

# ENVIRONMENTAL REGULATIONS

1.30

## WHITE BOOK BALANCE SCORE CARD

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Complete the transposition of the EIA and SEA Directives - this includes ensuring that development consent is granted only after the EIA process is finalised, and introducing mechanisms to address projects that have bypassed the necessary assessments. The draft laws on EIA and SEA should be adopted promptly to ensure alignment with EU standards	2021		√	
Improve enforcement and monitoring - strengthening the administrative capacity of both national and local institutions is crucial, particularly for inspectorates and the judiciary. This will require the implementation of cross-sectoral reforms and the provision of adequate resources to ensure compliance with environmental regulations.	2023			√
Tackle air pollution – Serbia must accelerate the implementation of its air quality plans and strengthen monitoring systems to reduce air pollution levels, particularly in regions most affected by industrial emissions. The introduction of the EU Air Quality Index should be prioritised, and SEPA's capacity for monitoring and reporting must be further enhanced.	2021			√
Improve waste management practices - efforts to increase waste sorting at the source should be expanded, and illegal dumpsites must be eradicated. Inspection capacity in the waste sector needs to be improved, and further investments should be made in developing waste-to-energy facilities and recycling infrastructure.	2021		√	
Strengthening transboundary cooperation - Serbia should intensify efforts to improve cooperation with neighbouring countries on the management of transboundary rivers and ecosystems, particularly of ongoing pollution issues.	2024			√
Adopt and enforce environmental crime legislation - the Law on Liability for Environmental Damage should be adopted, and Serbia must establish a track record for enforcement to address illegal logging, wildlife trade, and industrial pollution	2024			√
Increase transparency and public participation - Serbia should ensure that public consultations on environmental matters are inclusive, transparent, and meaningful. Greater efforts should be made to engage stakeholders in the decision-making processes, particularly concerning large-scale investments that impact the environment.	2024			√
Tackle greenwashing and misleading green claims – currently, this issue is only regulated by one paragraph of Law on Advertising and general rules on consumer protection and unfair market practices. With EU's proposal of Green Claims Directive and entry into force of Empowering consumers for the green transition (Directive 2024/825/EU) Serbia could be in pole position to define and regulate this issue in more detail.	2024		√	
Invest in nature protection and biodiversity - institutional and human resource capacity in the area of nature protection must be strengthened, namely at the local level. Serbia should continue its efforts to establish the NATura 2000 network and improve enforcement of existing regulations, especially regarding illegal construction and hunting in protected areas.	2021			√

Recommendations:	Introduced in the WB:	Significant progress	Certain progress	No progress
Find a balance between the right of the interested public to participate in decision-making in environmental administrative matters and the interests of investors to carry out projects within a framework of legal certainty and timely assurance. This implies that the environmental acceptability of a project should not be challenged without valid arguments, which can lead to multi-year delays and significant costs. This recommendation should be implemented through the interpretation of existing regulations and/or their amendments, or enactment of new bylaws.	2023			√

## CURRENT SITUATION

Serbia has reached a certain level of preparation in the field of environmental protection and climate change, as reflected in the European Commission reports. A new Law on Air Protection has been adopted. The newly adopted Nationally Determined Contribution (NDC) provides for a reduction in greenhouse gas (GHG) emissions by 40.1% by 2035 compared to 1990 levels, which represents a new and more ambitious target compared to the previously planned 33.3% reduction by 2030. However, there are still significant shortcomings in the implementation of legislative solutions adopted with the aim of alignment with EU directives.

In the European Commission Report (2024) on Chapter 27, which covers environmental protection and climate change issues, it is stated that progress has been made in adopting legislation ensuring that environmental impact assessments (EIA) are carried out prior to the issuance of construction permits. Meanwhile, at the end of 2024, the new Law on Environmental Impact Assessment and the Law on Strategic Environmental Impact Assessment were adopted, confirming this approach. The new Law on Environmental Impact Assessment also covers smaller projects which, together with others, may have a significant environmental impact, thus preventing the deliberate fragmentation of projects ("salami slicing") to avoid the application of the law. On the other hand, according to the EC Report, public participation and consultations have not improved compared to the previous reporting period, and the recommendation to ensure public involvement remains.

Although there are several strategic documents in the field of environmental protection and climate change, Serbia has not yet adopted a National Environmental Protection Strategy. The delay in finalising the Strategy with an accom-

panying Action Plan hampers efforts to align Serbia's policies with the EU Green Agenda and broader environmental protection goals.

