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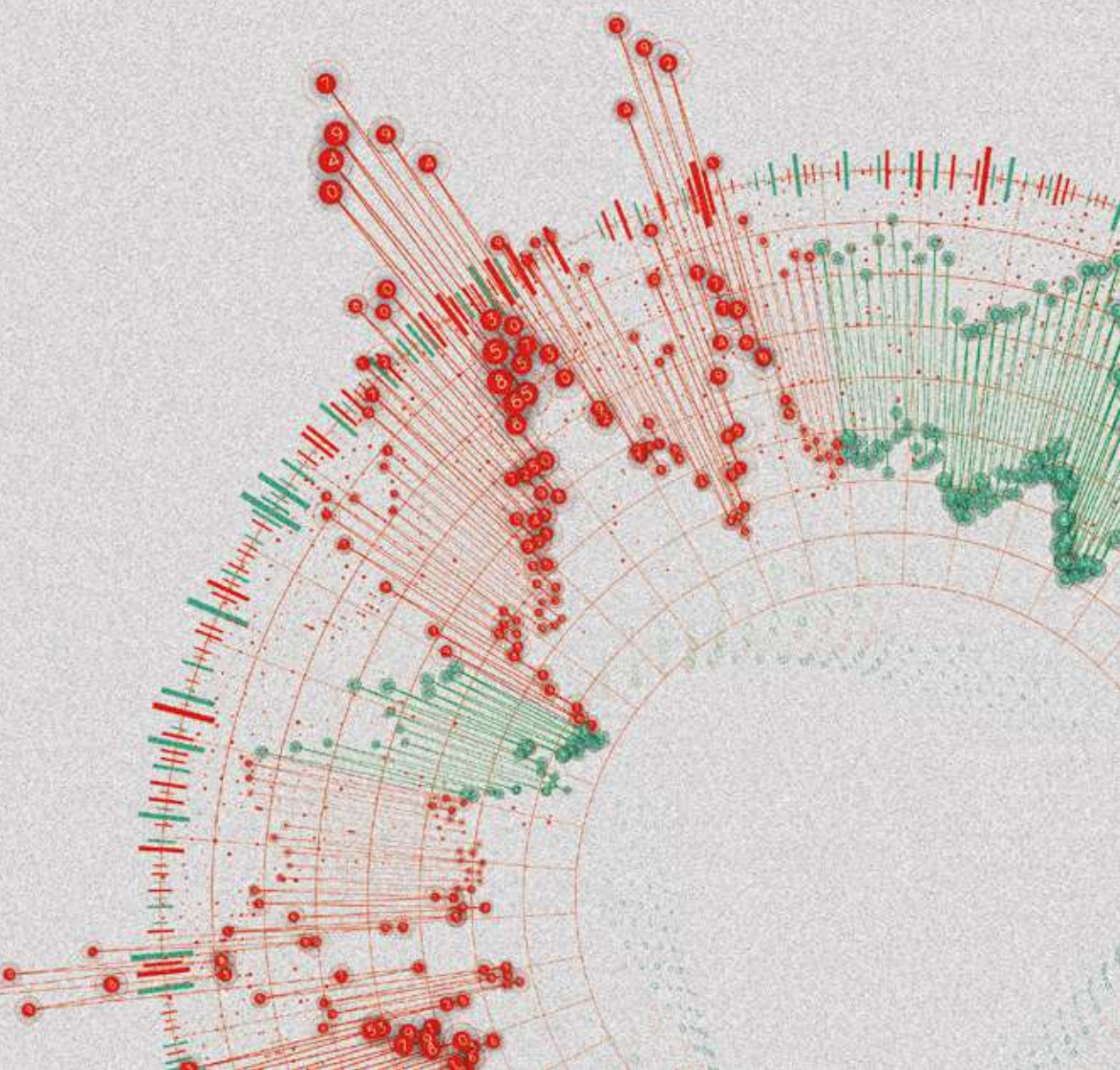


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# Analysis of the Law on Climate Change

## Third year of implementation of the Climate Change Law in the Republic of Serbia

February 2024



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# Analysis of the Law on Climate Change

## Third year of implementation of the Climate Change Law in the Republic of Serbia

**Prepared by:**

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<i>BTR</i>	Biennial Transparency Report
<i>BUR</i>	Biennial Update Report
<i>CBAM</i>	Carbon Border Adjustment Mechanism
<i>COP</i>	Conference of the Parties of the UNFCCC member states
<i>EC</i>	Energy Community
<i>ETS</i>	Emissions Trading System
<i>EU</i>	European Union
<i>GHG</i>	greenhouse gas
<i>LCDS</i>	Low Carbon Development Strategy
<i>NAP</i>	National Adaptation Plan / Adaptation Program of the Republic of Serbia with the Action Plan
<i>NC</i>	National Communication specified in UNFCCC
<i>NDC</i>	Nationally Determined Contribution
<i>NECP</i>	National Energy and Climate Plan
<i>PAM</i>	policies and measures
<i>UNFCCC</i>	United Nations Framework Convention on Climate Change

## Key terms of importance for the analysis:

**Adaptation or adjustment to changed climate conditions** – adaptation of sectors and systems in response to climate change and its effects. It refers to changes in processes, practices and structures to mitigate potential harms or take advantage of opportunities associated with climate change. Simply put, states and local communities should identify optimal adaptation solutions based on their own specificities, assessing the risks and potential consequences of the current and future climate.

**Mitigation of climate change** – efforts that lead to the reduction of the total concentration of greenhouse gases in the atmosphere, regulated by the United Nations Framework Convention on Climate Change, through actions that lead to the reduction of emissions from sources (energy, including traffic, industrial processes, agriculture, waste) and the increase of sinks<sup>1</sup> (oceans, forests, land). These gases are: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrogen suboxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

<sup>1</sup> "Sink is any process, activity or mechanism which removes a greenhouse gas, an aerosol or a precursor from the atmosphere", Law on Climate Change of the Republic of Serbia (Official Gazette of the RS, No 26/2021), Article 5 point 26).

# 1. Summary

This is the second report on the implementation of the Law on Climate Change prepared by the Renewables and Environmental Regulatory Institute (RERI). In 2022, RERI published the first report on the implementation of the Law on Climate Change, exactly one year after that law was adopted by the National Assembly of the Republic of Serbia.

This report was prepared within the project “Civil Society for Energy Transition”, implemented by the Belgrade Open School in partnership with RERI, with the financial support from the British Embassy in Belgrade.

This report is an analysis of the progress of the Republic of Serbia in implementing the Law on Climate Change, with a particular focus on the reporting obligations of the Ministry of Environmental Protection and the Government of the Republic of Serbia. The aim of this analysis is to evaluate the degree of implementation of key elements of the Law, including the Low Carbon Development Strategy of the Republic of Serbia with the Action Plan, the Program for Adaptation to Climate Change, policies and measures for mitigating climate change, as well as the achievement of low carbon development goals. By analysing available data and information, this report identifies challenges in the implementation of the Law and presents recommendations for improving future action in the field of climate policy in Serbia.

The Law on Climate Change is a legal framework positioning the Republic of Serbia as a responsible participant in the global fight against climate change. The Republic of Serbia has committed to align its

legislation with the highest international standards, including obligations arising from the United Nations Framework Convention on Climate Change and the Paris Agreement. However, deeper analysis reveals a number of obstacles that potentially hinder the effectiveness of the implementation of this law.

The first major obstacle relates to the content of the Law and the mechanisms for its implementation. While the law itself establishes the goal of creating a system for reducing greenhouse gas emissions, it is clear that this legislative act does not provide for the arrangement of the entire legal framework for reducing greenhouse gas emissions and the mechanisms that enable emissions reduction. For instance, insufficiently elaborated plans for financing climate action leave room for speculation about the Government's real commitment to this issue. The financial resources necessary for achieving the ambitious goals of the Law are not clearly defined, and the mechanisms for securing and allocating them are not sufficiently transparent.

Furthermore, even two years after the adoption of the Law, not all by-laws necessary for its implementation have been adopted. In comparison to the first year of implementation, progress is evident in terms of the adopted by-laws necessary for the monitoring,

verification, and reporting of greenhouse gas emissions, as well as by-laws regulating the system of issuing permits for the emission of greenhouse gases. However, in order to assess the success of implementation of the law in the mentioned areas, it is necessary for the system to become operational in practice, which has not yet happened.

The Government has not adopted a by-law prescribing the levels of greenhouse gas emissions, based on which the Ministry of Environmental Protection should prepare an annual report on reaching the emissions determined by this act. The deadline for the adoption of this by-law is one year after the adoption of the Law, which means that its adoption is already two years late.

A significant challenge is the non-compliance with the deadlines, both those established by the Law and those related to reporting obligations under international agreements. The Ministry of Environmental Protection was late in submitting its report to the United Nations Framework Convention on Climate Change. The third national report to the Framework Convention was supposed to be submitted in 2021 but was actually submitted in January 2024. It is necessary to identify the causes for non-compliance with deadlines in order to address and resolve this issue. In addition to the delay in adopting by-laws, which can have a negative impact on the further implementation of the Law, the competent institutions were also late in adopting strategic documents. Although prepared in 2019, the Low Carbon Development Strategy was only adopted in 2023.

The Action Plan for the implementation of this strategy has not been adopted, although it was an integral part of the strategy prepared in 2019. The delay in adopting public policy documents is related to cross-sectoral policy inconsistency. For instance, the Integrated National Energy and Climate Plan should be aligned with the Low Carbon Development Strategy, and the measures and activities in these two documents should be complementary. In addition, the Law does not establish this connection, although it arises from the obligation to align with the EU acquis. In this particular case, we can consider the issue of alignment considering two circumstances. Firstly, is it justified to align the Integrated National Energy and Climate Plan

with the Strategy that was developed 5 years ago in significantly different circumstances? Secondly, how to coordinate measures and activities if the action plan for the implementation of the Strategy has not even been adopted?

Another critical aspect pertains to the institutional framework required for the implementation of the Law. Despite the fact that bodies responsible for climate change have been established, there is an apparent lack of capacity for their effective functioning. Taking into account the lack of adequate staff training and limited availability of resources, this challenge becomes even more evident. Accordingly, there is a legitimate concern regarding the possibility of achieving the goals provided by the Law.

The law provides for the obligation of the Ministry of Environmental Protection to report to the Government on the implementation of the Action Plan, which is part of the Low Carbon Development Strategy, the Program for Adaptation to Climate Change, as well as on the implementation of policies and measures, projections and the achievement of quantitative goals outlined in the Low Carbon Development Strategy. Afterwards, the government should submit reports to the National Assembly. As the Low Carbon Development Strategy and the Program for Adaptation to Climate Change were adopted in 2023, there are still no reporting obligations regarding the implementation of these public policy documents.

The analysis of this law gives rise to the question of actual involvement and participation of the public in decision-making processes. While in theory transparency and openness are advocated, in practice, the opposite is often demonstrated. Public hearings and consultations are often a formality with no real impact on making of climate policies. This creates the perception that key decisions have already been made in advance, thereby reducing the credibility of the process, and leading to a loss of public confidence in the intentions and effectiveness of the law. Citizens and civil society are often marginalised, with no real influence on climate policy. This type of isolation reduces the legitimacy and effectiveness of policies, and it also contributes to missed opportunities for wider social engagement in the fight against climate

change. No public consultation was held during the adoption of the Low Carbon Development Strategy in 2023. Public consultation on the proposal for the Low Carbon Development Strategy was organized in December 2019 and January 2020, but this strategy was adopted more than three years later in significantly different foreign and domestic circumstances.

Next, the National Council for Climate Change, established in 2021, should actively contribute to the development and coordination of national climate change policies by providing proposals and opinions, assessing the international obligations of the Republic of Serbia, proposing measures to reduce emissions, considering the necessary legal changes and promoting the integration of climate issues into sectoral policies in accordance with the standards of the European Union and the United Nations. So far, the National Council for Climate Change has only held two sessions, and the obligation to submit annual reports to the Government of the Republic of Serbia on the work of this advisory body has not been fulfilled. Annual reports on the work and activities of the National Council for Climate Change were not published on the official website of the ministry responsible for environmental protection, which is contrary to the Rules of Procedure of this council, which requires the public availability of these reports.

It is important to emphasize that the Law on Climate Change of the Republic of Serbia addresses the issue of international cooperation and compliance with European Union standards. Although it is formally aimed at aligning with European legislation in the field of environmental protection, in practice the implementation of these standards faces significant obstacles. The lack of specific time frames and operational plans for alignment with the legal acts of the European Union indicates a potential ambiguity in addressing international obligations.

The law defines the term *adverse impact of climate change* as a change in the physical environment, due to climate change, which has significant adverse effects on the composition, regeneration capacity or productivity of natural and controlled ecosystems or on the functioning of socio-economic systems or human health and well-being. However, in the Law, the health is mentioned only in the definition of the

term *adverse impact of climate change*, and there is a lack of ambition to take decisive steps in building a more resilient society. It is crucial to accept the scientific consensus on the urgency of addressing the issue, as well as to take specific steps to mitigate the negative impacts of climate change on the lives of citizens and society.

