

STABILISATION AND ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND SERBIA

The Stabilisation and Association Council

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COVER NOTE

Subject: Sixth meeting of the EU-Serbia Stabilisation and Association Council
(Brussels, 25 January 2022)

Delegations will find attached the position paper of Serbia tabled on the occasion of the 6th meeting of the Stabilisation and Association Council between the European Union and Serbia.

**Stabilisation and Association Council meeting between
the Republic of Serbia and the European Union**

Position Paper of the Republic of Serbia on the Stabilisation and Association Process

January 2022

I Introduction

1. Membership in the European Union is a strategic goal of the Republic of Serbia, stemming from a strong commitment to the fundamental ideas, achievements and values of the European Union. The Republic of Serbia recognises the Stabilisation and Association Process, as well as the EU accession negotiation process, as a strong impetus for the continuation of political and economic reforms. At the same time, the EU integration process is an important part of the internal reform and development agenda, having in mind that the Republic of Serbia is implementing reforms because the process is in our national interest.
2. The Republic of Serbia welcomes the fact that the EC has recognised Serbia as a frontrunner for EU membership and remains committed to A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans (2018). Serbia welcomes the fact that the Strategy defines a specific timeframe for the next enlargement of the EU and the accession of countries ready for membership. The Enlargement Strategy is a very important document and is an impetus for our country to pursue and accelerate the implementation of activities aimed at acquiring full membership in the EU, and we expect that the EC will also consistently implement said document.
3. The twelfth Intergovernmental Conference on the Republic of Serbia's Accession to the European Union was held at a high political level in Luxembourg on 22 June 2021. The official beginning of the implementation of the new methodology in negotiations on the Republic of Serbia's accession to the European Union was marked at this meeting. In addition, it was noted that the Republic of Serbia had opened Cluster 1 – Fundamentals, given that all negotiation chapters in that cluster had already been opened over the course of negotiations. The Republic of Serbia presented the measures undertaken in order to create conditions for the application of the new methodology in practice, progress in the rule of law area, and reform activities undertaken within clusters, particularly Cluster 3 – Competitiveness and Inclusive Growth and Cluster 4 – Green Agenda and sustainable connectivity, expressing expectation that the negotiation process will enter a more dynamic stage in the upcoming period, given the official beginning of the application of the new methodology.

4. The thirteenth Intergovernmental Conference on the Republic of Serbia's Accession to the European Union was held at a high political level in Brussels on 14 December 2021. Cluster 4 – Green Agenda and sustainable connectivity was officially opened at the meeting. Cluster 4 covers four negotiation chapters: Chapter 14 – Transport policy, Chapter 15 – Energy, Chapter 21– Trans-European networks, and Chapter 27 – Environment and climate change.
5. The Government of the Republic of Serbia welcomed and accepted the new methodology as a new impetus for membership negotiations, particularly bearing in mind that the innovated approach could additionally improve and accelerate the process of EU enlargement.
6. On 19 October 2021, the European Commission presented the Report on Serbia for 2021, which states that the Serbian Government continues to declare that the European integration is its strategic goal and that the structure of the Ministry of European Integration has been adjusted to meet the requirements of the revised methodology.
7. It is also important to note that reporting within this year's enlargement package reflects proposals for the enhanced approach to the accession process which was introduced in the EC Communication 'Enhancing the accession process – A credible EU perspective for the Western Balkans' of 5 February 2020, whose goal is the revitalisation of the accession process for WB countries.

8. The Republic of Serbia is very motivated to advance further in the European integration process. Now more than ever, when political and economic progress is questionable due to the fight against COVID-19, it is crucial that the EU membership perspective preserves its positive context and dynamism. Serbia will continue to be a reliable partner to the EU, and the Serbian Government will remain strongly committed to the continuation of the reform process in all areas, ensuring a stable environment for further socio-economic progress. This has also been recognised in the EC Annual Report, which notes that the Serbian Government has met a series of vital benchmarks within Cluster 3 (Competitiveness and inclusive growth) and Cluster 4 (Green Agenda and sustainable connectivity). Following this assessment, Cluster 4 was opened. The Republic of Serbia currently has opened 2 clusters (Cluster 1 – Fundamentals and Cluster 4 – Green Agenda and sustainable connectivity).
9. Owing to the SAA and accession negotiations, the Republic of Serbia is already partially integrated into the European economic processes, and therefore it wishes to take its place in the EU, respecting the rules of market economy, social justice and striving to further improve its own capacities in order to be ready to fully meet the obligations of the EU membership on the date of accession.
10. The Republic of Serbia fully shares the position of the EU, its institutions and Member States, that the progress of candidate countries in the process of accession to the EU is to be based on the results achieved in the implementation of necessary reforms.
11. The Government of the Republic of Serbia continues to implement the necessary reforms and confirms that the EU membership is a strategic goal of Serbia. The Ministry of European Integration continues to coordinate and monitor the implementation of the SAA, and, within its competence, monitors and encourages progress in the alignment of national legislation with the EU acquis, which also includes proper application and implementation of regulations. The Republic of Serbia reiterates its strategic goal set forth at the First Intergovernmental Conference and that is to be fully prepared, within a realistic timeframe, to assume the obligations arising from the EU membership in order to become a Member State.

12. The Republic of Serbia started accession negotiations with the European Union at the First Intergovernmental Conference held in Brussels on 21 January 2014. At the Second Intergovernmental Conference held in Brussels on 14 December 2015, the first negotiation chapters were opened, namely: 32 Financial control and 35 Other issues, dedicated to monitoring the implementation of agreements reached within the dialogue between Belgrade and Pristina. At the Third Intergovernmental Conference held in Brussels on 18 July 2016, the following chapters were opened: 23 Judiciary and fundamental rights and 24 Justice, freedom and security. At the Fourth Intergovernmental Conference held in Brussels on 13 December 2016, Chapter 5 – Public procurement was opened, while Chapter 25 - Science and research was opened and provisionally closed. At the Fifth Intergovernmental Conference held in Brussels on 27 February 2017, Chapter 20 – Enterprise and industrial policy was opened, while Chapter 26 – Education and culture was opened and provisionally closed. At the Sixth Intergovernmental Conference held in Luxembourg on 20 June 2017 , two chapters were opened, namely Chapter 29 – Customs union and Chapter 7 – Intellectual property rights. At the Seventh Intergovernmental Ministerial Conference on Serbia’s accession to the European Union, held in Brussels on 11 December 2017, Chapter 6 – Company law and Chapter 30 – External relations were officially opened. At the Eighth Intergovernmental Ministerial Conference on Serbia’s accession to the European Union, held in Luxembourg on 25 June 2018, Chapter 13 – Fisheries and Chapter 33 – Financial and budgetary provisions were officially opened. At the Ninth Intergovernmental Conference, held in Brussels on 10 December 2018, Chapter 17 – Economic and monetary policy and Chapter 18 – Statistics were opened. At the Tenth Intergovernmental Conference on the Republic of Serbia’s accession to the EU, held in Brussels on 27 June 2019, negotiations on Chapter 9 – Financial services were opened. At the Eleventh Intergovernmental Conference on the Republic of Serbia’s accession to the EU, held on 10 December 2019, negotiations on Chapter 4 – Free movement of capital were opened. At the Thirteenth Intergovernmental Conference on the Republic of Serbia’s accession to the EU, held in Brussels on 14 December 2021, Cluster 4 – Green Agenda and sustainable connectivity was officially opened. Cluster 4 covers four negotiation chapters: Chapter 14 – Transport policy, Chapter 15 – Energy, Chapter 21– Trans-European networks, and Chapter 27 – Environment and climate change.

13. The Republic of Serbia submitted to the EU Council presidency the following: Negotiating Position for Chapter 2 – Freedom of movement for workers on 23 July 2018, Negotiating Position for Chapter 3 – Right of establishment and freedom to provide services on 5 December 2019, and Negotiating Position for Chapter 10 – Information society and media on 11 May 2021. The Republic of Serbia submitted the Negotiating Position for Chapter 19 – Social policy and employment on 11 May 2021 and the Negotiating Position for Chapter 16 – Taxation on 28 May 2021. In addition, in July 2020, the Republic of Serbia submitted the revised actions plans for Chapter 23 – Judiciary and fundamental rights and Chapter 24 – Justice, freedom and security to the EU Council presidency. Serbia’s progress in the EU accession negotiation process is both the confirmation of success of the EU enlargement project and the demonstration of the commitment of the EU to continue this process, at the same time ensuring its credibility and conditions for fulfilling the assumed obligations of both parties in negotiations.
14. In accordance with the received invitations for the submission of negotiating positions, the Republic of Serbia is working intensively on the preparation of the negotiating position in the area of Consumer and health protection (28). The Republic of Serbia is continuously working on fulfilling the opening benchmarks for chapters in the area of Free movement of goods (1), Competition policy (8), Food safety, veterinary and phytosanitary policy (12). Within Chapter 11 – Agriculture and rural development, the EC estimated that Serbia fulfilled both benchmarks and, accordingly, on 11 February 2019, it sent the Report on the fulfilment of the opening benchmarks for this chapter to COELA for consideration. Within Chapter 19, the Action Plan, whose adoption was set as an opening benchmarks for this chapter, was adopted at the Government session of 28 May 2020. The EC assessed that Serbia had met the benchmark, and, accordingly, it presented the Report on the fulfilment of the opening benchmarks for this chapter to COELA on 9 November 2020. . So far, 26 Member States have given consent for Chapter 19 in OBAR. The Negotiating Position for Chapter 19 was adopted at the Government session of 11 May 2021.
15. In October 2021, the Republic of Serbia received the regular EC Report on the state of the reform process in the Republic of Serbia, which noted progress in most areas. This level of progress enabled the opening of Cluster 4 – Green Agenda and sustainable connectivity.

II COVID-19 pandemic and EU assistance

16. The effects of the COVID-19 crisis in the Republic of Serbia have been mitigated owing to a strong impetus prior to the crisis, significant and timely measures of fiscal and monetary support, sectoral structure of economy and a relatively low average strictness of suppression measures. The fiscal space created prior to the crisis enabled Serbia to ensure significant fiscal support for crisis mitigation in 2020 and 2021 and to considerably increase its capital consumption. The Government of the Republic of Serbia has remained committed to macroeconomic stability and economic reforms, while, in response to the COVID-19 crisis, both the Government and the National Bank of Serbia have undertaken a series of significant and timely fiscal and monetary measures for mitigating the economic effects of the pandemic.

