



**Republic of Serbia
GOVERNMENT**

**ACTION PLAN
FOR FULFILLMENT OF PRIORITIES UNDER THE EC 2010 PROGRES REPORT
WITH THE AIM OF ACCELERATING CANDIDATE COUNTRY STATUS**

Belgrade, March 2010

No.	Recommendations	Jurisdiction	Planned measures	Implementation
(...)				
2. Political Criteria				
2.1. Democracy and the Rule of Law				
1.	The laws on public property and on its own resources in Vojvodina required by the Constitution have not yet been adopted (6) ¹	Ministry of Finance, Government as a whole.	Adoption of the necessary acts by June 2011.	
2.	The Law on the State Electoral Commission has not been adopted. (7)	Ministry of Public Administration and Local Self Government	Adoption of the Law by June 2011.	The Ministry of Public Administration and Local Self Government will, in line with the revised Work Plan of the Ministry for 2010 and the Plan for 2011, forward the Draft Law on the Selection of the State Electoral Commission to the Government by June 2011.
3.	Constitutional and legal provisions which do not meet European standards remain in force. These relate to political party control over the mandates of the MPs and parties' ability to arbitrarily appoint MPs instead of following the order of candidates from electoral lists. (7)	Ministry of Public Administration and Local Self Government, Government as a whole.	Amending the Law on Election of National Assembly Members and the Law on Local Elections by June 2011.	The Ministry of Public Administration and Local Self Government will, in line with the revised Work Plan of the Ministry for 2010 and the Plan for 2011, forward the Draft Law on Election of Councilors to the Government for consideration and finalization by June 2011.
Government				
4.	The law required by the Constitution to restore public property at municipal level has not been adopted. (8)	Ministry of Finance	Adoption of the Law by June 2011.	
Public Administration				
5.	The law on administrative procedures has not been adopted yet. (8)	Ministry of Public Administration and Local Self Government	Drafting of the Law on General Administrative Procedure is underway. The adoption of this law is due in the third quarter of 2011.	The Minister of Public Administration and Local Self Government has adopted a decision establishing the Special Working Group for the preparation of the Draft Law on General Administrative Procedure, and intensive work on this Draft Law is underway (the adoption of the Law is due in the third quarter of

¹ The page number in the original, English version of the Serbia 2010 Progress Report made by the European Commission.

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				2011).
6.	(1) The Office of the Commissioner for Information of Public Importance and Personal Data Protection still lacks permanent premises and suffers from staff shortages. (9) (2) The Government should consistently implement the Commissioner's recommendations and the Office should prepare quarterly reports thereof, based on the data provided by the Commissioner.	Commission for Allocation of Business Premises and Official Facilities, Ministry of Finance, Government as a whole.	Provision of adequate working conditions for the Commissioner for Information of Public Importance and Personal Data Protection. Deadline: June 2011	The 2011 Budget Law of the Republic of Serbia has ensured funds for additional employment of 6 employees at the Commissioner's Office.
7.	The Government should consistently implement the Ombudsperson's recommendations and the Office should prepare quarterly reports thereof, based on the data provided by the Ombudsperson.	Government as a whole.	The EU Integration Office will inform the Government in March, June and September on the implementation of recommendations given by the Ombudsperson.	
8.	(1) The Public Procurement Office and (2) the Commission for the Protection of Bidders' Rights had difficulties in carrying out their duties owing to lack of resources. (9)	Commission for Allocation of Business Premises and Official Facilities, Ministry of Finance, Government as a whole.	Allocation of adequate resources for the work of these two bodies in the Budget for 2011.	
Judicial System				
- Measures aimed at implementing EC recommendations in the field of judicial reform are still to be adopted -				
9.	The planned new Criminal Procedure Code, the new Civil Procedure Code, the law on enforcement of judgments and the law on notaries have not been adopted. (10)	Ministry of Justice	All of the enlisted draft laws have been finalised and their adoption in the National Assembly is due by the end of second quarter of 2011. The adoption of these laws and their efficient enforcement will significantly reduce the number of	The, Law on Enforcement and Security and the Law on Notaries have been adopted by the Government and are in the parliamentary procedure. They are expected to be adopted by the National Assembly by the end of the second quarter of 2011. The Draft Criminal Procedure Code has been finalized. Drafting of the Civil Procedure Code is underway.

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10.	Reduce the number of delayed cases and inform the Government thereon on regular basis.	Ministry of Justice	<p>delayed cases in courts.</p> <p>Adoption of the following laws the implementation of which will reduce the number of delayed cases: Criminal Procedure Code, the Law on Civil Procedure, Law on Enforcement of Judgments and the Law on Notaries. The deadline for the adoption is by the end of second quarter of 2011.</p>	The Law on Enforcement and Security and the Law on Notaries have been adopted by the Government and are in the parliamentary procedure. They are expected to be adopted by the National Assembly by the end of the second quarter of 2011. The Draft Criminal Procedure Code has been finalized. Drafting of the Civil Procedure Code is underway. The adoption of the said laws and their efficient enforcement will considerably reduce the court backlog.
11.	Case registration and the IT system connecting all courts and court units and allowing access to files are not fully operational. (11)	Ministry of Justice	All seats of Commercial Courts (17), all seats of Basic Courts (34), all seats of Higher Courts (26) were connected in a network before December 2010, and all court units (102) will be connected with seats of Basic and Commercial Courts by the end of 2011.	
12.	The setting up of the Judicial Academy still is at an early stage and vocational trainings have not yet started. (11)	Ministry of Justice (MJ), Judicial Academy	All Judicial Academy bodies have been constituted. In the period 20-30 September, the first generational entrance exam was carried out and 22 students were enrolled at initial training. The initial training programme, adopted on 25 November 2010 started on 1 December this year. In addition to the substance included in criminal, civil and misdemeanor law, the programme includes training on EU law and human rights. In December, permanent training for judges and prosecutors for 2011 will be drafted in the field of criminal, civil,	The planned measure is fulfilled before the set deadline. All Judicial Academy bodies have been constituted. The initial training programme for the first generation of 22 students is underway. In addition to the criminal, civil and misdemeanor law subject matter, the initial training programme also covers training on EU law and human rights. The 2011 continuous training programme for judges and prosecutors has been developed and its implementation is underway. This training is implemented in the fields of criminal, civil, administrative, commercial and misdemeanor law, European Union law, as well as in the field of human rights. The special continuous training programme for prosecutors was also developed. The continuous training started on 1 January 2011. The