In the field of nature protection, Serbia is progressing with the establishment of Natura 2000 areas. A total of 277 potential Sites of Community Interest (pSCIs) and 85 potential Important Bird Areas (IBAs) have been identified, covering about 30% of Serbia's territory, including areas protected under the Decree on the Ecological Network. Current estimates indicate that around 90% of Special Protection Areas (SPAs) and around 70% of pSCIs have been identified. Despite these positive steps, institutional and human resource capacities remain a challenge, especially at the local level.

Progress in transposing the Environmental Liability Directive remains limited, and key aspects of the legislation are still pending adoption. A comprehensive Law on Environmental Damage Liability has not been approved. In addition, despite efforts, the implementation of environmental legislation remains weak, particularly in areas such as illegal logging, CITES implementation, and water management. Numerous wastewater treatment plants (WWTPs) are planned across Serbia, in accordance with the legal requirement, which will help address one of the country's major environmental issues.

Air pollution remains a pressing issue, which will be further addressed through the implementation of the new Law on Air Protection, strengthening the role of local communities. The provisions of this law will be further specified through the adoption of by-laws and the establishment of permissible limit values for pollutants, in line with EU standards and WHO guidelines.

According to the Environmental Protection Agency, around

3 million tonnes of municipal waste were generated in Serbia in 2023. To date, there are no facilities for the thermal treatment of hazardous waste (except for limited co-incineration capacities), and such waste is mostly exported to other European countries for treatment. As a result of Serbia's obligations under the Basel Convention, which significantly restricts the export of hazardous waste, the country will need to establish an appropriate solution for hazardous waste management, including the construction of facilities for its thermal treatment. Regarding municipal waste, many municipalities lack recycling yards, sufficient waste containers, and source-segregation systems.

Despite the "polluter pays" principle, promoted through several legal acts, waste collection fees are still mostly based on the size of the premises rather than the amount of waste generated. Such a system discourages both businesses and citizens from reducing waste quantities through prevention, reuse, repair, and recycling. Due to this principle, combined with weak or absent enforcement, the number of illegal dumpsites exceeded 2,500 in 2023 according to the Environmental Protection Agency, though the actual number is likely higher. Even when dumpsites are removed, reoccurrence at previously cleared sites is common. These issues point to the need to reform waste management, particularly in terms of fee calculation and enforcement, as well as the necessity of stricter implementation of legal provisions and improved performance of public authorities responsible for waste management.

## POSITIVE DEVELOPMENTS

Serbia has made several important steps forward in its environmental and climate agenda. Major achievements in the past year include the adoption of the Energy Development Strategy until 2040 with projections to 2050, the Law on Air Protection, the Law on Environmental Impact Assessment, and the Law on Strategic Environmental Impact Assessment. In addition, the new Nationally Determined Contribution (NDC 3.0) was adopted, further strengthening Serbia's engagement in climate and environmental policy. Work is ongoing to implement these legislative measures and to adopt relevant by-laws, such as the new Rulebook on the Regulation, Management, Disposal, and Landfilling of Construction Waste during Construction Works.

In the field of air quality, some progress has been made in strengthening the monitoring network, although air pollution remains one of the most serious challenges.

In the field of waste management, Serbia continues to demonstrate alignment with EU environmental acquis. Several by-laws regulating waste management were adopted during the reporting period, and in December 2022 the Circular Economy Development Programme was introduced. Waste sorting at source has increased in four regions with the support of the Team Europe initiative, while funds have been allocated for the clean-up of 233 illegal dumpsites and the installation of video monitoring to prevent illegal waste disposal. By the end of 2023, Serbia had 12 operational sanitary landfills (10 regional and 2 local), with ongoing projects to build new waste-to-energy facilities. Since mid-2024, a cogeneration facility at the Vinča landfill in Belgrade has been operational, significantly improving energy and environmental efficiency in the country.

In water management, Serbia adopted in March 2024 the Rulebook on the Method and Conditions for Measuring the Quantity and Testing the Quality of Wastewater and its Impact on the Recipient, as well as the Content of the Report on the Conducted Measurements. Although harmonisation with the EU Water Framework Directive has improved, further efforts are needed to ensure monitoring and enforcement.

During the previous period, numerous wastewater treatment plant projects have been launched, many co-financed by the EU. Several are nearing completion, with others in preparation or construction. Water protection recorded the highest number of project activities, design developments, and construction works, indicating that this area remains the main priority in Serbia's environmental protection efforts. Although these projects require significant financial investment, noticeable progress has been made, not only in legal terms.