The COVID-19 Crisis Response Team is continuously following the development of the epidemiological situation and is adjusting protection measures accordingly. Since the beginning of the pandemic, three new hospitals for the treatment of patients with severe forms of the disease have been opened, and Serbia has been continuously working on establishing the best possible system of COVID-19 patient care, as well as for unhindered treatment of patients who need hospital treatment due to other diseases. Immunisation of the population is continuous and, so far, Serbia has procured vaccines from five producers: Pfizer–BioNTech, Sinopharm, Sputnik V and AstraZeneca, while SPIKEVAX (formerly named “Moderna”) has been available since November 2021. The Republic of Serbia joined COVAX Facility and in 2021, based on participation in this programme, it obtained 292,800 vaccine doses. Data have shown that, 3.3 million of first doses, 3.1 million of second, and around 1.4 million of third doses of vaccines were administered in the Republic of Serbia by the end of 2021. On 15 November 2021, the European Commission adopted a Decision establishing the equivalence, for the purpose of facilitating the right of free movement within the Union, of COVID-19 certificates issued by the Republic of Serbia to the certificates issued in the EU. Based on the decision, Serbia is connected with the EU system of digital COVID certificates and its certificates will be recognised under the same conditions as those issued in the EU Member States. Serbia has approved the EU COVID-19 certificate for travels from the EU to Serbia. The Republic of Serbia has donated a large number of vaccine doses to other countries, while it has received donations from the European Union and its Member States in the form of medical equipment and vehicles.

Since the beginning of the pandemic, financial support to the economy and citizens has been provided on multiple occasions. Support to the economy has been provided within the Package of measures related to the deferment of tax payments with the possibility of later payment in instalments, and the deferment of payment of income tax and contributions for the purpose of ensuring liquidity, maintaining economic activity and employment. The measures include advance payments of income tax and the exemption of donors from the obligation to pay VAT. The Government of the Republic of Serbia has also adopted regulations enabling payments of financial assistance to employees in the industries most severely affected by the pandemic, such as tourist guides and escorts, support to night bars and clubs, sports organisations for the purpose of preserving the stability of the sport system in the Olympic and Paralympic branches, independent professionals in culture, transportation companies, as well as increased salaries for healthcare workers and payments of one-off assistance to employees in social protection centres. All adult citizens have received financial support in the form of one-off cash assistance for the purpose of helping citizens, maintaining the standard of living and promoting domestic demand.

17. We are grateful to the European Union for its readiness to enable the emergency reallocation of IPA II funds and their more flexible use so that we can fully use the available assets for strengthening our health system during the pandemic. Purchase of sanitary and other equipment, transfer of the equipment, assistance to particularly jeopardised and vulnerable groups, additional engagement of health workers and support in the vaccination process have further strengthened the EU visibility.
18. We are particularly grateful for the opportunity to use the EU Solidarity Fund under the same conditions as all EU Member States. The Republic of Serbia prepared a serious and transparent application which enabled us to receive almost EUR 12 million in grants from this Fund, which will additionally strengthen our efforts in preventing the further spread of the virus. We expect that a related grant agreement will soon be concluded.

III Political Criteria

Introduction

19. The Republic of Serbia is paying special attention to the reforms in the area of the rule of law, judicial reform, fight against corruption and organized crime and fundamental rights. Serbia has managed to achieve significant results in the area of the rule of law, as recognised in the EC Annual Report, which noted some progress in all areas. Under the new methodology, the chapters covering the rule of law area have been grouped under Cluster 1 – Fundamentals.

Constitutional amendments

20. Above all, Serbia has initiated and nearly completed the procedure of amending its highest legal act, the Constitution, in the part referring to the judiciary. Constitutional amendments had been prepared in cooperation with the Venice Commission before they were submitted to the National Assembly. On 4 December 2020, the Government submitted the Proposal for the Amendment to the Constitution to the National Assembly. The National Assembly considered this Proposal for the Amendment to the Constitution, under regular procedures. From 29 April to 2 June 2021, seven public hearings were organised regarding the Proposal for the Amendment to the Constitution. The National Assembly assessed that the Government's proposal for the amendment to the Constitution was in accordance with the Constitution and law, initiating the procedure for the amendment to the Constitution. At the special sitting of the National Assembly on 7 June 2021, the National Assembly adopted the Proposal with a two-thirds majority, followed by the Decision of 23 June 2021 concerning the establishment of the Working Group for the preparation of the Act on the Amendment to the Constitution of the Republic of Serbia. The Working Group finished its work on 3 September 2021, followed by the public hearings on the Draft Act on the Amendment to the Constitution and the Draft Constitutional Law held between 13 and 17 September 2021. The text of the Act on the Amendment to the Constitution and the text of the Constitutional Law for the implementation of the Constitution were agreed on 21 September 2021, and they differed from the texts the Venice Commission had previously given its opinion on. For that reason, the Proposal for the Act on the Amendment to the Constitution and the Draft Constitutional Law were again submitted to the Venice Commission for opinion on 24 September 2021, after which the Venice Commission adopted a positive opinion and gave certain recommendations for improving the text. The new text with additionally implemented recommendations of the

Venice Commission was submitted for urgent opinion on 26 October 2021. On 24 November 2021, the Venice Commission issued its opinion giving a positive assessment to the final version of constitutional amendments and noting that all key recommendations had either been fully implemented or implemented in line with international standards. At the plenary session held on 30 November 2021, the National Assembly adopted the Act on the Amendment to the Constitution, the Constitutional Law for the Implementation of the Amendment to the Constitution and the Decision to Call a Referendum to Verify the Act on the Amendment to the Constitution. On the same day, the National Assembly Speaker announced the holding of the Referendum to Verify the Act on the Amendment to the Constitution for 16 January 2022. The Act on the Amendment to the Constitution was verified at the referendum, so the promulgation of the Constitution in the National Assembly will be finalised in the second half of January 2022 or mid-February 2022. On the same day, the National Assembly will promulgate the Act on the Amendment to the Constitution (Constitutional Law for the Implementation of the Amendment to the Constitution), which will complete the process. The Law on the Referendum and the National Initiative was adopted at the National Assembly sitting of 25 November 2021.

21. **A total of 1,960,010 citizens of Serbia voted at the referendum, which makes up 30.65 % of registered voters. The referendum question was the following: “Do you support the ratification of the Act on the Amendment to the Constitution of the Republic of Serbia?” According to the provisional results of the Republic Electoral Commission and 98.79 % of processed polling stations and 98.24 % of votes, 1,170,406 voters (59.71 %) voted “Yes”, while 769,481 (39.26 %) voted “No”. There were 19,496 (0.99 %) invalid ballots. If there is no repeated voting in any polling station, the deadline for the Commission to announce the final results in Friday, 21 January, until 20:00h.**

22. **The amendment to the Constitution in the part referring to the functioning of the judiciary is one of the crucial activities within Cluster 1 – Fundamentals. The aim of the constitutional reforms is to ensure an efficient judicial system founded on the principles of independence, professionalism and responsibility. All judicial laws and by-laws in this area will be aligned with the new constitutional provisions. The constitutional amendments are aimed at achieving greater separation of the judiciary from the legislative and executive branches of government, i.e. at ensuring greater independence of the judicial branch absent from all political influence. In this way, Serbia is sending a clear message that it is determined to respect and protect the fundamental rights and freedoms of its citizens, including the right to a fair and efficient trial.**

Fight against corruption

23. Serbia is undertaking considerable measures in the fight against corruption, including high-profile corruption. As part of the fight against corruption, a new systemic Law on Prevention of Corruption and the Law on Determining the Origin of Property and the Special Tax have been adopted and are fully in line with the EU acquis, international agreements and GRECO recommendations, and they are being applied. Serbia has concluded a cooperation agreement with EUROJUST, creating a general and comprehensive legal framework for the prevention of corruption and fight against organised crime. Progress has been made in terms of GRECO recommendations, where the overall level of alignment with the recommendations has improved. Serbia has continued to implement all GRECO recommendations. The National Assembly adopted the Code of Conduct for Members of Parliament, at the sitting of 24 December 2020. At the sitting of 22 July 2021, the National Assembly adopted the Amendments to the Law on the High Judicial Council and the Law on Judges. Both laws entered into force on 5 August 2021. At the session of 30 September 2021, the Serbian Government adopted the Operational Plan for the Prevention of Corruption in Areas of Particular Risk.

Media freedom

24. Serbia has continued to implement a new and enhanced Media Strategy and the action plan for its implementation. These documents in the area of the freedom of expression have been adopted through a completely inclusive and transparent procedure. Some progress in this area was also recognised by the European Commission, as its Annual Report noted the beginning of the implementation of a number of measures based on the Action Plan for the Media Strategy. Two working groups that the Government established, the Working group on monitoring the implementation of the Action Plan and the Working group on journalist safety and protection, have continued their work.
25. With regard to journalist protection, it can be noted that the police have acted on all reported cases of threats and intimidations against journalists, where most of them have already been processed. Furthermore, the Government has adopted a decision on extending the mandate and competences of the Commission for investigating old cases involving the murder of journalists, granting it greater authority. The murders of journalists that occurred during the 1990s and early 2000s no longer happen in Serbia. On 2 December 2021, in the repeated procedure for the murder of Ćuruvija, the Chamber of Judges in the Special Section of the District Court gave first instance judgement and sentenced four convicts, two of which are top State Security Service officers, to 100 years in prison in total. The call centre for reporting assaults, insults and threats to the media started operating on 1 March 2021. An OSCE-financed analysis of the Criminal Code is currently being conducted with the aim of introducing a new category of criminal offence – assault on journalists. The Ministry of Culture and Information has invited the media associations that withdrew from the Working Group on journalist safety and protection to reconsider their decision. So far, this Working Group has shown that together, not only with its proposals but also with concrete actions within its mandate, it can give considerable contribution to the improvement of journalist safety and bringing their protection to the highest level.