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			<p>administrative, commercial and misdemeanor law, European Union law, as well as training in the area of human rights. In addition, a special Programme of continuous training for prosecutors will also be drafted. The Permanent training programme will start on 1 January 2011. Preparation and adoption of special Programme of continuous training for initially elected judges and prosecutors are underway. Please note that since the outset of operation of Judicial Academy on 1 January 2010, the Academy carried out the programme of permanent vocational training for judges and prosecutors, as well as specialised training for judges and prosecutors in line with the Law on Minor Perpetrators of Criminal Acts and Family Law. Continuous training was notably organized in the field of confiscation of proceeds from criminal activities, organized crime, corruption and money laundering.</p>	<p>special continuous training programme for judges and prosecutors who had been elected to that function for the first time was developed. Please note that since the beginning of operation of the Judicial Academy on 1 January 2010, the Academy has conducted continuous training for judges and prosecutors, and specialized training for judges and prosecutors in line with the Law on Minor Perpetrators of Criminal Offences and Family Law. Continuous training was notably organized in the field of confiscation of the proceeds of crime, organized crime, corruption and money laundering.</p>
Fight Against Corruption				
13.	Implementation of the Action Plan was slow. There has been little progress in the investigation and prosecution of corruption cases, with the number of final convictions remaining low, in particular in high level cases. (11)	Ministry of Justice (MJ), Ministry of Interior (MI)	<p>MI – (1) Implementation of the MI's Sectoral Anti-Corruption Action Plan, adopted in October 2009; (2) Introduction of reliable mechanisms for lodging complaints against corruption and protecting citizens who report corruption. Deadline: the fourth quarter of 2011.</p>	<p>MoI: Acting upon citizen petitions, including the petitions in which citizens indicate the problem of corruption in the police, is a regular and <u>permanent task of the MoI's Internal Affairs Sector</u>. Petitions indicating corruption have a priority in the Sector's operation. Allegations cited in these petitions are checked under the emergency procedure. In order to provide the conditions for timely acting</p>

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			<p>MJ - Measures and activities planned by the <u>Republic Public Prosecution and Organised Crimes Prosecution</u>: (1) Specialised units of public prosecution offices for criminal prosecution of corruption cases; deadline: permanent task; envisaged goal: professionalization of staff working on prosecution of corruption cases; (2) adoption of integrity plan; deadline for drafting: immediately after obtaining the guidelines for plan from the Anti-corruption Agency, deadline for realisation: permanent task; envisaged goal: reduction of corruption risk; (3) specialized training of holders of public prosecution functions; deadline for realization: permanent task; envisaged goal: increased success of pre-trial and criminal proceedings; (4) Introduction of mandatory periodic operation analysis; deadline: permanent task; envisaged goal: introduction of operation transparency and efficiency control; (5) Mandatory periodic assessment of work done by holders of public prosecution function on basis of established criteria; deadline: permanent task; envisaged goal: introduction of operational transparency and efficiency control; (6) Enabling public prosecutors to</p>	<p>upon citizen petitions alleging corruption of police officers, the Sector has requested from all police departments and organizational units within the MoI's seat, to submit to the Sector at the start of each month, starting from January 2011, the petitions on corruption that citizens file at police departments. In October 2009, an Instruction was adopted on the application of rules of complaints procedures, aiming to eliminate the unclarities and dilemmas that occurred in the application of the Rulebook on Complaints Procedure.</p> <p>MoJ 1. In 2008, a specialized division for criminal prosecution of perpetrators of crimes of corruption was established within the Republic Public Prosecutor's Office, as well as special divisions in the then district and now higher public prosecutor's offices in Belgrade, Novi Sad, Kragujevac and Nis, specialized for corruption cases. With the establishment of the new judicial network in 2010, these divisions were also set up within the appellate prosecutor's offices in Belgrade, Novi Sad, Nis and Kragujevac. As regards other prosecutor's offices, each has a contact person in charge of prosecuting crimes of corruption. As of 2010, based on Article 2, paragraph 1, items 3 and 4 of the Law on Organization and Jurisdiction of Government Authorities in Combatting Organized Crime, Corruption and Other Serious Crimes, the Prosecutor's Office for Organized Crime is responsible for prosecuting the so-called high-level corruption crimes.</p> <p>2. The Republic Public Prosecutor's Office has been developing integrity plans in cooperation with the Anti-corruption Agency.</p>

