

DEMOCRACY AND HUMAN RIGHTS

# ASSESSING SERBIA'S PROGRESS

on the EU Accession Agenda 2016-2020

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From 2016 until 2020, the SNS-led Serbian government held a comfortable majority and clearly stated that an ambitious reform agenda on the way to European Union membership was its goal.



Serbia has opened 18 out of 35 chapters and closed only two as of June 2020, significantly lagging behind its initial goal. Serbia has made only modest progress in preparation for EU membership and also lags behind its own plans for implementation of the acquis.



Lack of progress in key Chapters 23 and 24 as well as deterioration of democracy and media freedom cast a shadow of doubt over the government's political will for reform.



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# COMMITMENT TO EUROPEAN INTEGRATION

When the Serbian government took office in August 2016 after parliamentary elections in April, EU integration was among its declared priorities. “Membership of the European Union” was the very first point of Aleksandar Vučić’s prime ministerial expose, in which he described this goal as one of the government’s strategic choices.<sup>1</sup>

This was certainly to be expected as the goal of implementing EU-related reforms was used as a justification for calling the early elections of 2016 in the middle of the previous government’s mandate. The first Vučić government (2014-2016), led by the very same parties and with a similar composition, enjoyed the support of a stable majority in the parliament and witnessed the opening of the first two negotiating chapters at the end of 2015. Another full mandate, it was explained, was required in order to complete the accession negotiations without interruption.<sup>2</sup>

When the old-new government finally took office in August 2016, Serbia was practically at the beginning of EU accession negotiations. It was granted candidate status in 2012, and officially opened accession negotiations in January 2014, but opened the first two chapters only in December 2015. By August 2016, when the mandate of the new government officially began, Serbia had opened 4 negotiating chapters, including the three most important: 23, 24 and 35.

According to the negotiating framework for Serbia, these three chapters were both formally and substantially the most important as they dealt with the most sensitive issues of the

accession process and were formally given special status, according to which any lack of progress in these areas could bring the entire process to a halt. Chapter 23: The Judiciary and Fundamental Rights, and Chapter 24: Justice, Freedom and Security dealt with some of the most important internal issues, while Chapter 35: Other Issues, covered the controversial normalisation of relations with Kosovo.<sup>3</sup>

## *The stage was set for the new government to prove its commitment to European integration*

In August 2016, the stage was therefore set for the new government to prove its commitment to Serbia’s European integration path. The government was supposed to demonstrate its resolve for key reforms by respecting its own commitments in the action plans, to implement agreements with Kosovo and to make substantial progress in other areas to warrant the opening and closing of other negotiating chapters.

This paper will examine how successful the Serbian government has been in reaching its own goals, following its own commitments and bringing the country closer to the EU through alignment with the *acquis* and comprehensive political, social and economic transformation. The following chapter will provide an overview of Serbia’s progress towards EU accession since 2016, after which progress in specific, opened chapters will be presented.

1 Programme of the Government of Serbia. Available at [https://www.novosti.rs/upload/images/2016%20II/08/09/EK\\_SPOZE-1.pdf](https://www.novosti.rs/upload/images/2016%20II/08/09/EK_SPOZE-1.pdf)

2 Izbori, da Srbiju kroz reforme dovedemo pred vrata EU, Prva, 17 January, 2016. Available at <https://www.prva.rs/vesti/info/89851/izbori-da-srbiju-kroz-reforme-dovedemo-pred-vrata-eu>

3 General EU Position: Ministerial meeting opening the Intergovernmental Conference on the Accession Of Serbia to the European Union. Available at <http://register.consilium.europa.eu/doc/srv?l=EN&t=PDF&gc=true&sc=false&f=AD+1+2014+INIT>

## OVERVIEW

“We have opened the negotiations with the European Union and are ready for this process to pick up steam”, said Aleksandar Vučić in his prime ministerial expose in August 2016. “The goal should be the closing of all negotiating chapters by the end of the government’s mandate in 2019”, stated the old-new prime minister on this occasion.<sup>4</sup>

Four years after this statement, and several months after the goal of closing all negotiating chapters was expected to be reached, Serbia remains some considerable distance from this target. As of spring 2020, the country has opened 18 out of 35 negotiating chapters and managed to provisionally close only two, both of which were opened and closed on the same day.

Compared with the other Western Balkan or Central and Eastern European countries, Serbia has achieved a rather poor record of opening only 18 chapters after more than six years of accession negotiations to date. The same is true when it comes to the lack of provisionally closed chapters. Montenegro, though, did not fare much better on this point by provisionally closing only three chapters a period of accession negotiations even longer than Serbia’s by two years.

Table 1

Opened and closed negotiating chapters<sup>5</sup>

Year	Chapters opened	Chapters provisionally closed
2014-2015	2	0
2016	4	1
2017	6	1
2018	4	0
2019	2	0
Total	18/35	2/35

There are two phenomena to consider if we are to explain the aforementioned slow pace. The first is the fact that the government is late with the implementation of reforms and preparation of action plans and negotiating positions, thus

slowing down the pace of opening and closing negotiating chapters. It is also failing to follow the timelines it set for itself within existing action plans, significantly postponing some of the key reforms.