Human and minority rights

26. The Government of the Republic of Serbia pays special attention to the respect of human rights, protection of minorities and socially vulnerable groups (especially Roma inclusion and protection of LGBT rights, the issues of protecting minority and/or ethnic groups).
27. Considering the importance of respecting and guaranteeing fundamental rights and national minority rights, the new Law on Gender Equality was adopted in Serbia and it is being implemented, as well as the amendments to the Law on the Prohibition of Discrimination. On 14 October 2021, the Government adopted the National Strategy for Gender Equality for the period 2021–2030. At the session held on 3 November 2021, the National Assembly adopted the Law on Ombudsman and Law amending the Law on Free Access to Information of Public Importance. Draft law amending the Law on Juvenile Offenders and Protection of Minors in Criminal Proceedings has been prepared.
28. Serbia has joined the Declaration of Western Balkans Partners on Roma Integration within the EU Enlargement Process. The European Union has adopted the EU Roma Strategic Framework for Equality, Inclusion and Participation until 2030. Given the altered context and the aforementioned new documents, there has been a need to change and align the existing Strategy for Social Inclusion of Roma Men and Women in Republic of Serbia for the period 2016–2025. Accordingly, a text of the amended Proposal for the Strategy for Social Inclusion of Roma Men and Women in Republic of Serbia for the period 2022–2030 has been prepared.

Migration policy

29. As regards the fight against illegal migration, money laundering and terrorism, it can be said that Serbia is one of the leading countries in cooperating with the EU on the fight against illegal migration. The asylum system is fully aligned with the EU system. Serbia is a dedicated and reliable partner to the international community in the fight against terrorism as a global threat, and is fully operationally cooperating with Frontex and EUROJUST. Laws on asylum, border control, foreigners and DNA register are aligned with the EU acquis. The implementation of these laws further contributes to an effective migration policy, fully in line with the highest European standards. The agreement on status between the Republic of Serbia and the European Union regarding actions conducted by the European Border and Coast Guard Agency in the Republic of Serbia has been applied since 1 May 2021.
30. As for the migration crisis, the Republic of Serbia has shown that it is a reliable partner ready to assume its share of responsibility within a common solution to this complex issue. Serbia is one of the leaders in cooperating with the EU and its Member States on the fight against illegal migration.

Prevention of money laundering and fight against terrorism

31. Together with regional bodies, Serbia will continue to work on preventing money laundering, financing of terrorism and other threats to the international financial system. Adoption of the Law on the National Database for Prevention and Fight Against Terrorism of 10 June 2021 will certainly contribute to that.
32. Serbia is no longer monitored by the Financial Action Task Force. Serbia has responded to all recommendations from FATF Action Plan, and all activities are either fully implemented or are in the final stage of implementation. All necessary laws, bylaws, guidelines and instructions have been adopted.

Belgrade–Pristina dialogue

33. The Republic of Serbia remains on the course of full commitment to fulfilling the obligations from the First Agreement on the Normalisation of Relations of 2013, as well as to all other agreements concluded within the dialogue. As a party that has fulfilled all its obligations, the Republic of Serbia expects the European Union and the European External Action Service to ensure the substantive continuation of the dialogue and the implementation of obligations by PISG in Pristina. In that sense, Serbia stresses that it is the only way to ensure appropriate living conditions for Serbs – as well as all other citizens – in Kosovo and Metohija, without discrimination and in line with the European and international standards.
34. Belgrade expressed its commitment and consistency in seeking peaceful and mutually acceptable solutions for individual issues on all relevant meetings within the Dialogue. Despite this position of the Serbian side, high-level meeting in June and July 2021 were not productive due to Pristina’s stern confrontational attitude, reflected in negating the validity of reached agreements within the Dialogue and setting ultimatum-like conditions to the Serbian side.
35. The Republic of Serbia is following with grave concern the rise in ethnic animosity towards the Serbian community in Kosovo and Metohija, which were almost constantly generated by all political figures of Kosovo Albanians throughout 2021. This attitude of the majority of the political corpus in the autonomous province, systematically prevents the connection and reconciliation between Serbs and Albanians, which is particularly evident during regular escalations of nationalist rhetoric by Albanian politicians before and after elections, such as the statements made by Pristina leaders during 2021 that the Dialogue would not be among the Pristina’s priorities, that it would be conditioned, and the First Agreement would be reviewed so as to “reset” the Dialogue, all the way to dangerous announcement of unification with the Republic of Albania.

36. Due to the aforementioned circumstances, the majority of time since the submission of the previous Position Paper has passed in EU mediators' attempts to lead Pristina to fulfil the undertaken obligations and to tackle and eliminate the effects of new unilateral moves made by Pristina which have been creating unnecessary crises. What is more, in the previous period, Pristina has regularly generated unnecessary new problems, such as the case with the unilateral and one-year early revoking status-neutral "KS" registration plates and the case of depriving the citizens of the Republic of Serbia of their fundamental democratic right to vote at the referendum on constitutional amendments.
37. The Serbian side welcomes the intensive involvement of the EU High Representative for Foreign Affairs and Security Policy, Josep Borrell, and the EU Special Representative, Miroslav Lajčák, who held multiple joint and individual meetings with representatives of Belgrade and Pristina throughout the previous year. However, their messages on the obligation of forming the Community of Serb Municipalities and the restitution of land to Dečani Monastery, as well as all invitations to meetings, were not accepted by Pristina. In that sense, the Republic of Serbia reiterates the need for consistent fulfilment of the obligations undertaken by both sides within the Dialogue, as a precondition for further progress in the negotiating framework. The Serbian side emphasises the need for the Dialogue to be conducted in a defined, status-neutral, international-law based framework of the relevant 2010 UN GS Resolution, and to be organised in the spirit of cooperation and mutual respect.

38. The main prerequisite for ensuring such circumstances for the Dialogue is primarily the respect of the principle *pacta sunt servanda*, i.e. the recognition of all obligations to implement all agreements that have already been signed. Given the vital importance of that issue for the process of normalisation, the above statement primarily refers to the need to form the Community of Serb Municipalities as soon as possible, as the main ratio and predominant content of the First Agreement. The current situation in which Pristina openly and publicly refuses to fulfil the obligations in this regard – and publicly states that it will never do so, or, at best, that it will do it only after the conclusion of a possible comprehensive agreement, but not in line with the First Agreement, Implementation Plan and General Principles, but in line with a decision of its so-called “Constitutional Court” – is evidently not sustainable. Therefore, the Serbian side believes that it is simply obvious that, for the sake of short-term and long-term success of the Dialogue, Pristina’s obstructions in the implementation of concluded agreements must be condemned and rejected as a matter of urgency. Only after that, i.e. after both sides verify that all previously concluded agreements are consistently and fully implemented will there be objective circumstances to consider modalities of moving the Dialogue into a substantially new phase.

Public administration reform

39. Since the public administration reform is one of the three main pillars in the enlargement process, as emphasized in the Enlargement Strategy, the Government will continue to address the issues related to its reform in the forthcoming period. The adopted Strategy for Public Administration Reform 2021–2030 is the reform basis for this process, together with the Action Plan for its implementation in the period 2021–2025. The entire process of preparing the new Strategy was conducted with participation of all relevant institutions of Serbia and civil society organisations, and it is realised through an EU-supported project.

40. The Republic of Serbia is grateful to the European Union for the grant assistance it has provided for the implementation of measures contributing to greater efficiency of public administration at the national and local level, which improves the quality and speed of providing services to citizens and the economy. In this regard, we are particularly grateful for the sector budget support from the 2015 IPA Action Programme, worth EUR 80 million, which has had a strong impact on comprehensive reforms in this area. In that sense, significant results and changes have been achieved with regard to strengthening the capacities of administration bodies and policy coordination, human resources management, public financial management, and the improvement of administration's openness through the participation of the civil sector in the process of policy making and implementation.
41. Given the importance of the implementation of measures contributing to the efficiency of the work of public administration and public finance, the Republic of Serbia suggested during 2022 IPA III programming the continuation of sector budget support in the area of public administration reform so as to ensure results and continuity in key areas of this reform, such as improvement in human resources management, work of the public administration and public financial management. Within the process of 2022 IPA programming, sector budget support in the amount of EUR 30 million was proposed for the implementation of the judicial reform, which will be a significant incentive for progress in strengthening judicial independence and autonomy and improving the quality of work and efficiency of the judicial system.

Cooperation with civil society organisations

42. Cooperation with civil society organisations has continued and their representatives actively participate in various working groups and advisory bodies. Civil society participation is particularly strong in the field of drafting legislation and writing strategy papers in the process of European integration. The National Convention on the European Union, established by civil society organisations for the purpose of monitoring the accession negotiations with the European Union, is recognized as an important partner in negotiations. Cooperation with the National Convention on the European Union is institutionally regulated since the Government and the National Assembly regulations clearly define its role in the consultation process in terms of drafting negotiation positions of the Republic of Serbia. The Government of the Republic of Serbia actively cooperates with all other associations of civil society organisations established for the purpose of monitoring the process of Serbia's accession to the European Union, while the Ministry of Human and Minority Rights and Social Dialogue is particularly working on improving the social dialogue. This Ministry has prepared a proposal for the strategy for the creation of a stimulating environment for the development of civil society in Serbia for the period 2021–2030.

Foreign and security policy

43. The Republic of Serbia is committed to intensive cooperation with the EU in the field of foreign and security policy. This cooperation is carried out in various forms and it includes a wide range of activities in this field, with one part being reflected in supporting declarations and other international acts of the EU. In the period before the accession and in accordance with the obligations set out in Article 10 of the SAA, the Republic of Serbia will continue to progressively align its foreign policy with the EU positions.
44. In 2020, the percentage of joining was 56.73% (joined 59 out of 104 invitations by the EU). In 2021, until 31 December 2021, the Republic of Serbia received 98 invitations, and joined 64 times (percentage of joining 65.31%). In 2022, out of the total of 12 invitations (9 invitations were sent in late December 2021), the Republic of Serbia joined 6 times, refused 4 times, while the remaining two invitations are currently under consideration. The Republic of Serbia joined 699 the EU statements at meetings of international organisations (UN, OSCE and CE) in the period 2019–2020, out of a total of 1128 invitations (62%).