The involvement of the private sector and the promotion of green technologies as outlined in the law can also be criticised. Without clear incentives and financial mechanisms, the Law leaves little room for innovation and investment in sustainable technologies. This lack of vision for economic transformation towards sustainability raises the question of the long-term sustainability of the climate goals set by the Law, but also of ensuring the competitiveness of the economy in the light of the carbon tax at the borders of the European Union.

While the Law on Climate Change of the Republic of Serbia represents a significant step forward in the country's efforts to mitigate climate change, a critical analysis indicates numerous shortcomings that could jeopardize its implementation and the achievement of goals of reducing greenhouse gas emissions. We draw attention to the fact that Serbia, as a signatory of the Sofia Declaration on the Green Agenda for the Western Balkans, has agreed to work together with partners from the European Union and the region to achieve carbon neutrality by 2050.

To overcome the abovementioned challenges, it is necessary to enhance financial and institutional mechanisms, ensure transparency and public involvement in decision-making processes, as well as to clearly define the objectives of the Republic of Serbia in the field of adaptation and mitigation of climate change, which are in accordance with the Paris Agreement and the objectives of the European Union. Such objectives would reflect the ambition of the Republic of Serbia to truly comply with global climate standards and obligations so as to effectively contribute to the global fight against climate change.





## 2. Methodological approach

By publishing the second consecutive analysis of the implementation of the Law on Climate Change, the Renewables and Environmental Regulatory Institute (RERI) strives to contribute to the independent and objective monitoring of the implementation of regulations and the fulfilment of the obligations of the Republic of Serbia in the process of European integration, as well as the obligations imposed by the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

As a rule, there is no regular monitoring of the application of regulations in the Republic of Serbia, so RERI hereby contributes to the transparency and responsibility of public authorities towards citizens and the public interest, but also to the increase and promotion of transparency, as an important element of the Paris Agreement itself. The lack of independent monitoring in the process of creating and implementing public policies and regulations makes it impossible to objectively analyse the effects of those policies, the capacities of the administration and the entire society to comply with accepted international and European Union (EU) standards. Finally, when we are faced with the consequences of the lack of implementation of policies and regulations, it is necessary to determine the causes and provide for measures to eliminate them.

Law on Climate Change<sup>2</sup> was adopted by the National Assembly of the Republic of Serbia on March 18th, and entered into force on March 31st, 2021. After three years from the start of its implementation, RERI

prepared a second<sup>3</sup> analysis of the implementation of this law, considering in particular:

- 1| compliance with the requirements of international agreements in the field of climate change (the Paris Agreement of the United Nations Framework Convention on Climate Change) and the EU acquis in the field of climate change, including the obligations arising from the Energy Community Treaty and the Sofia Declaration on the Green Agenda for the Western Balkans
- 2| the effectiveness of the implementation of the Law on Climate Change (hereinafter referred to as: Law), assessing the implementation of provisions and requirements from the Law itself, as well as the adoption of bylaws and other acts necessary for the implementation of the Law;
- 3| obligations of local self-governments arising from the Law and their capacities to fulfil those obligations.

<sup>2</sup> "Official Gazette of the RS", No. 26/2021.

<sup>3</sup> In March 2021, RERI published the first analysis of the Law on Climate Change – *First Year of Implementation of the Law on Climate Change in the Republic of Serbia*.

The purpose of the analysis is to contribute to the establishment of a precise, accurate, clear and credible system of monitoring and reporting, i.e., to ensure a transparent process of creation and implementation of policies, measures and activities of importance in the field of climate change.

Three fundamental reasons for further consideration are as follow:

- (1) a functional monitoring and reporting system is one of the primary requirements of the Paris Agreement and the EU acquis;
- (2) the monitoring and reporting system ensures the monitoring of the fulfilment of obligations and the achievement of goals in the field of climate change, in order to ensure the achievement of climate neutrality by half a century;
- (3) the establishment and improvement of the monitoring and reporting system is financed according to the Agreement through two international climate funds on the basis of state requirements and without special conditions, if progress is noticeable.

The analysis is based on the evaluation according to the qualitative indicators, which are an integral part of this report (Annex II) and are related to the obligations of the Republic of Serbia in relation to:

- I. Paris Agreement and the United Nations Framework Convention on Climate Change;
- II. Stabilisation and Association Agreement;
- III. Energy Community Treaty;
- IV. Sofia Declaration on the Green Agenda for the Western Balkans;
- V. provisions established by the Law (regardless of the justification, meaningfulness and reasons for introducing those provisions into the Law). If any of the provisions of the Law are in conflict with the requirements arising from international agreements of which the Republic of Serbia is a member, these derogations are noted in this analysis

In other words, the indicators used describe the obligation, the fulfilment of which was assessed

through a number of criteria established for each indicator individually.

The analysis of the Law on Climate Change uses:

- » official documents and decisions of importance for the implementation of the Paris Agreement;
- » EU regulations and policies, including those relevant to financing in the area of climate change (Carbon Border Adjustment Mechanism – CBAM);
- » initiatives and declarations signed by the Republic of Serbia;
- » decisions of the Ministerial Council of the Energy Community;
- » valid regulations, plans and strategies of the Republic of Serbia.

The list of policies, regulations and decisions is presented in the section *Overview of used sources and literature*.

The analysis is divided into four parts:

- I. I. Compliance of the Law on Climate Change with international agreements and the EU acquis;
- II. Implementation of the Law on Climate Change;
- III. Conclusions;
- IV. Recommendations.

This analysis starts from the conclusions of the previous analysis of the RERI and does not include aspects of the transparency of the process of adopting the Law, which were the subject of the previous analysis. This analysis in one of its parts deals with the assessment of the provisions of the Law that refer to the transparency of the processes foreseen and prescribed by the Law.



### 3. Compliance of the Law on Climate Change with international agreements and the EU acquire

The Law on Climate Change entered into force on March 31st, 2021. This law establishes that the regulations adopted on the basis of the Law shall be adopted within one year from the date of its entry into force, with the exception of the regulations related to aircraft operators, which shall be adopted by January 1st, 2023 (Articles 77 and 79).

Article 1 establishes that the Law regulates the system for limiting emissions of greenhouse gases (GHG) and for adaptation to changed climate conditions, as well as monitoring and reporting on the low carbon development strategy and its improvement, the program of adaptation to changed climate conditions, adoption of the low carbon development strategy and the program of adaptation to changed climate conditions, issuing permits for GHG emissions to the plant operator, issuing approval to the plan for monitoring of aircraft operators, monitoring, reporting, verification and accreditation of verifiers, administrative fees, supervision and other issues of importance for the limitation of GHG emissions and adaptation to changed climate conditions.

Simply put, the Law aims to fulfil the obligations of the Republic of Serbia according to the UN Framework Convention on Climate Change and the accompanying Paris Agreement and the EU accession process, as it introduces key terms and part of the obligations arising from these regulations and whose goal is to reduce GHG emissions and adapt to changed climate conditions, more precisely – achieving carbon neutrality and climate resilience by the middle of the 21st century. However, the Law itself does not explicitly introduce the concepts of carbon neutrality and climate resilience



## 3.1. Compliance with the requirements of the Paris Agreement

The Paris Agreement together with the United Nations Framework Convention on Climate Change defines the goals and establishes the basis for the action necessary to achieve them in the period from 2021 to 2030.

The Paris Agreement is applied according to the principle of five-year cycles of increasing the ambition of climate action through the so-called nationally determined contributions – NDCs, which are submitted to the secretariat of the United Nations Framework Convention on Climate Change and which are implemented by the countries that have joined the Paris Agreement. The member states of the Paris Agreement are those states that have ratified this Agreement in their national assemblies. By doing so, they accepted the requirements from the Paris Agreement, including the goals from the NDCs, as their obligations.

An integral part of the ratification instrument of the Paris Agreement are the first NDCs that outline national climate goals and ambitions (set by the states themselves), including goals to reduce GHG emissions and goals to increase resilience to climate change. The Paris Agreement also established the expectation that each subsequent NDC will be more ambitious than the previous ones and that it will “reflect its highest possible ambition” determined on the basis of new scientific data and discoveries, new technologies and processes, changes in the behaviour of resource users, and the like.

The subsequent NDC (so-called revised, enhanced) was required to be submitted in 2020 and every five years thereafter (2025, 2030, etc.). Enhanced NDCs are submitted through the publicly available registry of the United Nations Framework Convention on Climate Change. In accordance with the decisions to

implement the Paris Agreement, it was recommended that the NDCs be submitted during 2025 setting the goals for 2035, whereas those that are to be submitted in 2030 are supposed to set goals for 2040. In the case of NDCs submitted together with the ratification of the Paris Agreement and submitted in 2020, no final year is prescribed or recommended, i.e. the year by which the reduction of GHG emissions is determined, but the EU established 2030 as the first target year in its NDC.

In fact, Article 4, point 2 of the Paris Agreement stipulates the obligation of member states to prepare and improve their NDCs and submit them to the secretariat of the United Nations Framework Convention on Climate Change, as well as to determine measures that will contribute to the achievement of the NDC goals. In the same Article 4, point 3, it is prescribed that each successive NDC will represent a progression compared to the previous one and represent the highest possible ambition of the country at the time of submission. Point 8 stipulates that NDCs are submitted every 5 years and must contain information that enables the content of the submitted NDC to be clear, transparent and easy to understand. The manner and content of the information that must be submitted are determined by Decision 1/CP.21, but also by later decisions related to modalities, procedures and instructions of importance for the transparency of climate action and reporting, such as decisions 18/CMA.1<sup>4</sup>, 4/CMA.5<sup>5</sup>, 9/CMA.1<sup>6</sup>, 5/CMA.3<sup>7</sup> etc. Also, in accordance with Article 13 of the Paris Agreement, states regularly provide national GHG inventories (on an annual basis) and information

<sup>4</sup> Decision 18/CMA.1, <https://unfccc.int/decisions>.

<sup>5</sup> Decision 4/CMA.1, <https://unfccc.int/decisions>.

<sup>6</sup> Decision 9/CMA.1, <https://unfccc.int/decisions>.

<sup>7</sup> Decision 5/CMA.3, <https://unfccc.int/decisions>.

needed to monitor progress in implementing and achieving goals related to NDCs in the part related to mitigation.

The Paris Agreement calls on all member states to submit information relevant to the presentation of the impact of climate change and actions that ensure adaptation to changed climate conditions (adaptation). In accordance with the Paris Agreement, developing countries should provide information on financial support and required and provided technologies, i.e., aid for capacity building that the state received through support mechanisms in accordance with Articles 9–11 from the Paris Agreement. This is particularly important for establishing the basis for financing from the Green Climate Fund (GCF). On the other hand, industrially developed countries have an obligation to report on the aid provided to developing countries.

The reporting obligation on the achievement of the country's goals is achieved through Biennial Transparency Reports (BTR)<sup>8</sup>, which may or may not contain a report on adaptation to changed climate conditions (paragraph 4 of the Decision 9/CMA.1<sup>9</sup>). Until now, member states of the United Nations Framework Convention on Climate Change had the obligation to submit a Biennial Update Report (BUR)<sup>10</sup> and a national communication according to the United Nations Framework Convention on Climate Change (National Communication, NC)<sup>11</sup> alternately every two years. Unlike the national communication, the BUR does not contain information on plans or the implementation of actions in the field of adaptation. Starting from 2024, the BUR replaces the BTR and is the basic tool for reporting on the progress achieved in the implementation of the NDC. In accordance with the provisions of the Paris Agreement and accompanying decisions that determine the rules for all member states, the obligation of all member states of the Paris Agreement is to submit the first BTR by December 31st, 2024, which will show progress in the implementation of the last NDCs submitted in 2021 and 2022. It is also foreseen that financial resources for the development of BTRs in

developing countries, according to the United Nations Framework Convention on Climate Change, will be provided by the Global Environment Facility (GEF), so it is expected that the Republic of Serbia, through the implementation agency of the United Nations (by analogy with the previous period, it is expected that it will be the United Nations Development Program – UNDP), submits an application and receives these funds in order to meet the deadline for submitting the first BTR.

According to Decision 9/CMA.1, the adaptation report can be a separate document or an integral part of any report under the United Nations Framework Convention on Climate Change, such as the National Adaptation Plan (NAP)<sup>12</sup>, national communication and alike. In accordance with Article 7 paragraphs 10 and 11 of the Paris Agreement, each member state should periodically improve and submit a report on adaptation, which contains information on priorities, plans and actions, needs and the like. States that have not done so before are invited to submit reports on adaptation in time for the so-called global stocktake, which takes place every 5 years (the first was held during the conference of member states in November 2023).

In accordance with paragraph 3 of Decision 18/CMA.1, it is an obligation that the first BTR and the accompanying report on the GHG inventory be submitted to the secretariat of the United Nations Framework Convention on Climate Change no later than December 31st, 2024. To developing countries, including the Republic of Serbia, the Global Environment Facility (GEF), after a request has been submitted, provides funds for the preparation of these documents, while the Green Climate Fund (GCF) provides funds for the implementation of the NAP process, which includes the preparation of NAP documents.

