied, it failed to specify that techniques from the horizontal BREF – which relate to energy efficiency, industrial cooling systems, storage emissions, waste management, and monitoring – would likewise be applied. Despite these shortcomings, the Ministry issued a revision decision without prescribing the conditions for the application of the best available techniques from the horizontal BREF.

190 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/izdate-dozvole/resenje-o-izdavanju-revizije-integrisane-dozvole-regbr19-za-operatera-moravacem-doo-popovac (accessed on June 2, 2026).

191 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/izdate-dozvole/resenje-o-izdavanju-integrisane-dozvole-za-operatera-igm-mladost-doo-za-rad-celokupnog-postrojenja-i-obavljanje-aktivnosti-proizvodnje-crepa (accessed on June 2, 2026).

192 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/izdate-dozvole/resenje-o-izdavanju-integrisane-dozvole-za-operatera-fabrika-kartona-umka-doo (accessed on June 2, 2026).

193 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/zahtevi/moravacem-doo-popovac-zahtev-za-reviziju-integrisane-dozvole

194 REQUEST FOR THE REVISION OF THE INTEGRATED PERMIT FOR THE OPERATION OF THE FACILITY Moravacem d.o.o. Popovac AND THE PERFORMANCE OF CEMENT PRODUCTION ACTIVITIES in Popovac, AT THE LOCATION OF cadastral plots no.: 2226/1, 2539/2, 280/2, 2530/11, 260/4, 260/5, 259/1, 269/5, 279, 277/1, 278/2, 277/2, 278/3, 274/2, 275/2, 274/3 i 265/1, Cadastral Municipality of Popovac and 4501/2, 4599/3, 4598/4, 4598/5, 6673, 4600/3, 4600/4, 4600/5, 4600/7, 4598/6, 4598/3, 4598/8, 4599/2, 4599/4, 4501/1, 4500, 4499, 4523, 4602/2, 4602/3, all in the cadastral municipality of Buljane, municipality of Paraćin, page 4.

In mid-November 2025, HBIS Group Serbia Iron & Steel d.o.o. Šabac Branch submitted a request for the extension of its integrated permit.[195] To date, a decision on the extension or expiry of the permit has not yet been issued.

Under the Law on Integrated Prevention and Control of the Environment Pollution,[196] issued permits must be reviewed at least twice during their validity period, and the relevant authority has the right to initiate a revision procedure ex officio under specific circumstances. In current practice, no issued permits have been reviewed during their validity period, nor has the relevant authority initiated any ex officio revisions.

According to the register of issued permits in the Autonomous Province and LSGs, no permits have been issued for the metal production and processing, mineral, and chemical industry sectors.[197]

Between May 1, 2025, and May 31, 2026, one request for the extension of the integrated permit validity period was submitted to the Ministry of Environmental Protection for the metallurgy sector (ferrous metallurgy).

Inspection Supervision

The Ministry of Environmental Protection is responsible for supervisory duties in this field.[198] Within the Ministry, the Department for Pollution from Industrial Facilities has been established, consisting of two divisions: the Division for Pollution from Facilities with an Integrated Permit and the Division for Industrial Pollution Protection.

195 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/zahtevi/obavestenje-o-podnetom-zahtevu-za-produzenje-vazenja-integrisane-dozvole-reg-br-3-za-operatera-hbis-group-serbia-iron-steel-doo-ogranak-sabac

196 Law on Integrated Prevention and Control of the Environment Pollution, Article 18, Official Gazette of RS, no. 135/2004, no. 25/2015, no. 109/2021.

197 https://www.ekologija.gov.rs/obavestenja/integrisane-dozvole/registar-izdatih-dozvola/registar-izdatih-dozvola (accessed on June 2, 2026).

198 https://www.ekologija.gov.rs/inspekcija

Checklists[199] have been developed as a tool for successful inspection supervision:

- for risk assessment of facilities and activities subject to integrated permit requirements;
- emissions calculator for facilities and activities subject to integrated permit requirements;
- for risk assessment of facilities and activities not subject to integrated permit requirements.

Priorities have been set for the control of major polluters, specifically IPPC installations, whereby monitored entities have been categorized into four hazard levels: critical, high, medium, and low risk. The frequency of regular inspections in 2025 is contingent upon the risk level: critical risk (four times a year), high risk (three times a year), medium risk (two times a year) and low risk (once a year).

In 2025, a total of 638 inspections of economic operators were carried out, those being: 268 regular inspections, 137 extraordinary inspections, 43 extraordinary fact-establishing inspections, five extraordinary confirmative inspections, two complementary inspections, 149 follow-up inspections, 25 mixed inspections, and nine inspections with the aim of taking urgent measures.[200] Republic environmental protection inspectors from the Division for Pollution from Industrial Facilities and the Division for Control of SEVESO Plants filed 546 reports with judicial authorities for violations of environmental protection regulations. During the same period, only 27 sentences were delivered.

The number of sentences accounts for less than 5% of the total number of reports submitted, which indicates a very low success rate in misdemeanor proceedings in the field of environmental protection.

199 https://www.ekologija.gov.rs/dozvole-obrasci/kontrolne-liste/zastita-zivotne-sredine-u-industrijskim-objektima (accessed on June 4, 2026).

200 Ministry of Environmental Protection, Environmental Supervision and Preventive Action Department, 2025 Report on the Work of Environmental Protection Inspectorate, https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf (accessed on June 6, 2026).

Table 1. Overview of judicial authority proceedings[201]

Department	Misdemeanor reports	Reports for economic offenses	Reports for criminal offenses	Sentences
Department for Pollution from Industrial Facilities	365	13	–	16
Department for Control of SEVESO Plants, Chemicals and Biocides	155	12	1	11

It is obvious that judicial proceedings are excessively prolonged and that the courts delay delivering sentences, which significantly contributes to industrial operators failing to comply with their obligations under environmental protection laws.

Report of the State Audit Institution

In late February 2026, the State Audit Institution released a Report on Monitoring and Determining the Effects of the Performance Audit – Industrial Wastewater Management.[202] The scope of the audit focused on the implementation of recommendations contained in the Performance Audit Report – Industrial Wastewater Management [203] from 2022, covering the work of the Ministry of Agriculture, Forestry and Water Management, the Ministry of Environmental Protection, the Water Directorate, and the Environmental Protection Agency.

Significant progress was noted in the establishment of a reporting system on testing of technological wastewater: for the 2020 reporting year (tests from 2019), 69 reports on technological wastewater from industrial plants

201 Ministry of Environmental Protection, Environmental Supervision and Preventive Action Department, 2025 Report on the Work of the Environmental Protection Inspection, https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf (accessed on June 6, 2026).

202 Report on Monitoring and Determining the Effects of the Performance Audit – Industrial Wastewater Management, https://www.dri.rs/storage/newaudits/Izvestaj%20o%20pracenju%20i%20utvrdjivanju%20efekata%20revizije%20svrsishodnosti%20poslovanja%20-%20Upravljanje%20biomasom%20kao%20OIE.pdf

203 Performance Audit Report – Industrial Wastewater Management, https://dri.rs/storage/newaudits/2022-4-SV%20Upravljanje%20industrijskim%20otpadnim%20vodam%D0%B0.pdf

were submitted; for the 2024 reporting year (tests from 2023), reports were collected from 169 entities, and for the 2025 reporting year (tests from 2024), reports were submitted by 289 entities. Submission of the 2025 test report[204] is still underway.

Table 2. The number of submitted reports on technological wastewater monitoring

Year	2019	2024	2025
Number of submitted reports	69	169	289

The Republic Environmental Protection Inspectorate, as part of the Environmental Supervision and Preventive Action Department of the Ministry of Environmental Protection, did not carry out any inspections related to direct water pollution in the period from 2021 to 2025. However, following a request from the Environmental Protection Agency dated December 11, 2025, 27 extraordinary inspections were initiated in January 2026. These targeted entities identified by the Agency as payers of direct water pollution fees, which had failed to submit their 2024 annual reports. According to the Ministry's data from February 23, 2026, inspections were carried out at 12 out of 27 entities. In respect of those 12 cases, the provided documentation (official note, record/minutes) indicates that the entities, in the course of the inspection procedure, submitted to the Agency their 2024 annual water pollution report, i.e., a statement confirming that they engaged in no water-polluting activities during that year.

The Republic Water Directorate has submitted data on inspections of entities that discharge wastewater without an obtained water permit. During the 2022–2025 period, a total of 892 inspections and 142 control inspections were carried out, 62 reports were filed, which ultimately resulted in the issuance of 226 water permits after the inspection.

204 Report on Monitoring and Determining the Effects of the Performance Audit – Industrial Wastewater Management, https://www.dri.rs/storage/newaudits/Izvestaj%20o%20pracenju%20i%20utvrdjivanju%20efekata%20revizije%20svrsishodnosti%20poslovanja%20-%20Upravljanje%20biomasom%20kao%20OIE.pdf, p. 7.

The State Audit Institution has issued the following recommendations[205] to the relevant line institutions:

1. To the Ministry of Environmental Protection:

- to regulate the method and deadlines for submitting wastewater quality measurements reports;
- to adopt a by-law, in accordance with the Law on Charges for the Use of Public Goods, which prescribes the content of the annual report that payers of direct water pollution fees submit to the Agency, as well as the appearance of the form and the method of its submission;
- to prescribe the procedure to be followed by the employees of the Environmental Protection Agency and the Ministry of Environmental Protection when handling incomplete or inaccurate declarations filed by legal entities subject to paying direct and indirect water pollution fees, as well as the procedure to be followed in cases where these payers have failed to submit the declarations on the basis of which the water pollution fee is calculated, in accordance with the Law on Charges for the Use of Public Goods;
- to plan and carry out inspections of economic operators that did not submit data or that submitted incorrect data on direct water pollution.

2. To the Ministry of Agriculture, Water Management and Forestry – Republic Water Directorate:

- to undertake activities in order to adopt the Water Management Plan and the Plan for Water Protection against Pollution;
- to undertake activities to establish a Water Council in accordance with the Water Law;
- to undertake activities to establish and manage a unified water information system of the Republic of Serbia, for the purpose of monitoring and improving the water regime, planning the development of water systems, and water management;

205 Report on Monitoring and Determining the Effects of the Performance Audit – Industrial Wastewater Management, https://www.dri.rs/storage/newaudits/Izvestaj%20o%20pracenju%20i%20utvrdjivanju%20efekata%20revizije%20svrsishodnosti%20poslovanja%20-%20Upravljanje%20biomasom%20kao%20OIE.pdf, pp. 23–32.