The second phenomenon is that at practically every intergovernmental conference so far, Serbia has opened fewer negotiating chapters than it claimed it is ready to do, as the EU member states agreed to open fewer chapters than Serbia submitted its negotiating position for. The almost constant pace of two chapters opened per conference – and last year only one – is often considered as a signal by the EU member states that Serbia does not deserve to make major progress in EU accession.

According to the negotiating framework for EU accession, lack of progress in chapters 23 and 24 (as well as in chapter 35) can activate the “imbalance clause”, where opening and closing other negotiating chapters will be suspended until progress in key areas is visible. This clause has never been used formally but many interpret the actions of the member states as implementation of the imbalance clause in practice.

### *EU member states do not want to speed up the process due to Serbia’s lack of progress*

Experts often argue that Serbia’s progress in accession negotiations is slow both because the government is slow in implementing reforms and because EU member states do not want to speed up the process due to Serbia’s lack of progress, or even regression, when it comes to the rule of law and state of democracy.

European Commission reports are published regularly on a yearly basis<sup>6</sup> for all candidate and potential candidate countries in the Western Balkans. These documents assess overall progress towards meeting the desired criteria, from the basic Copenhagen criteria to progress in specific negotiating chapters. They represent the most relevant documents which analyse and assess EU integration and related reforms and, besides containing a large quantity of information, also provide an assessment of both preparation for membership and pro-

4 Programme of the Government of Serbia.

5 European Neighbourhood Policy And Enlargement Negotiations: Serbia. Available at [https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/serbia\\_en](https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/serbia_en)

6 There was an exception in 2017, when publishing of reports was moved from autumn to spring, jumping from autumn 2016 to spring 2018.

gress in each of the areas. The classification used by the European Commission reports for measuring preparation and progress will be numerically presented within this paper.

The European Commission reports for Serbia show that improvements concerning preparation for membership have been modest from 2016 onwards, rising from an average grade of 2.91 in 2015 to 3.02 in the latest 2019 report, on a scale of 1 to 5. Progress, which measures whether there have been improvements since the last report, ranging from 1 (backsliding) to 5 (very good progress), shows that on average Serbia has made less than “some progress” in each of the years since this government took office. These results were significantly better in the previous report from 2015, showing that the reform process has actually slowed down. More information about specific chapters is given further on.<sup>7</sup>

Table 2:  
European Commission report assessment of Serbia’s progress  
(period from 2016-2019 shaded)

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2015	2.91	3.15
2016	2.97	2.96
2018	2.97	2.82
2019	3.02	2.95

There are also other ways to measure Serbia’s progress towards the EU in the last four years, including one which solely depends on the efforts of the Serbian side in this process, and could therefore be considered more “objective”, at least regarding assessing Serbia’s responsibility for progress.

“As soon as the government is formed, we will prepare a new detailed plan of adjustment of national legislation with the laws of the EU... As you know, we’ve set the bar high, as in everything we do. The bar is placed at the end of 2018 and we want to reach it with a legal system aligned with EU rules as much as possible”, said Prime Minister Vučić in his 2016 expose.<sup>8</sup>

7 Data from the European Commission reports are quoted from notes available to the author.

8 Programme of the Government of Serbia.

What the then prime minister was referring to on this occasion was the National Programme for Adoption of the Acquis (NPAA), which represents the government’s plan for adopting the legislation necessary for EU integration. Unlike accession negotiations in which progress can depend on various factors, the adoption of the NPAA clearly measures the resolve of the authorities to do their part. With a strong majority in the parliament and no parliamentary elections for four years, the government found itself in a good position to fulfil its ambitions.

However, available data shows a different picture. While data from 2016 and 2017 were not even made public, the report for the period March 2018 – September 2019 shows that only 49% of the legislation within the NPAA for this period was adopted. This represents a steep decline from the period before 2016, where NPAA fulfilment fluctuated from 88% to around 50% in different periods.<sup>9</sup> When the latest, third version of the NPAA was adopted in March 2018, a goal was set to adopt all the required legislation and be ready for EU membership by 2021.<sup>10</sup> Taking the above 49% rate of the last two years into account, achieving this goal by 2021 also remains quite clearly out of reach.

Table 3:  
Fulfilment of the NPAA (period from 2016 to 2019 shaded)

Period	Fulfilment rate
July 2008 – December 2012 <sup>11</sup>	88%
January 2013 – December 2013	52%
August 2014 – December 2015	63%
2016	Not available
2017	Not available
March 2018 – September 2019	49%

The following sections will provide a more detailed account of Serbia’s results in the EU accession process from 2016 to 2020 and examine the state of affairs in some of the key areas.

9 NPAA Reports. Available at <https://www.mei.gov.rs/src/dokumenta/nacionalna-dokumenta/npaa>

10 Usvojena treća revidirana verzija Nacionalnog programa za usvajanje pravnih tekovina EU, Ministry of European Integration of Serbia, 1 March, 2018. Available at [https://www.mei.gov.rs/upload/documents/nacionalna\\_dokumenta/npaa/npaa\\_2018\\_2021.pdf](https://www.mei.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_2018_2021.pdf)

11 Under the National Programme for Integration.

## FUNDAMENTALS FIRST: COPENHAGEN CRITERIA

EU accession is often criticised as being a technical, bureaucratic process which does not manage to ensure full and irreversible democratic transformation. Previous rounds of enlargement provide ample evidence for this. However, issues such as state of democracy, the rule of law and independence of the judiciary and the media represent central points of the accession process.