Implementation of the Paris Agreement, as well as planning, implementation, monitoring and reporting on progress regarding NDC in BTR, requires the establishment of an efficient monitoring and reporting

8 Biennial Transparency Reports, United Nations Framework Convention on Climate Change.

9 Decision 9/CMA.1, <https://unfccc.int/decisions>.

10 Biennial Update Report, United Nations Framework Convention on Climate Change.

11 National Communication, United Nations Framework Convention on Climate Change.

12 National Adaptation Plan, United Nations Framework Convention on Climate Change.

system, through the above processes financed by the GEF and the GCF. In addition, it should be borne in mind that, upon request, the GEF also provides additional funds for the establishment of this system (through the GEF projects “Capacity-building Initiative for Transparency – CBIT”). Whether these funds have been used adequately will be possible to monitor, inter alia, through BTR and other reports according to the United Nations Framework Convention on Climate Change and the Paris Agreement (through confirmation that the monitoring and reporting system has been established and is functioning, as well as through improving the quality of documents and timeliness of submission of reports according to the Paris Agreement).

In accordance with Article 4, paragraph 19 of the Paris Agreement, member states are invited to develop and submit their long-term GHG emission reduction strategies that will contribute to the fulfilment of the goals of the Paris Agreement and enable their fulfilment. They chart the long-term path of NDCs. States are called upon in paragraph 35 of Decision 1/CP 21 to the Paris Agreement to submit their long-term GHG emission reduction strategies for the period up to 2050 by 2020. Paragraph 32 of Decision 1/CMA3 stipulates that the states that have not submitted strategies<sup>13</sup> are called upon to do so urgently, and by November 2022 at the latest. According to paragraph 33 of the same Decision, the states are called upon to improve their strategies when the conditions for this are indicated regarding the availability and development of technologies, knowledge and capacities.

On the other hand, in Article 7, paragraph 9, the members of the Paris Agreement are called upon to implement the adaptation planning process, which includes the preparation and implementation of appropriate plans and policies for adaptation to changed climate conditions and their monitoring, evaluation and improvement, as well as reporting and submission of the adaptation report.

The key requirements stemming from the Paris Agreement, related to the Republic of Serbia as well, are:

Obligation	Deadline
Development and submission of the second/enhanced NDC	2020
Improvement of NDCs	2025 to 2035 2030 to 2040
Development and submission of a long-term strategy for reducing GHG emissions by the middle of the century	2020, 2022 at the latest.
Advancing the strategy to reduce GHG emissions by mid-century	In accordance with the need
Monitoring and reporting – the first BTR	31st December 2024
Reporting on policies and measures and projections	<i>Within BTR-NC</i>
Development and submission of the National Inventory Report (NIR)	Annually
Preparation and submission of national communications according to the United Nations Framework Convention on Climate Change (UNFCCC)	Two years after BTR
Voluntarily	Deadline
Adaptation report (part of BTR, NAP or individual)	2023, 2028
Monitoring and reporting on financial and technical assistance and needed and provided assistance for capacity building (for developed countries this is an obligation)	<i>Along with BTR/NC</i>
Establishing and improving the monitoring and reporting system	<i>Continuously</i>

<sup>13</sup> Platform UNFCCC , <https://unfccc.int/process/the-paris-agreement/long-term-strategies>.

Let us remind that the Paris Agreement does not define sanctions or measures of a similar nature in the event of non-fulfilment of the above legally binding action for several reasons:

- 1 | states themselves determine their goals and the actions that will lead to their fulfilment, so it is expected that the goals set by the states themselves will be fulfilled;
- 2 | the carbon intensity of government bonds is one of the criteria of the credit worthiness of the state itself;
- 3 | failure to act would affect the country's reputation in the world;
- 4 | failure to act reduces the possibilities for securing financial resources from bilateral funds and the Green Climate Fund (which are more favourable than other commercial sources of financing, and include the possibility of securing grants).

As stated in the first analysis of the Law on Climate Change from 2022<sup>14</sup>, the National Assembly of the Republic of Serbia adopted the Law on Climate Change in 2021, which was prepared in 2018, although in the meantime new decisions were adopted that more clearly define and expand the requirements in line with the Paris Agreement. Also, between 2018 and 2021, there were significant modifications in the EU climate policy. Therefore, already at the moment of its adoption, the Law on Climate Change was not harmonized with current international agreements and EU policies.

In order to assess the compliance of the Law on Climate Change with the requirements of the Paris Agreement in detail, it was analysed whether the obligations under the United Nations Framework Convention on Climate Change and the Paris Agreement were defined, including deadlines, responsible institutions and procedures for fulfilling those obligations.

The Law on Climate Change does not define the obligation to develop, submit, enhance and report on the achievement of the NDCs, although this requirement existed significantly before the adoption of the Law on Climate Change. Here it can be assumed that the proposer of the Law on Climate Change had in mind the direct application of the Paris Agreement and accompanying decisions, and that the Law on Climate Change itself transposes the provisions of the relevant EU regulations.

In this regard, it should be recalled that the Republic of Serbia submitted the first NDC in 2015, and the second/enhanced NDC was submitted only on August 24th, 2022<sup>15</sup>. Both NDCs of the Republic of Serbia submitted so far contain a section related to the consequences of climate change, vulnerability and adaptation. When it comes to reducing GHG emissions, the second/enhanced NDC of the Republic of Serbia increases the ambition from the reduction of GHG emissions of 9.8% compared to 1990 to a reduction of 13.2% compared to 2010 (which corresponds to a reduction of 33,3% compared to 1990) by 2030. As stated in the second/enhanced NDC, the goal of reducing GHG emissions was determined on the basis of the draft Low Carbon Development Strategy (LCDS)<sup>16</sup> while the measures and actions to achieve it were elaborated in the accompanying action plan (which was not adopted by the end of 2023).

Certain measures and actions are shown in the second BUR (BUR2), which was submitted to the secretariat of the United Nations Framework Convention on Climate Change in December 2023, and there should be their full compliance with the measures and actions proposed in the draft integrated National Energy and Climate Plan

14 Analysis of the Law on Climate Change – First year of Implementation of the Law on Climate Change in the Republic of Serbia, Renewables and Environmental Regulatory Institute (RERI), March 2021

15 Register of NDCs, [https://unfccc.int/NDCREG?gad\\_source=1&gclid=CjwKCAiAk9itBhASEiwA1my\\_6wooRIYWGNjD7dHizQw9sQM-OtLq2B3GWOM-NfoW4VcztoWzV\\_P6mBoCndEQAvD\\_BwE](https://unfccc.int/NDCREG?gad_source=1&gclid=CjwKCAiAk9itBhASEiwA1my_6wooRIYWGNjD7dHizQw9sQM-OtLq2B3GWOM-NfoW4VcztoWzV_P6mBoCndEQAvD_BwE).

16 At the session held on June 1st, 2023, the Government of the Republic of Serbia adopted the Low Carbon Development Strategy of the Republic of Serbia for the period from 2023 to 2030 with projections until 2050.

(NECP<sup>17</sup>), which was submitted to the secretariat of the Energy Community (additional information related to the NECP is presented in subsection 3.2). This is especially so as the BUR stands for a report that shows the changes in the national framework of relevance to climate change since the last submitted report. In other words, since the action plan for the implementation of the Low Carbon Development Strategy has not been officially developed (because it has not been adopted), it is assumed that the measures and actions contained in BUR2 are actually those identified in the NECP. Although submitted in 2022, the revised second NDC of the Republic of Serbia determines the potential for reducing GHG emissions in the period from January 1st, 2021 to December 31st, 2030.

Furthermore, the second NDC highlights the co-benefits from reducing GHG emissions resulting from adaptations in the water, agriculture and forestry sectors, with the assertion that these co-benefits will be further analysed in the NAP.

The Republic of Serbia should submit the next NDC in 2025, expected before the Conference of the Member States of the Paris Agreement (November 2025); however, it is not known that the drafting or analysis for the purpose of determining the ambitions and preparation of the new NDC has been initiated.

In Article 65, the Law prescribes the development of BUR/BTR and communications of the Republic of Serbia according to the United Nations Framework Convention on Climate Change, but also the reports on the GHG inventory (Article 58), as well as the development of policies and measures and projections related to GHG, monitoring and reporting on policies and measures and projections related to GHG. Article 65 also stipulates that the Ministry of Environmental Protection is obliged to make BTR and NC<sup>18</sup> available to the public on its website, which is the case. The Republic of Serbia submitted the second national communication

in 2017, and according to the obligations, it was expected to submit the second BUR in 2019, and the new national communication in 2021. However, the Republic of Serbia submitted BUR2 on December 6th, 2023<sup>19</sup>. A virtual presentation was held in relation to this document on June 1st, 2020, and it was adopted, with partially modified content, at the end of 2023 but there was no information for the public regarding the process of improvement and adoption of BUR2. The third national communication was published on the website of the Ministry of Environmental Protection, but, according to data from the public UNFCCC register, the third communication was not submitted to the secretariat of the Convention.

The Law on Climate Change in Articles 6-10 determines the procedure of development and content of the Low Carbon Development Strategy, and in Articles 13–15 the procedure of development and content of the Program of Adaptation to Changed Climate Conditions. It is unclear for what reason the Government and the Assembly of the Republic of Serbia defined a deadline for the development of a low carbon development strategy that is not in line with the requirements of the Paris Agreement. As previously stated, the Decision 1/CM.21 (point 35), by which the Paris Agreement was adopted, provides for that the signatories of the Paris Agreement are to submit their long term strategies for reducing GHG emissions until 2020.

Furthermore, the Decision 1/CM1 from 2020 calls upon the states that have not yet done so to submit a long term strategy for reducing GHG emissions. By the same Decision, the states were also called upon to submit their adaptation reports before the first global stocktake and in a timely manner in relation to each subsequent global stocktake (the first took place in 2023, and each subsequent is planned in a five-year time), and in accordance with the Decision 9/CMA.1. Despite the provisions of decisions 1/CM.21 and 1/CM1, Article 79 of the Law on Climate Change sets a deadline for the adoption of a low carbon

17 The development of the NECP is a requirement from the EU legislation. The NECP is drawn up by the member states, whereas the NDC EU covers the entire Union, so member states do not draw up their own national documents.

18 Ministry of Environmental Protection, reports, <https://www.ekologija.gov.rs/dokumenta/klimatske-promene/izvestaji>.

19 Biennial updated report of parties not listed in Annex I, [https://unfccc.int/BURs?gad\\_source=1&gclid=CjwKCAiAk9itBhASEiwA1my\\_60JimqEQT6C5tpKROkZEL0hMf3sjDtCzsfHr3ZK0qe6aC6Dxc-tcNhoCK1gQAVD\\_BwE](https://unfccc.int/BURs?gad_source=1&gclid=CjwKCAiAk9itBhASEiwA1my_60JimqEQT6C5tpKROkZEL0hMf3sjDtCzsfHr3ZK0qe6aC6Dxc-tcNhoCK1gQAVD_BwE).



development strategy of two years from the date of entry into force of the Law.

In the explanation annexed to the Proposal of the Law on Climate Change<sup>20</sup> it is stated that the obligation to develop and adopt a low carbon development strategy stems from Article 4, paragraph 19 of the Paris Agreement, which does not specify a deadline for developing and submitting the strategy, as well as Regulation EU 525/2013.

Given that the Law on Climate Change was adopted in 2021, it is clear that the Republic of Serbia is already late in delivering the low carbon development strategy until 2020, and then with the provision of the Law defining the deadline of two years after the adoption of the Law for the adoption of the strategy, the Republic of Serbia consciously extended that delay.

In accordance with Article 15 of the Regulation (EU) 2018/1999, which was included in the legislation of the Energy Community by Decision of the Ministerial Council 2021/14/MC in November 2021, before the entry into force of this regulation, each contracting party should have prepared and submitted its long-term climate strategy to the Secretariat of the Energy Community<sup>21</sup>. In accordance with Article 10 of the Decision of the Ministerial Council 2021/14/MC, this decision entered into force on the day of its adoption, i.e., November 30th, 2021.

The Government of the Republic of Serbia submitted its Low Carbon Development Strategy to the secretariat of the United Nations Framework Convention on Climate Change on January 10th, 2024.

The deadline of two years is established by the Law on Climate Change for the adoption of the Program of Adaptation to Changed Climate Conditions as well (hereinafter: Adaptation

Program or NAP). The Law does not recognize the need for revision of planning documents, although this is expected and determined by the Paris Agreement.

Although the Law on Climate Change stipulates that the low carbon development strategy is implemented by adopting an action plan for the implementation of the strategy, and prescribes the content of that plan, the Law on Climate Change does not prescribe a deadline for the adoption of this five-year plan. The Law on Climate Change provides for the monitoring and updating of the action plan for the implementation of the Low Carbon Development Strategy, but not the strategy itself nor the program of adaptation to changed climate conditions.

The Law does not prescribe an obligation to develop and submit a report on adaptation (part of BTR, NAP or individual). The development of this report is not an obligation even according to the Paris Agreement, but countries are called upon to submit these reports. However, as Article 64 prescribes reporting on the implementation of planning documents (low carbon development strategy, program of adaptation to changed climate conditions and action plan for implementing the strategy), perhaps the very report on the implementation of the Program of Adaptation to Changed Climate Conditions and/or accompanying action plan will have the substance and form, or at least the elements of an adaptation report.

The Law in no way recognizes the need for monitoring financial and technical assistance and the necessary and provided assistance for capacity building and reporting on them.