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			<p>run pre-trial criminal proceedings; deadline: permanent task; envisaged goal: improved success of pre-trial in criminal proceedings and mastering the implementation of special measures envisaged by the Criminal Procedure Code; (7) Teamwork and cooperation with other state authorities participating in fight against corruption; deadline: permanent task; envisaged goal: strengthening inter-institutional cooperation for enhanced management of pre-trial and investigation procedures; (8) mandatory subsequent control of prosecution decisions in case of non-institution i.e. referral of criminal charges or waiver from criminal prosecution with elements of corruption or in cases of criminal procedure delaying; deadline: permanent task; envisaged goal: improved realization of pre-trial and criminal proceedings.</p>	<p>3. The prosecutorial office holders are undergoing continuous specialized training in cooperation with the Judicial Academy, OSCE Mission in Belgrade and the United States Embassy in Belgrade. Specialized seminars are dedicated to the fight against corruption, confiscation of property and prevention of money laundering and terrorism financing. All prosecutors, including prosecutors for organized crime, participate in continuous training at seminars, conferences, workshops, study visits and work meetings organized by other state institutions, international and regional organizations, with special reference to problems of organized crime.</p> <p>4. The Republic Public Prosecutor's Office has been continuously analyzing the actions undertaken by all anti-corruption divisions within all public prosecutor's offices of the Republic of Serbia. Measures of the Prosecutor's Office for Organized Crime: the Prosecutor's Office for Organized Crime submits periodic reports on its work to the Republic Public Prosecutor's Office, Ministry of Justice and other state institutions responsible for particular fields within the purview of the Prosecutor's Office.</p> <p>5. The Anti-corruption Division within the Republic Public Prosecutor's Office monitors and evaluates the work of the Deputy Republic Public Prosecutor, as well as the work of prosecutors and deputy prosecutors within basic, higher and appellate prosecutor's offices. Measures of the Prosecutor's Office for Organized Crime: the Prosecutor's Office for Organized Crime regularly monitors the work of deputy prosecutors and their handling of cases.</p>

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				<p>6. Capacity building of holders of prosecutorial office for conducting pre-trial criminal proceedings is carried out in cooperation with the Judicial Academy. All prosecutor's offices, including the Prosecutor's Office for Organized Crime, cooperate in their work with competent authorities that are involved in the pre-trial criminal proceedings and that conduct them. Within their jurisdiction, all prosecutor's offices apply special provisions of the Criminal Procedure Code relating to organized crime, corruption and other serious criminal offences. In detecting and proving these crimes, the Prosecutor's Office for Organized Crime has initiated and conducted a large number of special investigative measures, regulated by the amendments to the Criminal Procedure Code which entered into force in September 2009. Some of these actions were used for the first time in domestic judicial practice and several special investigative measures were often used in one case. Please note that of all specialinvestigative measures, the Prosecutor's Office for Organized Crime may only use the undercover agent and witness collaborator. Moreover, representatives of the Prosecutor's Office for Organized Crime participate in educational activities and study visits aiming to improve the skills for a more efficient implementation of special evidentiary actions.</p> <p>7. In each individual case there is continuing police and prosecutor's office cooperation with other institutions involved in the fight against corruption. The prosecutor's offices in the Republic of Serbia, including the Prosecutor's Office for Organized Crime, cooperate with all authorities involved in the</p>

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				fight against corruption, both in terms of regular communication and coordination of undertaken activities and in terms of acting upon reports submitted by other anti-corruption authorities.
14.	The Anti-Corruption Agency is not yet fully staffed and lacks permanent premises and technical equipment. It still has to establish a track record of its capability to efficiently assess the correctness and completeness of asset declarations of public officials. In this respect, the Agency has little competencies on its own and remains dependent on the cooperation of other state bodies and the effectiveness of law enforcement authorities. (11)	Anti-corruption Agency (ACA), Ministry of Interior (MI), Government as a whole.	MI – Improve cooperation with the Anti-Corruption Agency and intensify operations of joint investigation teams consisting of the representatives of police and judicial authorities. Deadline: the fourth quarter of 2011. ACA - (1) Employ a number of new employees by end-2011; (2) refurbish designated space by end-2011 (the problem of temporary space with undersized capacities to accommodate all current and possible future employees will be pertinent by then); (3) sustainable implementation of regulations by the newly-established department for control and Sector for Analytics, enhanced by lawyers performing initial technical control of application validity; (4) full enquiry competence refers to all activities pertaining to control of officials' property notified to the Agency; on basis of the collected data, the Agency establishes the grounds for filing misdemeanor or criminal charges; ensure direct access to database in terms of verifying property notifications, as well as information kept by other relevant	

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			authorities in order to improve the efficiency and effectiveness of property control.	
15.	New legislation rendering the financing of political parties more transparent and providing for better control of expenditure has not yet been adopted. The existing legislation has significant shortcomings and does not provide the Anti-Corruption Agency with sufficient investigative and sanctioning powers to monitor party funding effectively, in particular during election campaigns. (11)	Ministry of Justice	Law on Political Activities Financing will be adopted by the National Assembly by the first quarter of 2011.	The planned measure is not fulfilled. An additional opinion of the Venice Commission relating to the Draft Law on Financing of Political Activities is expected. Adoption is expected soon upon receiving the opinion of the Venice Commission.
16.	Effective legal protection of whistleblowers is still missing, despite the newly introduced reporting obligation for civil servants. Protection is only applicable in cases where whistleblowers disclose information that is not classified. There is a lack of practical guidance on protective measures. (12)	Anti-corruption Agency	Mechanisms for practical protection of whistleblowers, which will soon be realised in the form of a Rulebook, are currently under development, pursuant to provisions of the Law on Agency, i.e. Article 56 which lays down that the Head of the Agency provides assistance to whistleblowers. Deadline: June 2011	
17.	(1) Corruption within the police remains a matter of concern. (12) (2) It is also necessary to pay attention to public procurement in the field of internal affairs, because the existing law envisages exceptions even in cases that are not entirely justifiable.	Ministry of Interior (MI)	(1) Implementation of Twinning Project entitled “Police Reform: Internal Control” – In September 2010, the implementation of the Project within 2007 IPA Programme commenced in the Police Internal Control Sector. Deadline – September 2011. (2) <i>The Procedure for Procurement and Confidential Procurement</i> has been established in the form of a regulatory act related to the control of budget consumption	Representatives of the Internal Affairs Sector continue their successful work on the implementation of the Twinning Project entitled “Police Reform: Internal Control”, by implementing a series of activities including working meetings, study visits, trainings, as well as activities resulting in the drafting of the Strategic Intelligence Review and the Manual on Professional Standards for Police Officers.