On the one hand, there are the Copenhagen criteria: basic political and economic criteria for EU membership established at the 1993 EU Summit in Copenhagen. When it comes to political criteria, according to the Summit conclusions “membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.”<sup>12</sup>

On the other hand, the EU has responded to the lessons learnt from previous rounds of enlargement by placing more emphasis on the rule of law and fundamental freedoms within the accession process. Thus, chapters 23 and 24 were given special status in the negotiation process, put under special observation, and progress no longer entailed just legal reforms, but also evidence of their implementation.

*Democracy in Serbia has significantly deteriorated according to numerous international indexes*

The state of democratic institutions, which is perhaps the key Copenhagen criterion, is not a part of the accession negotiations, but is nevertheless assessed by the European Commission in its yearly reports. Several aspects are noteworthy.

<sup>12</sup> Conclusions of the European Council in Copenhagen, 21-22 June, 1993. Available at <https://www.consilium.europa.eu/media/21225/72921.pdf>

Firstly, from 2016-2020, democracy in Serbia has significantly deteriorated according to numerous international indexes, such as the Freedom House Freedom in the World index, according to which Serbia fell from the “free” to the “partly free” category<sup>13</sup>, and the Nations in Transit index by the same organisation, according to which Serbia found itself demoted from “semi-consolidated democracy” to a “transitional/hybrid regime” after 17 years.<sup>14</sup> Democratic decline has also been observed by the Democracy Index of the Economist Intelligence Unit, where Serbia’s score has fallen from 6.71 to 6.41 since 2015<sup>15</sup>, and the Bertelsmann Political Transformation Index, where Serbia’s score has fallen from 7.9 to 7.0 since 2016, with decline or stagnation in all but one of 18 areas.<sup>16</sup>

Additionally, the Commission’s assessment of problems with elections and the work of the parliament has become increasingly harsh, with the ruling majority blamed for not following up on OSCE/ODIHR electoral recommendations and for damaging parliamentarism through its actions.<sup>17</sup> The political crisis which erupted in late 2018 led to an engagement of the European Parliament, whose representatives served as mediators of the inter-party dialogue, the results of which do not seem particularly promising. Finally, the increasing importance of democracy for Serbia’s EU accession led to the formation of a special workgroup for political criteria within the National Convention on the European Union.<sup>18</sup>

<sup>13</sup> Freedom in the World 2019. Available at [https://freedomhouse.org/sites/default/files/2020-02/ABRIDGED\\_FH\\_FITW\\_2019\\_Report\\_FINAL.pdf](https://freedomhouse.org/sites/default/files/2020-02/ABRIDGED_FH_FITW_2019_Report_FINAL.pdf)

<sup>14</sup> Nations in Transit: Serbia. Available at <https://freedomhouse.org/country/serbia/nations-transit/2020>

<sup>15</sup> Democracy Index 2019, Economist Intelligence Unit, January 2020.

<sup>16</sup> Bertelsmann Political Transformation Index: Serbia. Available at [https://atlas.bti-project.org/1\\*2020\\*CV:CTC:SELSRB\\*CAT\\*SRB\\*-REG:TAB](https://atlas.bti-project.org/1*2020*CV:CTC:SELSRB*CAT*SRB*-REG:TAB)

<sup>17</sup> Serbia 2019 Report. Available at <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-serbia-report.pdf>

<sup>18</sup> Nacionalni konvent formirao grupu za političke kriterijume, koordinator Srđan Majstorović, European Western Balkans – Serbia, 24 January, 2020. Available at <https://europeanwesternbalkans.rs/nacionalni-konvent-formirao-grupu-za-politicke-kriterijume-koordinator-srdjan-majstorovic/>

### *Concerns about media freedom have been at the centre of debate*

In the area of fundamental rights perhaps the most problematic issue is media freedom, which has become one of the stumbling blocks in the EU accession process. Concerns about media freedom have been at the centre of debate about the state of democracy and were also discussed at the EP-mediated inter-party dialogue in 2019. The European Commission notes no progress in media freedom (freedom of expression) in its last three reports on Serbia and regards this lack of progress as a matter of “serious concern”.<sup>19</sup>

Instead of improving the situation, Serbia continues to drop further according to practically every international measurement of media freedom, and progress is nowhere in sight. For example, Serbia has fallen 39 places in the Reporters without Borders Press Freedom Index since 2014, and despite being the frontrunner in previous years it now finds itself in penultimate place in the region.<sup>20</sup>

Table 4:

**Progress in freedom of expression in European Commission reports**

Year	Progress (scale 1 to 5)	Notes
2016	2 (No progress)	/
2018	2 (No progress)	“Lack of progress is increasingly a matter of concern”
2019	2 (No progress)	“Lack of progress is a serious concern”

<sup>19</sup> Serbia 2019 Report.