45. The Republic of Serbia is achieving a high degree of cooperation with EU Member States and EU institutions regarding the EU Common Security and Defence Policy – CSDP. It is actively taking part in almost all its areas. In this way, the Republic of Serbia demonstrates its strategic commitment to EU membership and shows that it is a reliable and loyal partner, wishing to contribute to peace and security precisely through its cooperation with the EU. At the same time, participation in the CSDP enhances the operational capacities of the Republic of Serbia and helps to strengthen interoperability with the EU Member States.
46. The basis for cooperation and active participation of the Republic of Serbia in the CSDP was laid down in 2011, by signing important agreements with the EU in this area – Agreement between the European Union and the Republic of Serbia on Security Procedures for Exchanging and Protecting Classified Information and the Agreement between the Republic of Serbia and the European Union on Establishing a Framework for the Participation of the Republic of Serbia in European Union Crisis Management Operation. The signing of these agreements created a legal basis and built the necessary confidence for the inclusion of the Republic of Serbia in various fields of action within CSDP: participation in the EU crisis management operations, participation in battle groups, and cooperation with the European Defence Agency.
47. December 2021 marked 15 years of the Republic of Serbia’s membership in the NATO Programme ‘Partnership for Peace – PfP’). As a military neutral country with no aspirations for NATO membership, Serbia wants to improve the political dialogue and partner cooperation within the available mechanisms of the NATO PfP Programme for the purpose of providing a joint contribution to the preservation of peace and stability in the region. The political dialogue between Serbia and NATO is particularly enhanced through continuous meetings between Serbian President Aleksandar Vučić and NATO Secretary-General Jens Stoltenberg. Serbian President Aleksandar Vučić visited NATO headquarters in Brussels on 17 May 2021 and talked to NATO Secretary-General Jens Stoltenberg.

The second cycle of the Individual Partnership Action Plan – IPAP between the Republic of Serbia and NATO for the period 2019–2021 was successfully implemented. In consultations with NATO, Serbia is ready to initiate the process of preparing the newly established partner cooperation mechanism – the Individually Tailored Partnership Programme – ITPP between the Republic of Serbia and NATO.

The situation on Kosovo and Metohija is a particularly important segment of the dialogue between Serbia and NATO. Serbia supports and highly appreciates the involvement of KFOR international peacekeeping force in the Autonomous Province in the strict, full and impartial implementation of the mandate, as defined and assigned to KFOR under UN SC Resolution 1244. The Republic of Serbia expects KFOR to maintain its status-neutral position and to proactively act towards preventing any security breaches in the field.

48. The Republic of Serbia is currently (as of December 2021) participating in three peacekeeping operations of the EU with a total of 16 members of the Serbian Armed Forces: EUTM Somalia (6); EUNAVFOR ATALANTA Somalia (3, while 12 members were engaged in an autonomous platoon for the protection of ships from 20 June to 29 November 2021); EUTM RCA (7). Representatives of the Republic of Serbia also participated in the peacekeeping operation EUTM Mali until 4 June 2020. At the initiative and invitation of the EU, the Republic of Serbia expressed readiness to participate in the EU training mission in Mozambique (EUTM). As regards UN missions, the Republic of Serbia is currently participating in 5 missions with 265 members: Congo – MONUSCO (1), Cyprus– UNFICYP (10, of which 5 military police officers with the British contingent), Lebanon – UNIFIL (177), Middle East – UNTSO (1) and Central African Republic – MINUSCA (76). The total number of Serbian representatives who are currently engaged in various multinational operations around the world is 281, of which 265 in UN missions and 16 in EU missions. Out of the total number of engaged members, 42 are women, i.e. the share of women’s participation in said missions is currently 14.9%.

Taking into account all rotations, the total number of Serbian representatives who have participated in multinational operations in the previous years is between 550 and 680 at the annual level. In 2022, engagement of members of the Serbian Armed Forces is planned on bilateral basis within the US contingent in the mission ‘Multinational Force and Observers – MFO’ at the Sinai Peninsula, as well as within the Takuba Task Force in operation ‘Barkhane’ in the Sahel region, led by the French armed forces.

49. According to the latest UN list of countries by contributions to UN mission, the Republic of Serbia has taken the 48th place out of 122, and the 8th place among all European countries. When contributions are observed based on the countries’ population, the Republic of Serbia is the third largest contributor in Europe and the largest contributor in Southeast Europe (SEE).
50. The Republic of Serbia is committed to participation of civil structures in peacekeeping missions and operations. The Ministry of Foreign Affairs, in cooperation with the Subgroup tasked to provide the legal framework and strengthen the institutional capacities for participation of the Republic of Serbia in EU civil missions and other competent ministries and representatives of the civil society, developed the Action Plan for creating the capacities for the deployment of civilians in multinational operations for the period 2018–2021. Based on the Action Plan, a special group on civilian participation in international missions and operations was formed in the Ministry of Foreign Affairs, within the Department for CSDP and security challenges. Steps are being made towards the adoption of a special law on civilian participation in international missions and operations outside the borders of the Republic of Serbia. The Ministry of Foreign Affairs prepared the draft law and a public consultation was organised from 17 September to 7 October 2021. Following the public consultation, the updated text of the draft law was sent to competent ministries for opinion. Upon the finalisation of the entire administrative procedure, the draft law, with accompanying material, was submitted to the Government of the Republic of Serbia on 20 December 2021, which should determine the proposal for the Law and send it to the National Assembly for adoption.

51. On 10 July 2015, the Government of the Republic of Serbia passed a decision on joining the EU Battlegroup Concept. It has been agreed that, starting from 2020, Serbia participates in HELBROC Battlegroup with the following capacities: military police platoon, team force, civil-military cooperation team, up to 5 command officers and a national support element (NSE). Engagement is also planned during 2022.
52. The Republic of Serbia has harmonised its legislation in the field of the control of export of arms, military equipment and dual-use goods, given that the Law on Export and Import of Dual-use Goods and Law on Export and Import of Arms and Military Equipment have been adopted and implemented and that the Arms Trade Treaty (ATT) has been ratified. Control lists of dual use goods and military equipment that are used by the Republic of Serbia are regularly aligned with the control lists of the EU.
53. At the session of 23 July 2021, the Government of the Republic of Serbia adopted the Strategy against proliferation of weapons of mass destruction. At the session of 30 September 2021, the Assessment of risk from financing of proliferation of weapons of mass destruction was adopted as well. According to the Strategy, at the session held on 2 December 2021, the Government of the Republic of Serbia established the National coordination body for fight against weapons of mass destruction, which is in charge of implementation of the Strategy, National action plan for implementation of UN SC Resolution 1540 and the overall coordination of national policy of the Republic of Serbia in this field.
54. After the European Union had enacted the Global Strategy on Foreign and Security Policy of the Union, the Republic of Serbia started to amend its strategic documents (National Security Strategy, National Defence Strategy and the White Book). The National Assembly adopted these strategies on 27 December 2019, while the Government of the Republic of Serbia adopted the Action Plan for implementation of the National Defence Strategy on 14 October 2021 and the Action Plan for implementation of the National Security Strategy on 2 December 2021.

55. The Republic of Serbia has very good cooperation with the EU Military Staff and it has a liaison officer appointed therein since November 2017. Also, cooperation with the EU Military Committee is at an enviable level, while the meetings are regularly attended by the Chief of Defence of the Serbian Army (the last meeting was held in Brussels on 19 May 2021).
56. The Republic of Serbia is among few countries outside the EU that have concluded the administrative arrangements with the European Defence Agency. This cooperation is significant for promoting interoperability with the EU Member States, improving performances of arms industry and research potentials of domestic institutes, realising technological modernisation of armed forces and improving military and defence capacities.

Regional cooperation

57. The Republic of Serbia is fully committed to developing bilateral relations and neighbourly cooperation with all the countries in its immediate surroundings, as well as in the entire SEE. Special attention is given to the improvement of political dialogue and economic cooperation aimed at further strengthening of peace and stability, mutual trust and reconciliation in the region, as well as the level of protection of human and minority rights, and the growth of living standards of all citizens. The Republic of Serbia maintains intense bilateral communication with all neighbouring countries, and cooperates meaningfully with most of its neighbours through numerous regional initiatives. In addition, in cooperation with its neighbours, the Republic of Serbia has established highly beneficial trilateral forms of cooperation, it has adopted a constructive approach to resolving the migrant crisis and overcoming outstanding issues through a "good-faith" approach, as well as reaching mutually acceptable solutions through bilateral mechanisms.
58. The most important form of regional cooperation is the Open Balkans Initiative currently implemented with two neighbouring countries – Albania and North Macedonia. Within the initiative, several agreements were signed that contribute to the establishment of common economic area based on the principles of 4 freedoms of the EU. This Initiative is open and everyone in the region has been invited to join.

59. The Republic of Serbia attaches greatest importance to resolution of the remaining bilateral issues with the neighbouring countries. The Republic of Serbia is committed to resolving these issues through dialogue, i.e. bilaterally, with mutual respect, in a fair and principled manner, which is mutually acceptable. Serbia deems that this is the only approach that guarantees sustainable solutions, considering that it takes into account the interests of all stakeholders. Serbia has shown many times so far that it is sincerely interested in constructive, mutually acceptable and quick resolution of outstanding issues.
60. During the COVID-19 pandemic, the Republic of Serbia had intensive cooperation with the neighbouring countries and countries in the region - both in terms of evacuation of Serbian citizens and/or citizens of these countries, as well as regarding the provision of humanitarian and medical assistance and ensuring the supply of main commodities (with special emphasis on so-called 'green lanes').
61. The same context should be used to observe the decision of the Republic of Serbia to supply certain quantities of vaccines against COVID-19 to the neighbouring countries that requested such assistance, as well as to enable the citizens from the neighbouring countries to be vaccinated in the Republic of Serbia. The Republic of Serbia sees this exclusively as a humanitarian matter and an expression of true solidarity with the population of the countries in the region, and not an issue to be politicised.
62. The quality of bilateral cooperation in the region is significantly affected by the issues related to:
- Unequal treatment in the exercise of fundamental human rights of minorities in countries of the region where, in addition to some positive examples, there have been examples of serious ethnically motivated incidents and physical assaults against the members of the Serbian community over a longer period of time, as well as expressions of intolerance and hate speech in the public arena, which is insufficiently or selectively sanctioned;

- Disproportion in the normative framework concerning minority rights protection, which results in the fact that certain countries insist on advanced forms of protection of the rights of their minority in Serbia, while either refusing to recognize a Serbian minority in their own country or not allowing it to enjoy fundamental minority rights. There are also examples of a relatively developed normative framework which, in practice, is insufficiently or selectively implemented, and even obstructed, especially in terms of the right to the use of language and script, education, proportional representation in the state administration and so forth;
- Unsatisfactory level of respect of the rights of refugees, especially the right to return to one's country of origin, and the right to exercise the corpus of economic and social rights significant for the quality and sustainability of return;
- Delineation and succession among the states formed at the territory of former Yugoslavia;
- Ignoring the existing bilateral mechanisms for resolving specific outstanding issues by some neighbours - EU members, and their attempts to impose bilateral "solutions" through conditioning in the context of political relations between Serbia and the EU and accession negotiations.
- Unacceptable statements and activities from certain neighbouring countries, which escalated in the previous period, are largely the consequence of losing the region's EU perspective;
- Implementation of the Regional Housing Programme addressing the issue of permanent accommodation of the refugees from the former SFRY, which is in the phase of full implementation, and which is generally an example of good practice. Therefore, we believe that it is very important for all participating countries to fully implement both the Programme and the Sarajevo Process, especially in the part pertaining to acquired rights.