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			and the prevention of possible irregularities and corruption in the field of goods and services procurement. The new <i>proposal for the organization of the procurement unit</i> (the adoption of new Job Classification is expected by 30 June 2011) will allow the increase of control and accountability level in all kinds of procurement with special focus on quality control.	
2.2. Human Rights and the Protection of Minorities				
Observance of International Human Rights Law				
Civil and Political Rights				
18.	The obligation to establish a National Preventive Mechanism in accordance with the Optional Protocol to the Convention against torture and other cruel, inhuman and degrading treatment or punishment, has not yet been fulfilled. (13)	Ministry of Human and Minority Rights	The procedure is ongoing to obtain an opinion from the competent ministries about the Proposal for Law on Ratification of the Convention Against Torture and other Cruel, Inhuman and Degrading Treatment or Punishments, after which the material will be submitted to the Government of the Republic of Serbia for consideration and adoption.	The Ministry of Human and Minority Rights has developed a Draft Law on Amendments to the Law on Ratification of the Optional Protocol to the Convention Against Torture and other Cruel, Inhuman and Degrading Treatment or Punishment, which establishes the Independent National Mechanism for the Prevention of Torture at the national level. The said Draft Law was submitted to the Ministry of Interior, Ministry of Justice, Ministry of Health, Ministry of Labour and Social Policy, Ministry of Finance, Ministry of Foreign Affairs and the Ombudsman for consultation. The Ministry of Justice and Ministry of Finance delivered a negative opinion, whereas the other listed authorities delivered a positive opinion.
19.	<u>Civil Society organizations</u> - The Office for Cooperation with Civil Society was established by the government in April 2010. However, the Office is still not operational and cooperation between state authorities and civil society is still	Ministry of Public Administration and Local Self Government, Government as a whole.	Appointment of a Director of the Office for Cooperation with Civil Society. Deadline: March 2011.	The planned measure is fulfilled. At its session held on 21 January 2010, the Government appointed the Director of the Office for Cooperation with Civil Society.

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	uneven. (14)			
Economic and Social Rights				
20.	The equality protection commissioner mandated to ensure full implementation of the law on the prohibition of discrimination was elected by parliament in May 2010 but is not fully operational yet. (15)	Ministry of Human and Minority Rights (MHMR), Government as a whole.	The funds from the 2010 budget were allocated for the work of the Commissioner's Office and its 11 employees. Additional staffing has been planned for the year 2011. MHMR, in charge of monitoring the implementation of the Law on the Prohibition of Discrimination, on the basis of which the institution of the Equality Protection Commissioner has been established, has developed a project entitled "Implementation of Anti-discrimination Policy". The Project has been approved for an amount of 2.2 million EUR and constitutes an integral part of 2011 IPA with the aim of upgrading the Commissioner's Office with the necessary equipment and training of staff, within the support for the implementation of anti-discriminatory policy. The Terms of Reference (<i>ToR</i>) are planned to be drafted in 2011.	The planned measure is fulfilled before set deadline The 2011 Budget of the Republic of Serbia has allocated RSD 96,213,000 for the work of the Office of the Commissioner for the Protection of Equality and envisaged 25 job posts. An open competition for 10 civil service staff positions was announced on 8 February. The refurbishment of Commissioner's premises, which the Government had previously allocated, has commenced.
21.	With regard to <i>property rights</i> , the implementation of the law regulating private ownership of urban construction land adopted in September 2009 has been slow and inefficient. There has been little conversion of the right of usage into ownership of construction land. (15)	Ministry of Environment and Spatial Planning	The Law on Planning and Construction envisages the possibility of the conversion without compensation and conversion with compensation. Procedures for realisation of this right are implemented to great extent and a large amount of land has been converted into a private ownership.	The Law on Amendments to the Law on Planning and Construction was adopted by the Government on 17 February 2011 and is in the parliamentary procedure.