<sup>20</sup> Reporters Without Borders – WorldPress Freedom Index: Serbia. Available at <https://rsf.org/en/serbia>



## CHAPTERS 23 AND 24: RULE OF LAW AND FUNDAMENTAL RIGHTS

Progress in chapters 23 and 24 is significantly more measurable than fulfilment of the Copenhagen criteria as it is assessed by the European Commission, Serbian civil society organisations and by the state itself through its reports on the implementation of action plans.

Serbia opened both chapters at the 3rd intergovernmental conference in July 2016, one month before the new government took office. Serbia was obliged to adopt action plans for both chapters as a prerequisite for their opening.

According to the EU’s common position for Chapter 23: The Judiciary and Fundamental Rights, Serbia was obliged to meet 50 interim benchmarks for this chapter, one of which was general, 20 relating to the judiciary, 14 to the fight against corruption and 15 to fundamental rights.<sup>21</sup>

### *Serbia committed itself to strengthening prevention and repressive measures in the fight against corruption*

In the area of the judiciary, Serbia was expected to strengthen the independence, impartiality and accountability of the judiciary, improve its professionalism, competence and efficiency, and improve the handling of war crimes cases. Regarding the fight against corruption, Serbia committed itself to strengthening prevention and repressive measures in the fight against corruption, while in the field of fundamental rights it was obliged to strengthen the effective application of human rights, improve alignment with the EU acquis and international standards regarding procedural safeguards, step up the protection of minorities and cultural rights, take steps to align its domestic legal framework with the acquis and international standards against racism and xenophobia, and ensure alignment with EU data protection standards.

According to the last available statistical report on the implementation of the action plan for Chapter 23 from 2018, 82% of activities within the action plan have been implemented or partially implemented, of which 68% have been implemented in full.<sup>22</sup> However, experts warn that these statistics repre-

sent a “numbers game” and argue that Serbia’s progress in this chapter has been far from stellar.

Table 5:  
Progress in Chapter 23 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	2 (Some level)	3 (Some progress)
2018	2 (Some level)	3 (Some progress)
2019	2 (Some level)	2.5 (Limited progress)

In the area of the judiciary, there have been significant delays when it comes to constitutional change and judicial reform, which should have taken place in 2017, but which will occur only after the next parliamentary elections. Discussion on reforms has been marked by controversy, with several GON-GOs participating in public discussions and supporting government proposals, as well as by messages from government officials directed against judicial independence. Additionally, several issues have arisen regarding the prosecution of war crimes, with the Prosecutor for War Crimes not appointed for 17 months.

Concerning the fight against corruption, Serbia has not amended the rules of procedure of the government to include the reports of the Anti-Corruption Council in its agenda, and has also erased this activity completely from the revised action plan. Serbia did amend the law on the financing of political activities but not in the direction required by the interim benchmarks - to tackle efficiency and transparency of controlling political party campaign financing. Finally, there has been considerable suspicion regarding the implementation of the law on whistle-blowers, one of the interim benchmarks, as in 2019 a whistle-blower from a majority state-owned ammunitions factory was arrested and prosecuted, instead of protected, after reporting on suspicious dealings linked with the father of the Minister of the Interior. The whistle-blower was even named a “spy” and “enemy of the state” by media close to the government and as a “fake whistle-blower” by President Aleksandar Vučić.<sup>23</sup>

The other of the two “fundamental chapters”, Chapter 24: Justice, Freedom and Security, deals with a set of related issues. Among the areas covered by this chapter are migration, asylum, visa regime, border control, judicial, police, customs,

21 Sofija Mandić, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 23 – JUDICIARY AND FUNDAMENTAL RIGHTS.

22 Statistical report on the efficiency of implementation of the Action Plan for Chapter 23 for the second quarter of 2018. Available at <https://www.mpravde.gov.rs/files/4-%20Statisticki%20izvest%20aj%20o%20sprovodjenju%20Akinog%20plana%20za%20PG%2023.pdf>

23 Sofija Mandić, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 23 – JUDICIARY AND FUNDAMENTAL RIGHTS.

cooperation in the field of drugs, the fight against organised crime, anti-terrorism, and counterfeiting of the Euro.

Serbia was obliged to meet 41 interim benchmarks and implement more than 300 activities as laid out in the EU’s Common Position and the Serbian government’s action plan for this chapter, respectively.<sup>24</sup>

Police reforms is one of the important parts of Chapter 24, and Serbia is expected to ensure operational independence of the police. However, experts point out that Serbia has not targeted this requirement through the action plan for this chapter and that it has not adequately differentiated between the police as a governmental civil authority with legal competence to take coercive measures, and the Ministry as a structural part of the government.<sup>25</sup>

Serbia has fared somewhat better regarding migration and asylum. It significantly aligned its legislation with the EU framework in the areas of legal and irregular migration through the adoption of various laws in 2018 and 2019, but still faces challenges in this area as the country finds itself on a transit route for migrants and refugees and the system needs significant improvements.<sup>26</sup>

