










Procedure file

Basic information		
INI - Own-initiative procedure	2018/2146(INI)	Procedure completed
2018 Commission report on Serbia		
Subject 8.20.01 Candidate countries		
Geographical area Serbia, from 06/2006		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Foreign Affairs	 MCALLISTER David	16/05/2018
		Shadow rapporteur	
		 FAJON Tanja	
		 TANNOCK Timothy Charles Ayrton	
		 VAJGL Ivo	
		 KOHLÍČEK Jaromír	
		 ŠOLTES Igor	
		 CASTALDO Fabio Massimo	
European Commission	Commission DG Neighbourhood and Enlargement Negotiations	Commissioner HAHN Johannes	

Key events			
19/04/2018	Non-legislative basic document published	SWD(2018)0152	Summary
05/07/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
16/10/2018	Committee report tabled for plenary	A8-0331/2018	Summary
28/11/2018	Debate in Parliament		
29/11/2018	Results of vote in Parliament		
29/11/2018	Decision by Parliament	T8-0478/2018	Summary

Technical information	
Procedure reference	2018/2146(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 87-p4
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	AFET/8/13289

Documentation gateway					
Non-legislative basic document		SWD(2018)0152	19/04/2018	EC	Summary
Committee draft report		PE623.683	02/07/2018	EP	
Amendments tabled in committee		PE627.018	05/09/2018	EP	
Committee report tabled for plenary, single reading		A8-0331/2018	16/10/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0478/2018	29/11/2018	EP	Summary
Commission response to text adopted in plenary		SP(2019)92	26/03/2019	EC	

2018 Commission report on Serbia

PURPOSE: to present a Commission staff working document on the Serbia 2018 report in the context of EU enlargement.

BACKGROUND: since the opening of Serbias accession negotiations in January 2014, 12 out of 35 chapters have been opened, two of which provisionally closed. The overall pace of negotiations will continue to depend on Serbias progress in reforms and in particular on a more intense pace of reforms on rule of law and in the normalisation of its relations with Kosovo. The European Council granted Serbia the status of candidate country in 2012. The Stabilisation and Association Agreement (SAA) between Serbia and the EU entered into force in September 2013. Compliance issues remain in the area of state aid and fiscal discrimination on alcohol. As of 1 September 2017, capital flows between the EU and Serbia should have been fully liberalised. In addition, since May 2017, Serbia has introduced a number of restrictions concerning exports of non-hazardous waste leading to a temporary halt in the issuance of export licences. Serbia should address all these compliance issues as a matter of priority.

CONTENT: as regards its ability to assume the obligations of membership, Serbia has continued to align its legislation with the EU acquis across the board. Adequate financial and human resources and sound strategic frameworks will be crucial to maintaining the pace of reforms. Serbia has a good level of preparation in areas such as company law, intellectual property, science and research, education and culture, and customs. In areas such as public procurement, statistics, monetary policy and financial control, Serbia is moderately prepared. Serbia needs to progressively align its foreign and security policy with the European Unions common foreign and security policy in the period up to accession. Serbia needs to address, as a matter of priority, issues of non-compliance with the SAA, regarding in particular restrictions on capital movements, state aid regulation, fiscal discrimination on imported spirits and restrictions on waste exports.

As regards the normalisation of relations with Kosovo, Serbia needs to make further substantial efforts on the implementation of existing agreements and contribute to the establishment of circumstances conducive to the full normalisation of relations with Kosovo, to be defined in a legally binding agreement.

IPA II: under the Instrument for Pre-accession Assistance II, Serbia continues to benefit from pre-accession assistance with a total indicative allocation of EUR 1.5 billion for the period 2014-2020.

A summary of the main chapters of the report is as follows:

Political and economic dialogue: regular political and economic dialogue between the EU and Serbia has continued. Serbia continues to participate in the multilateral economic dialogue with the Commission and EU Member States to prepare for participation in multilateral surveillance and EU economic policy coordination. As part of the new approach to economic governance, Serbia adopted its fourth economic reform programme and is implementing reforms recommended by the Economic and Financial Affairs Council. Further efforts are needed to improve the capacity for economic planning, inter-ministerial coordination and implementation.

As regards the economic criteria, Serbia has made good progress and is moderately prepared in developing a functioning market economy. Some of the policy weaknesses, in particular with regard to the budget deficit, were addressed. Labour market conditions improved further. However, government debt is still high and the budgetary framework and its governance need to be strengthened. Major structural reforms of the public administration, the tax authority, and state-owned enterprises remain incomplete. Informal employment, unemployment and

economic inactivity remain still very high, particularly among women and youth. The private sector is underdeveloped and hampered by weaknesses in the rule of law and the enforcement of fair competition. Serbia is moderately prepared to cope with competitive pressure and market forces within the Union. Some progress was made to increase competitiveness. However, the level of investment activity is still below the economy's needs.