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			Conversion with compensation is carried out at much slower rate, <u>and acceleration of implementation of these procedures is expected after the adoption of the Law Amending the Law on Planning and Construction, which is due in the first quarter of 2011, at the latest.</u>	
22.	The issue of ownership over land acquired through the privatisation process has not been solved. The legal situation in this respect remains unclear. (15)	Ministry of Environment and Spatial Planning	The Law on Planning and Construction envisages the possibility of the conversion of the rights of usage into ownership of construction land with compensation, and these procedures are carried out in line with the Law (Article 103 of the Law). The planned amendments to the Law on Planning and Construction envisage facilitated procedures and shortening of time necessary for the conversion (see previous recommendation!).	The Law on Amendments to the Law on Planning and Construction was adopted by the Government on 17 February 2011 and is in the parliamentary procedure.
23.	The announced legislation on restitution has not yet been adopted. (15)	Ministry of Finance	Adopt the Law by June 2011.	
24.	Social dialogue remains weak and consultation of social partners irregular. The Economic and Social Council is still not playing an active role in strengthening the social dialogue and remains rather marginalised, also including in the consultation process for legislation falling under its remit. (15)	Government as a whole	(1) Initiating (appointment – delete) the election of the President of the Economic and Social Council of the Republic of Serbia and thus unblock the work of the Council; (2) fulfilling legal obligation (establish the practice - delete) to consult the Council when drafting laws within its competences; (3) establishment of the dynamics of regular sessions and regular attendance at sessions.	
Respect for and Protection of Minorities, Cultural Rights				

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25.	Solve the issue related to the formation of the Bosniak National Minority Council. (12)	Ministry of Human and Minority Rights	(1) New elections for the Bosniak National Minority Council to be successfully held; (2) making efforts to raise awareness of the Bosniak national minority members on the importance of the national council establishment; (3) continuation with regular financing of the National Council.	In line with the 2009 Law on National Councils of National Minorities, the Ministry of Human and Minority Rights has scheduled elections for the National Council of the Bosniak National Minority for 17 April 2011.
26.	Problems with access to personal documents persist for Roma people living in illegal settlements without a registered address or who are homeless. A simplified procedure for recognition of legal subjectivity and subsequent registration in citizens' registries has not been introduced yet. (17)	Ministry of Interior (MI), Ministry of Public Administration and Local Self-Government (MPALSG).	MI – The Council for Improvement of the Position of Roma has been established and is responsible for the implementation of Roma Decade 2005 – 2015; MI has its representative on this Council. MI has established a Working Group for the implementation of Strategy for Improvement of the Position of Roma for the period 2009 – 2011 and prepared the Action Plan for the Implementation of Strategy for Improvement of the Position of Roma for the period 2009 – 2011. It has been planned to amend the Law on Permanent and Temporary Residence (MI prepared a draft) to enable citizens to register their permanent residence in a simplified procedure. Deadline: the first quarter of 2011. MI has been implementing the action of issuing personal documents in urgent procedure to the persons who used to live under the Gazela Bridge in Belgrade and were resettled to the newly	MoI - Law on Permanent and Temporary Residence. The measure is not fulfilled. MPALSG – The new Law on Registers (<i>Official Gazette of the Republic of Serbia</i> , No. 20/09) has considerably improved the right to register the birth of a child in line with the highest international standards. Oversight of the implementation of the Law on Registers and oversight of the execution of tasks delegated by this Law have established that there are no legal obstacles for the exercise of the right to subsequent registration of birth, as indicated by the fact that 9.876 subsequent entries into the birth register were made upon request in 2009 and 8.172 subsequent entries were made upon request in 2010. Given that the Ministry is not responsible for public administration affairs relating to the protection and improvement of rights of minorities, we are unable to submit disaggregated data on the number of requests for subsequent registration of birth of members of the Roma national minority. In accordance with Article 47 of the Constitution of the Republic of Serbia, everyone shall be free to express his national/ethnic affiliation and no one shall be obliged to declare his national/ethnic affiliation, for which reason the data entered into the birth

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			<p>established settlements. MPALSG – (1) Inclusion of all competent institutions for the purpose of subsequent registration into the Birth Register; (2) engagement of Roma mediators, educate and provide logistics support to all persons who are not registered in the Register.</p>	<p>registers do not contain the national/ethnic affiliation data, which provides the Constitutionally guaranteed right to equal protection of all citizens, including persons belonging to the Roma national minority.</p>
Regional Issues and International Obligations				
27.	<p>The status of the former State Union Law on the freezing of assets of ICTY fugitives, which was adopted in 2006, has not yet been clarified. In practice, the freezing of assets has been implemented on the basis of a decision made in 2005 by the war crimes chamber of the Belgrade District Court. The legal basis for this decision was the Criminal Procedure Code. (18)</p>	Ministry of Justice	<p>The Law on freezing of assets of ICTY fugitives (Official Gazette of SCG, 15/2006) entered into force on 15 April 2006, when the indictees' assets were already unfrozen by the decision of the investigating judge of the War Crimes Chamber with the District Court in Belgrade, dated 24 March 2005, pursuant to Article 234 of the Criminal Procedure Code (CPC). Pursuant to the proposal of the War Crimes Prosecution, the investigating judge ordered a temporary suspension of financial transactions from the accounts of 12 persons and freezing of their assets. Pursuant to Article 7 of the Law on freezing of assets of ICTY fugitives, the procedure for implementing the measures under this law in member states shall be regulated by member state regulations. By the time of constitution of the Republic of Serbia, which took over this federal law, ten of 12 fugitives were in the</p>	