*No progress has been made in dismantling criminal networks*

Serbia has done poorly when it comes to fighting organised crime as there is a lack of tangible results in prosecuting

high-level political corruption and organised crime. According to experts, no progress has been made in dismantling criminal networks with endorsement or validation from the Prosecutor’s Office for Organised Crime. Additionally, only a portion of police arrests lead to prosecution cases.<sup>27</sup>

Regarding fighting extremism, there has been a discrepancy between prosecuting those who participated in the war in Syria and those who fought in Ukraine, in the latter’s favour. Furthermore, right-wing extremism in Serbia is on the rise, with right-wing groups targeting migrants, minorities or human rights defenders without much action from the state, and manage to influence the mainstream discourse.<sup>28</sup>

Finally, certain progress has been made regarding international cooperation as Serbia is harmonising with the EU requirements in judicial cooperation in civil, commercial, and criminal matters and working to implement EU customs cooperation standards. Implementation and capacities, however, remain a problem.<sup>29</sup>

Table 6:  
Progress in Chapter 24 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	2 (Some level)	3 (Some progress)
2018	2 (Some level)	3 (Some progress)
2019	2 (Some level)	3 (Some progress)

24 Saša Đorđević, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 24 – JUSTICE, FREEDOM AND SECURITY.

25 Ibid.

26 Ibid.

27 Ibid.

28 Ibid.

29 Ibid.

## CHAPTERS 5 AND 32: PUBLIC PROCUREMENT AND FINANCIAL CONTROL

Serbia opened Chapter 5: Public Procurement and Chapter 32: Financial Control early on in its EU accession process. Chapter 32 was actually one of the first two to be opened in December 2015, while Chapter 5 was opened one year later, in December 2016. Serbia held a good starting position at the time of their opening, as in both chapters it was considered to be moderately prepared.

In Chapter 5: Public Procurement, Serbia was to ensure that the public procurement of goods, services and works is transparent and open to all EU companies on the basis of non-discrimination and equal treatment. Serbia’s legislative framework was assessed by the EU as already sufficiently aligned with EU law, as the Law on Public Procurement had already been adopted in 2012 (the third of this kind), as well as the Law on Public Private Partnerships and other laws and documents. Before accession, Serbia was obliged to “continue the process of alignment with the *acquis* and its effective implementation and enforcement”, and to “develop policies and instruments as close as possible to those of the European Union”. In the meantime, Serbia has adopted a new Law on Public Procurement, which will come into effect on 1 July, 2020.<sup>30</sup>

### *Serbia avoids procurement procedures through inter-state agreements and special laws*

However, very little progress has been seen since 2016 and according to the latest European Commission report from 2019, “significant efforts are needed to further improve competition, efficiency and transparency in public tenders”.<sup>31</sup> Two issues are particularly concerning. The first is that Serbia has continued to avoid procurement procedures through inter-state agreements and special laws and promotes this practice as a matter of top national interest. Secondly, Serbia has continued to make too many exemptions from public procurement procedures in the area of defence.<sup>32</sup>

30 Nemanja Nenadić, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTERS 5 and 32 – PUBLIC PROCUREMENTS AND FINANCIAL CONTROL.

31 Serbia 2019 Report.

32 Nemanja Nenadić, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTERS 5 and 32 – PUBLIC PROCUREMENTS AND FINANCIAL CONTROL.

Table 7:

**Progress in Chapter 5 based on European Commission reports**

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	3 (Moderately prepared)	3 (Some progress)
2018	3 (Moderately prepared)	2 (No progress)
2019	3 (Moderately prepared)	2 (No progress)

Serbia was also initially moderately prepared in Chapter 32: Financial Control, which mainly deals with improvements in internal control and external audit through the strengthening of several financial institutions such as Public Internal Financial Control (PIFC), the Central Harmonisation Unit (CHU) and the State Audit Institution (SAI), as well as the protection of the EU’s own interests through harmonisation with the Convention on the Protection of the EU’s Financial Interests (PFI).<sup>33</sup>

This chapter has seen progress in each of the last three European Commission reports. However, according to the 2019 report, “further efforts are needed to address managerial accountability and to strengthen the functioning of internal control and internal audit”. As is the case with Chapter 5, in Chapter 35 the legal framework is considered to be adequate but there is poor implementation of internal controls and the capacity of the State Audit Institution.<sup>34</sup>

Table 8:

**Progress in Chapter 32 based on European Commission reports**

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	3 (Moderately prepared)	3 (Some progress)
2018	3 (Moderately prepared)	3 (Some progress)
2019	3 (Moderately prepared)	3 (Some progress)

33 Ibid.

34 Ibid.

## CHAPTER 17: ECONOMIC AND MONETARY POLICY

Opened in December 2018, Chapter 17: Economic and Monetary Policy requires from Serbia to align its economic policy with those of the member states and conduct its fiscal policy according to EU principles, to ensure central bank independence and align with the acquis in that regard, as well as to become a functional market economy.<sup>35</sup> The establishment of a functional market economy represents an economic Copenhagen criterion for EU membership, as it is an indicator for economic transformation and the ability of a state to withstand competitive pressure once it becomes an EU member state.