The Law on Climate Change (Article 16) establishes the obligation of the Ministry to inform the public about the draft Low Carbon Development Strategy, the Action plan for the

<sup>20</sup> Proposal of the Law on Climate Change, [http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi\\_zakona/2021/337-21%20-%20Lat..pdf](http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi_zakona/2021/337-21%20-%20Lat..pdf)

<sup>21</sup> REGULATION (EU) 2018/1999 of 11 December 2018 on the Governance of the Energy Union and Climate Action Incorporated and adapted by the Ministerial Council Decision 2021/14/MC-EnC of 30 November 2021 on incorporating Regulation (EU) 2018/1999 in the Energy Community acquis communautaire and amending Annex I of the Treaty; DECISION OF THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY D/2021/14/MC-EnC: Amending Article 20 and Annex I to the Treaty establishing the Energy Community and incorporating Directive (EU) 2018/2001, Directive (EU) 2018/2002, Regulation (EU) 2018/1999, Delegated Regulation (EU) 2020/1044, and Implementing Regulation (EU) 2020/1208 in the Energy Community acquis communautaire.

implementation of the Strategy and the Program of Adaptation to Changed Climate Conditions and to enable the provision of opinions and objections, in accordance with the law that prescribes the drafting and adoption of public policy documents. The processes of developing the Low Carbon Development Strategy and the Program of Adaptation to Changed Climate Conditions made this possible

## 3.2. Compliance with the EU acquis

When analysing the compliance of the Law on Climate Change with the EU acquis, we started from the assumption that the obligations towards the international community are hierarchically superior to the obligations towards the EU.

Thus, the compliance of the Law on Climate Change with the obligations arising from the EU legislation, but which are identical to those from the Paris Agreement, was analysed only in the part of checking compliance with the obligations under the United Nations Framework Convention on Climate Change and the Paris Agreement (in order to avoid repeating the assessment of compliance with the same requirements several times).

Also, it was assumed that all deadlines and

contents must be aligned with the requirements of the United Nations Framework Convention on Climate Change, the Paris Agreement, EU and Energy Community legislation.

### Requirements from EU regulations in the field of climate change

With the Regulation (EU) 2021/1119 (hereinafter referred to as: European Climate Law)<sup>22</sup> the European Union introduced into the legislative framework the goals set by the EU Green Deal<sup>23</sup>, which relate, above all, to the achievement of climate/carbon neutrality, i.e., net zero GHG emissions in 2050, as well as reducing GHG emissions by 55% by 2030 compared to 1990 emissions levels. The European Climate Law also establishes the basis for the implementation of the process that will determine the goals for the reduction of GHG emissions in 2040.

The European Climate Law defines the need to increase the removal of GHG emissions by sinks and to improve the relevant legislation, specifically the regulation regulating the reduction of emissions from the land use, land-use change and forestry sector (LULUCF), i.e., the LULUCF Regulation<sup>24</sup>. The Law establishes the need to improve a number of other regulations in the field of

<sup>22</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law'), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R1119>.

<sup>23</sup> European Green Deal, [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal\\_en#documents](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en#documents).

<sup>24</sup> Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (Text with EEA relevance), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02018R0841-20230511>.

climate change, such as those related to the functioning of the GHG emissions trading system (EU ETS) and joint efforts to reduce GHG emissions<sup>25</sup>.

In addition, the European Climate Law establishes a system for monitoring progress in achieving goals, as well as sectoral policies leading to climate neutrality and timely response, i.e., a system of review every five years, starting in 2023, in case of need.

The European Climate Law stipulates the obligation to develop long-term strategies by January 1st 2020 and 1st January 2029, and every 10 years thereafter. Strategies are drawn up for a period of 30 years, revised every 5 years and define the path to climate neutrality.

The European Climate Law also announces a carbon tax at EU borders (CBAM – carbon border adjustment mechanism).

### Energy Community Treaty

The European Climate Law is based on Regulation (EU) 2018/1999<sup>26</sup>, which with certain amendments became binding for the Republic of Serbia through the Energy Community Treaty, i.e., through the Ministerial Council Decision 2021/14/MC-EnC from November 2021 (Ministerial Council Decision 2021/14/MC-EnC of 30 November 2021 on incorporating Regulation (EU) 2018/1999<sup>27</sup> in the Energy Community *acquis communautaire* and amending Annex I of the Treaty), i.e., Decision 2022/02/MC-EnC (Council Decision No 2022/02/MC-EnC on amending Ministerial Council Decision No 2021/14/MC-EnC amending Annex I to the Treaty Establishing the Energy Community and incorporating Directive (EU) 2018/2001, Directive

(EU) 2018/2002, Regulation (EU) 2018/1999, Delegated Regulation (EU) 2020/1044, and Implementing Regulation (EU) 2020/1208 in the Energy Community *acquis communautaire*).<sup>28</sup>

By Decision 2022/02/MC-EnC, the member states, including the Republic of Serbia, are committed to developing and revising long-term strategies, as well as integrated national energy and climate plans (Integrated National Energy and Climate Plans – NECPs) with the content prescribed in Annex I to the Decision, first for the period 2025-2030 with a long-term perspective, and then for the period 2031-2040. Energy Community member states are to submit the first NECPs by June 30th, 2024, the second by January 1st, 2029 (draft by January 1st, 2028) and every ten years thereafter. As of January 1st, 2034, the states are obliged to submit the last updated NECP, i.e., an explanation as to why this is not necessary.

Along with the NECP, states are also obliged to submit information on the implemented process of public consultations and opinions received from the public concerned during the consultations.

From March 15th, 2025, and every second year thereafter, member states are obliged to submit a report on the progress i.e., implementation of the NECP.

25 Regulation (EU) 2023/857 of the European Parliament and of the Council of 19 April 2023 amending Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, and Regulation (EU) 2018/1999, <https://eur-lex.europa.eu/eli/reg/2023/857/oj>.

26 Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02018R1999-20231120>

27 [https://www.energy-community.org/dam/jcr:c755f9db-f6e7-448c-9cf5-0a5f02113ae2/19thMCDecision14\\_CEP11\\_30112021.pdf](https://www.energy-community.org/dam/jcr:c755f9db-f6e7-448c-9cf5-0a5f02113ae2/19thMCDecision14_CEP11_30112021.pdf).

28 [https://www.energy-community.org/dam/jcr:421f0dca-1b16-4bb5-af86-067bc35fe073/Decision\\_02-2022-MC\\_CEP\\_2030targets\\_15122022.pdf](https://www.energy-community.org/dam/jcr:421f0dca-1b16-4bb5-af86-067bc35fe073/Decision_02-2022-MC_CEP_2030targets_15122022.pdf).

According to Decision 2022/02/MC-EnC, the goals from the NECP must be consistent with those from the long-term climate strategies, i.e., with the national goals according to the Paris Agreement, and the NECP must contain binding goals regarding the reduction of GHG emissions that ensure the achievement of national goals regarding the reduction of GHG emissions according to the Paris Agreement.

to report to the Secretariat of the Energy Community on policies and measures to reduce emissions by March 15th 2023, and every second year thereafter (in the form and content prescribed in Annex VI) and by March 15th 2025, and every second year thereafter, on projections of GHG emissions (Annex VII). However, the specific details of Decision 2022/02/MC-EnC and the current status of compliance with these reporting obligations by member states were not directly available at the time of writing of this publication.

The first long-term strategies that member states are obliged to submit to the Secretariat of the Energy Community are to be submitted no later than January 1st, 2029, and every 10 years thereafter. Strategies are drawn up for a period of 30 years and revised, if necessary, every 5 years. Their content is defined by Annex IV. By the Decision 2022/02/MC-EnC, the Energy Community established the obligation to report on adaptation strategies by March 15th, 2023.

Also, starting from March 15th 2023, and every second year thereafter, the member states will report to the Secretariat of the Energy Community about their strategies and plans for adaptation to changed climate conditions (Annex VIII). Starting on July 31st, 2023, and every year thereafter, member states will report on the funds collected through carbon taxes or similar mechanisms, which has not been implemented because such a mechanism has not even been announced.

According to Decision 2022/02/MC-EnC, the Energy Community is obliged to develop a strategic plan for reducing methane emissions from the energy, agriculture and waste management sectors at the regional level. However, bearing in mind that the Republic of Serbia is a member of the global initiative for reducing methane emissions<sup>29</sup>, whose goal is to limit methane emissions to 30% compared to emissions of this gas in 2020, it is clear that a national action plan should exist as well.

In accordance with the European Climate Law and, consequently, the decisions of the Ministerial Council 021/14/MC-EnC and 2022/02/MC-EnC, the member states are obliged to establish a multi-sector dialogue that will help local communities, civil society, the business community, investors and other stakeholders discuss different scenarios assumed for energy and climate change policies.

By adopting the Decision 2022/02/MC-EnC, the member states of the Energy Community also accepted the obligation

The Decision 2022/02/MC-EnC establishes the obligations of the Republic of Serbia towards the Energy Community, which also include obligations related to the reduction of total GHG emissions

<sup>29</sup> Global Methane Pledge, <https://www.globalmethanepledge.org/>.

(including LULUCF), by -40.3%, which amounts to 47.82 Mt of CO<sub>2</sub> equivalent, including sinks, in 2030 compared to emissions in 1990. According to the last adopted NDC, which preceded this decision of the Ministerial Council, the goal regarding the reduction of GHG emissions by 2030 corresponds to a reduction of 33.3% compared to 1990, which is equal to a reduction of 26.13 Mt of CO<sub>2</sub> equivalent. Consequently, it can be expected that the next NDC of the Republic of Serbia will have as its goal the one accepted within the Energy Community. What is worrying is the fact that this goal in terms of emissions reduction does not represent a significant change, then there is the question why the NDC does not include an increase in removals by sinks (more precisely the complete sector of land use, land-use change and forestry – LULUCF), unlike the NECP, as well as the fact that there is no known national document that elaborates the necessary measures and activities for the forestry sector.

The Law on Climate Change does not include requirements from the two decisions of the Ministerial Council from 2021 and 2022, which is justified given that they were adopted a few months before the adoption of the Law on Climate Change. However, it is interesting that there are no initiatives to make the provisions of these decisions part of the Law on Climate Change (only the need to develop the NECP was transferred to the Law on Energy).

### **EU Emissions Trading System**

The system of the EU for trading emissions of GHG (EU ETS) includes the sectors of energy

production, heavy industry and commercial flights. The rules are determined by the Directive 2003/87/EC<sup>30</sup> and all its amendments<sup>31</sup>. The EU ETS introduces a series of rules related to GHG emissions from plants that are included in this system, including rules related to trading, free emission units, methods of transactions, and the like. The establishment of the EU ETS begins with the initial identification of plants that are in the EU ETS and the issuance of permits for the emission of GHG for those plants.

In addition to stationary plants, the EU ETS includes commercial air service and water transport, while a new trading system should also be established for road transport and buildings, imposing obligations primarily on fuel suppliers. This system should start functioning from 2026.

Emissions from sectors that are not currently covered by the EU ETS (transport, building design and construction, agriculture, waste) are legally regulated in the EU by the regulation on the joint effort of EU Member States to reduce GHG emissions (Effort Sharing Legislation – ESL)<sup>32</sup>. In accordance with the very name of the regulation, it sets targets for the reduction of GHG emissions from sectors that are not covered by the EU ETS for individual EU Member States. The provisions of this regulation do not apply to the Republic of Serbia, because it is not a member of the EU, but it is expected that the principles of ESL, more precisely the reduction of GHG emissions from sectors that are regulated by ESL in the EU, will also be regulated by national legislation in the process of EU accession.

From the perspective of achieving climate/carbon neutrality, the LULUCF Regulation is also important, which establishes the dynamics and rules for achieving carbon neutrality for three sectors: land use, agriculture and forestry, until 2035.

30 Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003L0087>.

31 Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (Text with EEA relevance), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20230605>.

32 Effort sharing 2021–2030: targets and flexibilities, [https://climate.ec.europa.eu/eu-action/effort-sharing-member-states-emission-targets/effort-sharing-2021-2030-targets-and-flexibilities\\_en](https://climate.ec.europa.eu/eu-action/effort-sharing-member-states-emission-targets/effort-sharing-2021-2030-targets-and-flexibilities_en).

The transposition of provisions of EU regulations and the assumption of obligations similar to those assumed by the EU and its Member States within the framework of the Paris Agreement stem from the process of accession of the Republic of Serbia to the EU, but are also necessary due to the implementation of the Sofia Declaration (Green Agenda for the Western Balkans) and the accompanying documents. By signing the Sofia Declaration, the Republic of Serbia undertook to comply with the European Climate Law and achieve climate neutrality by 2050, followed by the establishment of goals for 2030, further compliance with the EU ETS, i.e., the introduction of carbon taxes, but also committed to undertake the development of an adaptation and decarbonization strategy.

### **CBAM – Carbon tax at EU borders**

The European Union has introduced a “carbon tax” at the borders of the EU for certain sectors, which are among the sectors covered by the EU ETS, in order to ensure the competitiveness of the EU economy. CBAM is the equivalent of the EU ETS and aims to “charge” the carbon content of certain products when imported from the non-EU countries. Namely, the Regulation 2023/95<sup>33</sup> on the establishment of a mechanism for the regulation of cross-border carbon emissions (carbon border adjustment mechanism – CBAM) entered into force on May 17th, 2023. The goal of this Regulation is to ensure the competitiveness of the EU economy while achieving the highly set climate goals from the European Green Deal, but also to help the global achievement of the goals of the Paris Agreement.