- to ensure, through the work of the water inspectorate, that economic operators that discharge wastewater obtain a water permit from the relevant authority.

3. To the Environmental Protection Agency:

- to establish and apply written procedures to control the submission and accuracy of data entered into the National Register of Pollution Sources, which refer to indirect and direct water pollution.

Implementation of the Measures Provided for in the Air Protection Program

The Air Protection Program in the Republic of Serbia for the period from 2022 to 2030 with an Action Plan[206] sets a specific objective: reducing emissions of pollutants and heavy metals into the air from industrial processes and product use, through alignment with BAT-AEL values. The implementation measures include:

- Implementing Chapter II of the EU Industrial Emissions Directive in industrial processes,[207] taking into account the mean values of the upper and lower BAT-AEL ranges, i.e., the lower levels for copper and sulfuric acid production in Bor:

This measure implies the implementation of Directive 2010/75/EU on industrial emissions, especially Chapter II, for large industrial plants. The directive requires an integrated approach to regulating certain industrial activities: emissions to air, water (including discharge into sewers) and soil, as well as their overall impact on the environment, must be considered together. The conditions of the permit, based on the best available techniques, must ensure a high degree of protection of the environment as a whole.

206 Air Protection Program in the Republic of Serbia for the period from 2022 to 2030 with an Action Plan, Official Gazette of RS, no. 14/2022 (accessed on June 6, 2026).

207 DIRECTIVE 2010/75/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2010 on industrial emissions (integrated pollution prevention and control), https://eur-lex.europa.eu/legal-content/HR/TXT/PDF/?uri=CELEX:32010L0075 (accessed on June 8, 2026).

Chapter II of the Industrial Emissions Directive requires compliance with BAT-AEL values, established by the conclusions on the best available techniques applied in the EU. When issuing an integrated permit, the conditions include prescribed emission limit values to ensure that emissions from the plant remain within those limits. This measure implies that the emission limit values, prescribed for large industrial plants and processes, allow for compliance with the average values between the upper and lower BAT-AEL levels. The exact deviation from the mean value must be assessed at the individual plant level, taking into account its contribution to air quality (including primary and secondary emissions), as well as exceedances of specific air pollutants in in zones and urban areas. In terms of implementation dynamics, the majority of industrial plants are expected to be compliant with the mean BAT-AEL values as of 2025, with the exception of those requesting transitional periods for implementation until 2030. This measure should achieve the following emission reductions: sulfur dioxide by 31.9%, nitrogen oxides by 15.4%, volatile organic compounds by 0.6%, suspended particulate matter PM10 by 3.6%, PM2.5 by 2.6%, and ammonia by 0.1%[208].

- Prescribing stricter emission limit values for facilities in Bor:

This measure is being considered because the mean BAT-AEL values are not sufficient to ensure compliance with the limit values for sulfur dioxide and heavy metals for prescribed air quality in Bor. In order to achieve this, it is necessary to further lower the limit values for sulfur dioxide and particulate matter by applying lower BAT-AEL values for copper smelters (50 mg/Nm3 in the range of 50 to 500 mg/Nm3), for sulfuric acid production facilities (100 mg/Nm3 in the range of 30 to 680 mg/Nm3),[209] as well as by applying lower values for particulate matter. The Action Plan for the implementation of the Air Protection Program stipulated that the emission limit values of sulfur dioxide and particulate matter from metallurgical and chemical plants in Bor were to be reached by 2024.

208 Ibid, page 51, Table 7.2.

209 Best Available Techniques Reference Document (BREF) for Large Volume Inorganic Chemicals, Summary, https://eippcb.jrc.ec.europa.eu/reference/large-volume-inorganic chemicals-ammonia-acids-and-fertilisers (accessed on June 8, 2026).

- Implementing Chapter V of the Industrial Emissions Directive (Annex VII for volatile organic compounds) or Chapter II for plants where solvent consumption exceeds 200 t per year or 150 kg per hour[210]

This measure is contained in the implementation of Directive 2010/75/EU on industrial emissions, and, in particular, its Chapter V on the use of solvents in certain activities. Chapter II of the Industrial Emissions Directive requires compliance with BAT-AEL values. These emission levels are determined by a series of best available technique conclusions applied in the EU. When an integrated permit is issued to a facility, the conditions include prescribed emission limit values to ensure that emissions from the facility remain within BAT-AELs. The implementation of the prescribed measures should have been ensured by 2025.

The implementation of the measures will require an additional EUR 195.6 million by 2030. Of this amount, EUR 125.4 million is needed to comply with volatile organic compound limits from the use of solvents in certain plants while implementing Chapter II of the EU Directive on industrial emissions in industrial processes, taking into account the mean of the upper and lower BAT-AELs. Achieving lower levels in the facilities for the production of copper and sulfuric acid in Bor will require EUR 70.2 million of cumulative investments in the 2022-2030 period.[211]

From the available reports on the implementation of the Air Protection Program[212] it is not possible to reliably determine the extent to which measures aimed at reducing emissions from the metallurgical and chemical complex in Bor were implemented. Although the Program established specific indicators for sulfur dioxide emissions from copper and sulfuric acid production, as well as for particulate matter emissions, the Ministry's 2023 and 2024 reports do not state

210 Ibid.

211 Ibid.

212 Reports on the Implementation of the Air Protection Program in the Republic of Serbia for the period from 2022 to 2030, available at https://www.ekologija.gov.rs/sites/default/files/2025-09/%D0%98%D0%B7%D0%B2%D0%B5%D1%88%D1%82%D0%B0%D1%98%20%D0%BE%20%D1%81%D0%BF%D1%80%D0%BE%D0%B2%D0%BE%D1%92%D0%B5%D1%9A%D1%83%20%D0%9F%D1%80%D0%BE%D0%B3%D1%80%D0%B0%D0%BC%D0%B0%20%D0%B7%D0%B0%D1%88%D1%82%D0%B8%D1%82%D0%B5%20%D0%B2%D0%B0%D0%B7%D0%B4%D1%83%D1%85%D0%B0%20%D1%83%20%D0%A0%D0%B5%D0%BF%D1%83%D0%B1%D0%BB%D0%B8%D1%86%D0%B8%20%D0%A1%D1%80%D0%B1%D0%B8%D1%98%D0%B8_1.pdf, Air Protection Program in the Republic of Serbia for the period from 2022 to 2030 with an Action Plan – Ministry of Environmental Protection, available at https://www.ekologija.gov.rs/dokument/zakoni-0-2/ (accessed on August 20, 2026).

the achieved values for these indicators, nor do they provide information on specific technical interventions at the plants. This practically made it impossible to monitor the implementation of one of the key measures of the Program for an area that has been exposed to heavy industrial pollution for years.

Local air quality monitoring data in Bor for 2025[213] show an improvement in terms of sulfur dioxide, whose concentrations did not exceed the prescribed daily and annual limit values. These results, however, cannot replace the data on emissions from the industrial plants themselves or confirm that the BAT-AEL values foreseen by the Program have been reached. At the same time, exceedances of daily PM10 values and elevated concentrations of arsenic and cadmium indicate that the problem of industrial pollution in Bor has not been solved.

The progress in the implementation of this measure can therefore be assessed as neither transparent nor documented. The Ministry of Environmental Protection is expected to publish the achieved values of all indicators in subsequent reports, data on the implemented technical measures in the metallurgical and chemical complex, as well as a clear assessment of their compliance with BAT-AEL requirements. In the absence of such data, it is not possible to determine whether the Program is indeed being implemented in accordance with the planned deadlines and objectives, nor whether the recorded improvements in air quality are the result of the systemic application of measures rather than other factors.

Financing

Financing in the field of Industrial Pollution and Risk Management is covered in more detail in the chapter Financing in the Field of Environmental Protection and Climate Change.

213 Mining and Metallurgy Institute Bor, Ambient Air Quality Testing in Bor – 2025 Annual Report, available at: https://bor.rs/wp-content/uploads/2026/02/Izvestaj-br.-22-26_GU-Bor_GODISNJI-za-2025.pdf?utm_source=chatgpt.com (accessed on August 20, 2026).

Recommendations

Strategic and Legislative Framework

1. Fully implement the Industrial Emissions Directive (IED), primarily through the new Law on Integrated Prevention and Control of the Environment Pollution; harmonize the Law on Planning and Construction with international standards; implement consistently the new Law on Environmental Impact Assessment (EIA) and the Law on Strategic Environmental Assessment (SEA), as well as the Air Protection Program, the new Law on Air Protection, decarbonization plans and programs, the energy and climate plan, and other environmental and air quality protection programs.
2. Adopt and consistently enforce the new Law on Integrated Prevention and Control of the Environment Pollution and its accompanying by-laws, alongside regular and transparent monitoring of their implementation.

Implementation of Regulations

3. Accelerate the issuance of integrated permits, implement the Action Plan for the Development of Administrative Capacities, improve all administrative procedures related to the issuance and control of integrated permits, and increase capacities across all levels of administrative management, including inspections.
4. Strengthen the capacities of local self-government units for the application of regulations both in the field of industrial pollution and in the entire field of environmental pollution.

5. Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution, improve the existing public Register of Integrated Permits, making it more complete, accurate, and accessible to the interested public.

6. Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution, develop a unique electronic system to support administrative procedures for issuing and controlling integrated permits, which would significantly increase the efficiency and transparency of the process.

7. Strengthen the system for monitoring water, air and soil quality in areas affected by industrial facilities.

8. Educate employees in the business sector, professional associations, scientific and educational institutions, and other competent and relevant authorities, as well as CSOs and citizens, on industrial emissions and Best Available Techniques (BAT), and ensure timely and objective public information.

9. Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution and other regulations, increase public participation in the process of issuing integrated permits and improve cooperation between competent authorities and the public. Encourage civil society organizations and citizens to participate in decision-making regarding industrial emissions and in monitoring the implementation of adopted decisions on issuing and revising integrated permits.