### *Economic and monetary policy is on a satisfactory level of alignment*

Serbia’s legislation with respect to economic and monetary policy was considered to be on a satisfactory level of alignment with the acquis, but legislation on monetary policy and the functioning of the central bank “need to be further aligned with the acquis in order to ensure the central bank’s functional, institutional, personal and financial independence”. Finally, Serbia was considered not to be a functioning market economy and needed to “improve the implementation record of reforms agreed in the economic policy dialogue with the EU”.<sup>36</sup>

Serbia was presented with three closing benchmarks in order to provisionally close this negotiating chapter. First, it had to align its legal framework with the acquis in order to ensure full central bank independence. Second, to align its legal framework to comply with requirements for national budgetary frameworks. Third, to become a functioning market economy.<sup>37</sup>

According to experts, Serbia made good progress in all areas within Chapter 17 from 2016 to 2018, when the chapter was opened, and is now reasonably aligned with the acquis. Similar conclusions can be made from European Commission reports. However, experts note that there is a discrepancy in performance when it comes to monetary and exchange rate policy on the one hand, and the state of macroeconomic and

fiscal policy on the other. While progress in the first area is good and standards are high, there is only limited progress in the second.<sup>38</sup>

### *Serbia needs to improve the transparency of the budgetary process*

Serbia does not fully comply with national budgetary frameworks laid out in the Council directive 2011/85/EU and does not yet qualify as a fully functional market economy.<sup>39</sup> The European Commission notes in its 2019 report that Serbia needs to improve the transparency of the budgetary process and strengthen fiscal rules by making them more binding.<sup>40</sup>

Table 9:  
Progress in Chapter 17 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	3 (Moderately prepared)	4 (Good progress)
2018	3 (Moderately prepared)	3 (Some progress)
2019	3 (Moderately prepared)	3 (Some progress)

35 EU Common Position on Chapter 17. Available at [https://www.mei.gov.rs/upload/documents/pristupni\\_pregovori/pregovaracke\\_pozicije/ch\\_17\\_eu\\_position.pdf](https://www.mei.gov.rs/upload/documents/pristupni_pregovori/pregovaracke_pozicije/ch_17_eu_position.pdf)

36 Ibid.

37 Ibid.

38 Marko Malovic, “Assessing Serbia’s Progress on the EU Accession Agenda” CHAPTER 17 – ECONOMIC AND MONETARY POLICY.

39 Ibid.

40 Serbia 2019 Report.

## CHAPTERS 25 AND 26: SCIENCE, RESEARCH, EDUCATION AND CULTURE

Chapter 25: Science and Research and Chapter 26: Education and Culture are the only two chapters that Serbia has managed to provisionally close in its six years of accession negotiations. Both chapters were opened and provisionally closed on the same day, Chapter 25 in December 2016 and Chapter 26 in February 2017. This is, however, not much of an accomplishment as the topics covered in these chapters are not in the competences of the European Union and there was no *acquis* to speak of.

Serbia is considered to have a good level of preparation in both of these chapters and that no further negotiations are necessary, but it was nevertheless expected to implement further reforms, also with financial help from the European Union.<sup>41</sup>

Within Chapter 25: Science and Research, Serbia was obliged to adhere to the priorities of the European Research Area, participate in the Horizon 2020 and Euratom programs, deal with the issues of financial allocations for science and research, cooperation between industry and academia, and start preparing the smart specialisation strategy.<sup>42</sup>

Some progress in this chapter was noted by the European Commission in its last three reports. On the one hand, Serbia adopted an action plan for the “Strategy on Scientific and Technological Development of the Republic of Serbia for the period 2016 – 2020”, prepared a draft of the “Strategy for Research and Innovation for Smart Specialisation for the period 2020–2027” and continued to participate in different EU and NATO scientific research programmes. However, no progress has been made in financing, as financing of science and research remains at the level of 0.37% of GDP.<sup>43</sup>

Table 10:  
Progress in Chapter 25 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	4 (Good level)	3 (Some progress)
2018	4 (Good level)	3 (Some progress)
2019	4 (Good level)	3 (Some progress)

41 Center for Educational Studies (Team of Experts), “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 25 – SCIENCE AND RESEARCH, CHAPTER 26 – EDUCATION AND CULTURE.

42 Ibid.

43 Ibid.

Within Chapter 26: Education and Culture, Serbia was expected to ensure access to the education of EU citizens and the children of migrant workers (Directive 77/486 EEC), establish the National Qualification Framework (NQF) and a national agency to be responsible for the Erasmus+ programme of the EU. It was also expected to participate in youth and sport programmes and in the Creative Europe programme.<sup>44</sup>

### *Serbia was fully included in the Erasmus+ Programme*

Serbia has made progress in this chapter since its opening, especially from 2018 to 2019. A set of laws and bylaws was adopted and there was progress in education quality and coverage. In 2018, the National Body for Accreditation and Quality Assurance (NBAQA) was established and the Law on the National Qualification Framework (NQF) adopted. Serbia was fully included in the Erasmus+ Programme and continues to participate in different youth and sports programmes.<sup>45</sup> However, in February 2020 the National Body for Accreditation and Quality lost its accreditation within the European Association for Quality Assurance in Higher Education (ENQA) and was meanwhile granted affiliate status.<sup>46</sup>

Table 11:  
Progress in Chapter 26 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	4 (Good level)	3 (Some progress)
2018	4 (Good level)	3 (Some progress)
2019	4 (Good level)	4 (Good progress)

44 Ibid.

45 Ibid.

46 NEAQA is granted affiliate status with ENQA. Available at <https://www.nat.rs/en/2020/05/08/neaqa-granted-affiliate-status-with-enqa/>

## CHAPTER 30: EXTERNAL RELATIONS

Serbia opened Chapter 30: External Relations in December 2017. This chapter relates to Common Commercial Policy, international trade, international trade treaties of the EU, international development cooperation and humanitarian aid. It is often mentioned alongside Chapter 31, which covers foreign, security and defence policy.

