



Key findings of the 2023 Report on Serbia

Brussels, 8 November 2023

As regards the **political criteria**, the Parliament constituted in August 2022 includes the opposition parties that boycotted the 2020 elections. However, political polarisation remained in evidence and has further deepened following the tragic mass shootings in early May. A number of peaceful mass citizens' protests - Serbia against violence - have taken place – with support from several opposition parties.

No elections took place during the reporting period. Serbia still needs to address a number of long-standing recommendations by the Office for Democratic Institutions and Human Rights at the Organisation for Security and Cooperation in Europe (OSCE/ODIHR) and Council of Europe bodies concerning the electoral framework.

Debates in Parliament were marked by tensions between the ruling majority coalition and the opposition. The Parliament has no annual work plan and most of its sessions were called with the minimum advance notice of 24 hours, which should only be used in exceptional circumstances. The code of conduct was not systematically applied, and the frequent use of inflammatory language was not penalised. Sanctions and fines were only issued to opposition MPs. Parliamentary Rules of Procedure need to be modernised, and the code of conduct applied to address offences by Members of Parliament. All but two political groups engaged constructively with the European Parliament in the follow-up to the *Inter-Party Dialogue* and its transition into a new *Parliamentary Dialogue Process*.

Further efforts are needed to ensure systematic and genuine cooperation between the government and **civil society**. An enabling environment for establishing, running and financing civil society organisations still needs to be created on the ground, as verbal attacks and smear campaigns against such organisations continued, including by high-level officials.

Serbia is moderately prepared as regards **public administration reform**. Overall, limited progress was made in this area, notably through the continued development of e-services, implementation of the e-government policy, and further roll-out of training courses for civil servants. On human resources management, more than half of senior manager positions are filled on an acting basis. As regards policy development and coordination, no mechanism is yet in place to verify that the Public Policy Secretariat's comments have been incorporated into the final draft versions of laws and policy documents submitted for government approval. On public financial management, action is still needed to fully implement the recommendation for a single mechanism for prioritising all investments regardless of type and source of financing.

Serbia has some level of preparation when it comes to its **judicial system**. Overall, some progress was made during the reporting period. Serbia took an important step towards strengthening the independence and accountability of the judiciary with the timely adoption of most of the implementing legislation giving practical effect to the 2022 constitutional amendments, while two of the implementing laws still need to be adopted: the Law on Judicial Academy and the Law on Seats and Territorial Jurisdiction of Courts. The Venice Commission issued three opinions that overall assessed positively the adopted implementing legislation and recognised the transparency and inclusiveness of the process. Most of its recommendations were addressed. Relevant by-laws will need to be adopted by May 2024. The High Judicial Council (HJC) and High Prosecutorial Council (HPC) were established on 8 May, following the election of the lay members, which gave practical effect to the implementing legislation.

Serbia has some level of preparation in the **fight against corruption**. Overall, limited progress was made during the reporting period, including on last year's recommendations. Steps have been taken that aimed at further implementing the recommendations of the Council of Europe's Group of States against Corruption (GRECO) in the area of prevention of corruption. There was a slight increase in the number of new investigations and final convictions in high-level corruption cases, but the number of new indictments fell. There were no cases of final confiscation of assets, for which a track record is required. Serbia still needs to adopt a national anti-corruption strategy and the accompanying action

plan. Serbia presented to the European Commission a draft strategy for the period 2021-2028 accompanied by a first action plan for the period 2023-2024. A majority of anti-corruption related interim benchmarks for Chapter 23 and a majority of GRECO recommendations from the 4th and 5th rounds of evaluation have been included in the documents. However, there is still a need to ensure the inclusion of remaining Chapter 23 interim benchmarks and outstanding GRECO recommendations and to create the necessary conditions for implementation. Serbia should establish an effective coordination mechanism to operationalise prevention and repression policy goals and thoroughly address corruption. Those sectors most vulnerable to corruption require dedicated action. Overall, corruption is prevalent in many areas and remains an issue of concern. There is a need for strong political will to effectively address corruption issues, and a robust criminal justice response to high-level corruption.