In the field of nature protection, work continues on establishing the Natura 2000 network, aiming to include large parts of Serbia's territory. This process is supported by an EU-funded project that assists in strengthening institutional capacities at the national level.

## REMAINING ISSUES

Despite progress, Serbia continues to face several challenges in fully aligning its environmental legislation with the EU acquis and improving enforcement mechanisms.

The Republic of Serbia adopted in February 2020 the

National Emission Reduction Plan (NERP) for major pollutants from large combustion plants. However, industrial emissions remain an issue, particularly concerning sulphur dioxide pollution from large combustion facilities. Non-compliance with NERP ceilings remains concerning, especially considering the closure deadlines for such plants, highlighting the urgency of resolving this issue.

Air quality remains a critical issue, with several regions regularly exceeding EU pollution limits.

The waste management sector, while showing improvement, still suffers from insufficient inspection capacity and illegal dumping. Serbia continues to face a large number of illegal dumpsites, and waste sorting at source is still not widespread. The “pay as you throw” principle has not yet been implemented in the collection and disposal of municipal waste.

Investments in wastewater treatment are evident, but their implementation and results are yet to be fully realised.

The strategic framework for combating climate change is still insufficient. In the near future, Serbia needs to introduce a CO2 taxation mechanism, aligned with the EU Carbon Border Adjustment Mechanism (CBAM). The Ministry of Finance has presented draft versions of the Law on Greenhouse Gas Emissions Tax and the Law on the Tax on Imports of Carbon-Intensive Products, which should regulate this matter, but the legislative process is still in its early stages. The CBAM implementation deadline is approaching

rapidly and may affect not only electricity exported to the EU but also products originating from industries with high GHG emissions. Without adequate preparation, companies could face additional costs and loss of competitiveness, underlining the urgent need to improve energy efficiency and align production processes with EU standards.

Climate change, with the growing body of legislation addressing climate stability and adaptation, will represent one of Serbia’s greatest challenges in the future, especially considering delays in transposing relevant legislation. Moreover, raising awareness of climate change and providing accurate and transparent information on the state of the environment and the environmental impact of goods and services remain necessary.

In the field of nature protection, institutional and human resource capacities at national and local levels remain inadequate. Problems such as illegal logging, hunting of protected species, and insufficient enforcement of bans on small hydropower plants persist.

Serbia also faces challenges in aligning its environmental crime legislation and liability framework. The Criminal Code contains a section on environmental crimes, including the offence of violating the right to information on the state of the environment, while the Law on Waters is one of the few sectoral laws containing criminal provisions outside the Criminal Code. The Law on Environmental Damage Liability is still pending adoption, and enforcement remains weak in areas such as industrial pollution and wildlife protection.

## FIC RECOMMENDATIONS

- Enhancing enforcement and oversight – Strengthening administrative capacities of national and local institutions is crucial, particularly for inspectorates and the judiciary. This will require cross-sectoral reforms and adequate resources to ensure compliance with environmental legislation.
- Combating air pollution – Serbia must accelerate the implementation of its air quality plans and strengthen monitoring systems to reduce air pollution levels, particularly in regions most affected by industrial emissions. By-laws should be adopted promptly, and the new legislative framework should be implemented with adequate guidance and support to local governments.
- Improving waste management practices – Efforts should be intensified to increase waste sorting at source, and illegal dumpsites must be eradicated. Inspection capacities in the waste sector should be improved, with continued investment in waste-to-energy and recycling infrastructure.

- Adopting and implementing environmental crime legislation – The Law on Environmental Damage Liability should be adopted. Serbia must establish monitoring mechanisms for addressing illegal logging, wildlife trafficking, and industrial pollution. Public awareness of environmental crimes should be raised, and the practice and frequency of prosecution in this field should be enhanced.
- Increasing transparency and public participation – Serbia should ensure that public consultations on environmental matters are inclusive, transparent, and meaningful. Greater efforts are needed to engage stakeholders in decision-making processes, particularly regarding major investments affecting the environment.
- Investing in nature and biodiversity protection – Institutional and human capacities in the field of nature protection must be strengthened, particularly at the local level. Serbia should continue efforts to prepare for the establishment of the Natura 2000 network and improve enforcement of existing regulations, especially concerning illegal construction and hunting in protected areas.
- Finding solutions to neutralise or minimise the effects of CBAM to the greatest possible extent.