63. Contacts have been resumed at the level of co-presidents of the Intergovernmental Mixed Commissions (IMC) for national minorities of the Republic of Serbia and Romania, Republic of Serbia and Hungary and Republic of Serbia and North Macedonia, with a view to preparing the upcoming sessions of the IMC.
64. The Republic of Serbia has continued dynamic cooperation with practically all the countries of the Southeast Europe. In the previous period, numerous high- and working-level bilateral meetings were held with Albania, Bulgaria, Bosnia and Herzegovina, North Macedonia, Hungary, Slovenia, Italy, Romania, Greece, Cyprus, and Montenegro, including a great number of visits at the level of foreign affair ministers. In addition to bilateral visits at highest and high level with many neighbouring countries, promotion of bilateral cooperation was also contributed by joint government sessions. A trilateral meeting was also held at the level of foreign affair ministers between the Republic of Serbia, Cyprus and Greece (May 2021).
65. In the context of regional cooperation, the Republic of Serbia has continued to actively implement the agreements reached within the Berlin Process. In this sense, it has contributed significantly to the results of the latest Western Balkans Summit held in the form of a videoconference on 5 July 2021, following the summits held in Berlin (2014), Vienna (2015), Paris (2016), Trieste (2017), London (2018), Poznań (2019) and Sofia (2020).
66. Implementation of the Action Plan for Common Regional Market for the period 2021–2024 (adopted at the Sofia Summit in November 2020) that is based on the free movement of people, capital, goods and services, was discussed at the latest Summit within the Berlin Process. The main goal of the Summit was the adoption of four regional agreements: 1. Agreement on regional travel with ID cards for citizens in the region; 2. Agreement on regional travel for third-country nationals; 3. Agreement on recognition of academic qualifications; and 4. Agreement on recognition of professional qualifications, which are part of the Action Plan for Common Regional Market (AP for CRM). However, due to the lack of consensus on all (political and technical) aspects and wordings in the draft documents, these agreements were not signed at the Summit as planned.

67. The key results within the Berlin Process: Regional Youth Office was established with seat in Tirana, alike the German-French model; the Agreement was signed on the establishment of SEE Transport Community, with the Secretariat seat in Belgrade, and it started operating on 13 September 2019; Western Balkans 6 Chamber Investment Forum (CIF) was established with seat in Trieste; at the second WB Digital Summit (Belgrade, 4 April 2019), representatives of WB6 signed the Regional Roaming Agreement for lowering the price of roaming services in public mobile communication networks in the WB region; the AP for the establishment of Common Regional Market for the Western Balkans was adopted at the Sofia Summit on 10 November 2020, as well as the Green Agenda for the Western Balkans.
68. The Republic of Serbia took over the one-year presidency of the Western Balkans Fund (WBF) as from 1 January 2022. The WBF is included in the European Commission package CSF 2020 (Civil Society Facility), which proves that the European Union has recognised its work and credibility. On 12 July 2021, the WBF concluded the agreement with the European Commission (DG Neighbourhood and Enlargement Negotiations) for the amount of EUR 1 million. Two public calls for project financing will be funded from these EC funds in the upcoming 24 months.
69. The Republic of Serbia assumes a constructive approach to participation of temporary institutions from Pristina in the work of regional fora. Respecting the reached agreements and in line with the requirements of the European Commission, Serbia has accepted the participation of so-called Kosovo (with asterisk and standard footnote text): in the Regional Cooperation Council (RCC), in the South-East European Cooperation Process (SEEC), in the activities of Migration, Asylum, Refugees Regional Initiative (MARRI) and in the Western Balkans Fund (WBF). Serbia has thus met the obligation of non-preventing and non-blocking so-called Kosovo in the process of European integration.
70. The Republic of Serbia actively participates in the regional initiative Brdo-Brijuni Process. The last Summit of the BBP was held in Brdo near Kranj (R. of Slovenia) on 17 May 2021 and it was dedicated to the marking of the 10th anniversary of the Process.

71. It was planned for the Republic of Serbia to take over the one-year MARRI (Migration, Asylum, Refugees Regional Initiative) presidency in end-June 2022.
72. The Republic of Serbia actively participates in macro-regional strategies of the EU on an equal footing with the Member States (Danube and Adriatic-Ionian Strategy). In the EU Strategy for the Danube Region (EUSDR), Serbia coordinates two priority areas: no. 1b - infrastructure: railway, road and air transport (together with Slovenia) and no. 7 - science and knowledge economy (together with Slovakia). Serbia has representatives in each of the supervisory boards that are in place in the Strategy priority areas.
73. Commitment of the R. of Serbia both to the European integration process and to regional cooperation was strongly reflected during the previous presidency of the R. of Serbia to the Adriatic-Ionian Initiative (AII) and EU Strategy for the Adriatic-Ionian Region (EUSAIR) in the period from 1 June 2019 to 1 June 2020, We maintained our active approach in AII as member of the “presiding three” in AII and EUSAIR, during the Slovenian presidency from 1 June 2020 to 1 June 2021. At the largest gathering organised by Slovenia during its presidency: Ministerial Council of the AII/EUSAIR (11 May 2021) and 6th forum of the EU Strategy for the AI region (11 and 12 May 2021), Serbia was represented by Minister of Foreign Affairs N. Selaković and Minister of European Integration J. Joksimović.

War crimes

74. With regard to war crimes, cooperation between the Office of the War Crimes Prosecutor and International Residual Mechanism for Criminal Tribunals (IRMCT) has continued. National Strategy for War Crimes Processing for the period 2021--2026 was adopted by the Government of the Republic of Serbia on 14 October 2021.

75. In 2021, regular communication has continued between the officials of the Republic of Serbia and representatives of the Office of the War Crimes Prosecutor and International Residual Mechanism for Criminal Tribunals (IRMCT). War Crimes Prosecutor and Chief Prosecutor of IRMCT, Serge Brammertz, visited Belgrade on 19-20 September 2021, where he participated in the Regional Prosecutors Conference on cooperation in war crimes processing. During the visit, concrete steps were agreed for the purpose of promoting cooperation and they resulted in submission of answers to the Prosecution regarding a number of delayed requests, while a small number of still pending requests is still being processed.

On 14 October 2021, the Government of the Republic of Serbia adopted the National Strategy for War Crimes Processing for the period 2021–2026, with the relevant Action Plan. By adopting this Strategy, Serbia has proved its readiness to continue with the development of partner relations and close cooperation, both with the countries in the region and with international institutions, whose mandate is closely connected with prevention and sanctioning of war crimes.

During his visit to the Hague, from 29 to 30 November 2021, Foreign Affairs Minister Nikola Selaković met with president of the IRMCT, Carmel Agius and Chief Prosecutor Serge Brammertz. Focus of the talks was on cooperation between the Republic of Serbia and the IRMCT in the light of discussing the six-month report of the Residual mechanism.

76. The annual report of the International Residual Mechanism for Criminal Tribunals for the period from 17 May to 15 November 2021 indicates progress achieved in cooperation with the prosecution following the visit of the Chief Prosecutor to Belgrade and his talks with President Aleksandar Vučić and Minister of Justice Maja Popović.

Inter-party dialogue

77. Serbia is working on strengthening political pluralism and comprehensive interparty dialogue. Serbia has agreed to the participation of selected representatives of the European Parliament (EP) in order to encourage the inclusion and participation of even non-parliamentary parties in changing the election process. Within their participation, the EP representatives welcomed the steps made in a short time. Inter-party dialogue has continued with mediation of the European Parliament members on 9-10 July 2021 and 17-18 September 2021. On 18 October 2021, President of the National Assembly of the Republic of Serbia participated, through video-call, at a meeting of inter-party dialogue with mediation of the European Parliament. He also met with the European Parliament representatives on 28 October, 2 November and 26 November 2021, within the scope of the process. The inter-party dialogue in the National Assembly with political parties that do not want the mediation of EP representatives started on 28 April 2021. The President of Serbia attended these consultations. After the first meeting, the Working group for inter-party dialogue was established and it defined and coordinated further course of the dialogue. This Working group included the representatives of the stated opposition parties and its first meeting was held on 18 May 2021.

78. On 29 October 2021, President of the National Assembly and members of the Working group for inter-party dialogue, without mediation of foreigners, signed the Agreement on Promotion of Conditions for Holding Elections. Based on this Agreement and having regard to the role public broadcasters have in Serbia's public information system, particularly their role in election campaigns, and the fact that dialogue is an important part of Serbia's European path and perspective, and that proposed measures contribute to the creation of a climate of trust and to changes that would benefit the citizens, and in line with the EU standards, the Serbian Government adopted the Proposal for the Law on Amendments to the Law on Public Service Broadcasting on 16 December 2021. In line with the Proposal for the Law, public broadcasters must act in accordance with the principles of impartial, fair and balanced representation of political subjects, electoral lists and election candidates during their regular informative programme, as well as during special shows dedicated to the election campaign. For the purpose of informing the public on candidates' election activities, public broadcasters are particularly advised to organise radio and TV duels and face-offs to discuss certain popular political issues. The Proposal for the Law on Financing of Political Activities was adopted at the Government session of 17 January 2022. At the same session, proposals for the laws on the election of members of parliament, local elections, election of the President of the Republic, and amendments to the Law on Prevention of Corruption were adopted as a result of the interparty dialogue conducted under the auspices of the National Assembly.