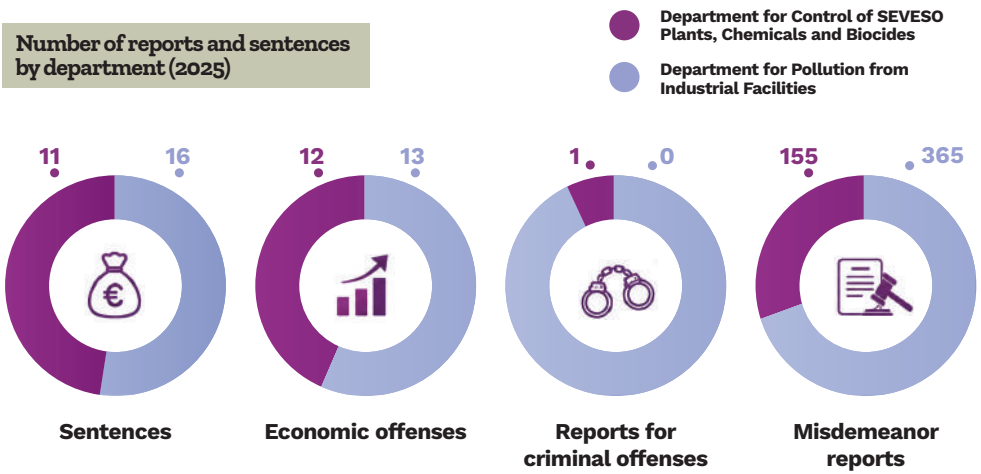
INDUSTRIAL POLLUTION

JUDICIAL AUTHORITY PROCEEDINGS

Department	Misdemeanor reports	Reports for economic offenses	Reports for criminal offenses	Sentences
Department for Pollution from Industrial Facilities	**365**	**13**	**-**	**16**
Department for Control of SEVE-SO Plants, Chemicals and Biocides	**155**	**12**	**1**	**11**

Table 1. Overview of judicial authority proceedings[1]:

Number of reports and sentences by department (2025)



Year	2019	2024	2025
Number of submitted reports	**69**	**169**	**289**

Table 2. The number of submitted reports on technological wastewater monitoring

1 Ministry of Environmental Protection, Environmental Supervision and Preventive Action Department, 2025 Report on the Work of the Environmental Protection Inspectorate, source, accessed 6 June 2026. https://www.ekologija.gov.rs/sites/default/files/inline-files/Godisnji%20Izvestaj%20o%20radu%20Inspekcije%20za%20zzs%20za%202025.pdf.

Appendices

Appendix 1

List of Abbreviations

ALHem	Safer Chemicals Alternative
AP	Autonomous Province
BAT-AELs	Best Available Techniques Associated Emission Levels
BIOFIN	Biodiversity Finance Initiative
BOS	Belgrade Open School
BPR	Biocidal Products Regulation
BREF	Best Available Techniques Reference Documents
BTR	Biennial Transparency Report
CBAM	Carbon Border Adjustment Mechanism
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CLP	Classification, Labelling and Packaging
CO_2	Carbon Dioxide
CSO	Civil Society Organisation
DNSH	Do No Significant Harm
EBRD	European Bank for Reconstruction and Development
EC	European Commission

ECHA	European Chemicals Agency
EFSA	European Food Safety Authority
EIA	Environmental Impact Assessment
EnC	Energy Community
ENVAP	Environment Accession Project
EU	European Union
EUDR	EU Deforestation Regulation (Regulation (EU) 2023/1115 on deforestation-free products)
EU ETS	European Union Emissions Trading System
EUR	Euro
EUTR	EU Timber Regulation
FLEGT	Forest Law Enforcement, Governance and Trade
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GHS	Globally Harmonized System of Classification and Labelling of Chemicals
GPP	Green Public Procurement
IED	Industrial Emissions Directive
INECP	Integrated National Energy and Climate Plan
IPA	Instrument for Pre-Accession Assistance
IPPC	Integrated Pollution Prevention and Control
IPPC	Integrated Pollution Prevention and Control Directive
IUCN	International Union for Conservation of Nature

LSGs	Local Self-Government Units
LVs	Limit Values
MCTI	Ministry of Construction, Transport and Infrastructure
MEP	Ministry of Environmental Protection
MME	Ministry of Mining and Energy
MoI	Ministry of the Interior
MRV	Monitoring, Reporting and Verification
NC	National Communication
NDCs	Nationally Determined Contributions
NEA	National Ecological Association
NEPRO	System for Rapid Exchange of Information about Unsafe Products in the Republic of Serbia
NERP	National Emission Reduction Plan
NO_2	Nitrogen Dioxide
NPAA	National Programme for the Adoption of the Acquis
O_3	Ozone
PA	Protected Areas
PE	Public Enterprise
PFCs	Perfluorocarbons
PGD	Construction Permit Design
PM_{10}	Particulate Matter with a Diameter of 10 Micrometres or Less
$PM_{2.5}$	Particulate Matter with a Diameter of 2.5 Micrometres or Less

POPs	Persistent Organic Pollutants
PPS	Public Policy Secretariat
PUC	Public Utility Company
PWMC	Public Water Management Company
PZI	Construction Design
RAPEX	Rapid Exchange of Information System
RCC	Regional Cooperation Council
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RERI	Renewables and Environmental Regulatory Institute
RES	Renewable Energy Sources
RS	Republic of Serbia
RSD	Serbian Dinar
SAI	State Audit Institution
SEA	Strategic Environmental Assessment
SEPA	Serbian Environmental Protection Agency
SO_2	Sulphur Dioxide
SORS	Statistical Office of the Republic of Serbia
SVHC	Substance of Very High Concern
TVOC	Total Volatile Organic Compounds
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme

UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VRS	Government of the Republic of Serbia
WHO	World Health Organization
WWTPs	Wastewater Treatment Plants
YUCOM	Lawyers' Committee for Human Rights

Appendix 2

Comparative table of recommendations: 2025 and 2026

Legend: ⊗ Not adopted ✎ Partially adopted ✓ Adopted



Horizontal Legislation

Recommendations in the previous report	Status	Comment	Recommendations
Improve the quality of the processes of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) by adopting a new Law on Strategic Environmental Assessment and Law on Environmental Impact Assessment, as well as the necessary by-laws.	✎	The Laws on EIA and SEA have been adopted, along with some of the accompanying by-laws. However, key by-laws required for the full implementation of the Law on EIA are still missing, while the application of the new legal framework continues to exhibit significant shortcomings.	Improve the quality of the processes of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA). Organize a public consultation and involve relevant stakeholders in drafting the remaining by-laws, particularly those relating to screening, scope, and content of the environmental impact assessment study.
Adopt by-laws in accordance with Article 5 of the Law and harmonize List I (the projects for which an impact assessment is necessary) and List II (the projects for which an impact assessment may be required) with Annexes I and II of Directive 2011/92/EU.	✎	The new Regulation on List I and List II was adopted in November 2025. However, the manner in which quantitative thresholds for certain List II projects are determined and applied leaves open the possibility that projects with potentially significant environmental impacts remain excluded from the screening procedure, thereby calling into question the compliance of this mechanism with Article 5 of the Law and the underlying purpose of Directive 2011/92/EU.	Amend the Regulation on List I and List II to ensure full alignment with Article 5 of the Law and the purpose of Directive 2011/92/EU.

Recommendations in the previous report	Status	Comment	Recommendations
Amend the new Law on Environmental Impact Assessment by removing Article 6.		Comment: Article 5 of the Law on Environmental Impact Assessment clearly defines which projects require a mandatory impact assessment, and which require the project proponent to submit a request for a decision on the need for an environmental impact assessment. However, the said Article 6 contradicts Article 5 by stipulating that the projects referred to in Article 5 (for which the mandatory assessment obligation is already prescribed), require an opinion of the line ministry on the need to initiate the impact assessment procedure during the issuance of location conditions I accordance with the law e governing planning and construction. Effectively, this creates a legal loophole that facilitates the bypassing of environmental impact assessments in practice.	Amend the Law on Environmental Impact Assessment by removing Article 6.
Provide transparent and timely information to the public about conducting public hearings via the internet and increase public awareness. Improve the functionality of e-Consultation so that it meets the needs of the average user (access to documents, information about the beginning, duration and venue of public hearings, etc.).		Transparent and timely public information is still not fully ensured. There is no single electronic channel for monitoring environmental impact assessment procedures, whereas the establishment of a centralized electronic database and web portal is scheduled for completion by December 2027. At the same time, numerous problems in organizing consultations and public hearings were recorded during the reporting period, which hindered effective public participation.	Ensure transparent and timely information to the public regarding public consultations through enhanced online notification systems. Improve the operation of the e-Consultations portal to make it user-friendly and adapted for the average internet user (providing easy access to documents and clear information about the start, duration, and venue of public consultations, etc.)

Recommendations in the previous report	Status	Comment	Recommendations
Ensure the full implementation of the Regulation on the Methodology of Public Policy Management (Official Gazette of RS, no. 20/2025-18), Impact Analysis of Public Policies and Regulations (Official Gazette of RS, no. 20/2025-18) in the environmental protection sector.		In March 2026, two new by-laws were adopted, replacing the Regulation on the Methodology of Public Policy Management, Impact Analysis of Public Policies and Regulations, and the Content of Individual Public Policy Documents. These by-laws exempt regulations linked to the European Union accession process from the obligation to conduct public consultations and ex-ante impact assessments. Changes to the public policy drafting process should be implemented through a careful and comprehensive public consultation, aiming to improve the existing system rather than take a step backward from the achievements made in 2018.	Repeal the changes to the Regulation on the Methodology of Public Policy Management (Official Gazette of RS, nos. 20/25-18, 27/26-25, and 30/26-4) and the Impact Analysis of Public Policies and Regulations (Official Gazette of RS, nos. 20/25-18, 27/26-25 and 30/26-4) which foresee deviations from the obligation to conduct consultations for regulations related to accession to the European Union and the fulfillment of certain international obligations.
Fully implement the guidelines set out in the Rulebook on the Contents of the Request on the Need for Environmental Impact Assessment and Contents of the Request for Defining the Scope and Content of Environmental Impact Assessment Study when drafting environmental impact assessment studies.		The new by-law, intended to regulate the content of the request and the supporting documentation, has still not been adopted. Pending its adoption, regulations enacted under the previous law remain in force, thereby prolonging the implementation of transitional solutions and hindering the uniform application of the new Law. The recommendation concerning the Rulebook on the contents of the request for deciding on the need for an environmental impact assessment and the supporting documentation has been consolidated with the first recommendation in the field of horizontal legislation.	/

Recommendations in the previous report	Status	Comment	Recommendations
Ensure the inclusion of a cumulative impact assessment in environmental impact assessment studies.		Although the legal framework recognizes the need to assess the cumulative impacts of multiple planned and implemented projects, this recommendation has not been applied in practice. In the case of the Belgrade Aquarium project, the relevant authority disregarded cumulative impacts during decision-making, even though planning documents show that multiple significant projects are planned in the same area. This practice, combined with the fragmentation of complex projects into smaller segments, prevents a comprehensive assessment of their total environmental impacts.	Ensure the inclusion of a cumulative impact assessment in environmental impact assessment studies.
Tighten the penal provisions prescribed by the Law on Environmental Protection for economic offenses, including those committed by legal entities, entrepreneurs and individuals, as well as penal provisions for responsible persons within administrative bodies, local self-government units or organizations exercising public authority. Consistently apply, in particular, the Law on the Liability of Legal Entities for Criminal Offenses (Official Gazette of RS, no. 97/08) and the provisions of the Criminal Code (Official Gazette of RS, no. 94/2024) relating to environmental crimes and environmental pollution.		The recommendation has not been implemented. No amendments were made to the penal provisions of the Law on Environmental Protection during the reporting period, while the 2024 amendments to the Criminal Code excluded environmental offenses. At the same time, the number of proceedings for economic offenses remains low, and the imposed penalties are lenient. The enforcement of the liability of legal entities for environmental crimes continues to be restricted.	Tighten the penal provisions prescribed by the Law on Environmental Protection for economic offenses, including those committed by legal entities, entrepreneurs and individuals, as well as penal provisions for responsible persons within administrative bodies, local self-government units or organizations exercising public authority. Consistently apply, in particular, the Law on the Liability of Legal Entities for Criminal Offenses (Official Gazette of RS, no. 97/08) and the provisions of the Criminal Code (Official Gazette of RS, no. 94/2024) relating to environmental crimes and environmental pollution.