The essence of CBAM is the taxation of part of the products and goods in the EU ETS (iron and steel, cement, aluminium, hydrogen, artificial fertilizer and electricity) produced outside the territory of the EU which are imported into

the EU, and which have emissions of carbon dioxide, nitrogen oxides and perfluorocarbons per product unit higher than those produced in the EU territory.

Exemption from the application of CBAM is possible if:

- I. the country or territory applies the EU ETS or the EU and that third country have concluded an agreement on the basis of which the EU's GHG emissions trading system is linked to the GHG emissions trading system of that third country, as is the case in relations between the EU and Switzerland<sup>34</sup>; the European Union concluded the Agreement on the European Economic Area (EEA) with Iceland, Norway and Liechtenstein<sup>35</sup>, on the basis of which these countries are exempted from the mechanism for regulating cross-border carbon emission;
- II. the price of carbon emissions in the country of origin is equivalent to the price of the emission unit on the EU ETS market. Special provisions (6 conditions) must be met in order to exempt electricity from the CBAM charge, when the electricity market of the country requesting the exemption is integrated with the EU electricity market and there are no technical solutions for applying the CBAM. Those six conditions are as follow:
  1. an agreement was concluded between the EU and the country to which the exemption refers, which established the obligation to apply EU law in the field of electricity, primarily the law related to the use of renewable energy sources;
  2. the main provisions of EU legislation on the electricity market are implemented within

<sup>33</sup> Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism, <https://eur-lex.europa.eu/eli/reg/2023/956/oj>.

<sup>34</sup> 2024 arrangement for the execution of transfers between the emission trading registries of the EU and Switzerland, [https://climate.ec.europa.eu/news-your-voice/news/2024-arrangement-execution-transfers-between-emission-trading-registries-eu-and-switzerland-2023-11-21\\_en#:~:text=The%20Agreement%20between%20the%20EU,Trading%20System%20and%20vice%20versa.](https://climate.ec.europa.eu/news-your-voice/news/2024-arrangement-execution-transfers-between-emission-trading-registries-eu-and-switzerland-2023-11-21_en#:~:text=The%20Agreement%20between%20the%20EU,Trading%20System%20and%20vice%20versa.)

<sup>35</sup> European Economic Area (EEA), Relations with the EU, <https://www.efta.int/eea>.

the national legislation;

3. the country to which the exemption refers has undertaken the obligation to achieve climate neutrality by 2050, with the obligation to submit a long-term low carbon development strategy to the United Nations Framework Convention on Climate Change;
4. the country to which the exemption applies respects the deadlines it set in the action plan for achieving climate neutrality when submitting the application for exemption and shows progress in harmonizing domestic legislation with the EU climate legislation when it comes to climate, achieving the same price for GHG emissions as in the EU, as well as the establishment of a system equivalent to the EU ETS by January 1st, 2030;
5. the country to which the exemption applies has the obligation to submit an action plan to the European Commission, with a timetable for the adoption and achievement of measures relevant to the implementation of conditions 3 and 4;
6. the country to which the exemption refers has established an effective system to prevent the indirect import of electricity into the EU from other countries or areas that do not meet conditions 1 and 4.

The European Commission monitors and, if it assesses that sufficient progress has not been made in fulfilling one of the six conditions or the measures taken are not in accordance with the objectives set by EU legislation in the field of climate and environment or that the measures taken are contrary to the goals of decarbonisation, it has the right to revoke the exemption status for electricity.

The advantage of using the CBAM exemption mechanism is to retain the funds collected through collection and to finance climate action

in the country of origin/production, instead of funds flowing into the EU budget and financing climate action on the territory of the EU.

The transitional phase of CBAM started on October 1st, 2023 and involves the submission of reports on GHG emissions. The charging of GHG emissions will start from the beginning of 2026. By the end of 2024, a revision of the Regulation on CBAM is expected, in terms of supplementing the list of sectors, more precisely including all sectors that are now regulated by the EU ETS.

#### **Assessment of compliance with the EU acquis and international agreements**

Article 2 of the European Climate Law establishes the EU's determination to achieve carbon neutrality by 2050 at the latest, which is not the case in the Law on Climate Change of the Republic of Serbia. Thus, the Law on Climate Change is another in a series of documents that do not set the goal of achieving carbon neutrality. The Law on Climate Change of the Republic of Serbia does not define the mechanisms for financing climate action, which raises doubts about the effectiveness of the implementation of the Law on Climate Change, nor does the policy whose development, monitoring and improvement are prescribed by the Law on Climate Change. .

It should be recalled here that the European Commission, in its latest Progress Report for the Republic of Serbia<sup>36</sup> called on decision-makers to urgently take steps to establish a carbon pricing mechanism equivalent to the EU ETS, in order to improve the alignment of national legislation with the EU acquis and prepare for the CBAM, the implementation of which began on October 1st, 2023.

It is also interesting that the Law on Climate Change introduces, as the only financial mechanism that can contribute to the reduction of GHG emissions, the clean development mechanism, which has not been operational since the end of the Kyoto Protocol, whereas within the Paris Agreement, it received a

<sup>36</sup> Serbia 2023 Report, [https://neighbourhood-enlargement.ec.europa.eu/document/download/9198cd1a-c8c9-4973-90ac-b6ba6bd72b53\\_en?filename=SWD\\_2023\\_695\\_Serbia.pdf](https://neighbourhood-enlargement.ec.europa.eu/document/download/9198cd1a-c8c9-4973-90ac-b6ba6bd72b53_en?filename=SWD_2023_695_Serbia.pdf).

completely different name, meaning and method of application. Therefore, Article 18 of the Law on Climate Change, which introduces the clean development mechanism, should certainly be the reason for initiating amendments to this law.

The Law on Climate Change does not transpose the provisions related to the need to develop the NECP, but the provision was transposed to the Law on Energy, so this is not a shortcoming of the Law on Climate Change. What is a shortcoming of the Law on Climate Change, but also of the Law on Energy (in the part that transposes provisions related to the NECP) is the absence of a link between the long-term mitigation strategy (which is the Low Carbon Development Strategy) and the NECP.

The Law does not transpose provisions regarding the need to reduce methane emissions (including a strategic plan for achieving that reduction), although the Republic of Serbia is a member of the Global Methane Pledge.

Even though the Law on Climate Change was not harmonized with the EU legislation at the time of its adoption, even three years after its adoption, a process was not initiated that would lead to amendments to this law with the aim of harmonizing it with the current EU acquis. Considering the provisions of the Stabilization and Association Agreement that prescribe the terms of the process of accession to the European Union, the goal is to reach economic standards similar to those within the EU. This is achieved primarily through the establishment of equal rules for all participants in the process, which should contribute to increasing the competitiveness of the economy. However, it is becoming increasingly apparent that an economy that does not operate in accordance with EU rules, including the Carbon Border Adjustment Mechanism (CBAM), faces restrictions and challenges that reduce its competitiveness. A simple confirmation of non-compliance and the need for harmonization is the fact that the Law on Climate Change does not cover all sectors that are in the ETS, since water transport is not included. It is significant that the EU ETS will also include road traffic and buildings from 2026, which will again affect the content of the Law on Climate Change of the Republic of

Serbia.

What is particularly worrying is that the Law on Climate Change does not provide mechanisms for financing climate action at all, not even those equivalent to the EU ETS system. The Law on Climate Change does not even recognize CBAM and the need to respond to this mechanism in order to preserve the competitiveness of the economy of the Republic of Serbia.

Finally, it is clear that the reporting system to the Energy Community regarding climate change is not prescribed by the Law on Climate Change, nor is the reporting system established by the corresponding regulation





## 4. Implementation of the Law on Climate Change

The aim of the Law on Climate Change (Article 3) is to establish mechanisms for timely, transparent, accurate, consistent, comparable and complete reporting and verification of information on the fulfilment of obligations under the Law on the Ratification of the United Nations Framework Convention on Climate Change, the Law on the Ratification of the Kyoto Protocol, the Law on the Ratification of the Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the Law on the Ratification of the Paris Agreement, as well as for monitoring and reporting on GHG emissions caused by human activity from sources and removed through sinks and adaptation activities to changed climate conditions undertaken on profitable and economically efficient way.

In the explanation of the proposal of the Law on Climate Change, which was sent to the National Assembly of the Republic of Serbia for adoption, it was stated that this Law ensures the transposition of relevant EU regulations, although this is not explicitly stated in Article 3 of the Law.<sup>37</sup>

### Law enforcement at national level

The Law on Climate Change further states that state bodies and organizations should adopt

appropriate sectoral policies and measures within the scope of their jurisdiction in order to achieve the goals of this law, and one gets the impression that these policies and measures should be based on documents in areas of climate change prescribed by this law, and those documents are:

- 1| low carbon development strategy;
- 2| action plan for implementing the strategy;
- 3| program for adaptation to changed climate conditions.

<sup>37</sup> Proposal for the Law on Climate Change (p. 36), [http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi\\_zakona/2021/337-21%20-%20Lat..pdf](http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi_zakona/2021/337-21%20-%20Lat..pdf).

The Law on Climate Change stipulates that the low carbon development strategy and the program for adaptation to changed climate conditions shall be adopted within two years from the date of entry into force of this law (until March 31st, 2023). Although these documents were adopted, none of the two documents was adopted within the prescribed period.

On June 1st, 2023, the Government of the Republic of Serbia adopted the Low Carbon Development Strategy of the Republic of Serbia for the period from 2023 to 2030, whereas the Program for Adaptation to Changed Climate Conditions for the period 2023–2030 with the Action Plan was adopted on December 25th, 2023, during the technical mandate of the Government. In addition to the fact that the Program for Adaptation to Changed Climate Conditions was adopted by the Government in the technical mandate, this document was adopted at the end of the year which is the initial year of implementation, while the Low Carbon Development Strategy was adopted halfway through its first year of implementation. Both documents were adopted two years after the initial year of application of the currently valid NDC (which should have elaborated these two national documents in more detail, as already explained in chapter 2.1 of this analysis).

Although the Law on Climate Change stipulates that the Low Carbon Development Strategy is implemented by adopting an action plan, it was not adopted even by the end of 2023. In addition to the lack of implementation of the Law on Climate Change in this part, it is evident that monitoring the implementation of the Low Carbon Development Strategy will not be possible due to the absence of an action plan that would determine the measures and policies that will ensure implementation and monitoring indicators.

The Low Carbon Development Strategy and the action plan are documents on the basis of which the Government prescribes GHG emission

limits for a period of ten years, on an annual basis for plants and aviation activities, for GHG emissions from sectors and categories with fuel combustion and fugitive emissions from fuel, industrial processes and product use, as well as from the agriculture and waste sectors (Article 11 of the Law on Climate Change). At the same time, in accordance with Article 80 of the Law on Climate Change, the Government will first prescribe limits on GHG emissions for the period starting in 2021 and ending in 2030.

In the explanation of the draft Law on Climate Change, it is stated that Articles 11 and 12 “define the need to fulfil the obligations of the Paris Agreement, but also the partial transposition of Decision 406/2009/EC<sup>38</sup> by applying its basic concept of prescribing the level of GHG emissions. Article 11 of the draft Law on Climate Change defines that the bylaw that is to be adopted by the Government will prescribe the levels of GHG emissions: from sources at the national level, for plants and aviation activities and for GHG emissions from sectors and categories with fuel combustion and fugitive emissions from fuel, industrial processes and product use, as well as from the agriculture and waste sectors for a period of ten years and the annual amount of emissions in this period for the mentioned sectors.”

However, the Government did not adopt this bylaw and did not prescribe restrictions until the end of 2023 (although the Low Carbon Development Strategy was adopted in June 2023). At the same time, it is not clear why the Law on Climate Change envisages the limitation of emissions from 2021, while the Low Carbon Development Strategy was drafted for the period 2023-2030.

The provisions of the Law on Climate Change regarding public participation in the process of adopting planning documents have been fulfilled, although the question remains whether they are sufficient for the complete transparency of the process of preparing documents of

<sup>38</sup> Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32009D0406>.

such importance, such as the Low Carbon Development Strategy and the Program for Adaptation to Changed Climate Conditions.

The public consultation on the proposal for a Low Carbon Development Strategy was conducted in the period from December 27th, 2019 to January 24th, 2020. However, from 2020 to 2023, there were significant changes in terms of global and EU targets related to reducing emissions of GHG, as well as to changes in foreign policy circumstances that significantly influenced EU energy and climate policies. Here, above all, we mean the war in Ukraine and its impact on the EU energy market, and consequently on the energy policy of candidate countries for EU membership. Also, with the European Green Deal and the European Climate Law, the EU's ambitions regarding the reduction of GHG emissions have increased, with the established goal of Europe's climate neutrality by 2050. The Republic of Serbia undertook to contribute to the achievement of this goal together with the EU by signing the Sofia Declaration on the Green Agenda for the Western Balkans in November 2020. The Low Carbon Development Strategy is based on calculations of GHG emissions until 2015, and the document adopted in June 2023 did not take into account calculations of GHG emissions in the period after 2015. The data from the GHG inventory until 2020 were available to the Environmental Protection Agency before the adoption of the Low Carbon Development Strategy, but this data was not taken into account.