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			<p>Hague and the assets of the remaining two fugitives (Ratko Mladic and Goran Hadzic) was already frozen pursuant to the CPC. In such a situation, it was not rational to undertake the entire procedure of implementation of the Law on freezing of assets of ICTY fugitives, considering the fact that the purpose was already achieved. The decision against the two remaining fugitives (Ratko Mladic and Goran Hadzic) is still valid and their assets are frozen.</p>	
28.	<p>The Prosecutor of the <i>International Criminal Tribunal for the former Yugoslavia (ICTY)</i> noted in his latest report to the UN Security Council (...) recommended that Serbia review the strategies employed to apprehend the remaining fugitives, Ratko Mladic and Goran Hadzic. The need for an increase in Serbia's operational capacities and the adoption of a more rigorous and multi-disciplinary approach to arresting the fugitives was also highlighted by the ICTY report. Full cooperation with the ICTY remains an essential condition for membership of the EU, in line with the Council conclusions of 25 October 2010. (18)</p>	<p>Ministry of Interior (MI), Security-information Agency (SIA), Office of the National Council for Cooperation with the ICTY (ONCSI)</p>	<p>MI – (1) In the course of 2011, apply technically oriented methods such as the monitoring of electronic communication and correspondence, surveillance of persons relevant for the pursuit of the fugitives wanted by the ICTY as well as the use of DNA analysis with the purpose of identification. (2) More comprehensive and efficient analytical processing of collected data and documentation with the use of specialized software for storing, processing and searching of documents. SIA – (1) Implement a modified plan with the aim of increasing and concentrating available operational capacities; (2) Improve mechanisms of multidisciplinary approach through the engagement of staff with specific</p>	<p>SIA – (1), (2), (3) and (4) Planned and time limited activities were implemented. Competent authorities and bodies in the Republic of Serbia, as well as the ICTY Prosecutor's Office officials, have been informed about the achieved implementation level, in line with the Law on Cooperation with ICTY. Due to confidentiality of data and activities, specific facts indicating the achieved level in the implementation of planned activities cannot be stated. ONCCI. In the period from 1 January 2011 to date, the Republic of Serbia has maintained the achieved level of cooperation with the Tribunal in the fields within the competence of the National Council for Cooperation with ICTY. In the period from 21 to 23 February 2011, the ICTY Chief Prosecutor Mr. Serge Brammertz made a working visit to Serbia with his delegation. At the meeting of representatives of the Office of the Prosecutor and representatives of the National Council for Cooperation with ICTY, it was noted that cooperation between Serbia and the</p>

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			<p>qualifications; (3) Apply modified methodological and analytical approach in data processing; (4) Consistent practical development of simultaneous and synchronized monitoring of the indicators with operational importance. Deadline for all four activities is the first quarter of 2011. ONCSI - Delivering of documentation, approach to archives of state institutions and witnesses has, for a longer period of time, been performed at a very high level, which was confirmed by regular six-month reports of ICTY officials to the UN Security Council in 2009 and 2010 which emphasized that as regards the abovementioned, no requests remained outstanding.. National Council for Cooperation with ICTY will continue cooperating with ICTY in 2011, at the same level achieved, in all areas within its competences.</p>	<p>Tribunal's Office of the Prosecutor relating to submission of documents and access to archive files of state authorities and to witnesses, as well as all other technical aspects of cooperation under the competence of the National Council are unfolding in a professional manner and smoothly, and that all requests of the Office of the Prosecutor were met within the envisaged timeframe. The National Council for Cooperation with ICTY will make every effort to maintain the achieved level of cooperation with the Tribunal.</p>
29.	Solve the issues regarding the extraditions and recognitions of penalties , with some countries in the region. (18)	Ministry of Justice	<p>Plans regarding regional cooperation are as follows: (1) In August 2010, a proposal for conclusion of an Agreement which would envisage a possibility of extraditions of the citizens of the two countries was communicated to the Republic of Macedonia by the Serbian Ministry of Justice. A response of Macedonia is pending. (2) An initiative has been communicated to the Ministry of</p>	<p>(3) Negotiations with the Republic of Slovenia will continue on 11 March 2011 with the view to harmonizing the Agreement on Legal Assistance in Civil and Criminal Matters, the Agreement on Extradition and the Agreement on Mutual Enforcement of Court Judgments in Criminal Matters. The agreement is expected to be signed in April 2011. (4) The initiative and Draft Agreement on Mutual Enforcement of Court Judgments in Criminal Matters was communicated to the Republic of Croatia in 2011. (5) The Ministry of Justice has developed the</p>

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			Justice of Bosnia and Herzegovina for the conclusion of an Agreement on Extradition which would, <i>inter alia</i> , regulate the issue of extradition of citizens between the two countries. Negotiations with the Republic of Slovenia have been initiated with an aim of concluding the Agreement on Extradition and the Agreement on mutual enforcement of court rulings in criminal matters. Resumption and conclusion of the negotiations is expected by the end of January 2011. (4) An initiative for the conclusion of the Agreement on Extradition and the Agreement on mutual enforcement of court rulings in criminal matters will be communicated to the Republic of Croatia in 2011. (5) Ministry of Justice, following the example of the European arrest warrant, will initiate a kind of a Balkan arrest warrant that would surely result in shortening the procedure of extradition of charged and convicted persons.	Draft Regional Arrest Warrant, following the model of the European Arrest Warrant, which will certainly result in shortening the procedure of extradition of accused and convicted persons.
30.	The Serbian government still does not accept the Kosovo customs stamps notified by UNMIK, blocking Kosovo's exports to Serbia and hampering transit of Kosovo goods for export to the EU by EU hauliers. (19)	Ministry of Foreign Affairs (MFA)	MFA – The solution to the issue will be sought in a dialogue between Belgrade and Pristina (in the course of 2011).	Negotiations are underway.
31.	Regional cooperation was affected by a	Ministry of Foreign	The solution to the issue will be	Negotiations are underway.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	lack of agreement between Serbia and Kosovo on the latter's participation in various regional meetings. An acceptable and sustainable solution for the participation of both Serbia and Kosovo in regional fora needs to be agreed as soon as possible. This is essential for inclusive and functioning regional cooperation. (19/20)	Affairs	sought in a dialogue between Belgrade and Pristina (in the course of 2011).	
3. Economic Criteria				
3.1. The Existence of a Functioning Market Economy				
Economic Policy Essentials				
Macroeconomic Stability				
32.	According to the national labour force survey of April 2010, the unemployment rate soared to 19.2%. The poor labour market performance has further undermined the social conditions. (23)	Ministry of Economy and Regional Development	1) Adoption of the National Employment Strategy for the period 2011-2020 (deadline is the first quarter of 2011); 2) Implementation of the National Action Plan for Employment for 2011 (adopted on July 29, 2010) envisaging the active employment policy measures for the priority inclusion of unemployed persons with less employment opportunities and extremely vulnerable categories of unemployed persons at risk of social exclusion (implementation as of January 1, 2011).	1) The Proposal for the National Employment Strategy for the period 2011-2020 defining the priorities and objectives of the active employment policy was drafted; it was not referred for adoption due to formal reasons 2) Higher amount of funds for active employment measures, of RSD 5,550,000,000, namely 0.17% of GDP (RSD 3,900,000,000 from the budget of the Republic of Serbia and 1,650,000,000 from the unemployment contributions funds) were earmarked in 2011 relative to the previous year (in 2010 these funds amounted to RSD 3,700,000,000, namely 0.12% of GDP); Active employment policy measures are implemented regularly; Amendments to the National Action Plan for Employment for 2011, earmarking higher amount of funds for subsidies for creating new job opportunities depending on the level of development of the area, as well as for subsidies for employment of persons with disabilities and self-employment, were adopted; Co-financing of local employment actions plans was