Air Quality

Recommendations in the previous report	Status	Comment	Recommendations
Ensure citizen participation in the development of documents related to air quality at both national and local levels.		During the reporting period, certain local self-government units, including Novi Pazar, Čačak and Sombor, announced public consultations on draft Air Quality Plans. It was not possible to collect systematized data covering all local self-government units.	Ensure citizen participation in the development of documents related to air quality at both national and local levels.
Ensure that competent institutions enforce regulations related to legal deadlines for putting in place public policies concerning air quality, regulations related to air quality monitoring, exchange of air quality information and obligations under international agreements.		The 2024 Air Quality Report was published in January 2026. The 2025 Air Quality Report was not published within the legally defined deadline. This results in delays in the official and timely assessment of air quality, as well as delays in the development, adoption and implementation of air quality protection policies.	Ensure that competent institutions enforce regulations related to legal deadlines for putting in place public policies concerning air quality, regulations related to air quality monitoring, exchange of air quality information and obligations under international agreements.

Recommendations in the previous report	Status	Comment	Recommendations
Monthly reports on detected exceedances of hourly and daily limit values (LV) must include information as to which monitoring stations were not operating during that month. In addition, it is necessary to provide a cumulative display of pollution exceedances in monthly tables, illustrating therein the exact number of days with excessive pollution recorded since the beginning of the year, up to and including the month concerned. This information is important because there are no monthly limits on the number of days with allowed exceedances – only annual limits exist.		Monthly air quality data are presented in tabular form and only provide information on the number of days on which daily limit values for different pollutants were exceeded.	Monthly reports on detected exceedances of hourly and daily limit values (LV) must include information as to which monitoring stations were not operating during that month. In addition, it is necessary to provide a cumulative display of pollution exceedances in monthly tables, illustrating therein the exact number of days with excessive pollution recorded since the beginning of the year, up to and including the month concerned. This information is important because there are no monthly limits on the number of days with allowed exceedances – only annual limits exist.
Stakeholders responsible for monitoring air quality should guarantee proper maintenance of measurement systems and data availability and finance uninterrupted high-quality operation of air quality monitoring networks, especially for urban agglomerations such as Belgrade.		The national air quality monitoring network continued to expand, but 39 local self-government units with populations of more than 20,000 still lack adequate monitoring of suspended particulate matter (PM) concentrations.	Stakeholders responsible for monitoring air quality should guarantee proper maintenance of measurement systems and data availability and finance uninterrupted high-quality operation of air quality monitoring networks, especially for urban agglomerations such as Belgrade.
Local self-governments/ cities should improve the accuracy and visibility of air quality data, as well as ensure easy public access to air quality data provided by the local monitoring networks.		Only seven of the 24 cities and agglomerations classified as having excessively polluted air clearly display air quality data on their official websites.	Local self-governments/ cities should improve the accuracy and visibility of air quality data, as well as ensure easy public access to air quality data provided by the local monitoring networks.

Recommendations in the previous report	Status	Comment	Recommendations
Secure financing and proper conditions for the unobstructed work of inspectorates for environmental protection, in line with authorizations.	⊗	A comparison of the budget allocated to the national environmental inspectorate within the Ministry of Environmental Protection shows that funding under this budget line increased in 2025, by approximately 12% compared to 2024. However, in both years, the largest share of funding was allocated to employee salaries and related social contributions, while the increase in funding for the direct implementation of inspections was considerably more modest.	Secure financing and proper conditions for the unobstructed work of inspectorates for environmental protection, in line with authorizations.

Waste Management

Recommendations in the previous report	Status	Comment	Recommendations
Build partnerships with civil society and the business sector when adopting regulations, and establish clear communication with the public.		The formal requirements are met, but there is no real CSO involvement nor any consideration of the proposals provided.	Create a dialogue backed by arguments and facts.
Improve the legal framework in order to enable the effective application of the principle of extended liability and the “polluter pays” principle.			
Harmonize regional and local waste management plans with strategic documents at the national level.			
Involve industry in the application of the circular economy.		Circular Economy Development Program of the Republic of Serbia for the Period 2026–2030 has been adopted.	Include the financing of the program implementation in the budget of the Republic of Serbia.
Adopt a regulation to regulate the delivery of hazardous waste by natural persons to authorized operators.		The new Law on Waste Management recognizes individuals as generators of hazardous waste.	Adopt clear guidelines for keeping records of the takeover of hazardous waste from individuals.
Prevent the creation of new illegal landfills by expanding the coverage of municipal waste collection to 100% and increasing inspection supervision.			

Recommendations in the previous report	Status	Comment	Recommendations
Introduce the obligation to monitor water, air and soil at all municipal waste landfills to prevent fires and environmental pollution.			
Raise public awareness of the importance of establishing a waste management system and the consequences of inappropriate waste management to public health and the environment.		.	
Provide for appropriate management of hazardous waste generated in Serbia in anticipation of the expected ban on exporting hazardous waste.		Thanks to an initiative by the business sector, a facility for the energy recovery of non-hazardous and hazardous industrial waste is scheduled to start operating within the industrial park in Prahovo by the end of 2026.	Analyze the impact of facility operations on resolving hazardous waste treatment challenges in Serbia.
Create capacity for the treatment and permanent storage of hazardous waste, in those cases where waste cannot be exported.		Thanks to an initiative by the business sector, a facility for the energy recovery of non-hazardous and hazardous industrial waste is scheduled to start operating within the industrial park in Prahovo by the end of 2026.	Analyze the impact of facility operations on resolving hazardous waste treatment challenges in Serbia.
Create a unified methodology for collecting and sending data to the Statistical Office of the Republic of Serbia and the Environmental Protection Agency and ensure the reliability of the data obtained.			

Recommendations in the previous report	Status	Comment	Recommendations
Establish a systemic solution for textile waste management through clear regulations, incentive measures, and adequate infrastructure.			
Ensure the implementation of the Law on Waste Management in practice.			
Ensure that the quantities of collected municipal waste are measured and that its morphological composition is determined by monitoring the implementation of the Law on Waste Management, supporting the procurement of necessary scales at unsanitary landfill sites, and providing training for employees at utility companies so that they can apply the Rulebook on the Methodology for the Collection of Data Regarding the Content and Quantities of Municipal Waste on the Territory of the Local Self-Government Unit.			
Improve the existing data collection system, as well as data reliability.			
Introduce an independent Fund for Environmental Protection to distribute funds collected from the ecological taxes.			

Recommendations in the previous report	Status	Comment	Recommendations
Provide financial support to the civil sector.		The Ministry of Environmental Protection announced a call for proposals to support CSO activities and, contrary to the stipulated terms, awarded funds to certain organizations that failed to meet the eligibility requirements.	Resolve the ongoing administrative dispute initiated over the allocation of funds contrary to the call for proposals' terms as soon as possible.
Ensure transparency in the process of financing projects in the field of waste management.			
Perform a revision of the planned regional waste management systems.			
Intensify inspection supervision of the implementation of the Law on Waste Management and the Law on Packaging and Packaging Waste.			
Create a legal framework for introducing a deposit system for packaging.			

Recommendations in the previous report	Status	Comment	Recommendations
Conduct a detailed investigation into the failures in the operation of the Regional Waste Management Center Duboko Užice, identify responsible persons and take appropriate actions in accordance with the law, including penalties for those responsible for the identified irregularities.		Proceedings against responsible parties have been instituted.	Ensure full transparency of all data related to the proceedings and the establishment of specific facts.
Introduce economic instruments to reduce the amount of waste that ends up at landfills without treatment.			
Create the prerequisites for expired household medications to be properly collected and disposed of.			
Ensure transparency and easy access to information regarding the costs of building infrastructure in the area of waste management (regional centers, landfills, equipment, etc.) and sources of financing.			
Ensure realistic financing of the costs of collection, transportation, treatment, and disposal of waste, according to the “polluter pays” principle.			

Recommendations in the previous report	Status	Comment	Recommendations
Ensure that waste management costs are included in the price of products and services in order to avoid shifting costs from consumers to citizens.	⊗		
Develop capacity and political will to use available EU funds and grants instead of credit arrangements for infra-structure construction.	✎	The construction of the Regional Waste Management Center in Novi Sad will be partly funded by EU funds.	Ensure full transparency regarding both the process and the costs.
Introduce subsidies for opening small businesses that perform on-site packaging waste recycling.	⊗		
Restore the dedicated character to all the funds collected from ecological taxes.	⊗		

Water Quality

Recommendations in the previous report	Status	Comment	Recommendations
Integrate nature directives (Birds Directive and Habitats Directive) into the field of water management. Better coordination is needed between the water management sector and the environmental sector regarding the implementation of EU directives.	⊗	No progress has been made in strengthening cooperation between the water management and the environmental sectors, nor in integrating the Birds Directive and the Habitats Directive into water management.	Integrate nature directives (Birds Directive and Habitats Directive) into the field of water management. Better coordination is needed between the water management sector and the environmental sector regarding the implementation of EU directives.
Develop specific strategies to improve investment in wastewater treatment plants. Initiate the development of models and strategies for knowledge transfer in the field of wastewater treatment in order to reduce costs and mobilize domestic capacities.	⊗	No specific strategies or models have been developed to improve investment and knowledge transfer in the field of wastewater treatment.	Develop specific strategies to improve investment in wastewater treatment plants. Initiate the development of models and strategies for knowledge transfer in the field of wastewater treatment in order to reduce costs and mobilize domestic capacities.
Adopt strategic and planning documents in accordance with the obligations arising from relevant EU policies (Plan for Water Protection against Pollution, Flood Risk Management Plan).	◔	During the reporting period, some progress was made in the adoption of planning documents; however, key documents have not yet been fully adopted and implemented in accordance with EU requirements.	Adopt and amend strategic and planning documents in accordance with the obligations arising from relevant EU policies.