Judicial system: Serbia's judicial system has some level of preparation in this area. Some progress was made, notably by reducing the backlog of old enforcement cases and putting in place measures to harmonise court practice. Improved rules for evaluating professional performance of judges and prosecutors were adopted. The scope for political influence over the judiciary remains a concern.

Corruption and organised crime: Serbia has some level of preparation in the fight against corruption. Some progress has been achieved, especially in adopting amendments to the Criminal Code in the economic crimes section; to the law on the organisation of state authorities in the field of fight against corruption, organised crime and terrorism; and to the law on seizure and confiscation of proceeds of crime. However, there is a serious delay in adopting the new law on the Anti-Corruption Agency. Corruption remains prevalent in many areas and continues to be a serious problem. Law enforcement and judicial authorities still need to prove that they can investigate, prosecute and try all high level corruption cases in an unbiased and operationally independent manner.

Serbia has some level of preparation in the fight against organised crime. A new strategy and action plan to prevent and fight trafficking in human beings were adopted. The number of convictions for organised crime remains low.

Fundamental rights and freedom of expression: the legal and institutional framework for the respect of fundamental rights is in place. Its consistent implementation across the country needs to be ensured, including as regards protection of minorities. While Serbia has some level of preparation, no progress was made on freedom of expression, a matter of increasing concern. Further sustained efforts are needed to improve the situation of persons belonging to the most discriminated groups (Roma, LGBTI persons, persons with disabilities, persons with HIV/AIDS and other socially vulnerable groups).

2018 Commission report on Serbia

The Committee on Foreign Affairs adopted the own-initiative report by David McAllister (EPP, DE) on the 2018 Commission Report on Serbia.

It welcomed the Commission's assessment in [its communication](#) that, with strong political will, the delivery of real and sustained reforms, and definitive solutions to disputes with neighbours, Serbia could become a member of the EU. They called on the Council and Commission to support the opening of the technically prepared chapters on condition that there was sufficient progress, in particular in the fundamental area of rule of law. Members also called on Serbia to increase its alignment with the EU's foreign and security policy and expressed concern about Serbia's continuing military cooperation with Russia and Belarus. In addition, they noted with concern that Serbia's nonaligned visa policy opened a possibility for illegal migration and smuggling towards EU countries, as well as neighbouring non-EU countries.

Rule of law: the committee urged special efforts in this area, particularly in ensuring the independence of the judicial system since the scope for political influence over the judiciary remains a concern. It acknowledged that some progress has been made in the fight against corruption and organised crime and called for tangible results in this fight, notably through a convincing track record of investigations, prosecutions and convictions, and the publication of statistics about the results of investigations. Serbia was asked to continue with the full implementation of the action plan agreed with the Financial Action Task Force (FATF).

Democracy: the report stressed that the Serbian Parliament still does not exercise effective oversight of the executive, and that the still-frequent use of urgent procedures undermines parliamentary and public scrutiny. It expressed concern that some politicians are misusing public discourse to fuel the rise of radicalism, and called for additional measures to ensure cross-party dialogue and effective involvement of civil society.

Members also stressed the importance of regular consultation between the government and social partners, and social dialogue, which should go beyond the exchange of information. Interested parties should be consulted on important laws before they are subject to parliamentary procedure.

Human rights: whilst the legislative and institutional framework for upholding human rights is in place, Members stressed that consistent and efficient implementation across the whole country is needed. They condemned the continued occurrence of hate crimes against Roma and LGBTI persons, and also urged the better protection of vulnerable groups, including women, children and people with disabilities and better cooperation between the police, public prosecutors and social services in this regard. The report expressed concern about freedom of expression and harassment and intimidation of journalists. It also called for the adoption of a national strategy to regulate the environment in which civil society organisations operate.

Protection of minorities: the report stressed that the promotion and protection of human rights, including the rights of national minorities, is a precondition for joining the EU. It stated that progress in the field of guaranteeing the rights of national minorities is not satisfactory and called for full implementation of the action plan for the realisation of the rights of national minorities, including in relation to education and culture, the use of minority languages, representation in public administration and the judiciary, and continued access to media and religious services in minority languages.

Serbia was asked to set clear targets and indicators to monitor the implementation of the new Roma strategy.

Regional cooperation: Members noted the ongoing debate and public statements concerning possible adjustments of the border between Serbia and Kosovo, including exchanges of territories. They supported the dialogue facilitated by the EU as the framework to reach a comprehensive normalisation agreement between Serbia and Kosovo, and considered that any agreement could only be acceptable if mutually agreed. The report underlined the multi-ethnic nature of both Kosovo and Serbia and that ethnically homogeneous states should not be the objective in the region. Members reiterated their call to move forward with the full implementation of all the agreements already reached, including the ones on energy, and encouraged both sides to determinedly continue the normalisation process. They also welcomed the adoption of a national strategy for the investigation and prosecution of war crimes, and discussed the issue of the fate of missing persons, and the need for a reparations scheme for victims and their families.