At the time of the opening of Chapter 30, Serbia was considered to be moderately prepared in this area as it was already aligned in many aspects with the *acquis* and the most important reforms had already been undertaken.<sup>47</sup>

In order to provisionally close this chapter Serbia had to meet the following closing benchmarks: firstly, to join the World Trade Organization (WTO) and ensure a track record of alignment with EU positions in this institution, and secondly, to present an action plan for its remaining preparations in terms of legislative alignment, bring international agreements in line with the *acquis* and enhance its administrative and control capacity to ensure its enforcement.<sup>48</sup>

There has been no progress regarding the first benchmark, as in the last couple of years there has been no progress towards joining the WTO. The main stumbling block, experts argue, is the Law on Genetically Modified Organisms (GMOs) from 2009, which places an absolute ban on trade in GMO products. Joining the WTO would require adopting a new law on GMOs, which is politically sensitive due to strong opposition to GMOs among citizens. Serbia has not even had a permanent representative in the WTO secretariat since 2014, further demonstrating disregard for this institution.<sup>49</sup>

### *Problems may arise with cancelling all free trade agreements with third states*

Serbia is currently preparing the action plan for this chapter and has prepared a draft Law on International Development Cooperation and Humanitarian Aid. However, problems may arise with cancelling all free trade agreements with third states, which Serbia is expected to do before accession.<sup>50</sup> Serbia even reached a free trade agreement with the Eurasian Union after opening Chapter 30, which represents a political issue with possible repercussions in the future. This

agreement will not have an important economic impact as Serbia already had free trade agreements with Russia, Belarus and Kazakhstan, with the agreement now including Kyrgyzstan and Armenia. However, strengthening ties with the Eurasian Union was not seen as a positive signal for Serbia’s political will for EU membership.<sup>51</sup>

Table 12:  
Progress in Chapter 30 based on European Commission reports

Year	Preparedness (scale 1 to 5)	Progress (scale 1 to 5)
2016	3 (Moderately prepared)	3 (Some progress)
2018	3 (Moderately prepared)	2 (No progress)
2019	3 (Moderately prepared)	3 (Some progress)

Unlike Chapter 30, Serbia has not yet opened Chapter 31: Foreign, Security and Defence Policy and is not likely to do so in the near future as the screening report for this Chapter has not been published yet. Even though Serbia is moderately prepared in this chapter according to European Commission reports, Serbia’s alignment with EU foreign policy has been a matter of significant controversy over the years.

Instead of gradually aligning with EU foreign, security and defence policy, Serbia has reduced its percentage of alignment with EU foreign policy declarations and measures over time. Due to the importance of this issue for Serbia’s EU accession process, this data will be presented in the following table.

Table 13:  
Alignment of Serbia with EU foreign policy declarations and measures (2016-2020 shaded)<sup>52</sup>

Year	Alignment rate
2015	65%
2016	59%
2017	46%
2018	52%
2019	57%

47 Igor Novaković, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 30 – EXTERNAL RELATIONS.

48 EU Common Position for Chapter 30. Available at [https://www.mei.gov.rs/upload/documents/pristupni\\_pregovori/pregovaracke\\_pozicije/ch\\_30\\_common\\_position.pdf](https://www.mei.gov.rs/upload/documents/pristupni_pregovori/pregovaracke_pozicije/ch_30_common_position.pdf)

49 Igor Novaković, “Assessing Serbia’s Progress on the EU Accession Agenda”, CHAPTER 30 – EXTERNAL RELATIONS.

50 Ibid.

51 Serbia Signs Trade Deal With Russia’s Eurasian Union, Balkan Insight, 25 October, 2019. Available at <https://balkaninsight.com/2019/10/25/serbia-signs-trade-deal-with-russias-eurasian-union/>

52 Reports of the International and Security Affairs Centre (ISAC). Available at <https://www.isac-fund.org/en/>

## CHAPTER 35: NORMALISATION OF RELATIONS WITH KOSOVO

According to the negotiating framework for Serbia, Chapter 35: Other Issues, contains an immensely important item - “Normalisation of Relations with Kosovo”. This chapter was opened in December 2015 as one of the first two chapters to be opened within Serbia’s EU accession process.