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>granted to 122 municipalities; All public calls by the National Employment Service for employment of less employable unemployed persons, including public calls for the employment of persons with disabilities and Roma, were published; Also published were public calls by the Development Fund encouraging employment in undeveloped and devastated areas; The Regulation on Conditions for Encouraging Production and Employment in Devastated Areas in 2011 (<i>Official Gazette of the Republic of Serbia</i>, No. 3/2011) and the Regulation on Conditions for Incentives and Development of Companies and Entrepreneurship in Undeveloped Municipalities in 2011 (<i>Official Gazette of the Republic of Serbia</i>, No. 3/2011) were adopted.</p>
33.	Serbia still needs to adopt the new pension law which, for the purpose of strengthening public finances in the long run, includes an extension of working period and age for assuming pension rights as well as adjustments to the indexation mechanism. (25)	Ministry of Labour and Social Policy	Adoption of the Law on Amendments to the Law on Pension and Invalidity Insurance, along with the accompanying by-laws. Deadline: end of 2010, the first quarter of 2011 at the latest.	The Law on Amendments to the Law on Pension and Disability Insurance was adopted on 29 December 2010 and entered into force on 1 January 2011. By-laws establishing job posts subject to the accelerated pension scheme in the Ministry of Interior (adopted jointly by the Ministry of Labour and Social Policy and Ministry of Interior), the Security Intelligence Agency (adopted jointly by the Ministry of Labour and Social Policy and the SIA) and the Army of Serbia (adopted jointly by the Ministry of Labour and Social Policy and Ministry of Defense) will be adopted by the end of June 2011.
Interplay of Market Forces				
34.	State-owned companies have not initiated the restructuring. (26)	Ministry of Infrastructure (MINFRA), Ministry of Mining and Energy (MME),	MINFRA – Adoption of new Memorandum of Association in the following one-year period and transformation of Public Company “Railways of Serbia” (JP “Zeleznice	MoI – New Draft Founding Act for the Public Company “Railways of Serbia” (JP “Zeleznice Srbije”) was developed and its harmonisation with competent institutions is underway. MTIS – Preparations are underway for amendments

No.	Recommendations	Jurisdiction	Planned measures	Implementation
		Ministry of Telecommunications and Information Society (MTIS).	Srbije”) from the public company into a joint stock holding company. MME – By the adoption of a new Energy Law the European Community Directive 2003/55/EC concerning common rules for the internal market in natural gas will be fully implemented. In line with this Directive, the Law will stipulate the obligation to separate the activities of transportation and/or distribution from the activities of natural gas supply and set up a deadline for the companies to adjust their organization and operations with the provisions of this Law. MTIS – The decision on establishing a Public Postal Operator (PPO) for the purpose of organizational and technological adjustment of PPO to contemporary market requirements will be made by March 31, 2011. PPO will complete corporatization until December 31, 2011.	to the Action Plan for the Implementation of the Strategy for Development of Postal Services in Serbia, relating to activities, leading institutions, timeline and the required finances. Hence, a new deadline for deciding on establishing the new public postal operator (PPO) is expected to be set. EIO’s comment: the obligation will not be met within the envisaged timeline, i.e. by 31 March 2011. MTIS: The obligation has not been fulfilled
Market Entry and Exit				
35.	Further efforts are needed to improve the conditions for starting-up a business, particularly in the area of construction permits, where implementation of the new Law on planning and construction from 2009 has been very slow. (26)	Ministry of Environment and Spatial Planning	Drafting the Law Amending the Law on Planning and Construction is under way and its adoption is due in the first quarter of 2011, at the latest.	The Law on Amendments to the Law on Planning and Construction was adopted by the Government on 17 February 2011 and is in the parliamentary procedure.
36.	With regard to market exit, a new Bankruptcy Law came into effect in January 2010 but the number of	Bankruptcy Supervision Agency	(1) Monitor practical implementation of the Law on Bankruptcy – continuously and	1) Monitoring of practical implementation of the Law on Bankruptcy was a constant activity in the course of 2010, will continue in 2011, and is not related to a