In accordance with Article 64 of the Law on Climate Change, the Ministry of Environmental Protection of the Republic of Serbia should report to the Government on the implementation of the action plan, the Program for Adaptation to Changed Climate Conditions, the implementation of policies and measures, projections and the achievement of quantitative goals from the Low Carbon Development Strategy, and the Government submits reports to the National Assembly.

The Government prescribes the form, content and

deadlines for submitting reports. In accordance with the provision that the regulations will be adopted within one year from the date of entry into force of the Law on Climate Change, it is expected that the regulation determining the form, content and deadlines for submitting the report has been drawn up, which is not the case even after three years from adoption.

The Law on Climate Change stipulates, in Article 9, that public policy documents must contain a quantitative assessment of the impact on the change in the level of GHG emissions from sources and removal by sinks; however, the mechanism for monitoring the implementation of this article has not been defined. The selection of public policy documents adopted after the entry into force of the Law on Climate Change was carried out according to the principle of free sampling (Circular Economy Development Program for the period 2022-2024 – from 2022; Program for encouraging regional growth in the Republic of Serbia in 2023; Program for encouraging development of entrepreneurship through financial support for business beginners and young people in 2023), which indicates that this provision of the Law on Climate Change is not implemented.

Although the National Council for Climate Change was established in 2021 in accordance with the Law, it has held only two sessions so far.<sup>39</sup> Even in the years when it held meetings, the obligation to submit an annual work report to the Government was not fulfilled.

In November 2023, the Renewables and Environmental Regulatory Institute (RERI) sent a request to the Ministry of Environmental Protection seeking access to the annual reports of the National Council on Climate Change for the period between 2017 and 2022, as well as information on whether these reports are available to the public. At the end of December, the Ministry replied that it did not have the requested documents and that they had not been made public. This is contrary to Article 13 of the Rules of Procedure of the National Council for

39 <https://www.ekologija.gov.rs/dokumenta/klimatske-promene/nacionalni-savet-za-klimatske-promene>.

Climate Change<sup>40</sup>, which mandates that reports on the work and activities of the Council be publicly available on the official website of the Ministry in charge of environmental protection. According to Article 14 of the Rules of Procedure, the Council is obliged to submit a work report to the Government every year. The last session was held at the beginning of September 2022, which was determined based on one of the two publicly available session minutes. At the time of writing this publication, it is not known whether the Council held sessions during 2023 or whether the Council performed the tasks described in the Rules of Procedure. It is not known whether and in what way the Council participated in the preparation of the Low Carbon Development Strategy for adoption in 2023, as well as in the process of drafting and adopting the NAP.

The Law on Climate Change establishes a system of measurement and reporting, i.e., issuing permits for plants and commercial flights in the EU ETS in accordance with EU legislation. In December 2023, the Rulebook on monitoring and reporting on GHG<sup>41</sup>, emissions was adopted, as the last of the necessary regulations for the implementation of the provisions of Chapter IV of the Law on Climate Change, i.e., for issuing permits for GHG emissions to operators of stationary plants. A list of all adopted by-laws can be found in Annex I.

In addition to the adoption of the above regulation, it should be borne in mind that the Ministry of Environmental Protection is obliged to publish on its website certain elements necessary for the application of the monitoring methodology, such as standard factors, assessment methods for determining the share of biomass, etc., and in accordance with Article 35 of the Law on Climate Change, which is an additional requirement for the preparation of a monitoring plan<sup>42</sup>, i.e., submission of a request for the issuance of a permit.

In accordance with the Law on Climate Change, the plant operator is obliged to submit an application for the issuance of a permit no later than six months from the date of entry into force of the regulation. Therefore, we should expect submitting the requests by the end of June 2024 at the latest. A significant positive development is the provision of a system for electronic submission of requests<sup>43</sup>, which should greatly facilitate not only the submission of a request for a permit, but also the communication between the applicant and the request processor, i.e., the functioning of the system. The system for electronic submission of requests for the issuance of a permit, unfortunately, does not contain the necessary elements for the development of a monitoring plan.

Assuming that the aim of the Law on Climate Change – in Part IV, which refers to the monitoring and reporting of GHG emissions from stationary plants – is to prepare operators, as well as the Government, for negotiations and an effective response to mechanisms such as CBAM, the question arises of its expediency in the applied deadlines. Namely, the Ministry of Environmental Protection has a maximum of 9 months to issue a permit after receiving the request. It follows from this that only if the Ministry of Environmental Protection issues a permit in 2024, monitoring at the plant level will begin to function in 2025, so that the operators will submit the first reports in 2026, which, apparently, will also be the first year of inclusion in CBAM of all sectors that are in the EU ETS. At the same time, the start of reporting in 2026 will not provide the Government with the elements to initiate a request for exemption from the application of CBAM in a timely manner. The situation could be even more uncertain for the competitiveness of the economy of the Republic of Serbia, i.e., even more challenging in the event of a delay in the implementation of these provisions from the Law on Climate Change, caused by the absence of the necessary elements for the development

40 Rules of Procedure of the National Council for Climate Change, [https://www.ekologija.gov.rs/sites/default/files/2022-05/poslovnik\\_o\\_radu\\_nacionalnog\\_saveta\\_za\\_klimatske\\_promene.pdf](https://www.ekologija.gov.rs/sites/default/files/2022-05/poslovnik_o_radu_nacionalnog_saveta_za_klimatske_promene.pdf)

41 Rulebook on monitoring and reporting on greenhouse gas emissions ("Official Gazette of the RS", No. 118/2023).

42 "The monitoring plan is the plan in accordance with which the plant operator or the aircraft operator monitors GHG emissions from the plant or aircraft activities", Law on Climate Change ("Official Gazette of the RS", No. 26/2021), Article 5 paragraph 1 point 23).

43 [https://e-ghg-portal.ekologija.gov.rs/sign\\_in](https://e-ghg-portal.ekologija.gov.rs/sign_in).

of monitoring plans or the postponement of the deadlines for submitting requests for issuance of permits.

There is a serious delay in the adoption of legislative measures that enable monitoring and reporting on emissions from stationary sources. It is also evident that there are delays in the adoption of regulations concerning aviation operations. In light of the fact that the regulations under the Law on Climate Change relating to aircraft operators were supposed to enter into force on January 1st, 2023 (under Article 77), delays in implementing these provisions may lead to further challenges in meeting climate targets and standards.

Article 66 of the Law on Climate Change prescribes the obligation to pay an administrative fee and states that the operator bears the costs of paying administrative fees, determined in accordance with special regulations, for submitting a request for the issuance of a permit in accordance with this law, issuing an approval in accordance with this law, amendment of the permit and amendment of the monitoring plan. Amendments to the Law on Republic Administrative Fees from 2023 introduced a fee for issuing a permit for the emission of greenhouse gases (GHG) to the plant operator.

The Law on Republic Administrative Fees<sup>44</sup> prescribes tariff number<sup>45</sup> 191a "for the issuance of a permit for the emission of greenhouse gases (GHG) to the plant operator in accordance with the law governing climate change" in the amount of RSD 31,680. At the time of writing this publication, the total amount of the collection of republican administrative fees in 2023 based on this tariff is not known.

In accordance with Article 58 of the Law, the Environmental Protection Agency (hereinafter:

the Agency) establishes and manages the GHG inventory and prepares the GHG inventory report, which is an integral part of the report on the state of the environment in the Republic of Serbia. On a related note, the Agency has been preparing annual GHG inventories for more than a decade in accordance with Article 50 of the Law on Air Protection.<sup>46</sup> This article of the Law on Air Protection was not repealed by the entry into force of the Law on Climate Change, i.e., amendments to the Law on Air Protection from 2021. The Law also stipulates that the authorities and organizations designated by the Government (by regulation passed by the Government) are obliged to submit the data prescribed by the Government to the Environmental Protection Agency for the purposes of developing a GHG inventory. Authorities and organizations are obliged to enter into an agreement with the Agency (determining the obligations of those authorities and organizations and, in particular, the data, deadlines, form and method for their submission) within six months at the latest from the date of entry into force of the Government regulations by which these organizations are designated and their obligations are determined. It is not known whether the Environmental Protection Agency and the authorities and organizations concluded the agreement.

For the purposes of establishing a GHG inventory system, the Government adopted a Regulation<sup>47</sup> in 2023 that designated the authorities and organizations that submit the data necessary for the development of the GHG inventory (Article 59), and this with a delay in relation to the deadline prescribed by the Law on Climate Change. In addition, one gets the impression that the inventory system and inventory reporting system are not operational. We conclude this primarily on the basis of the absence of showing the GHG inventory in reports on the state of the environment, according to the provisions of the Law (Article 58).

44 Law on Republic Administrative Fees ("Official Gazette of the RS", No. 43/2003, 51/2003, 61/2005, 101/2005, 5/2009, 54/2009, 50/2011, 70/2011, 55/2012, 93/2012, 47/2013, 65/2013, 57/2014, 45/2015, 83/2015, 112/2015, 50/2016, 61/2017, 113/2017, 3/2018, 50/2018, 95/2018, 38/2019, 86/2019, 90/2019, 98/2020, 144/2020, 62/2021, 138/2022, 54/2023 and 92/2023).

45 'Tariff' is the tariff of republican administrative fees, which is an integral part of this law", Law on Republic Administrative Fees, Article 1a, paragraph 1, point 4.

46 Law on Air Protection ("Official Gazette of the RS", No. 36/2009, 10/2013 i 26/2021).

47 Regulation on the types of data, bodies and organizations and other natural and legal entities that submit data for the preparation of the national inventory of greenhouse gases, ("Official Gazette of RS", No. 43/2023).

It is absolutely impossible to explain this absence, given that the preparation of the GHG inventory should have continued in accordance with the provisions of Article 50 of the Law on Air Protection.

Also, after two years since the adoption of the Law on Climate Change, it is not possible to determine whether a functional system of preparation and reporting on projections and policies and measures has been established, and given the late adoption of public policy documents, there is the absence of inclusion of assessments of the impact of sectoral policies on the levels of GHG emissions and the absence of all necessary regulations. A similar conclusion can be drawn for the parts of the Law on Climate Change that relate to supervision and penal provisions.

### **Law enforcement at the local level**

The Law on Climate Change recognizes the importance of the involvement of local communities in issues related to climate change, providing a significant basis for the effective implementation of mitigation and adaptation measures.

According to Article 63 of the Law on Climate Change, bodies and organizations, including local self-government bodies and organizations responsible for environmental protection, are required to assess the effects of policies and measures on the level of GHG emissions and report them to the Ministry of Environmental Protection. According to the same article of this Law, the Government determines the list of bodies and organizations that are obliged to do so, as well as the content, form and deadlines for reporting. Not even three years after the adoption of the Law on Climate Change and more than 6 months after the adoption of the Low Carbon Development Strategy, the Government has not determined this list, nor have reporting mechanisms been established, although the Republic of Serbia implemented the CBIT project worth over one million US dollars (USD).<sup>48</sup>

Article 15 of the Law on Climate Change establishes the obligation of bodies and organizations responsible for the implementation of adaptation measures contained in the Adaptation Program and in the policies of the sectors affected by climate change (which also includes bodies and organizations at the local level) to submit to the Ministry of Environmental Protection a report on the implemented adaptation measures by March 15th of each year, starting from the second calendar year after the year of adoption of the Program of Adaptation to Changed Climate Conditions. As the Program was adopted in December 2023, the obligation to report on the implementation of the Program has not yet occurred.

Given that none of the necessary regulations have been adopted, it is clear that there is no implementation of the Law on Climate Change at the level of local communities. Additionally, when evaluating the implementation of the Law on Climate Change, it could be useful to assess the overall capacities of local governments to deal with climate change in general, through the integration of climate change issues into key local documents (spatial plan of the local self-government unit, general urban plan, disaster risk reduction plans, etc. ).



<sup>48</sup> Establishing a transparency framework under the Paris Climate Agreement, <https://www.klimatskepromene.rs/wp-content/uploads/2019/05/Dan-2-4.-CBIT-projekat.pdf>.

## 5. Conclusions

The Law on Climate Change entered into force on March 31st, 2021, and requires the adoption of regulations by March 31st, 2022, with the exception of regulations related to aircraft operators, which were to be adopted by January 1st, 2023. (Articles 77 and 79). Even two years after this law entered into force, not all the necessary regulations were adopted, and therefore there is no complete implementation. Acts whose adoption is prescribed by the Law on Climate Change were not adopted within the stipulated time frame, which leads to a situation in which the Republic of Serbia does not fulfil, or does not fulfil on time, its obligations arising from the Paris Agreement and the obligations undertaken within the Energy Community.

In principle, the implementation of the Law on Climate Change has so far been mostly realized in the area of the preparation of policy documents. Namely, although with a delay compared to the deadline prescribed by this law, the Government adopted the Low Carbon Development Strategy (but not the action plan for the implementation of that strategy) and the Program of Adaptation to the Changed Climate Conditions.

The Law does not recognize the interrelationship of documents whose development results from the provisions of the Paris Agreement and those resulting from the Energy Community Treaty (Strategy and NECP, as well as NDC) and no system for monitoring the assessment of the impact of sectoral policies on the levels of GHG emissions has been established, which is one of

the key mechanisms for the decarbonization of the economy of the Republic of Serbia.