Recommendations in the previous report	Status	Comment	Recommendations
Develop capacities and improve the organization of public institutions responsible for water management, especially at the local level – the complexity of water management issues requires stronger personnel and technical capacities. The competent institutions must conduct an analysis of the existing capacities as soon as possible and develop a plan for their improvement. To achieve this, professional institutions and CSOs need to advocate for greater political and financial support for the water management sector.	⊗	No systemic measures have been implemented to strengthen institutional and technical capacities, particularly at the local level.	Develop capacities and improve the organization of public institutions responsible for water management, especially at the local level – the complexity of water management issues requires stronger personnel and technical capacities. The competent institutions must conduct an analysis of the existing capacities as soon as possible and develop a plan for their improvement. To achieve this, professional institutions and CSOs need to advocate for greater political and financial support for the water management sector.
Develop structured cooperation with other relevant sectors (environmental protection, energy, agriculture and spatial planning). This requires constant communication and exchange of information between the sectors to be established.	⊗	No structured mechanism for cooperation has been established among the water management, environmental protection, energy, agriculture and spatial planning sectors.	Develop structured cooperation with other relevant sectors (environmental protection, energy, agriculture and spatial planning). This requires constant communication and exchange of information between the sectors to be established.
Further improve public participation in policy development in the water management sector. Public consultations should provide more opportunities for participation than the legal minimum. Stakeholder involvement should begin in the early stages of policy development.	⊗	Public participation remains largely limited to meeting minimum legal requirements, without early involvement of stakeholders.	Further improve public participation in policy development in the water management sector. Public consultations should provide more opportunities for participation than the legal minimum. Stakeholder involvement should begin in the early stages of policy development.

Recommendations in the previous report	Status	Comment	Recommendations
Integrate nature-based solutions into water management practices and consider ecosystem services more seriously. Specific capacities for these needs should be developed within the competent institutions.	⊗	Nature-based solutions and the ecosystem services approach have not yet been systemically integrated into water management.	Integrate nature-based solutions into water management practices and consider ecosystem services more seriously. Specific capacities for these needs should be developed within the competent institutions.
Improve control and mitigation of key threats (poorly planned small hydroelectric power plants which are being constructed intensively, gravel extraction, pollution, uncontrolled use of groundwater and illegal construction on riverbanks). River habitats, wetlands, and water resources in general are highly endangered in Serbia. Urgent action is needed at the national level.	⊗	Significant pressures on aquatic ecosystems persist, including gravel extraction, pollution, illegal construction and other adverse impacts.	Improve control and mitigation of key threats (poorly planned small hydroelectric power plants which are being constructed intensively, gravel extraction, pollution, uncontrolled use of groundwater and illegal construction on riverbanks). River habitats, wetlands, and water resources in general are highly endangered in Serbia. Urgent action is needed at the national level.
Develop an integrated database on planning and constructing WWTPs that is available to the public, enabling more efficient and systemic planning and monitoring of project implementation throughout Serbia.	⊗	An integrated, publicly accessible database on planning and construction of wastewater treatment plants has not been developed.	Develop an integrated database on planning and constructing WWTPs that is available to the public, enabling more efficient and systemic planning and monitoring of project implementation throughout Serbia.
Enhance the capacities of the Water Inspectorate and increase the number of water inspectors.	⊗	The number of water inspectors and their capacity remain insufficient to ensure effective supervision.	Enhance the capacities of the Water Inspectorate and increase the number of water inspectors.

Recommendations in the previous report	Status	Comment	Recommendations
Establish water quality monitoring in full accordance with the requirements of the Water Framework Directive.		Water quality monitoring has improved in certain areas, but it is still not fully aligned with the requirements of the Water Framework Directive.	Establish water quality monitoring in full accordance with the requirements of the Water Framework Directive.
Establish the water land boundaries in the cadaster.		No significant progress has been made in establishing the water land boundaries in the cadaster.	Establish the water land boundaries in the cadaster.
Gradually increase water prices and fees for wastewater collection and treatment services in order to provide for the construction of the necessary facilities for water collection and treatment and their normal operation.		A policy for the gradual adjustment of water service fees to ensure sustainable infrastructure financing has not been implemented.	Gradually increase water prices and fees for wastewater collection and treatment services in order to provide for the construction of the necessary facilities for water collection and treatment and their normal operation.
Permanently increase budget funds for financing water management activities and water protection.		A permanent increase in budget funds for water management and protection has not been secured.	Permanently increase budget funds for financing water management activities and water protection.
Adopt the new Water Law without further delay, along with the necessary by-laws, to ensure a coherent and effective legal framework for water management policy planning and implementation. Prolonged postponement of this legislation has contributed to legal uncertainty, impeded the execution of strategic and planning documents, and obstructed the practical enforcement of numerous legal obligations.		During the reporting period, the new Water Law was not adopted. The continued, multi-year delay in its adoption remains one of the key obstacles to alignment with the EU acquis and hampers the implementation of planning documents and legal obligations in the field of water management.	Adopt the new Water Law without further delay, along with the necessary by-laws, to ensure a coherent and effective legal framework for water management policy planning and implementation. Prolonged postponement of this legislation has contributed to legal uncertainty, impeded the execution of strategic and planning documents, and obstructed the practical enforcement of numerous legal obligations.

Recommendations in the previous report	Status	Comment	Recommendations
Establish a Water Council as a professional and advisory body prescribed by the Water Law, which would provide systemic, expert and inclusive support in the decision-making process. At the same time, it is necessary to ensure continuity in the work of the National Water Conference, envisioned as a forum for public discussion and inter-sectoral dialogue. The effective establishment of these two mechanisms would contribute to a more transparent, accountable and efficient implementation of water management policies, through improved information sharing, consultations and coordination among all relevant stakeholders.		During the reporting period, the Water Council was not established, nor was continuity in the work of the National Water Conference ensured. As a result, institutional mechanisms for systemic dialogue, expert support, and the involvement of all relevant stakeholders in the development and implementation of water management policies remain lacking.	Establish a Water Council as a professional and advisory body prescribed by the Water Law, which would provide systemic, expert and inclusive support in the decision-making process. At the same time, it is necessary to ensure continuity in the work of the National Water Conference, envisioned as a forum for public discussion and inter-sectoral dialogue. Effective operation of these two mechanisms would contribute to a more transparent, accountable and efficient implementation of water management policies, through improved information sharing, consultations and coordination among all relevant stakeholders.
When planning new investments in the water sector, establish long-term mechanisms for financing the operation, maintenance and rehabilitation of constructed infrastructure. Particular attention should be paid to wastewater treatment plants to prevent newly constructed facilities from operating below capacity or becoming nonfunctional due to insufficient financial and human resources.		Although investment in water infrastructure has continued, sustainable mechanisms for long-term financing of its operation, maintenance and rehabilitation have not been established. Ensuring adequate financial and human resources for the effective operation of wastewater treatment plants after their construction remains a challenge.	When planning new investments in the water sector, establish long-term mechanisms for financing the operation, maintenance and rehabilitation of constructed infrastructure. Particular attention should be paid to wastewater treatment plants to prevent newly constructed facilities from operating below capacity or becoming nonfunctional due to insufficient financial and human resources.

Air Quality

Recommendations in the previous report	Status	Comment	Recommendations
Ensure citizen participation in the development of documents related to air quality at both national and local levels.		During the reporting period, certain local self-government units, including Novi Pazar, Čačak and Sombor, announced public consultations on draft Air Quality Plans. It was not possible to collect systematized data covering all local self-government units.	Ensure citizen participation in the development of documents related to air quality at both national and local levels.
Ensure that competent institutions enforce regulations related to legal deadlines for putting in place public policies concerning air quality, regulations related to air quality monitoring, exchange of air quality information and obligations under international agreements.		The 2024 Air Quality Report was published in January 2026. The 2025 Air Quality Report was not published within the legally defined deadline. This results in delays in the official and timely assessment of air quality, as well as delays in the development, adoption and implementation of air quality protection policies.	Ensure that competent institutions enforce regulations related to legal deadlines for putting in place public policies concerning air quality, regulations related to air quality monitoring, exchange of air quality information and obligations under international agreements.

Recommendations in the previous report	Status	Comment	Recommendations
Monthly reports on detected exceedances of hourly and daily limit values (LV) must include information as to which monitoring stations were not operating during that month. In addition, it is necessary to provide a cumulative display of pollution exceedances in monthly tables, illustrating therein the exact number of days with excessive pollution recorded since the beginning of the year, up to and including the month concerned. This information is important because there are no monthly limits on the number of days with allowed exceedances – only annual limits exist.		Monthly air quality data are presented in tabular form and only provide information on the number of days on which daily limit values for different pollutants were exceeded.	Monthly reports on detected exceedances of hourly and daily limit values (LV) must include information as to which monitoring stations were not operating during that month. In addition, it is necessary to provide a cumulative display of pollution exceedances in monthly tables, illustrating therein the exact number of days with excessive pollution recorded since the beginning of the year, up to and including the month concerned. This information is important because there are no monthly limits on the number of days with allowed exceedances – only annual limits exist.
Stakeholders responsible for monitoring air quality should guarantee proper maintenance of measurement systems and data availability and finance uninterrupted high-quality operation of air quality monitoring networks, especially for urban agglomerations such as Belgrade.		The national air quality monitoring network continued to expand, but 39 local self-government units with populations of more than 20,000 still lack adequate monitoring of suspended particulate matter (PM) concentrations.	Stakeholders responsible for monitoring air quality should guarantee proper maintenance of measurement systems and data availability and finance uninterrupted high-quality operation of air quality monitoring networks, especially for urban agglomerations such as Belgrade.