### *Link between the EU accession process and the Belgrade-Pristina dialogue*

The chapter does not contain any *acquis* and it is being used as a formal link between the EU accession process of Serbia and the EU-facilitated dialogue between Belgrade and Pristina, ongoing since 2011. A specific link between the EU accession process and the Belgrade-Pristina dialogue has been there from the very beginning, as every milestone on Serbia’s EU path since at least 2012 has been related to advancement in the dialogue with Pristina. Chapter 35 was then used to formalise this link within the negotiations process itself and make normalisation of relations with Kosovo a formal requirement for Serbia’s EU membership. Moreover, the negotiating framework ranked this chapter on the same level as chapters 23 and 24 as lack of progress within it could lead to the negotiation process coming to a halt.

According to the EU Common Position for Chapter 35, Serbia is required to work on implementation of those agreements already reached with Kosovo and to continue to engage in the dialogue in good faith, which will gradually lead to a “comprehensive normalisation of relations” between Serbia and Kosovo. Consequently, interim benchmarks laid out in the EU Common Position were the implementation of different “political” and “technical agreements”, as well as further progress in the dialogue towards “comprehensive normalisation”.<sup>53</sup>

Progress in Chapter 35 is hard to measure as the results depend on a bilateral political process supervised by the EU, where it is easy to shift the blame elsewhere: on the other side in the dialogue or on the EU itself, which has evidently not established mechanisms that would ensure the implementation of agreements, preferring to focus more on their signing.

Regarding implementation, it is evidently very far from an acceptable level as some of the key agreements have not been implemented after several years. Especially important is the Association/Community of Serb Majority Municipalities (ASM), a Kosovo Serb autonomous unit that should have been established according to the landmark Brussels Agreement in 2013 and a specific ASM agreement from 2015. However, the lack of establishment of the ASM is the responsibility of Kosovo, where the issue provoked significant controversy and led to a Constitutional court decision further complicating its implementation. But while the implementation record is much better when it comes to less sensitive issues, it is still inadequate.

### *Serbia has shown more readiness when it comes to dialogue with Kosovo than with reforms related to the rule of law and democracy*

With respect to furthering normalisation, there is an impression that both Serbia and Kosovo have shown a lack of genuine will for normalisation, evident in some of the incidents that provoked tensions, and especially after Kosovo imposed the 100% tariffs on goods coming from Serbia in November 2018, thus bringing the dialogue to a complete halt. Serbia has shown initiative and readiness for compromise when it comes to reaching a comprehensive normalisation agreement, but the proposition containing territorial changes eventually side-tracked the dialogue and met with strong opposition in some parts of Europe, as well as in Kosovo, where it led to a never-ending political crisis.

Progress in Chapter 35 is therefore hard to assess, but the Serbian government has evidently shown more readiness for politically costly steps when it comes to dialogue with Kosovo than with reforms related to the rule of law and democracy. This may explain why criticism from the EU regarding the latter is sometimes perhaps too mild.

<sup>53</sup> EU Common Position for Chapter 35. Available at <http://kim.gov.rs/doc/pozicija-eu/EU%20COMMON%20POSITION%2035%20EN%20za%20sajt.pdf>

## CONCLUSION

Despite designation of EU integration as a priority, it is evident that the Serbian government has fallen short of reaching its stated goals. In 2016 the government announced its ambition to close all 35 negotiating chapters by 2019, but until 2020 only two chapters have been provisionally closed, and just over half, 18 of 35, opened.

In these four years, Serbia has significantly lagged behind in the implementation of its own action plans and the NPAA, with technical improvements being overshadowed by a lack of key reforms. According to European Commission reports, there has been some overall progress regarding preparedness for EU membership since 2016, but it has been modest at best. Interestingly, in none of the chapters analysed here has there been any improvement in the level of preparedness according to these reports.

It is especially important that there has been no major progress in two fundamentally important chapters - 23 and 24 - and that certain issues such as media freedom and the state of democracy have become a serious concern for the EU and other international observers. The political crisis and the apparent nosedive of parliamentarism in the country in the past few years have certainly raised a few eyebrows in the EU, and the EP delegation sent to resolve the problem was apparently not able to achieve success. More worryingly, the overall trend is negative, and the political crisis is likely to deepen.

Serbia may therefore be, technically, a little closer to joining the European Union than it was in 2016 when this government took office, but considering the problems with political criteria and the clear absence of key reforms there are now much bigger doubts about whether this is actually the direction in which its government wants it to go. The existence of political will for political, economic and societal transformation required for EU membership appears to be far from certain.





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## ASSESSING SERBIA'S PROGRESS on the EU Accession Agenda 2016-2020



When the Serbian SNS-led government took office in August 2016, the stage was set to prove its commitment to European integration. "We have opened the negotiations with the European Union and are ready for this process to pick up steam", said Aleksandar Vučić. "The goal should be the closing of all negotiating chapters by the end of the government's mandate in 2019."



This paper examines how successful the Serbian government has been in reaching its own goals, following its own commitments, and bringing the country closer to the EU through alignment with the acquis and comprehensive political, social and economic transformation.



Although Serbia is indeed a little closer to joining the European Union than it was in 2016, the problems with political criteria and the clear absence of key reforms raise doubts about whether this is actually the direction in which the government wants it to go. The existence of political will for the political, economic and societal transformation required for EU membership appears to be far from certain.

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