The Law does not transpose some of the key provisions of the Paris Agreement and EU regulations, nor two key decisions of the EC Ministerial Council, and the fact that the process of amending the Law on Climate Change, in order to overcome this discrepancy, was not initiated until the end of 2023 is particularly worrying. This is the case especially considering:

- » the fact that the Law and/or any of the adopted documents do not establish a deadline for achieving carbon neutrality at the national level, which is one of the key requirements of the EU and the Paris Agreement;

- » the already present extension of the EU ETS to water transport and the expected new trading system for road transport and buildings from 2026.

Despite the implementation of the GEF project “Capacity-building Initiative for Transparency – CBIT” with a budget of 1.1 million dollars, a complete and functional system for monitoring and reporting has not been established. The Law on Climate Change still does not contain specific provisions that would require monitoring and reporting on financial and technical support and on the needs and provision of assistance for capacity building. Two years after the adoption of the Law on Climate Change, it is still not clear whether the system of preparation and reporting on projections, policies and measures is fully established and operational. This delay includes the adoption of public policy documents, the lack of assessment of the impact of sectoral policies on greenhouse gas emissions, and the lack of all necessary regulations. A similar conclusion applies to the provisions of the Law on Climate Change that refer to control and penalty measures.

The normative framework for issuing permits for the emission of greenhouse gases for stationary plants has been established and there is a basis for its effectiveness. In order to showcase this effectiveness, it is necessary for operators of stationary plants to submit requests for obtaining permits by June 2024. The Ministry of Environmental Protection should issue all the planned permits by the end of the first quarter of 2025.

What is particularly worrying is that the Law on Climate Change does not provide mechanisms for financing climate action at all, nor those equivalent to the EU ETS. The Law in no way recognizes the CBAM and the need to respond to this mechanism in order to preserve the competitiveness of the Serbian economy.





## 6. Recommendations

In light of the global initiative against climate change, which at the same time defines the path of development of the world economy, the Republic of Serbia stands at a turning point in its climate and energy policy. More precisely, the key steps towards the inclusion of Serbia in global and EU initiatives to reduce GHG emissions have already been made, with the ratification of the Paris Agreement, the signing of the Green Agenda, and the obligations that were voluntarily accepted through the EU accession process and the Energy Community Treaty.

Regardless of the fact that the energy transition and the application of accepted international standards and norms are late, Serbia has, at least formally, shown that it is striving to become part of the climate-neutral European continent.

The Law on Climate Change is the foundation of this initiative, but its effectiveness and compliance with international standards and obligations require detailed review and improvement.

The goal is to enable the Republic of Serbia to fulfil its international obligations, but also to lay solid foundations for a sustainable future, based on green energy, a climate-resistant economy and society, environmental protection and the active participation of citizens in the creation of policies that confirm the responsibility of the state and society in relation to the accepted international obligations.

In order to improve the Law on Climate Change and ensure its better implementation, it is necessary to

consider the following recommendations:

### **Carbon neutrality as a public policy goal that is recognized in all sectoral policies**

It is necessary to establish clear and measurable goals, measures and activities that ensure carbon neutrality by 2050 at the latest. The Law on the Planning System (principle of integrity and sustainable growth and development in the management of the system of public policies) provides the basis for the inclusion of climate policy, and consequently the goal of carbon neutrality, in all public policies during the development and implementation of planning documents. This principle must be applied in practice.

### **Ensure respect for the principles of the rule of law through consistent fulfilment of obligations arising from international agreements**

Fulfilment of obligations accepted by the ratification of international agreements ensure the application of the principles of the rule of law, whereas the violation of international agreements

is a violation of that principle. It is necessary to fulfil the assumed obligations on time and under pre-established and accepted conditions.

### **More precise alignment with international obligations**

The Law must be updated to reflect the specific obligations undertaken through the Paris Agreement and EU legislation. This includes clearly defined goals in terms of reducing emissions, obligations for all sectors of the economy and rigorous monitoring and reporting procedures, which lead to the improvement of goals and policies and measures that lead to their fulfilment.

### **The Law aiming at the welfare of citizens and the environmental conservation**

Amendments to the law should be guided by the principles of achieving carbon neutrality, climate resilience, sustainability and protection of natural resources. Any amendment must be based on scientific evidence, rational planning and cost-effectiveness assessment, with a clear focus on long-term benefits for citizens and the ecosystem.

### **Technological innovation in emissions monitoring**

Integration of advanced technological tools and methodologies, planned monitoring of data quality and their improvement for measuring greenhouse gas emissions are key. Transparency in reporting and the ability to accurately monitor the effects of implemented measures will contribute to greater credibility and efficiency of policies.

### **Increasing the level of knowledge**

Organizing training for employees in the public sector, including local self-governments and public enterprises, is vital for raising the level of awareness regarding climate change. This education should enable a better understanding of climate challenges and the need for active participation in solving them..

### **Financial and technical support**

Increasing the availability of financial and technical resources for the realization of projects in the field of renewable energy, energy efficiency, but also more efficient management of water resources,

increasing the resilience of the agriculture, forestry, health and other key segments of climate action is imperative. This implies both domestic and international support, including EU funds and other international financial mechanisms. The involvement of the private sector, especially in the financing of actions leading to climate resilience, is a prerequisite for achieving this goal. On the other hand, the involvement of the private sector requires clear goals and an environment that will provide benefits for the investors themselves. For this reason, it is necessary to clearly define the year of achieving carbon neutrality, removing coal from use, as well as climate resistance.

### **Platform for dialogue and public participation**

It is necessary to create mechanisms for the inclusion of all relevant actors – from state authorities, through the private sector to civil society and individuals – in decision-making processes. These platforms should enable the exchange of knowledge, experiences and best practices, as well as promote the active participation of citizens in the creation and implementation of climate policies. In particular, it is necessary to establish a national council for climate change, based on impartial criteria for the selection of council members, which enable a non-discriminatory selection of council members, who will be involved in decision-making processes and monitoring the implementation of the Law. Also, it is necessary to ensure the availability of information about the work and conclusions of the Council.

Each of these recommendations requires a clear commitment and concrete steps from the Government, with the support of the international community and the involvement of the wider public. Only through a comprehensive and integrated approach, the Republic of Serbia can achieve its goals in the fight against climate change and contribute to global efforts to preserve the planet and a sustainable environment.










# 7. Overview of used sources and literature

1. The Paris Agreement with the UN Framework Convention on Climate Change (Paris Agreement, United Nations 2015).
2. Decision 18/CMA.1 (Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement – MPGs).
3. Decision 4/CMA.1 (Further guidance in relation to the mitigation section of decision 1/CP.21).
4. Decision 9/CMA.1 (Further guidance in relation to the adaptation communication, including, inter alia, as a component of nationally determined contributions, referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement).
5. Decision CMA.3 (5/CMA.3 Guidance operationalizing the modalities, procedures and guidelines for the enhanced transparency framework referred to in Article 13 of the Paris Agreement; Further guidance in relation to the adaptation communication, including, inter alia, as a component of nationally determined contributions, referred to in Article 7, paragraphs 10 and 11, of the Paris Agreement and Common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement).
6. European Climate Law (Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999).
7. Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council.
8. Ministerial Council Decision 2021/14/MC-EnC of 30 November 2021 on incorporating Regulation (EU) 2018/1999 in the Energy Community acquis communautaire and amending Annex I of the Treaty.
9. Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union.
10. Proposal for Directive of the European Parliament and of the Council amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union.

11. Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and Regulation (EU) 2015/757.
12. Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (Uredba LULUCF).
13. Sofia Declaration on the Green Agenda for the Western Balkans, adopted in Sofia on 10th November 2020, at the WB Summit under the framework of the Berlin Process initiative.
14. European Green Deal, (COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Green Deal, European Commission, Brussels, 11.12.2019, COM(2019) 640 final).
15. NDC of the European Union and its Member States, Berlin, 17 December 2020.

# Overview of bylaws drafted in accordance with the Law on Climate Change

Article	Subject of regulation	Description	Bylaw	Status
7.	Low-carbon development strategy	The Ministry responsible for environmental protection, in cooperation with other relevant ministries and key state institutions and bodies, is preparing a Low-Carbon Development Strategy to determine strategic directions of action and public policies related to the limitations on GHG emissions from sources, as well as transparent and accurate monitoring of achieving these emission limits. The Strategy is being prepared for a period of at least ten years. The Strategy is adopted by the Government upon the proposal of the Ministry.	Low-carbon development strategy of the Republic of Serbia for the period from 2023 to 2030 with projections until 2050 ("Official Gazette of RS" 46/23)	Adopted 
10.	Action plan for the implementation of the Strategy	The Strategy is implemented through the adoption of an action plan, which includes a description of the measures and activities necessary to achieve the objectives of the Strategy, an outline of responsible institutions, an assessment of required resources, timelines, and information about regulations that need to be enacted or amended to implement public policy measures. The action plan is adopted by the Government for a period of at least five years upon the proposal of the Ministry.		Not adopted 
11.	GHG Emission Limitation	Based on the Strategy and Action Plan, and in accordance with the obligations arising from the Convention and other international documents adopted for the implementation of the Convention, the Government prescribes GHG emission levels: from sources at the national level, for installations and aviation activities, and for GHG emissions from sectors and categories where fuel combustion and fugitive emissions from fuels, industrial processes, and product use, as well as agriculture and waste occur.		Nije usvojen 

13.	Climate Adaptation Program	Based on the Strategy and Action Plan, and in accordance with the obligations arising from the Convention and other international documents adopted for the implementation of the Convention, the Government prescribes GHG emission levels: from sources at the national level, for facilities and aviation activities, and for GHG emissions from sectors and categories involving fuel combustion and fugitive emissions from fuels, industrial processes, and product use, as well as agriculture and waste. The act referred to in paragraph 1 of this article prescribes GHG emissions for a period of ten years and on an annual basis during this period. The Ministry prepares an annual report on achieving GHG emissions in accordance with the act from paragraph 1 of this article and, in case of deviations, including permitted transfers in accordance with Article 12 of this law, prepares a proposal for necessary corrective measures to achieve GHG emissions from sources by November 15 of each year and submits it to the Government for adoption.	Climate Adaptation Program with an Action Plan ("Official Gazette of RS" 119/2023)	Adopted 
15.	Implementation of the Climate Adaptation Program	Public policy documents in sectors most affected by climate change, as well as planning documents of the autonomous province and local government units, are prepared taking into account the objectives of the Adaptation Program. Bodies and organizations responsible for implementing adaptation measures contained in the Adaptation Program, as well as for the preparation and implementation of public policy documents referred to in paragraph 1 of this article, are required to submit a report to the Ministry by March 15 of each year, starting from the second calendar year following the year of adoption of the Adaptation Program, on the measures of adaptation implemented, as well as occurrences such as floods, extreme temperatures, droughts, and others and their consequences. The Government prescribes a list of bodies and organizations, as well as the content and format of the report, as stated in paragraph 2 of this article.		Not adopted 
18.	Implementation of the Clean Development Mechanism	Measures to limit GHG emissions can be implemented through programs and projects within the framework of the Clean Development Mechanism. The Government prescribes the criteria and method for approving programs and projects that are carried out within the framework of the Clean Development Mechanism, excluding capital projects, as defined by the law regulating the budgetary system.		Not adopted 
20.	Fuel Economy and Emissions Labeling for CO2 and Pollutants in the Air	A seller who markets a new passenger vehicle model is obliged to display, at their own expense, a clearly visible label about the fuel economy and CO2 emissions of that vehicle at the point of sale or near the passenger vehicle. The format of the label from paragraph 1 of this article is published by the Traffic Safety Agency in electronic form on its website. The Minister specifies in detail the content of the label format regarding the fuel economy and CO2 emissions mentioned in paragraph 1 of this article.	Regulation on data concerning the fuel economy and CO2 emissions from new passenger vehicles ("Official Gazette of RS" 107/22 and 71/23)	Adopted 



21.	Guide on Fuel Economy, CO2 Emissions, and Air Pollutants	<p>The supplier must send, in electronic form, a list of models of all new vehicles sold in the territory of the Republic of Serbia to the Traffic Safety Agency by December 31 of the current year, using a prescribed form. The supplier is required to provide, at their own expense, at least once a year, a guide on fuel economy, CO2 emissions, and air pollutants, which also includes the lists from paragraph 2, items 1) and 2) of this article. The supplier publishes the guide on their website, and provides its electronic version free of charge to the retailer and the Traffic Safety Agency. The retailer must ensure that the latest compact version of the guide is available at their sales location in a written, portable electronic format free of charge to the consumer upon request. The Minister specifies in detail the form with data from paragraph 1 of this article, as well as the content of the guide from paragraph 3 of this article.</p>	<p>Regulation on data concerning the fuel economy and CO2 emissions from new passenger vehicles ("Official Gazette of RS" 107/22 and 71/23)</p>	<p>Adopted</p> 
22.	Poster or Display	<p>The seller is required to prominently display a poster or screen at the point of sale for all brands of new passenger vehicles that are exhibited or offered for sale or lease, featuring official fuel consumption data and official specific emissions of CO2 and air pollutants. The Minister specifies the appearance, dimensions, and content of the poster or display in greater detail</p>	<p>Regulation on data concerning the fuel economy and CO2 emissions from new passenger vehicles ("Official Gazette of RS" 107/22 and 71/23)</p>	<p>Adopted</p> 
23.	Promotion	<p>Both the supplier and the seller are obliged to ensure that all promotional materials include data on the official fuel consumption and official specific emissions of CO2 and air pollutants for the model of the new passenger vehicle to which it pertains. The Minister specifies the form and content of the promotional material in greater detail.</p>	<p>Regulation on data concerning the fuel economy and CO2 emissions from new passenger vehicles ("Official Gazette of RS" 107/22 and 71/23)</p>	<p>Adopted</p> 
25.	GHG Emission Permit for Facility Operators	<p>Before commencing operations at a facility engaged in activities leading to GHG emissions, the facility operator must obtain a GHG emission permit. Exceptionally, as stipulated in paragraph 1 of this article, facilities or parts of facilities used for research, development, and testing of new products and processes, as well as facilities exclusively utilizing biomass, do not require a permit. The Government prescribes the types of activities and gases mentioned in paragraph 1 of this article for which a permit must be obtained.</p>	<p>Regulation on Types of Activities and GHG ("Official Gazette of RS" 13/22)</p>	<p>Adopted</p> 