Recommendations in the previous report	Status	Comment	Recommendations
Local self-governments/ cities should improve the accuracy and visibility of air quality data, as well as ensure easy public access to air quality data provided by the local monitoring networks.		Only seven of the 24 cities and agglomerations classified as having excessively polluted air clearly display air quality data on their official websites.	Local self-governments/ cities should improve the accuracy and visibility of air quality data, as well as ensure easy public access to air quality data provided by the local monitoring networks.
Secure financing and proper conditions for the unobstructed work of inspectorates for environmental protection, in line with authorizations.		A comparison of the budget allocated to the national environmental inspectorate within the Ministry of Environmental Protection shows that funding under this budget line increased in 2025, by approximately 12% compared to 2024. However, in both years, the largest share of funding was allocated to employee salaries and related social contributions, while the increase in funding for the direct implementation of inspections was considerably more modest.	Secure financing and proper conditions for the unobstructed work of inspectorates for environmental protection, in line with authorizations.

Nature protection

Recommendations in the previous report	Status	Comment	Recommendations
Draft and adopt a new Law on Nature Protection in line with the EU legislation, ratified international agreements, good practices in the field, and the specific needs related to nature protection in Serbia, through a transparent and inclusive process.	⊗	The drafting of the Law on Nature Protection started in the reporting period, but the process is neither transparent nor inclusive.	Draft and adopt a new Law on Nature Protection in line with the EU legislation, ratified international agreements, good practices in the field, and the specific needs related to nature protection in Serbia, through a transparent and inclusive process. Regulate the appropriate assessment procedure for the ecological network, define biosphere reserve as a category of protected area, and prescribe competencies and key conditions for managing such areas through the said Law.
Regulate the appropriate assessment procedure for the ecological network, define biosphere reserve as a category of protected area, and prescribe competencies and key conditions for managing such areas through the Law on Nature Protection.	⊗		The recommendation has been combined with the previous one.
Amend the Rulebook on the Declaration and Protection of Strictly Protected Wild Species of Plants, Animals, Fungi, and Mushrooms and the Rulebook on Declaring Closed Hunting Season for the Protected Wild Game Species in order fully transpose the provisions of the Habitats Directive and the Birds Directive related to hunting.	⊗		Amend the Rulebook on the Declaration and Protection of Strictly Protected Wild Species of Plants, Animals, Fungi, and Mushrooms and the Rulebook on Declaring Closed Hunting Season for the Protected Wild Game Species in order fully transpose the provisions of the Habitats Directive and the Birds Directive.

Recommendations in the previous report	Status	Comment	Recommendations
Draft and adopt a protocol to precisely determine the sequence and manner of action of competent authorities upon the discovery of cases of poisoning, as well as other cases of illegal activities against wild species.	⊗		Draft and adopt a protocol to precisely determine the sequence and manner of action of competent authorities upon the discovery of cases of poisoning, as well as other cases of illegal activities against wild species. Establish an expert cross-sectoral working group to draw up a national action plan for the prevention of wildlife poisoning.
Form an inter-ministerial working group for protected areas and an ecological network to coordinate work on the development of planning documents, protection studies, management plans and area protection acts.	⊗		Form an inter-ministerial working group for protected areas and an ecological network to coordinate work on the development of planning documents, protection studies, management plans and area protection acts.
Adopt the Regulation on Appropriate Assessment and enable its proper implementation.	⊗		Adopt the Regulation on Appropriate Assessment and enable its proper implementation.
Enhance the capacities of the nature protection sector within the Ministry of Environmental Protection and institutes for nature conservation (both at the provincial and national levels), by increasing the number of qualified personnel and technical resources.	⊗		Enhance the capacities of the nature protection sector within the Ministry of Environmental Protection and institutes for nature conservation (both at the provincial and national levels), by increasing the number of qualified personnel and technical resources.

Recommendations in the previous report	Status	Comment	Recommendations
Continue building the capacities of the police, inspectorates, prosecution and judiciary to enforce regulations related to protecting species and habitats, in cooperation with professional civil society organizations. Furthermore, strengthen the capacities of the Unit for the Suppression of Environmental Crime and Environmental Protection, and its coordination with other sectors.			Continue building the capacities of the police, inspectorates, prosecution and judiciary to enforce regulations related to protecting species and habitats, in cooperation with professional civil society organizations. Furthermore, strengthen the capacities of the Unit for the Suppression of Environmental Crime and Environmental Protection, and its coordination with other sectors.
Improve the planning and implementation of inspection supervision over protected areas, i.e., ecological network sites.		Some progress has been made, but the recommendation carries over into 2026.	Improve the planning and implementation of inspection supervision over protected areas, i.e., ecological network sites.
Provide free access to the online database comprising decisions on nature protection conditions issued by the Ministry of Environmental Protection of the Republic of Serbia and the institutes for nature conservation to all stakeholders.			Provide free access to the online database comprising decisions on nature protection conditions issued by the Ministry of Environmental Protection of the Republic of Serbia and the institutes for nature conservation to all stakeholders.
Improve cooperation with stakeholders regarding the implementation of international agreements in the field of nature protection through regular information exchange and consultations.			Improve cooperation with stakeholders regarding the implementation of international agreements in the field of nature protection through regular information exchange and consultations.
Form a National Council for the Natura 2000 ecological network in order to ensure inter-sectoral cooperation and continuous institutional support.			Form a National Council for the Natura 2000 ecological network in order to ensure inter-sectoral cooperation and continuous institutional support.

Recommendations in the previous report	Status	Comment	Recommendations
Create appropriate, targeted guides for more detailed explanations of the appropriate assessment procedure and practical examples from practice (preferably, illustrations of good and bad practices). Familiarize stakeholders with the appropriate assessment procedure using the guide and supporting materials.	⊗		Create appropriate, targeted guides for more detailed explanations of the appropriate assessment procedure and practical examples from practice (preferably, illustrations of good and bad practices). Familiarize stakeholders with the appropriate assessment procedure using the guide and supporting materials.
Provide public access to the electronic Central Register of Protected Natural Assets and develop its functionalities so that each protected area contains, inter alia, a ten-year management plan, annual management programs, and reports on the implementation of the annual management program.	⊗		Provide public access to the electronic Central Register of Protected Natural Assets and develop its functionalities so that each protected area contains, inter alia, a ten-year management plan, annual management programs, and reports on the implementation of the annual management program.
Continue regular financing of the activities aimed at establishing the ecological network of the Republic of Serbia and Natura 2000, with full and regular reporting on the activities carried out and the funds spent.	⊗		Continue regular financing of the activities aimed at establishing the ecological network of the Republic of Serbia and Natura 2000, with full and regular reporting on the activities carried out and the funds spent.
Provide greater financial resources from the Budget of the Republic of Serbia for managing protected areas, including constant and appropriate funds for hiring new wild-life rangers in protected areas, their training and procurement of necessary equipment.	◔	Even though there has been an increase in funds allocated for protected area management, the recommendation has not been fully adopted and carries over into 2026.	Provide greater financial resources from the Budget of the Republic of Serbia for managing protected areas, including constant and appropriate funds for hiring new wildlife rangers in protected areas, their training and procurement of necessary equipment.

New recommendation:

1. Permanently ban hunting of quail, turtle dove, and partridge. Permanently ban hunting of common pochard (Aythia ferina), garganey (Spatula querquedula), bean goose (Anser fabalis) and greater white-fronted goose (Anser albifrons). Permanently protect the northern goshawk (Accipiter gentilis).
2. Align the Criminal Code with the Environmental Crime Directive in the section concerning wildlife trafficking.
3. Conduct a protected area management effectiveness assessment, establish mechanisms for monitoring management effectiveness, and ensure public access to reports.
4. Establish cooperation with the Ministry of Tourism and Youth to prevent foreign tourists from being misled regarding hunting opportunities in Serbia, as well as to improve the control of commercial hunting, especially in cases involving foreign hunters.
5. Accelerate the establishment of functional Stakeholder Councils in protected areas, and in addition to existing recommendations on Council composition, introduce a requirement for adequate representation of women and youth.
6. The Supreme Public Prosecutor's Office should issue a binding instruction to basic public prosecutor's offices prohibiting the application of the principle of opportunity (deferred prosecution) to wildlife-related criminal offenses, as frequent use of deferred prosecution has been observed even in cases where the perpetrator's guilt is clearly established, particularly regarding illegal wildlife hunting, trafficking and poisoning.

Chemicals Management

Recommendations in the previous report	Status	Comment	Recommendations
Continue with the development of the legislative framework through further harmonization of regulations by taking into account new EU regulations and amendments to the existing ones, as well as by strengthening the capacities necessary for their implementation.	✎		Continue with the development of the legislative framework, through further harmonization of regulations with new EU regulations and amendments to the existing ones, as well as by strengthening the capacities necessary for their implementation.
Update the National Implementation Plan for the implementation of the Stockholm Convention and the Action Plan.	⊗		Update the National Implementation Plan for the implementation of the Stockholm Convention and the Action Plan.
Adopt the Law on the Implementation of the REACH Regulation.	⊗		Adopt the Law on the Implementation of the REACH Regulation.
Adopt the Law on the Implementation of the BPR Regulation.	⊗		Adopt the Law on the Implementation of the BPR Regulation.
Harmonize the Rulebook on the List of Electrical and Electronic Products, Measures Restricting or Prohibiting the Use of Electric and Electronic Equipment Containing Hazardous Substances, the Manner and Procedure for Management of Waste Originating from Electrical and Electronic Products with EU Directive 2015/863/ EU (RoHS III), as well as relevant provisions of the Law on Waste Management.	✎		Update the Rulebook on the List of Electrical and Electronic Products, Measures Restricting or Prohibiting the Use of Electric and Electronic Equipment Containing Hazardous Substances, the Manner and Procedure for Management of Waste Originating from Electrical and Electronic Products with EU Directive 2015/863/ EU (RoHS III), in line with Article 63 of the Law on Waste Management.

Recommendations in the previous report	Status	Comment	Recommendations
Strengthen administrative and professional capacities in this area, especially the registration of chemicals and biocidal products in the Register, statistical analysis of collected data, management of biocidal products, creation of guides and guidelines for the info desk and instructions for inspection supervision.	⊗		Strengthen administrative and professional capacities in this area, especially the registration of chemicals and biocidal products in the Register, statistical analysis of collected data, management of biocidal products, creation of guides and guidelines for the info desk and instructions for inspection supervision.
Make data from the Chemicals Register on the number of reported chemicals by hazard class available on the website of the Ministry of Environmental Protection and update them regularly on an annual basis.	⊗		Make data from the Chemicals Register on the number of reported chemicals by hazard class available on the website of the Ministry of Environmental Protection and update them regularly on an annual basis.
Establish a joint body for the integrated management of chemicals in order to establish satisfactory cooperation and coordination between all relevant sectors and ensure the safe management of chemicals throughout the entire life cycle — that is, the adoption and implementation of the Integrated Chemicals Management Program. The joint body should consist of representatives of competent state authorities in the field of chemicals management and representatives of the industry, scientific researchers and non-governmental organizations.	⊗		Establish a joint body for the integrated management of chemicals in order to establish satisfactory cooperation and coordination between all relevant sectors and ensure the safe management of chemicals throughout the entire life cycle — that is, the adoption and implementation of the Integrated Chemicals Management Program. The joint body should consist of representatives of competent state authorities in the field of chemicals management and representatives of the industry, scientific researchers and non-governmental organizations.