In the **fight against organised crime**, Serbia has some level of preparation. Limited progress was made in addressing last year's recommendations, in particular on detection and prevention of migrant smuggling and trafficking in human beings. A slight increase in financial investigations and confiscation of assets can also be noted in 2022. The number of new investigations and indictments increased; first instance and final convictions (in particular money laundering) decreased. Extended confiscation is not systematically applied. Proactive criminal investigations and the systematic tracking of money flows, especially in cases of inexplicable wealth, are still not common practice. However, the understanding and the investigation approach has improved, and police, prosecutors and criminal judges are aware of the importance of consistently applying a 'follow the money to find the crime' approach and using circumstantial evidence. Serbia is late in conducting an analysis of the roles and practices of security services and of the National Security Council in carrying out criminal investigations relating to serious and organised crime, although preparatory works have started. There is well-established cooperation with CEPOL, Eurojust, Europol and INTERPOL, notably on weapons trafficking, drugs trafficking, and the fight against high-profile organised crime groups. Serbia needs to further increase the technical, financial and human resources capacity of the Prosecutor's Office for Organised Crime to perform its duties in an independent manner (including premises to accommodate new staff). Serbia should adapt its approach from one based on individual cases to a strategy against criminal organisations, and from focusing on cases of low or medium importance to high-profile cases, with the aim to dismantle big and international organisations and seizing assets.

Serbia's legislative and institutional framework for upholding **fundamental rights** is broadly in place. The Ombudsman was re-elected in April 2023, without cross-party support. The Ombudsman's Office has yet to be provided with additional resources to cover its new powers laid down in the Ombudsman Law of 2021. The recruitment of additional staff for the Commissioner for Information of Public Importance and Personal Data Protection is significantly delayed. The procedure for executing the decisions of the European Court of Human Rights, including the role of Serbia's Government Agent before the Court, needs to be further regulated. Implementation of the new strategies and action plans on gender equality, anti-discrimination, and Roma inclusion started, although monitoring bodies were not in place for most of the reporting period due to elections and formation of the new government. Action plans and related funding as regards violence against women and deinstitutionalisation are significantly delayed. New national minority councils were constituted following the elections held in November 2022. Serbia continued drafting and conducting consultations on a new '*action plan for the realisation of the rights of national minorities*'.

Regarding **freedom of expression**, limited progress was made in the reporting period. The police and the prosecution services reacted swiftly to several cases of attacks and threats, working with the standing working group on the safety of journalists. However, cases of threats, intimidation, hate speech and violence against journalists remain a concern, as is the increase of strategic lawsuits against public participation (SLAPP), notably launched by members of national and local authorities, that may produce a chilling effect including self-censorship. Recurrent statements by high-level officials on the daily and investigative work of journalists provide for a challenging environment for the exercise of freedom of expression. The possibility of journalists to report on ongoing criminal proceedings is excessively limited in the legal framework.

Serbia continued implementing the action plan of the media strategy. After increasing delays, several processes were relaunched after the formation of the new government in October 2022. Consultations resumed in November 2022 on amending the Law on public information and media. Following public consultations, consultations with media associations and hurried consultations with the European Commission amendments were adopted to the laws on public information and media and on electronic media before the dissolution of parliament in October 2023. Overall, the new laws will strengthen the independence of the regulatory body for electronic media (REM). They also codify the role of the Press Council and render the process of public co-funding more transparent and accessible. In the context of elections, the ban on media coverage of officials who are also candidates

taking part in official gatherings organised for the opening of infrastructure or other facilities was extended to 30 days, which is an improvement of the current situation. However, the legislative process was not finalised fully in line with the EU *acquis* and European standards. The ownership of media by state-owned enterprises was prominent in deliberations. An important step was taken with respect to the application of criteria aligned with the EU *acquis* to the assessment of state aid, while it should be clarified that antitrust and merger control rules apply to the media sector and safeguards to protect media pluralism and editorial independence remain to be improved. The implementation of such safeguards needs to be closely monitored in practice. In August 2022, REM published a call for the allocation of a fifth media service licence with national frequency, which has still not been awarded, without credible justification. Political and economic influence on the media remains a source of concern. Serbia needs to take urgent action to counter anti-EU narratives propagated by numerous media outlets, and to counter foreign information manipulation and interference, most notably in the context of Russia's war of aggression against Ukraine.

On the **economic criteria**, Serbia is at a good level of preparation and has made some progress in developing a functioning market economy. After a strong rebound in 2021 from the contraction induced by COVID-19, the Serbian economy decelerated substantially in 2022, impacted by the economic fallout from Russia's war of aggression against Ukraine, in particular as regards rising inflation via soaring energy and food prices. Consumer price inflation surged in 2022 and continued to rise in early 2023, which led the central bank to steadily tighten its policy stance. Progress has also been made as regards the adoption of new fiscal rules. Banking sector stability was maintained, and lending growth decelerated substantially. High inflation helped improve the budget balance in 2022, despite substantial capital transfers to state-owned energy utilities and further ad hoc support measures. Major structural reforms of public administration and of the governance of state-owned enterprises continued to advance slowly. The state retains a strong footprint in the economy; the private sector is underdeveloped and hampered by weaknesses in the rule of law, in particular corruption and judicial inefficiency, and in the enforcement of fair competition.