IV Economic Criteria and Implementation of the SAA

79. The implementation of the SAA, which entered into force on 1 September 2013, is of great importance for Serbian economy and society. The implementation of the SAA is unhindered, to the mutual benefit of both parties to the Agreement. In order to ensure an uninterrupted implementation of the SAA, the Republic of Serbia and the EU have formed joint bodies for monitoring the implementation of the Agreement. All meetings of the Committee, line-subcommittees and special working groups were held according to the agreed plan and timetable.

80. Due to the current pandemic, as well as the fact that EU Member States and the Republic of Serbia initially limited foreign trade, the trade between the EU and the Republic of Serbia suffered negative consequences. Nonetheless, even in difficult foreign-trade conditions caused by the COVID-19 pandemic, the European Union has remain the most important economic partner of the Republic of Serbia, where the EU Member States comprised 61.4% of the total trade in 2020. For comparison, the share of trade with the EU in the total external trade of the Republic of Serbia in 2009, at the beginning of the application of the Interim Trade Agreement, was 56% even though the EU was the most important economic partner of the Republic of Serbia at that time as well. Trade in 2020 was EUR 24,560 billion compared to EUR 3.8 billion in 2001, when the Republic of Serbia entered the Stabilisation and Association Process.
81. Within the implementation of the Interim Trade Agreement, at the time of the greatest economic crisis on the continent since the Second World War, the Republic of Serbia liberalised the import of goods from the EU. Gradual liberalisation of trade envisaged in the Agreement was completed on 1 January 2014. Average customs protection for import of goods from the EU will be 0.99% from 2014 until the accession to the EU, while 95.1% of customs lines have been fully liberalised. To sum it up, the Republic of Serbia has completely fulfilled all the trade obligations it has undertaken.
82. Owing to the implementation of the Interim Trade Agreement and the SAA, the Republic of Serbia has seen constant growth of its export to the EU market and reduction in the deficit in the trade with the EU. The external trade coverage ratio with the EU in 2008, the year when the SAA was signed, was at 44.4%, while, according to the latest data as of November 2021, the external trade coverage ratio is 86.4%.
83. With regard to export, the main external trade partners of the Republic of Serbia until November 2021, in terms of individual EU Member States, were: Germany (EUR 2,512 million), Italy (EUR 1,696 million), Romania (EUR 1,111 million) and Hungary (EUR 1,001 million).

84. With regard to import, the main external trade partners of the Republic of Serbia until November 2021, in terms of individual EU Member States, were: Germany (EUR 3,434 million), Italy (EUR 2,094 million), Hungary (EUR 1,074 million) and Poland (EUR 848 million).
85. The Republic of Serbia has continued to work on the establishment of market economy. In the 2021 Annual Report, the EC assessed that Serbia had achieved some progress and was moderately prepared / had a good level of preparedness regarding the development of a functional market economy.
86. The Government of the Republic of Serbia and the National Bank of Serbia provided a fast and efficient response to mitigate the negative economic effects of the COVID-19 crisis. As part of the initial response to COVID-19, the Government of the Republic of Serbia adopted the first measures in April 2020, the packages of financial assistance to the economy are adopted in accordance with the needs of the economy during the period of the pandemic. Assistance was provided for the economic sectors that were most severely affected by the pandemic, such as small and medium-sized enterprises and the sector of tourism. Financial assistance was provided on multiple occasions for different groups of citizens, such as pensioners, beneficiaries of social benefits, as well as all adult citizens of the Republic of Serbia.
87. Despite the COVID-19 crisis, the FDI inflow to Serbia has remained solid in 2021, amounting to EUR 3.9 billion, according to preliminary data.
88. According to a preliminary estimate of economic trends in 2021, the real GDP growth has been 7.5%. In the last eight years, the inflation has been firmly under control, maintaining the level of around 2.0%, while the average inflation in 2021 has been 4.0%. The inflation increase since April 2021 has been driven by temporary factors. According to the projections of the National Bank of Serbia, the inflation will return within the margin of tolerance by mid-2022 and stabilise at the end of the year around the central value of the inflation target span. The unemployment rate in the third quarter of 2021 was 10.5%, followed by the highest participation rate (71.7%) and the highest employment rate so far (50.0%).

89. In accordance with the provisions of the Law on Budget System, the Government of the Republic of Serbia adopted the Fiscal Strategy for 2022 with projections for 2023 and 2024, setting out the macro-economic and fiscal framework for pursuing the economic and fiscal policy in the following three years. In January 2021, the Economic Reform Programme 2021–2023 was adopted.
90. The Republic of Serbia is aware of the obligations it has undertaken pursuant to Article 73 of the SAA, regarding the application of rules on competition with a view to ensuring the equality of all economic entities on the market. In this respect, methods for the fulfilment of six (6) opening benchmarks for Chapter 8 – Competition policy will also be considered in the forthcoming period. Certain steps have already been made. The Law on State Aid Control, which has been applied since 1 January 2020, envisages a new way of organisation and work of the Commission for State Aid Control, as an autonomous and independent organisation which has the status of legal person and reports to the National Assembly. In this regard, on 23 December 2019, the National Assembly adopted the Decision on the election of the president of the Commission for State Aid Control and members of the Council of the Commission for State Aid Control. In accordance with the new law, appropriate by-laws are continuously being adopted for the purpose of achieving additional alignment with the EU acquis in the area of state aid control. The Serbian Government is continuously following novelties in the EU legislation regarding the State Aid Temporary Framework to support the economy in the current COVID-19 outbreak, and is accordingly adopting national regulations. In its 2021 Annual Progress Report, the EC noted that the case of Železara Smederevo had been finalised in February 2021. The Working Group for the preparation of the new Law on Protection of Competition will continue its activities in the following period. The Republic of Serbia is considering the letter of the European Union regarding the Law on Multilateral Interchange Fees and Special Operating Rules for Card-based Payment Transactions. The Republic of Serbia is fully aware of its obligation to align with the EU acquis in this area until accession.

91. The Republic of Serbia is fulfilling the obligations it has undertaken pursuant to Article 76 of the SAA regarding the harmonisation of regulations relating to public procurement. Since 1 September 2018, in line with the provisions of the SAA, every advantage of bidders from the Republic of Serbia in the procedures of public procurement of works and service, i.e. every advantage of bidders that offer goods of domestic origin in the procedures of public procurement of goods, compared to the bidders and goods from EU Member State, has ceased to apply, i.e. this SAA provision is directly applied in this case. The National Assembly adopted the new Law on Public Procurement on 23 December 2019, which has been applied since 1 July 2020. The new law was assessed as largely aligned with the EU acquis in the area of public procurement. Due to the effect that the Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of Line Infrastructure Structures of Particular Importance to the Republic of Serbia has on the application of the Law on Public Procurement, the Republic of Serbia received a letter from the European Commission on 21 December 2020 regarding the need to achieve full alignment with the EU regulations in this area.
92. As regards the movement of capital, the last legislative amendments in terms of Article 63 of the SAA, achieving additional liberalisation, were made in 2018. The Republic of Serbia opted for gradual liberalisation complying with the provisions of the SAA, and will continue to apply it based on macroeconomic indicators.
93. In August 2017, the Law on amendments and supplements to the Law on Agricultural Land was adopted whereby alignment with Article 63 of the SAA is achieved and which makes it possible for the citizens of the EU Member States to acquire ownership rights to agricultural land. In addition, the Republic of Serbia is working on a new Law on Agricultural Land.

94. The Republic of Serbia is aware of the obligations it has undertaken pursuant to Article 37 of the SAA, regarding the prohibition of fiscal discrimination. The EC determined an opening benchmark for Chapter 16 – Taxation, which envisages that Serbia should review its legislation pertaining to excise tax for alcohol and coffee so as to ensure full alignment with Article 37 of the SAA relating to fiscal discrimination. The amendments to the Law on Excise Duties in the area of excise duty on coffee equalised the positions of importers and producers of coffee, creating equal conditions for all market participants starting from 1 January 2018. The Law on Amendments to the Law on Excise Duties ('Official Gazette of RS', No. 53/2021), which was adopted at the Government session of 27 May 2021, removed discrimination in the taxation of imported alcohol.
95. Based on Article 90 of the SAA, within Chapter 18 – Statistics that was opened at the ninth Intergovernmental Conference held in Brussels in 2018, progress was made in the area of macroeconomic and sectoral statistics. The compilation of macroeconomic statistics has been significantly improved in line with the European System of Accounts (ESA) of 2010. The submission of statistical data to Eurostat has also continued to improve. There are ongoing preparations for the population and agricultural census, which have been delayed compared to the planned deadline according to the laws adopted in this area, due to reasons of general health in the situation caused by the COVID-19 epidemic. The Law on Agricultural Census 2023 ("Official Gazette of RS", no. 76/2021), adopted by the National Assembly of the Republic of Serbia on 22 July 2021, was sent to the EC for information on 11 August 2021, in line with the established consultation procedure. The Republic of Serbia recognises that the administrative capacity of the Statistical Office of the Republic of Serbia should further be strengthened so as to fulfil the obligations under the EU acquis in this area. The Draft Law on Official Statistics was sent to the EC for comments on 24 December 2021, in line with the established consultation procedure.

V Alignment of legislation with the EU acquis

96. In the area of free movement of goods, the Republic of Serbia received a letter on 29 June 2015 containing two opening benchmarks. The work on meeting the benchmarks is underway. The Republic of Serbia is continuously conducting consultations with the EC regarding draft action plans and strategies. Furthermore, the Republic of Serbia is aware of the European Union's position regarding "transitional provisions" related to the Serbian mark of conformity. For the purpose of abolishing "transitional provisions", in March 2020, the Republic of Serbia adopted amendments to five rulebooks containing those provisions: Rulebook on Electromagnetic Compatibility, Rulebook on Electrical Equipment Intended for Use within Specific Voltage Limits, Rulebook on Safety of Machinery, Rulebook on Safety of Lifts, and Rulebook on Equipment and Security Systems Intended for Use in Potentially Explosive Atmospheres. The Law on Items of General Use is the only regulation that still contains "transitional provisions", which was also noted by the EC during regular consultations, and, accordingly, the Republic of Serbia has initiated the procedure for amending the article of the Law still containing the aforementioned provision.
97. In the area of the freedom of movement for workers, the Republic of Serbia adopted the Negotiating Position at the Government session of 17 July 2018, and submitted it on 23 July 2018 to the EU Council.
98. In the area of the right of establishment and freedom to provide services, the Government adopted the Negotiating Position for this chapter at the session of 28 November 2019, and sent it to the EU Council presidency on 5 December 2019.
99. In the area of free movement of capital, the negotiations on Chapter 4 – Free movement of capital were opened at the eleventh Intergovernmental Conference on the accession of the Republic of Serbia to the EU, held on 10 December 2019. The meeting on the closing benchmarks for this chapter was held on 3 December 2020. In June 2019, the Republic of Serbia was removed from the FATF list of countries with strategic deficits in the prevention of money laundering and terrorism financing, while in 2019 and 2020, Serbia received positive assessments from MONEYVAL for three recommendations. In addition, the Republic of Serbia has continued to further improve the system for the prevention of money laundering and terrorism financing.