Recommendations in the previous report	Status	Comment	Recommendations
Strengthen inspection supervision over chemical and biocidal product control activities by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions. Supervise the implementation of Article 27 of the Law on Chemicals, protect the rights of consumers and check compliance with the bans and restrictions on chemicals, i.e., non-consumer goods.	⊗		Strengthen inspection supervision over chemical and biocidal product control activities by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions. Supervise the implementation of Article 27 of the Law on Chemicals, protect the rights of consumers and check compliance with the bans and restrictions on chemicals, i.e., non-consumer goods.
Strengthen inspection supervision over the implementation of the Law on Consumer Goods by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions, as well as the capacity for entering unsafe products from the market into the NEPRO rapid alert system for unsafe products, in order to ensure adequate information for citizens about the products withdrawn from the market due to chemical risks.	⊗		Strengthen inspection supervision over the implementation of the Law on Consumer Goods by strengthening the capacities of the inspection bodies themselves and increasing the number of inspection supervisions, as well as the capacity for entering unsafe products from the market into the NEPRO rapid alert system for unsafe products, in order to ensure adequate information for citizens about the products withdrawn from the market due to chemical risks.
Improve the information available on the Chemicals Info Desk by posting the guides and guidelines of the European Chemicals Agency, which are used in practice and which are insisted on within the training and exams for chemicals advisers, in the Serbian language, as well as the administrative procedure itself; introduce a section with the most frequently asked questions.	⊗		Improve the information available on the Chemicals Info Desk by posting the guides and guidelines of the European Chemicals Agency, which are used in practice and which are insisted on within the training and exams for chemicals advisers, in the Serbian language, as well as the administrative procedure itself; introduce a section with the most frequently asked questions.

Recommendations in the previous report	Status	Comment	Recommendations
Make the information in the NEPRO rapid alert system for unsafe products publicly available and update it regularly.			
Make the information on the implementation of all conventions under the jurisdiction of the Ministry of Environmental Protection publicly available.			Make the information on the implementation of all conventions under the jurisdiction of the Ministry of Environmental Protection publicly available.
Establish a mechanism for the implementation of Article 82 of the Law on Chemicals, which instructs the Ministry of Environmental Protection to develop and implement projects for monitoring the market placement and use of chemicals, their metabolites and the path of chemicals in the environment and living organisms.			Establish a mechanism for the implementation of Article 82 of the Law on Chemicals, which instructs the Ministry of Environmental Protection to develop and implement projects for monitoring the market placement and use of chemicals, their metabolites and the path of chemicals in the environment and living organisms.
Publish updated data from the Chemicals Register on the entry of substances of concern and assess whether the risk reduction measures applied by businesses are sufficient to control the risk these chemicals pose.			Publish updated data from the Chemicals Register on the entry of substances of concern and assess whether the risk reduction measures applied by businesses are sufficient to control the risk these chemicals pose.
Clearly define the jurisdiction between the Sanitary Inspection and the Environmental Protection Inspectorate regarding the supervision of the implementation of the Rulebook on the Restrictions and Ban of Production, Placing on the Market and Use of Chemicals, which applies to a specific group of consumer products for which both inspections have declared themselves not competent.			Clearly define the jurisdiction between the Sanitary Inspection and the Environmental Protection Inspectorate regarding the supervision of the implementation of the Rulebook on the Restrictions and Ban of Production, Placing on the Market and Use of Chemicals, which applies to a specific group of consumer products for which both inspections have declared themselves not competent.

Recommendations in the previous report	Status	Comment	Recommendations
Post information on the Chemicals Info Desk clearly indicating the sequence and date of each amendment to the regulation related to the classification, packaging and labeling of chemicals in accordance with the relevant ATP. This information is of key importance for international companies operating in Serbia and the EU, as it enables them to track progress and harmonize labels of chemicals and products that often apply to multiple markets simultaneously, including Serbia.	⊗		Post information on the Chemicals Info Desk clearly indicating the sequence and date of each amendment to the regulation related to the classification, packaging and labeling of chemicals in accordance with the relevant ATP. This information is of key importance for international companies operating in Serbia and the EU, as it enables them to track progress and harmonize labels of chemicals and products that often apply to multiple markets simultaneously, including Serbia.
Amend the domestic system governing the collection of fees and charges in line with the EU financing model to ensure that funds collected through regulatory procedures related to chemicals and biocidal products are actually used to improve the chemicals and biocidal products control system.	⊗		Amend the domestic system governing the collection of fees and charges in line with the EU financing model to ensure that funds collected through regulatory procedures related to chemicals and biocidal products are actually used to improve the chemicals and biocidal products control system.
Secure financial resources for strengthening the administrative and professional capacities of the Department of Chemicals of the Ministry, as well as the inspection authorities that control compliance with the Law on Chemicals and the new Law on Biocidal Products, so that administrative procedures can be carried out without breaking deadlines, bearing in mind their scope and complexity.	⊗		Secure financial resources for strengthening the administrative and professional capacities of the Department of Chemicals of the Ministry, as well as the inspection authorities that control compliance with the Law on Chemicals and the new Law on Biocidal Products, so that administrative procedures can be carried out without breaking deadlines, bearing in mind their scope and complexity.

New recommendation:

1. Improve the green public procurement system by establishing clear and measurable green criteria aligned with EU GPP criteria, and establish more reliable mechanisms for monitoring their implementation.
2. Adopt a new Rulebook on Materials and Articles Intended to Come into Contact with Food.

Climate change

Recommendations in the previous report	Status	Comment	Recommendations
Adopt all necessary by-laws in order for the Law on Climate Change to be applied.	◔	No by-laws were adopted during the reporting period.	Adopt all necessary by-laws in order for the Law on Climate Change to be applied.
Adopt an Action Plan for the implementation of the Low Carbon Development Strategy 2023–2030 with Projections Until 2050.	⊗		Adopt an Action Plan for the implementation of the Low Carbon Development Strategy 2023–2030 with Projections Until 2050.
Integrate climate change issues into the process of drafting development plans by local self-government units and by adopting the necessary by-laws. Based on the Law on Climate Change, establish a mechanism for monitoring the development and work of local self-government units on the issues of climate change mitigation.	⊗		Integrate climate change issues into the process of drafting development plans by local self-government units and by adopting the necessary by-laws. Based on the Law on Climate Change, establish a mechanism for monitoring the development and work of local self-government units on the issues of climate change mitigation.
Harmonize the INECP with the Decision of the Ministerial Council of the Energy Community no. 2022/02/MC-EnC and set objectives that are in line with Serbia's obligations assumed as part of the Energy Community and the Green Agenda for the Western Balkans.	⊗	The Ministry of Mining and Energy formed a working group to draft the INECP 2.0; according to information presented at the Working Group's introductory meeting, the adoption of the new INECP is expected by the end of 2027.	Harmonize the INECP with the Decision of the Ministerial Council of the Energy Community no. 2022/02/MC-EnC and set objectives that are in line with Serbia's obligations assumed as part of the Energy Community and the Green Agenda for the Western Balkans.

Recommendations in the previous report	Status	Comment	Recommendations
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.			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.
Adopt amendments to the Law on Climate Change to establish a CO2 tax mechanism and fully comply with ETS Directive and prepare for the implementation of the Carbon Border Adjustment Mechanism (CBAM).		The Law on Greenhouse Gas Emissions Tax and the Law on Carbon-Intensive Products Import Tax have been adopted.	Amend the Law on Greenhouse Gas Emissions Tax to clearly earmark revenues for decarbonization and just energy transition projects, and to determine a clear and predictable tax rate growth trajectory up to 2030, in line with the ETS.
Improve the work of the National Climate Change Council through holding of regular sessions, making recommendations to the Government of Serbia on issues relevant to climate change, and public reporting on the Council's activities.			Improve the work of the National Climate Change Council through holding of regular sessions, broader engagement of scientific experts and civil society organizations, making recommendations to the Government of Serbia on issues relevant to climate change, and public reporting on the Council's activities.

Recommendations in the previous report	Status	Comment	Recommendations
Make information on the GHG inventory publicly available, verifiable and easily accessible, in accordance with laws of the Republic of Serbia and international obligations, such as the Aarhus Convention and the Paris Agreement.		Although the 2024 Report on the State of the Environment in the Republic of Serbia contains data on 2023 greenhouse gas emissions, this information does not qualify as a GHG inventory Report under the Rulebook on the Contents of the National GHG Inventory and the National GHG Inventory Report (Official Gazette of RS, no. 55/2023).	Make information on the GHG inventory publicly available, verifiable and easily accessible, in accordance with laws of the Republic of Serbia and international obligations, such as the Aarhus Convention and the Paris Agreement.
Enhance the number and skills of civil servants (at the Ministry, Environmental Protection Agency and local self-government units) dealing with climate change in various sectors and focus on building their capacities.			Enhance the number and skills of civil servants (at the Ministry, Environmental Protection Agency and local self-government units) dealing with climate change in various sectors and focus on building their capacities.
Significantly increase state investments in climate change adaptation and mitigation, and develop financial mechanisms to support the implementation of the priorities outlined in the Low Carbon Development Strategy (which must be aligned with Serbia's EU accession process and the objective of achieving climate neutrality by 2050.			Significantly increase state investments in climate change adaptation and mitigation, and develop financial mechanisms to support the implementation of the priorities outlined in the Law Carbon Development Strategy (which must be aligned with Serbia's EU accession process and the objective of achieving climate neutrality by 2050).

Recommendations in the previous report	Status	Comment	Recommendations
Adopt all necessary by-laws in order for the Law on Energy to be applied.		The 2026 amendments to the Regulation on the Terms of Delivery and Supply of Electricity further regulate the requirements and connection procedure for final customer intending to acquire the status of an active customer, as well as groups of final customers acting jointly as an active customer.	Adopt all remaining by-laws necessary for the Law on Energy to be applied.