Serbia is moderately prepared and has made some progress in **coping with competitive pressure and market forces within the EU**. The structure of the economy improved further and economic integration with the EU remained high. However, the quality and relevance of education and training still does not fully meet labour market needs. Public investment remained at a high level with the aim to address serious infrastructure gaps after years of underinvestment. Small and medium-sized enterprises still face a number of challenges, including an uneven playing field as compared with large companies and foreign investors.

On **good neighbourly relations and regional cooperation**, Serbia remained committed overall to maintaining good bilateral relations with other candidate countries, potential candidates and neighbouring EU Member States. Relations with Croatia improved. Relations with Hungary have further intensified. In general, Serbia actively participates in regional cooperation.

Overall, Serbia has remained engaged in the EU-facilitated Dialogue on the **normalisation of relations with Kosovo**, but it needs to demonstrate more serious commitment, invest more efforts, and make compromises to take the process of normalisation of relations with Kosovo forward. Serbia needs to uphold its Dialogue commitments and commit to the full implementation of all past Dialogue agreements and the Agreement on the Path to Normalisation and its Implementation Annex. Serbia and Kosovo are expected to engage more constructively to enable negotiations on the comprehensive legally binding normalisation Agreement to start and show flexibility in order to make rapid and concrete progress. Normalisation of relations is an essential condition on the European path of both Parties and both risk losing important opportunities in the absence of progress.

The relationship with Kosovo has been affected by several crises of varying intensity on a number of issues, with a violent attack in the north of Kosovo against Kosovo Police on 24 September 2023, constituting the gravest escalation in recent years. Huge quantities of small arms and light weapons (SALW) were found in the context of this attack. The EU expects the perpetrators to be apprehended and swiftly brought to justice and Serbia to fully cooperate and take all the necessary steps in this regard. Other crises during the reporting period were triggered by issues over the freedom of movement, in particular licence plates, following the Kosovo government's decision on 29 June 2022 to enforce the re-registration of all vehicles with Kosovo-issued licence plates. This led to the tensions in July 2022 and continued through the erection of roadblocks and the collective resignation of Kosovo Serbs from Kosovo institutions in November 2022. Following the withdrawal of Kosovo Serbs from Kosovo institutions, local by-elections were organised in the four municipalities in the north of Kosovo. Scheduled initially for December 2022 and then postponed to 23 April 2023, the mayoral and municipal by-elections were held in line with the legal framework of Kosovo and efforts were made for them to take place in a smooth and orderly manner. However, despite the milestone Agreement on the path to normalisation reached in Brussels on 27 February and its Implementation Annex agreed in Ohrid, North Macedonia, on 18 March 2023, and despite Kosovo extending the

deadline for the registration of candidatures for the local by-elections, not all parties and communities made use of their democratic right to participate and vote. The very low turnout (3.47% of voters), following the boycott by the Kosovo Serb community, showed that these elections do not offer a long-term political solution for these municipalities. The violence perpetrated against KFOR troops during protests against these mayors' taking office in the municipalities has to be fully investigated by Serbia. It remains imperative to restore a situation where Kosovo Serbs participate actively in local governance, policing and the judiciary in the north of Kosovo. Early local elections need to be held as soon as possible in all four municipalities, organised in a fully inclusive manner, and with the unconditional participation of Kosovo Serbs.

Regarding Serbia's **ability to assume the obligations of EU membership**, the country continued the work on alignment with the EU *acquis* in several areas.

The **internal market** cluster is key for Serbia's preparations for the requirements of the EU internal market and is of high relevance for early integration and the development of the Common Regional Market. Progress was limited in most areas within the cluster. No progress was registered in the area of free movement of capital.

The **competitiveness and inclusive growth** cluster has significant links to Serbia's Economic Reform Programme and is technically ready to be opened. Serbia continued to make progress in all areas under this cluster, particularly through further legislative alignment with the EU *acquis* as well as with a new law on the management of state-owned enterprises.

The **Green agenda and sustainable connectivity** cluster is at the heart of the Green Agenda for the Western Balkans and closely linked to Serbia's Economic Reform Programme and the Commission's Economic and Investment Plan. Some progress was achieved in particular on Trans-European networks, where Serbia advanced on upgrading its infrastructure, with works progressing on the Serbia-Bulgaria gas interconnector, and on climate change, with the adoption of the Low Carbon Development Strategy 2023-2030.