Energy and transport: the committee welcomed the joint commitment signed by Serbia and Bulgaria on 17 May 2018 to build the gas interconnector between the two countries. It called on Serbia to fully implement the connectivity reform measures in the energy sector;

Lastly, Members expressed concern about the alarming level of air pollution in Serbia, where, in 2016, some 6 500 people died of respiratory ailments and called for reform in transport and mobility policies.

2018 Commission report on Serbia

The European Parliament adopted by 503 votes to 85 with 47 abstentions a resolution on Serbia.

Parliament called on the Council and Commission to support the opening of the technically prepared chapters on condition that there was sufficient progress, in particular in the fundamental area of rule of law. It welcomed the Commissions assessment in [its communication](#) that, with strong political will, the delivery of sustained reforms, and definitive solutions to disputes with neighbours, Serbia could become a member of the EU. Parliament also called on Serbia to increase its alignment with the EUs foreign and security policy and expressed concern about Serbias continuing military cooperation with Russia and Belarus.

In addition, Members noted with concern that Serbias non-aligned visa policy opened a possibility for illegal migration and smuggling towards EU countries, as well as neighbouring non-EU countries.

Rule of law: Parliament urged special efforts in this area, particularly in ensuring the independence of the judicial system since the scope for political influence over the judiciary remains a concern. Whilst acknowledging that some progress has been made in the fight against corruption and organised crime, it called on Serbia to deliver tangible results in this fight, notably through a convincing track record of investigations, prosecutions and convictions in organised crime cases, including illegal trafficking and smuggling of migrants from Serbia to the EU and to non-EU countries. Serbia was asked to continue with the full implementation of the action plan agreed with the Financial Action Task Force (FATF).

Democracy: Parliament stressed that the Serbian Parliament still does not exercise effective oversight of the executive, and that the still-frequent use of urgent procedures undermines parliamentary and public scrutiny. It expressed concern that some politicians are misusing public discourse to fuel the rise of radicalism, and called for additional measures to ensure cross-party dialogue and effective involvement of civil society.

Members also stressed the importance of regular consultation between the government and social partners, and social dialogue. Interested parties should be consulted on important laws before they are subject to parliamentary procedure.

Human rights: whilst the legislative and institutional framework for upholding human rights is in place, Parliament stressed that consistent and efficient implementation across the whole country is needed. It condemned the continued occurrence of hate crimes against Roma and LGBTI persons, and also urged the better protection of vulnerable groups, including women, children and people with disabilities and better cooperation between the police, public prosecutors and social services in this regard. Parliament expressed concern about freedom of expression and harassment and intimidation of journalists. It also called for the adoption of a national strategy to regulate the environment in which civil society organisations operate and condemned the negative campaigns and restrictions against certain such organisations. The Serbian authorities were asked to enhance cooperation with civil society organisations, including womens organisations and human rights groups, whose role is key for a well-functioning democracy.

Protection of minorities: Parliament stressed that the promotion and protection of human rights, including the rights of national minorities, is a precondition for joining the EU. It stated that progress in the field of guaranteeing the rights of national minorities is not satisfactory and called for full implementation of the action plan for the realisation of the rights of national minorities, including in relation to education and culture, the use of minority languages, representation in public administration and the judiciary, and continued access to media and religious services in minority languages.

Serbia was asked to set clear targets and indicators to monitor the implementation of the new Roma strategy.

Regional cooperation: Members welcomed Serbias continued engagement in the normalisation process with Kosovo, and its commitment to the implementation of the agreements reached in the EU-facilitated dialogue and noted the ongoing debate and public statements concerning possible adjustments of the border between Serbia and Kosovo, including exchanges of territories. They supported the dialogue facilitated by the EU as the framework to reach a comprehensive normalisation agreement between Serbia and Kosovo, and considered that any agreement could only be acceptable if mutually agreed. The report underlined the multi-ethnic nature of both Kosovo and Serbia and that ethnically homogeneous states should not be the objective in the region. Members welcomed the fact that the Serbian President has launched an internal dialogue on Kosovo. They reiterated their call to move forward with the full implementation of all the agreements already reached, including the ones on energy, and encouraged both sides to determinedly continue the normalisation process.

Parliament welcomed the adoption of a national strategy for the investigation and prosecution of war crimes, and discussed the issue of the fate of missing persons, and the need for a reparations scheme for victims and their families. It stressed that the recognition of the Srebrenica genocide is a fundamental step in Serbias path towards joining the European Union, and it regretted the reiterated denial of the Srebrenica genocide by some Serbian authorities.

Energy and transport: Parliament welcomed the joint commitment signed by Serbia and Bulgaria on 17 May 2018 to build the gas interconnector between the two countries. It called on Serbia to fully implement the connectivity reform measures in the energy sector.

Lastly, Members expressed concern about the alarming level of air pollution in Serbia, where, in 2016, some 6 500 people died of respiratory ailments and called for reform in transport and mobility policies.