100. In the area of public procurement, the negotiations on Chapter 5 were opened at the fourth Intergovernmental Conference on the accession of the Republic of Serbia to the EU, held in Brussels on 13 December 2016. The National Assembly adopted the new Law on Public Procurement on 23 December 2019, while the Law entered into force on 1 July 2020. The new law was assessed as largely aligned with the EU acquis in the area of public procurement, In accordance with new Article 11, international treaties in the context of general exemption from the application of the Law on Public Procurement shall be concluded in accordance with the Treaty on the Functioning of the EU All by-laws stemming from the new law have been adopted. The procedure for the protection of rights has been accelerated owing to the option of electronic submission of the application for legal protection.
101. In the area of company law, the negotiations on Chapter 6 were opened at the seventh the Intergovernmental Conference on the accession of the Republic of Serbia to the EU, held in Brussels on 11 December 2017. The adoption of the new Law on Accounting and the Law on Auditing in October 2019, as well as the adoption of the Law on Amendments to the Law on Companies, resulted in the full alignment with the EU acquis. With the adoption of the Law on Capital Market, the Republic of Serbia has aligned with the relevant Transparency Directive.
102. In the area of intellectual property rights, the benchmarks for the provisional closing of this chapters have largely been met. The Law on Amendments to the Law on Patents, the Law on Amendments to the Law on Copyright and Related Rights, and the Law on Amendments to the Law on the Legal Protection of Topography of Semiconductor Products were adopted on 17 September 2019 ('Official Gazette of RS, No. 66/19), while the Law on Trademarks was adopted on 24. January 2020 ('Official Gazette of RS, No. 6/2020). On 27 May 2021, the National Assembly adopted the Law on the Protection of Trade Secrets (Official Gazette of RS, No. 53/21), whereby the trade secret protection system is aligned with relevant EU regulations – Directive 2016/943/EU of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure and Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.

103. In the area of financial services, the negotiations on this chapter were opened at the tenth Intergovernmental Conference on the accession of the Republic of Serbia to the EU, held in Brussels on 27 June 2019. The Republic of Serbia is considering the possibilities and is working on meeting the closing benchmarks for this chapter. In 2019, the Law on Amendments to the Law on Deposit Insurance, the Law on Open-Ended Investment Funds Subject to Public Offering and the Law on Alternative Investment Funds were adopted, while the National Assembly of the Republic of Serbia adopted the Law on Capital Market on 23 December 2021, which resulted in the alignment with the EU acquis in this area.
104. In the area of information society and media, the Republic of Serbia received an invitation on 29 June 2017 to submit the negotiating position. At the session of 28 April 2021, the Government of the Republic of Serbia defined the Proposal for the Negotiating Position and submitted it to the responsible body of the National Assembly for consideration. The Negotiating Position for Chapter 10 – Information society and media was adopted at the Government session of 11 May 2021 and immediately sent to the European Union. The European Commission prepared a Draft Common Position (DCP), where it proposed the closing benchmarks for Chapter 10 (4) and presented them at COELA. The Draft Common Position currently has 12 approvals at COELA.
105. In the field of agriculture and rural development, the EC estimated that the Republic of Serbia fulfilled both benchmarks and, accordingly, on 11 February 2019, it sent to COELA for consideration the Opening Benchmark Assessment Report for this chapter. As regards the second benchmark, in end-March 2020 the European Commission officially informed the Republic of Serbia of the approval to conclude the Financial Agreement on the implementation of budget for Measures 7 and 9 of IPARD II Programme. For the Republic of Serbia, this approval implies the fulfilment of certain requirements. Based on the new approved measures, the Financial Agreement entered into force on 17 November 2020, and on 26 November 2020 the amendment to the Sectoral Agreement for IPARD Programme was accepted as well. The amendment to the Sectoral Agreement provides for a more efficient, more effective and simpler application of IPARD Programme, as well as adjustment to the new circumstances and diminishing the negative impact of the COVID-19 crisis.

106. In the area of food safety, veterinary and phytosanitary policy, consultations with the EC are underway with regard to the preparation of the Strategy for transposition, implementation and application of the European Union acquis in this area. The list of accreditation methods of the Directorate for National Reference Laboratories was extended in November 2019. The fulfilment of the first and third benchmarks is in progress.
107. In the area of fisheries, the Action Plan for alignment with the EU acquis is in the final stage of preparation and it represents a benchmark for the provisional closing of this chapter. On 20 November 2020, the draft Action Plan was sent to the EC for initial consultations. The European Commission provided its comments in March 2021 and the RS answered and sent to the EC the updated draft Action Plan for further consultation on 5 October 2021. The European Commission sent its comments to the second draft Action Plan on 30 November 2021.
108. In the area of transport policy and Trans-European networks, on 25 October 2018 the Government adopted the negotiating positions for these chapters, and on 29 October 2018 they were submitted to the EU Council. In the domain of transport policy, the Republic of Serbia made good progress in alignment with the EU regulations in all transport modes, which was estimated as sufficient for the opening of Cluster 4.
109. In the area of energy, the Republic of Serbia adopted the final Negotiating Position at the Government session of 7 June 2021 and it immediately sent it to the EC. The chapter was opened on 14 December 2021 within Cluster 4.

110. In the area of taxation, with regard to the Tax Administration reform, the Government of the RS passed a Conclusion on 20 May 2021 and adopted the Programme for transformation of Tax Administration 2021–2025, for the purpose of achieving better organisation of Tax Administration and providing better services to taxpayers. At its session of 17 September 2021, the Government of the RS passed a Decision on the establishment of the Coordination Body for coordination of strategic activities as envisaged by the Programme for transformation of TA 2021–2025 (‘Official Gazette of RS’, no. 90/2021). The accompanying Action Plan for the realisation of the Programme for Tax Administration Reform 2021-2025 is under preparation. In April 2021, the Draft Law on Amendments to the Law on Excise Duties was sent to the European Commission for comments on the fulfilment of opening benchmarks for Chapter 16. On 4 May 2021, the European Commission confirmed that the Draft Law was acceptable, i.e. that the alignment with Article 37 of the SAA would be completed by the adoption of the proposed solutions. The Law on Amendments to the Law on Excise Duties (‘Official Gazette of RS’, no. 53/2021) was adopted at the Government session of 27 May 2021. The Negotiating Position for Chapter 16 was adopted at the Government session of 28 May 2021. Immediately after that, the European Union was informed of the adoption of the Law on Amendments to the Law on Excise Duties, while the Negotiating Position was also sent to the European Union. Member States are currently discussing the fulfilment of opening benchmarks for this chapter – OBAR currently has 26 approvals.
111. In the area of economic and monetary policy, the adoption of the Fiscal Strategy and Economic Reforms Programme is of importance, and Chapter 17 was opened at the ninth Intergovernmental Conference held in Brussels on 10 December 2018. The Economic Reform Programme 2021–2023 was adopted in January 2021.
112. In the area of statistics, Chapter 18 was opened at the ninth Intergovernmental Conference held in Brussels in 2018. The Law on Agricultural Census 2023 (‘Official Gazette of RS’, no. 76/2021), adopted by the National Assembly of the Republic of Serbia on 22 July 2021, was sent to the EC for information on 11 August 2021, in line with the established consultation procedure. Agricultural census was thus postponed due to the situation caused by the COVID-19 pandemic. The Draft Law on Official Statistics was sent to the EC for comments on 24 December 2021, in line with the established consultation procedure.

113. In the field of social policy and employment, the Action Plan for Chapter 19, which represents the opening benchmark for this chapter, was adopted in May 2020. For the purpose of monitoring the application of the Action Plan, a Form for monitoring the implementation of activities was prepared, and two Reports on the implementation of activities from the Action Plan were submitted to the European Commission on 29 March 2021. The Negotiating Position for Chapter 19 was adopted at the Government session of 11 May 2021. Member States are currently discussing the fulfilment of opening benchmarks for this chapter – OBAR currently has 26 approvals.
114. In the area of enterprise and industrial policy, the Republic of Serbia officially opened Chapter 20 on 27 February 2017. In March 2020, the Republic of Serbia adopted the Industrial Policy Strategy for the period 2021–2030. On 8 April 2021, the Government of the Republic of Serbia adopted the Action Plan for the implementation of the Industrial Policy Strategy for the period 2021–2023. As regards the enterprise policy, in addition to numerous measures of economic support to small and medium-sized enterprises, in the circumstances of distorted economy caused by the COVID-19 pandemic, the Republic of Serbia continued to implement many other programmes of support to SMEs, notably through co-financing their activities and providing favourable loans. The adoption of the Law on Planning System, as well as amendments to the Law on Public Administration and Law on Local Self-government, formed a basis for increased public participation in the process of drafting public policy regulations and documents. The Republic of Serbia continues with the activities in this direction by applying the Regulation on Methodology for Public Policy Management, by analysing the effects of public policies and regulations and content of certain public policy documents, as well as Guidelines for inclusion of civil society organisations in working groups for preparation of draft policy documents i.e. draft regulations. Serbia is continuously working on improving electronic participation on e-Government portal. The introduction of this portal enables the implementation and monitoring of consultations, public debates and other mechanisms for participation of citizens and other stakeholders and target groups in decision-making and therefore in policy creation in all areas of economy and society.