The cluster on **resources, agriculture and cohesion** comprises policies linked to EU structural funds and to developing capacity to assume the responsibilities of a future Member State. It also comprises some of the key policy areas crucial for ensuring sustainable food systems and helping rural communities to develop and diversify economically. Limited progress was achieved in some areas, such as on classification of food establishments and establishments handling animal by-products, and the recruitment of additional staff in the Plant Health Directorate; financial and budgetary provisions as regards the underlying policy areas affecting the correct functioning of the own resources system; and the institutional framework for cohesion policy.

On the **external relations** cluster, Serbia is yet to finalise its accession to the World Trade Organisation which is one of the opening benchmarks for Chapter 30. Serbia should also abstain from introducing unilateral trade-restrictive measures without prior consultation of the Commission, in line with its obligations under the Stabilisation and Association Agreement. Serbia continued not to align with EU restrictive measures against Russia and the majority of declarations by the High Representative on behalf of the EU on this matter. Serbia's alignment rate with relevant High Representative statements on behalf of the EU and Council Decisions was at 46% in 2022 and 51 % in August 2023; some actions and statements by Serbia went against EU foreign policy positions. Serbia is expected to improve, as a matter of priority, its alignment with the EU Common Foreign and Security Policy, including with EU restrictive measures, and refrain from actions that go against EU positions on foreign policy.

On **migration**, Serbia contributed to the management of the mixed migration flows towards the EU and cooperated with the EU, EU Member States and its neighbours to implement the EU Action Plan on the Western Balkans presented by the Commission in December 2022. Additional progress along all the pillars of the Action Plan is expected. Efforts continued, with EU support, to host and accommodate substantial numbers of third-country nationals. Serbia extended for one more year, until March 2024, temporary protection to Ukrainian nationals having fled Russia's war of aggression against Ukraine. Serbia continued to implement the EU-Serbia readmission agreement and to carry out border control and surveillance. Implementation of the new integrated border management strategy for 2022-2027, with its 2022-2024 action plan, is delayed. Access to and provision of information regarding the asylum procedure has yet to be improved, in particular at the airports in Nis and Kragujevac. Serbia took major steps to align with EU visa policy by reinstating visa requirements for six third countries. Serbia needs to further align with EU visa policy as set out in the Commission's sixth report under the visa suspension mechanism of October 2023. Following the concerns raised by the EU the Government has withdrawn the proposed amendments to the Law on citizenship, which would have provided the possibility to apply for Serbian citizenship after only a short period of residence and work.

Key dates

June 2003: The EU-Western Balkans Thessaloniki Summit confirms the EU perspective for the Western Balkans.

April 2008: The EU-Serbia Stabilisation and Association Agreement is signed and enters into force provisionally.

December 2009: Visa-free travel to Schengen area for citizens of Serbia; Serbia submits its application for EU membership.

March 2011: The EU-facilitated dialogue for the normalisation of relations between Belgrade and Pristina is launched.

March 2012: The European Council grants Serbia candidate status for EU membership.

September 2013: The Stabilisation and Association Agreement enters into force; the analytical examination of the acquis ("screening") starts.

21 January 2014: The accession negotiations are formally opened at the first inter-governmental conference.

December 2015: Chapter 35 dealing with normalisation of relations between Serbia and Kosovo, is opened.

July 2016: 'Rule of Law' chapters 23 and 24 are opened.

February 2020: Revised methodology, presented by the Commission, to drive forward the enlargement process with a stronger political steer and in a more credible, predictable, dynamic way.

October 2020: The European Commission adopts an Economic & Investment Plan to support and bring the Western Balkans closer to the EU.

June 2021: The first political Intergovernmental Conference under the revised enlargement methodology is held to provide political steer to the accession process.

December 2021: Opening of cluster 4 on Green agenda and sustainable connectivity (comprising of 4 negotiating chapters: chapter 14 - Transport policy, chapter 15 - Energy, chapter 21 - Trans-European networks, and chapter 27 - Environment and climate change).

To date, 22 out of 35 chapters have been opened (including all chapters under cluster 1 on the fundamentals of the process and cluster 4 on Green agenda and sustainable connectivity), two of which are provisionally closed.

November 2023: The Commission adopts a new Growth Plan for the Western Balkans.

For More Information

[Serbia Report 2023](#)

[2023 Communication on EU Enlargement Policy](#)

[Serbia 2023 Enlargement Package Factsheet](#)

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