New recommendation:

1. Establish the Just Transition Fund of the Republic of Serbia, in line with the Reform Agenda and the Just Energy Transition Plan, to finance measures for mitigating the socio-economic consequences of carbon emission reductions, support workers and local communities in affected regions, and ensure stable and predictable funding for the transition to a low carbon economy.
2. Improve the system for monitoring the implementation of the Adaptation Program Action Plan and ensure regular annual reporting, providing complete data on the status of all activities, achieved indicators, funds spent, reasons for delays, and corrective measures taken.
3. Update the Nationally Determined Contribution of the Republic of Serbia to include an absolute economy-wide greenhouse gas emissions reduction target aligned with the 1.5°C global warming limit, the IPCC findings, and the outcomes of the first Global Stocktake under Paris Agreement.

Forestry

Recommendations in the previous report	Status	Comment	Recommendations
Develop a national strategic document (development program) for forestry that will provide a long-term vision for development in this area in Serbia, with an action plan that includes defined sources of funding, competent institutions, and implementation dynamics. The document must take into account the relevant documents currently being developed at the EU level (Biodiversity Strategy for 2030 and other documents from the Green Deal package).	✓	Started, ongoing process	Organize a public consultation.
Develop an institutional framework with clearly defined responsibilities for the implementation of the EUTR and FLEGT Regulations.	✓	Law on Placing Timber and Timber Products on the Market was adopted – Official Gazette of RS, no. 96/2025.	Monitor the implementation of regulations.
Adopt the practice of regular national consultations as mandatory events for all managers of protected areas (PA).	✗		
Set up systemic capacity strengthening.	✗		
Enable effective public participation in the development of key documents regulating forest use (including forest management plans).	✗		

Recommendations in the previous report	Status	Comment	Recommendations
Value and promote ecosystem services provided by forests, other than timber, and use them in forest management planning.	⊗		
Improve the quality of data on privately-owned forests and strengthen control over their use.	⊗		
Improve cooperation with other sectors (nature protection, energy, climate change, and water management) in order to integrate forest ecosystems management.	⊗		
Establish an inter-ministerial working group that will coordinate efficient development of afforestation plans in areas of need (e.g., Autonomous Province of Vojvodina).	⊗		
More funding from the Budget Fund for Forests should be directed toward financing afforestation, maintenance and forest protection measures.	⊗		Realistic planning of budget funds.

Industrial Pollution and Risk Management

Recommendations in the previous report	Status	Comment	Recommendations
Fully implement the Industrial Emissions Directive (IED), primarily through the new Law on Integrated Prevention and Control of the Environmental Pollution; harmonize the Law on Planning and Construction with international standards; implement consistently the new Law on Environmental Impact Assessment (EIA) and the Law on Strategic Environmental Assessment (SEA), as well as the Air Protection Program and the new Law on Air Protection.		The adoption of the new law is expected in the third quarter of 2026 (the Starting Points for the new Law and the Draft Law have been prepared, consultations and public hearing have been conducted); the goal is to align the legislative framework with the IED Directive.	Fully implement the Industrial Emissions Directive (IED), primarily through the new Law on Integrated Prevention and Control of the Environment Pollution; harmonize the Law on Planning and Construction with international standards; implement consistently the new Law on Environmental Impact Assessment (EIA) and the Law on Strategic Environmental Assessment (SEA), as well as the Air Protection Program, the new Law on Air Protection, decarbonization plans and programs, the energy and climate plan, and other environmental and air quality protection programs.
As part of the preparation for the adoption of the new Law on Integrated Prevention and Control of the Environment Pollution, conduct a comprehensive and objective analysis of its application so far and implement a comprehensive and participatory consultative process.		Within the framework of the Starting Points of the Draft Law on Integrated Prevention and Control of the Environment Pollution, a brief ex-post analysis of the implementation so far was carried out, and a short consultative process on the Starting Points was organized. Subsequently, a public hearing on the Draft Law was held.	Adopt and consistently enforce the new Law on Integrated Prevention and Control of the Environment Pollution and its accompanying by-laws, alongside regular and transparent monitoring of their implementation.

Recommendations in the previous report	Status	Comment	Recommendations
Competent authorities should accelerate the issuance of integrated permits and implement the Action Plan for the Development of Administrative Capacities, improve all administrative procedures in the process of issuing and controlling integrated permits, as well as increase capacities at all levels of administrative management, including inspections.			Accelerate the issuance of integrated permits, implement the Action Plan for the Development of Administrative Capacities, improve all administrative procedures related to the issuance and control of integrated permits, and increase capacities across all levels of administrative management, including inspections.
Strengthen the capacities of local communities for the application of regulations both in the field of industrial pollution and in the entire field of environmental pollution.		The Starting Points and the Draft of the new Law on Integrated Prevention and Control of the Environment Pollution envisage a stronger role for local self-government units.	Strengthen the capacities of local self-government units for the application of regulations both in the field of industrial pollution and in the entire field of environmental pollution.
Through the implementation of the new Law, improve the existing public Register of Integrated Permits so that it is more up to date and accurate, and make the updated information available to the interested public.		The public Register of Integrated Permits should be one of the products of the unified information system.	Through the implementation of the new Law, improve the existing public Register of Integrated Permits, making it more complete, accurate, and accessible to the interested public.
Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution, develop a unique electronic system to support administrative procedures for issuing and controlling integrated permits, which would significantly increase the efficiency and transparency of the process.		One of the objectives of the new Law on Integrated Prevention and Control of the Environment Pollution is the establishment of a unified information system for managing the integrated permit issuance procedure and inspection control.	Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution, develop a unique electronic system to support administrative procedures for issuing and controlling integrated permits, which would significantly increase the efficiency and transparency of the process.

Recommendations in the previous report	Status	Comment	Recommendations
Strengthen monitoring systems for water, air, and soil quality in the zones affected by industrial facilities.	⊗		Strengthen monitoring systems for water, air, and soil quality in the zones affected by industrial facilities.
Educate employees in the business sector, professional institutions, CSOs and citizens on industrial emissions and provide timely and objective information to the public.	⊗		Educate employees in the business sector, professional institutions, CSOs and citizens on industrial emissions and provide timely and objective public information.
Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution and other regulations, increase public participation in the process of issuing integrated permits and improve communication between competent authorities and the public.	◔	Improving access to information is expected to be one of the outcomes resulting from the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution and other regulations.	Through the implementation of the new Law on Integrated Prevention and Control of the Environment Pollution and other regulations, increase public participation in the process of issuing integrated permits and improve cooperation between competent authorities and the public. Encourage civil society organizations and citizens to participate in decision-making regarding industrial emissions and in monitoring the implementation of adopted decisions on issuing and revising integrated permits.

New recommendation:

1. Ensure the implementation of best available techniques (BAT) conclusions in industrial plants through the consistent enforcement of the new Law on Integrated Prevention and Control of the Environment Pollution, responsible actions by the Ministry of Environmental Protection, along with appropriate incentive measures.
2. Apply the principles and criteria set out in the Reference Document on Economics and Cross-Media Effects (ECM BREF) in the process of issuing integrated permits.
3. Consistently implement the recommendations of the State Audit Institution.
4. Review issued permits twice during their validity period, in accordance with the Law.

Appendix 3

Methodology and list of Authors (Organizations) by fields

Section	Methodology	Contributing organizations:
Financing in the Field of Environmental Protection and Climate Change in 2025 and 2026	• Analysis of environmental protection expenditures in 2025 and 2026: assessment of total expenditures; analysis of expenditures by budget users, economic classification and environmental protection sectors at the national level; a separate analysis of expenditures by 168 local self-government units, based on cross-checking functional and program classifications to identify expenditures recorded under unrelated budget codes; analysis of the Green Budget of the Republic of Serbia for 2025 and 2026 (Annex 1a). • Analysis of environmental protection financing from the national budget of the Republic of Serbia during the 2014–2023 period, broken down by sector. • Sources: Treasury Administration data on the execution of the national budget of the Republic of Serbia and the budgets of local self-government units for 2025; the 2026 Budget Law of the Republic of Serbia; the Environmental Protection Strategy of the Republic of Serbia until 2033; the Fiscal Strategy for the 2027–2029 period and the Fiscal Council's opinion on its draft; analyses by non-governmental organizations and professional associations; and other publicly available and official data sources.	• Slobodan Minić, Public Finance Expert • Coalition 27 Member Organizations

Section	Methodology	Contributing organizations:
Horizontal Legislation	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Data on the implementation of Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) procedures were collected through participation in public hearings and consultations with local authorities and civil society organizations (CSOs).	• Belgrade Open School • Young Researchers of Serbia • Platform for Social Development and Innovation (CORE)[214]
Air Quality	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Direct communication with air quality experts (meetings, workshops and interviews). • Consultations with relevant institutions. • Media content analysis.	• Belgrade Open School
Waste Management	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Cooperation with waste management experts. • Analysis of relevant statistical data available online.	• Environment Engineering Group

Section	Methodology	Contributing organizations:
Water Quality	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Direct communication with water management experts (meetings and workshops). • Participation in working groups for drafting by-laws and national implementation plans (working groups of the Ministry of Environmental Protection).	• The Nature Conservancy[214] • World Wide Fund for Nature Adria – Serbia (WWF Adria – Serbia) • Young Researchers of Serbia
Nature Protection	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Direct communication with nature conservation experts (meetings and workshops). • Field research: Collection and analysis of data on habitats and species. • Participation in working groups for drafting by-laws and national implementation plans (working groups of the Ministry of Environmental Protection).	• Young Researchers of Serbia • Bird Protection and Study Society of Serbia • World Wide Fund for Nature Adria – Serbia (WWF Adria – Serbia) • The Nature Conservancy
Chemicals Management	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of institutional and administrative capacities and practical implementation.	• Safer Chemicals Alternative (ALHem)

214 The Nature Conservancy is not a member of the Coalition 27 network

Section	Methodology	Contributing organizations:
Climate Change	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Media content analysis.	• Environmental Improvement Centre • Belgrade Open School • Climate Action Network Europe (CAN Europe)
Forestry	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Direct communication with forestry experts (meetings and workshops).	• World Wide Fund for Nature Adria – Serbia (WWF Adria – Serbia) • Private Forest Owners Association "BOR"[215] • The Nature Conservancy
Industrial Pollution and Risk Management	• Policy analysis: Comparative analysis of national legal and strategic documents and EU legislation – documents and information were collected from official sources available online. • Analysis of relevant studies and projects. • Analysis of institutional and administrative capacities and practical implementation. • Analysis of relevant statistical data available online	• Society of Young Researchers Bor[216] • Belgrade Open School

215 The Association of Private Forest Owners "BOR" is not a member of the Coalition 27 network.

216 The Association of Young Researchers of Bor is not a member of the Coalition 27 network.

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