33.	Submission of Aircraft Operators' Monitoring Plan	<p>An aircraft operator holding an operational license in accordance with the law regulating air traffic is required to submit a monitoring plan to the Ministry no later than four months after the regulations referred to in paragraph 3 of this article come into effect. An aircraft operator in the process of obtaining an operational license must submit a monitoring plan to the Ministry at least two months before commencing aviation activities under the operational license. The Government specifies the aviation activities and gases for which a monitoring plan need not be submitted.</p>	Regulation on Types of Activities and GHG ("Official Gazette of RS" 13/22)	<p>Adopted</p> 
35.	Monitoring plan	<p>Facility and aircraft operators are required to conduct GHG emission monitoring based on an approved monitoring plan, which is an integral part of the permit or has been approved by the Ministry. In addition to the obligation mentioned in paragraph 1 of this article, aircraft operators may also monitor data related to tonne-kilometres. The monitoring plan particularly consists of detailed, complete, and transparent information about the methodology for monitoring GHG emissions of individual facilities or aircraft. Written procedures for the processes applied during monitoring and reporting, as well as supporting documentation, are integral parts of the monitoring plan. In the process of assessing the monitoring plan, the Agency or the Directorate gives consent for the application of specific elements of the monitoring methodology or certain written procedures or parts thereof. The Ministry publishes on its website certain elements necessary for the application of the monitoring methodology, such as standard factors, assessment methods for determining the biomass share, and others. The Minister, for aviation activities with the consent of the minister responsible for transport affairs, prescribes the content of the monitoring plan, written procedures, and accompanying documentation that is submitted with the monitoring plan.</p>	Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)	<p>Adopted</p> 





36.	Modification of the Monitoring Plan	<p>The operator is obligated to regularly verify whether the monitoring plan accurately reflects the nature and operation of the facility or aircraft activities, and whether the GHG emission monitoring methodology can be improved. Based on this, the operator must make modifications to the monitoring plan. The operator is required to notify the Ministry without delay about proposals for modifying the monitoring plan. If it is determined that the proposed modifications to the monitoring plan in a specific case are not significant, the Ministry informs the operator that they must submit the modified monitoring plan with accompanying documentation to the Ministry by December 31 of the current year. If the modifications are deemed significant, the Ministry informs the operator that they must immediately submit the modified monitoring plan with accompanying documentation for approval. The approval process for the modified monitoring plan is governed by the provisions of Articles 28 and 34 of this law. The operator is required to maintain records of all modifications to the monitoring plan. The Minister, and for aviation activities with the consent of the minister responsible for transport affairs, prescribes the reasons for modifying the monitoring plan, significant modifications to the monitoring plan, and the content of the records regarding modifications to the monitoring plan.</p>	Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)	<p>Adopted</p> 
37.	Simplified Monitoring Plan	<p>A facility operator managing a facility with low GHG emissions may submit a request to the Ministry for approval to use a simplified monitoring plan. A facility performing prescribed activities involving N<sub>2</sub>O will not be considered a low GHG emission facility. The Minister specifies the conditions that a facility must meet to be considered a low GHG emission facility, as well as the conditions, activities, procedures, methods of control, and the necessary documentation that must be provided in order for the operator mentioned in paragraph 1 of this article to use a simplified monitoring plan.</p>	Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)	<p>Adopted</p> 
39.	GHG emission monitoring methodologies	<p>GHG emission monitoring is conducted based on prescribed methodologies. The Minister specifies the methodologies for monitoring GHG emissions from facilities and the conditions for their application. With the consent of the Minister responsible for transport affairs, the Minister also prescribes the methodology for monitoring GHG emissions for aircraft operators.</p>	Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)	<p>Adopted</p> 

<p>40.</p>	<p>Assessment of the Application of a Specific Monitoring Methodology</p>	<p>If a facility operator claims that the application of a specific monitoring methodology is not technically feasible, the Agency evaluates the validity of this claim taking into account the technical and technological characteristics of the facility. If the facility operator argues that the application of a specific monitoring methodology results in unjustifiably high costs, the Agency assesses the validity of this claim, considering whether the monitoring costs outweigh the benefits. The method for assessing technical feasibility and unjustifiably high costs is further regulated by a regulation issued by the Minister.</p>	<p>Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)</p>	<p>Adopted</p> 
<p>41.</p>	<p>Data management and control</p>	<p>The operator establishes, documents, implements, and maintains written procedures for the collection and use of data during GHG emission monitoring and reporting, with an effective control system to ensure that the GHG emission report and ton-kilometre report are prepared without misrepresented data and in accordance with the monitoring plan. The operator is obligated to regularly check the effectiveness of the control system and to improve it as necessary, along with the written procedures for data collection and use in GHG emission monitoring and reporting, taking into account the recommendations from the verification report, and adjust the monitoring plan as needed. The Minister, and for aviation activities with the consent of the Minister responsible for transport affairs, prescribes the content of the written procedures and the control system.</p>	<p>Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)</p>	<p>Adopted</p> 

42.	Document and Data Retention	<p>Operators are required to retain all relevant data collected in accordance with Article 41 of this law, as well as documents produced and obtained in fulfilment of obligations under this law, for a minimum of ten years. The data and documents mentioned in paragraph 1 must be made available upon request to the Ministry, Agency, Directorate, and the verifier who verifies the report on annual GHG emissions or the ton-kilometer report. The Minister, and for aviation activities with the consent of the minister responsible for transport, prescribes the minimum amount of data and documents to be retained in accordance with paragraph 1.</p>	<p>Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)</p>	<p>Adopted</p> 
43.	Reporting	<p>Operators are required to submit a verified report on GHG emissions along with the verification report for the previous calendar year to the Agency or Directorate by March 31 of the current year, for both plant operations and the aviation sector. Exceptionally, the GHG emissions report submitted by an operator that starts operations for the first time in the first year after obtaining a permit under Article 29 of this law, or approval under Article 34, covers the period from the start date to December 31 of that year. An operator of a plant that has ceased operations, or in the case of bankruptcy, the bankruptcy administrator, must immediately submit a verified report on gas emissions for the period from January 1 of the current year to the day the plant ceased operations. An operator that performed prescribed activities for at least one day in the calendar year during the periods from January 1 to December 31, 2005, from January 1, 2008, to December 31, 2010, and from January 1, 2016, to December 31, 2017, must submit, along with the first GHG emissions report to the Agency or Directorate, data on the level of activity and emissions from those activities for these years. The Minister, and for aviation activities with the consent of the minister responsible for transport, prescribes the form and content of the emissions reports under paragraphs 1-3, as well as the type and method of obtaining data on historical levels of activity and emissions from these activities.</p>	<p>Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)</p>	<p>Adopted</p> 

45.	Reporting on Improvements to Monitoring Methodology	<p>Operators are obligated to submit a report on improvements to the monitoring methodology to the Ministry, which then provides approval. If the verification report, as described in Article 43 of this law, contains remarks regarding inaccuracies or inconsistencies in the GHG emissions report or suggests improvements to the report, the operator must prepare a report and submit it for Ministry approval by June 30 of the year in which the verification report was issued. In the report from paragraph 2 of this article, the operator must specify which remarks and suggestions from the verification report have been accepted, or the timelines within which they will be accepted. For remarks and suggestions that are not accepted, the operator must provide a rationale as to why they do not lead to an improvement in the monitoring methodology or how they would lead to unjustifiably high costs. Exceptionally, operators managing facilities with low GHG emissions are not required to submit the report mentioned in paragraph 2. The approval process for reports under paragraphs 1 and 2 is governed by the provisions of Articles 28 and 34 of this law. The Minister prescribes the deadlines for submission and the content of the report from paragraph 1.</p>	Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)	<p>Adopted</p> 
46.	Verification of Reports	<p>In accordance with the stipulated procedures, an accredited verifier conducts the verification of the report referenced in Article 43 of this legislation and subsequently issues a verification report to the operator. The Accreditation Body of Serbia (ATS), adhering to prescribed protocols, accredits legal entities that satisfy the established criteria to function as verifiers. The Minister delineates the qualifications verifiers must possess, the verification procedures and criteria, as well as the specifications for the contents of the verification report.</p>	Regulation on Verification and Accreditation of Verifiers of Reports on Greenhouse Gas Emissions ("Official Gazette of RS" 107/21).	<p>Adopted</p> 
48.	Application for Accreditation	<p>Along with the accreditation application, the applicant must submit documentation as prescribed by the law regulating accreditation and other general acts of the ATS, as well as information relevant for: assessing competency for conducting verification, evaluating the verification process, and determining the fulfilment of conditions for verifiers as stipulated by regulations enacted under this law. The Minister specifies the information relevant for: assessing competency for conducting verification, evaluating the verification process, and determining the fulfilment of conditions for verifiers under the regulations enacted based on this law.</p>	Regulation on Verification and Accreditation of Verifiers of Reports on Greenhouse Gas Emissions ("Official Gazette of RS" 107/21)	<p>Adopted</p> 

50.	Assessment team	<p>In the accreditation process, the assessment team must meet the conditions and apply procedures defined by the regulations in Article 47 of this law. In addition to the conditions set by the regulations of Article 47, the assessment team must also meet requirements regarding the composition of the team, the competencies of assessors evaluating verifiers, the team leader, team members, and individuals making decisions about granting, extending, or renewing accreditation, as well as the requirements that must be met by technical experts whom ATS may include in the assessment team. The Minister specifies the conditions mentioned in paragraph 3 of this article.</p>	<p>Regulation on Verification and Accreditation of Verifiers of Reports on Greenhouse Gas Emissions ("Official Gazette of RS" 107/21)</p>	<p>Adopted</p> 
52.	Verifier Monitoring Program	<p>The Accreditation Body of Serbia (ATS) submits the verifier monitoring program for the upcoming year to the Ministry by December 31 of the current year. The verifier monitoring program includes a list of verifiers accredited by ATS who have informed ATS in accordance with the provisions of Article 51 of this law that they intend to conduct verifications in the Republic of Serbia. ATS submits a report on the implementation of the previous year's work program to the Ministry by June 1 of the current year, which contains information about each verifier accredited by ATS. The Minister prescribes the form and content of the report mentioned in paragraph 4 of this article.</p>	<p>Regulation on Verification and Accreditation of Verifiers of Reports on Greenhouse Gas Emissions ("Official Gazette of RS" 107/21)</p>	<p>Adopted</p> 
55.	Submission of Documents Specified in Articles 26, 31, 33, 35, 36, 37, 43, 45, and 46 of This Law	<p>The Minister specifies the manner and form of submitting documents prescribed by Articles 26, 31, 33, 35, 36, 37, 43, 45, and 46 of this law.</p>	<p>Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS" 118/2023)</p>	<p>Adopted</p> 

<p>58.</p>	<p>GHG Inventory and GHG Inventory Report</p>	<p>Based on the GHG Inventory, the National GHG Inventory Report is prepared. The Agency establishes and maintains the GHG Inventory and prepares the GHG Inventory Report. The GHG Inventory Report is an integral part of the Environmental Status Report in the Republic of Serbia. The Agency compiles the GHG Inventory by January 15 of each year. The Agency prepares the GHG Inventory Report by March 15 of each year. The Agency produces the GHG inventory with provisional data for the previous year by July 31 of each year. The Minister specifies in detail the content of the GHG Inventory and the GHG Inventory Report.</p>	<p>Regulation on the Content of the National GHG Inventory and National GHG Inventory Report ("Official Gazette of RS" 55/23)</p>	<p>Adopted</p> 
<p>59.</p>	<p>Data Submission for the Creation of the National GHG Inventory</p>	<p>Bodies and organizations responsible for managing information systems and databases containing data necessary for the creation of the GHG Inventory are required to provide this data to the Agency and ensure data quality through implementing quality control measures. The government specifies which bodies and organizations are responsible for this data submission and the types of data required for compiling the GHG Inventory. Furthermore, the government may also stipulate in the regulation that other legal entities or individuals engaged in specific activities are obligated to submit data essential for the National GHG Inventory, which is not available from the bodies and organizations mentioned previously.</p>	<p>Regulation on types of data, bodies and organizations and other natural and legal persons that submit data for the creation of the national GHG inventory ("Official Gazette of the RS" 43/23)</p>	<p>Adopted</p> 



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