115. In the area of science and research, on 13 December 2016 this chapter was officially opened and provisionally closed. On 27 February 2020, the Government of the Republic of Serbia adopted the Strategy for Smart Specialisation in the Republic of Serbia for the period 2020–2027. The Law on Innovation Activities was adopted in December 2021.
116. Furthermore, in the area of education and culture, on 27 February 2017 that chapter was officially opened and provisionally closed. The Strategy for the Development of Education in the Republic of Serbia by 2030 was adopted on 23 June 2021. Amendments to a set of laws that refer to the overall education system in Serbia have also been adopted. In the field of culture, the Law on Cultural Heritage was adopted on 23 December 2021.
117. In the field of environment, on 21 January 2020 the Government of the Republic of Serbia adopted the Negotiating Position for this chapter. On 27 January 2020, this Negotiating Position was sent to the EU Council. In January 2020, Serbia adopted specific implementation plans for 9 directives on investments in waste sector (5) and water sector (4) and the Multiannual Investment and Financial Plan, as annexes to the Negotiating Position for Chapter 27. Within the Berlin Process, on the Sofia Summit of 10 November 2020, the Republic of Serbia signed the Declaration on the Green Agenda for the Western Balkans. Serbia has significantly increased the overall funds allocated for the Green Fund, however this amount was reduced for the purpose of preventing the spreading and for suppression of COVID-19. In relation to the Carbon Border Adjustment Mechanism – CBAM and Serbia’s accession negotiation, as an EU candidate country Serbia is strongly relying on close coordination and consultations regarding possible adoption of CBAM and Serbia’s role therein. The chapter was opened on 14 December 2021 within Cluster 4.
118. In the area of health and consumer protection, on 25 November 2016 the EU Council President addressed a letter to the Republic of Serbia inviting it to submit its Negotiating Position for Chapter 28. The Proposal for the Negotiating Position was adopted at the Government session of 3 November 2021 and, according to further procedure, it will be submitted to relevant committees of the National Assembly for review. Adoption of the final Proposal for the Negotiating Position by the Government is expected in the upcoming period. The new Law on Consumer Protection entered into force in December 2021 and its adoption represents further alignment of Serbian legislation in the field of consumer protection, particularly in the part relating to alignment with the Directive on package travel and linked travel arrangements. When it comes to health protection, along with all efforts invested in

suppressing the coronavirus, the Republic of Serbia is actively fulfilling its commitments from the European integration process and it is aware of its obligations regarding the alignment of national legislation with EU regulations, as well as the need to strengthen administrative capacities. To this end, a number of by-laws was enacted in 2019 in accordance with the Law on Transfusion Medicine, Law on Biomedically Assisted Fertilisation, as well as the Law on Human Cells and Tissues and Law on Transplantation of Human Organs, which more closely regulate the fields regulated by the stated laws. Regarding regulations in the field of medicinal drugs, the drafting of the Law on Medicines is underway, and its adoption will be followed by drafting and adoption of relevant by-laws. The Republic of Serbia is aware of its obligations in the field of tobacco control and it will start the development of national strategy and further alignment of regulations in this field. In the area of communicable diseases, the Republic of Serbia adopted 13 by-laws in accordance with the Law on the Protection of Population from Communicable Diseases. Regulations in all of the stated fields were adopted for the sake of full alignment of domestic legislation with that of the EU. The Republic of Serbia is actively working on the establishment of electronic system of health protection. In the field of cross-border health protection, the legislation is partly aligned and the Republic of Serbia will invest efforts in continuing the process of alignment in this and all other areas of health protection and strengthening of administrative capacities. The 2021 EC Annual Report has noted that Serbia has, under the Law on the Protection of Population from Communicable Diseases, undertaken measures to prevent the spreading of the pandemic, and that it has aligned its activities with the recommendations of the World Health Organisation. The Report has also noted that population vaccination started on 11 January 2021, that continuous supply of vaccines was ensured during the year, and that over 300 vaccination points were opened throughout the country. In relation to the COVID-19 pandemic, the Republic of Serbia also cooperates closely with the EU and relevant EU services, and it is also particularly noteworthy that it has the observer status in the Health Security Committee. The Republic of Serbia also actively cooperates with the European Centre for Communicable Diseases and it has appointed national coordinator as well. The Republic of Serbia is grateful to the EU for the support it provided in the fight against coronavirus and for the possibility to join the Joint Public Procurement Agreement.

119. In the area of customs union, the legislation of the Republic of Serbia is largely aligned with the EU acquis. This Chapter was officially opened at the meeting of the sixth Intergovernmental Conference at the ministerial level on the accession of the Republic of Serbia to the European Union, held in Luxembourg on 20 June 2017. The Republic of Serbia is working on establishing an automated import–export system. For the purpose of further developing customs services, the Business Plan for improving the organisation and work of customs services for the period 2020–2024 was adopted in February 2020, and is aimed at establishing effective customs control procedures, further strengthening of international cooperation and European integration, developing communication and information technologies, strategic management and modernisation, as well as human resources management, their development and improvement of their working conditions. In addition, the Work Plan for the development and use of customs service electronic systems for the period 2020–2024 was adopted, and is aimed at developing a modern, integrated and coherent customs system, improving IT support to business processes of the customs systems and external users, as well as at improving computer skills of employees. Both plans are accompanied by actions plans for their realisation, whose deadlines will be considered and revised, as appropriate, in line with the new circumstances caused by the COVID-19 pandemic. Amendments to the Customs Law were adopted in November 2021, for the purpose of achieving further alignment with the EU acquis. The Republic of Serbia has undertaken all necessary steps for implementing the activities for amending the Stabilisation and Association Agreement by replacing Protocol 3 on definition of the term “products with origin” and methods for administrative cooperation through adoption of the Conclusion of the Government of the Republic of Serbia on temporary application of Decision 1/2021 of the Stabilisation and Association Council, which is applied from 6 December 2021. On 13 January 2022, the Government of the Republic of Serbia adopted a proposal for the law on ratifying Decision 1/2021 in the National Assembly, and it is currently in the parliamentary procedure. The Republic of Serbia ratified the revised rules on the origin of goods with EFTA and CEFTA in July 2021.

120. In the area of external relations, the Republic of Serbia achieved a good measure of alignment with the EU acquis within this Chapter, and it has largely aligned its trade policy with the EU and WTO rules. At the meeting of the seventh Intergovernmental Conference at the ministerial level on the accession of the Republic of Serbia to the European Union, held in Brussels on 11 December 2017, this Chapter was officially opened. Since 2019, the Republic of Serbia has been intensively working on preparing a Draft Action Plan for the remaining preparations regarding legislative alignment, alignment of international treaties with the EU acquis and strengthening of administrative and control capacities to ensure the full application of the acquis in this chapter on the day of accession.
121. The Republic of Serbia expects the Screening Report for Chapter 31 – Foreign, security and defence policy.

Bearing in mind the intensive cooperation between Serbia and the EU in numerous areas, such as the migrant crisis, fight against terrorism, radicalism, all forms of extremism and organized crime, in accordance with Article 10 of the Stabilisation and Association Agreement, political consultations with the European External Action Service have continued both at the bilateral level and in WB6 format. The work on drafting of the Law on Foreign Affairs is in the final stage and it is expected to be sent to further procedure.

122. In the area of financial control, the Republic of Serbia adopted the Strategy for the Development of Internal Financial Control in the Public Sector in the Republic of Serbia for the period 2017-2020, which contributes to the fulfilment of one of the closing benchmarks for this chapter. The Republic of Serbia continues to work on improving internal financial control in the public sector. The Strategy for Countering Irregularities and Fraud in Dealing with EU Funds in the Republic of Serbia for the period 2017–2020 and the accompanying Action Plan were adopted. The Republic of Serbia joined the International Convention for the Suppression of Counterfeiting Currency of 1929 (Geneva Convention). In addition, the National Bank of Serbia adopted a Decision on Handling Suspected Counterfeit Money, whereby the domestic legislation was aligned with the EU regulations on the euro-coin authentication and handling of coins unfit for circulation and on the euro-banknotes authentication. One part of the requirements from the closing benchmarks for this chapter has been fulfilled by the adoption of this Decision. In the conclusions of the third monitoring mission, the European Commission has noted that appropriate administrative capacities are currently ensured in the technical analysis centre and that a part of conditions from benchmarks has been fulfilled. The Public Financial Management Reform Program (PFMRP) for the period 2021–2025 with the Action Plan for the same period was adopted, where the whole system of internal financial control in the public sector became one of the specific objectives. Internal financial control in the public sector is now included as a specific objective within the new PFMRP. The Strategic Plan for Fight against Fraud and Management of Irregularities in Dealing with EU Funds in the Republic of Serbia for the period 2021–2023 and the accompanying Action Plan were adopted. EC representatives conducted a monitoring mission for this chapter on 23 and 24 October 2019 so as to monitor the work on meeting the closing benchmarks.
123. In the area of financial and budgetary issues, negotiations were opened within this chapter at the eight Intergovernmental Conference in June 2018. The Republic of Serbia is considering possibilities and conducting activities aimed at meeting the closing benchmarks for this chapter.

VI EU Instrument for Pre-Accession Assistance (IPA) and bilateral assistance of EU Member States

124. The Republic of Serbia is very grateful to the European Union and its Member States for the grants that contribute to the implementation of key development priorities and political, economic, legal and institutional reforms that are a precondition for further progress in the European integration process.
125. Programming within the 2014–2020 financial perspective has been successfully completed and a total of EUR 1.45 billion has been allocated from IPA II for the realisation of national IPA programmes, including EUR 175 million for the realisation of measures intended for rural development. These funds supported the reforms in key sectors such as public administration, rule of law, competitiveness and innovation, human resource development, environment, transport, energy and agriculture.
126. In addition to systemic support that strengthened our reform efforts, the European Union’s support was particularly demonstrated at times of crisis, for which we are notably thankful. The support after catastrophic floods in 2014, during migrant crisis in the past years and especially during the health crisis caused by the spreading of coronavirus in 2020 additionally strengthened our capacities and proved the EU’s solidarity with Serbian citizens.
127. We believe that the visibility of the European Union will be particularly strengthened by further support from IPA III for the period 2021–2027, which should contribute to our capacities to restrict the negative effects of the health crisis on accelerated economic and social recovery. We are therefore highly committed to strengthening capacities for strategic and investment planning, programming and realisation of infrastructural projects in particular, and we allocate significant funds for their preparation.
128. We welcome the adoption and start of the implementation of the Economic and Investment Plan for the Western Balkans that will provide up to EUR 9 billion in grants for the realisation of key development projects that should contribute to stronger connectivity between the region and the European Union. In this sense, we express our satisfaction with the fact that, during the development of this document, the EC recognized as relevant the projects proposed by the Republic of Serbia, considering not only ours but also regional needs.