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	pending cases remains very high. (26)		<p>possibly prepare the amendments in course of 2011, if necessary; (2) through professional supervision over bankruptcy administrators' work identify the reasons for excessive amount of unresolved bankruptcy cases (current reasons are mostly due to long-lasting proceedings and frequent postponement of the set trial dates); (3) Improve the efficiency of bankruptcy administrators by issuing binding instructions – when necessary; (4) together with the Commercial Court of Appeals, influence the finalization of procedures run in accordance with the law before 2005 (Law on Forced Settlement, Bankruptcy and Liquidation).</p>	<p>specific time period.</p> <p>2) In the course of 2010, through professional supervision over bankruptcy administrators' work, namely:</p> <ul style="list-style-type: none"> - In office supervision, the Bankruptcy Supervisory Agency communicated 559 letters to bankruptcy administrators requesting corrections of quarterly reports and the submission of documents. The supervision covered 230 licenced bankruptcy administrators because omissions were detected in their work, including incorrect filling of quarterly report tables; irregular submission of quarterly reports; as well as omissions in technical support to ERS programme. <p>Given the new decisions and specified powers of the Agency under the new bankruptcy regulations, the number of non-complying bankruptcy administrators has been considerably reduced;</p> <ul style="list-style-type: none"> - During the direct supervision, suggestion was made to instigate disciplinary proceedings against 17 bankruptcy administrators in whose work omissions were detected, and of the total of 87 bankruptcy administrators who were subjected to direct supervision, supervisors assessed that 38 bankruptcy administrators did not have any irregularities in their work (44%), which is a much higher percentage than in the previous years. <p>The direct supervision for 2011, according to the adopted supervision plan, started in February and 9 direct supervisions have been completed to date, out of 100 supervisions planned for 2011.</p> <ul style="list-style-type: none"> - In 2010, the total of 45 complaints against the work of licensed bankruptcy administrators were processed; the Report on the conducted examination of work of bankruptcy administrators was made, stating that the

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>complaints were reasonable in 3 cases, for which suggestion was made to initiate disciplinary proceedings against the bankruptcy administrators in whose work omissions were detected. In the course of 2011, the total of 10 complaints have been received, and are pending.</p> <p>Identification has continued of the causes of the large number of unresolved bankruptcy cases. Thus, in addition to the already mentioned causes (causes are mostly lengthy litigations and frequent postponing of hearings), an additional cause may be related to the problem of selling the bankruptcy assets.</p> <p>3) In 2010, the following 3 binding instructions were issued:</p> <p>The binding instruction No. 1 was related to the drafting and filling out of quarterly reports on the course of bankruptcy proceedings and the status of bankruptcy assets in line with the form within the new National Standard 4;</p> <p>The binding instruction No. 2 was related to the drafting of the bankruptcy administrator's annual financial statement which is submitted at the last hearing, in line with the application of the new forms from the National Standard 7 and legal regulations;</p> <p>The binding instruction No. 3 was adopted on 15 October 2010 and concerned the application of the Tariff on setting prices of services provided by the Bankruptcy Supervision Agency (<i>Official Gazette of the Republic of Serbia</i>, No. 54/10 of 4 August 2010) that entered into force on 5 August 2010 and defined the modality of application and accounting under tariff numbers.</p> <p>In 2011, this activity will be followed up, as required.</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
3.2. The Capacity to Cope with Competitive Pressure and Market Forces Within the Union				
State Influence on Competitiveness				
37.	The legislation on state aid control from July 2009 needs to be effectively enforced by the recently established State aid authority, but an appropriate monitoring mechanism is still missing. (29)	Ministry of Finance (MF), Commission for State Aid Control (CSAC).	MF – No mechanism for implementation of state aid control is missing, having in mind that the commission held 8 successful meetings and all decisions can be found at the Internet site of the Ministry of Finance. CSAC – Constitutional session of the Commission for State Aid Control was held on 30 March and from that moment on, the Commission processed all state aid applications submitted to it. The promotion of the system of monitoring and control is a task of all state authorities proposing state aid and they are subsequently bound to carry out prior state aid notification to the Commission.	Constituting session of the Commission for State Aid Control was held on 30 March 2010. Since then, the Commission has processed all state aid applications submitted to it. At ten working sessions, the Commission adopted 106 acts, including 68 decisions on the admissibility of granting state aid, 12 decisions stating that applications did not concern state aid and 26 conclusions instituting the procedure of subsequent control of admissibility of granting state aid. All of the Commission's decisions are published at the special page of the Ministry of Finance's web site.
38.	State subsidies were relatively high at around 2.2% of GDP in 2009 following a nominal increase of almost a quarter	Ministry of Finance (MF), Commission for State Aid	MF – It's a fact that the MMF underlines the freezing of state aid. However, one must recognize the	The Commission submits annual reports to the Government on granted state aid in the Republic of Serbia, based on the data gathered from state aid

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	compared to 2008. The amount of subsidies could be underreported as the state schemes as well as the individual state aid are not systematically referred for prior approval. (29)	Control (CSAC).	fact that Serbia is a transition country and that subsidies are somewhat justified. State subsidies are necessary in cases such as payment of salaries in PE Serbian Railways and Resavica mine. CSAC – Government i.e. state aid providers are responsible for the policy and scope of subsidies. Since the outset of full implementation of the Law on State Aid Control, the Commission for State Aid Control held eight meetings, stating its opinion on all state aid notifications (43 decisions).	providers and forwarded to the MoF. The Minister of Finance has adopted the Rulebook on Methodology of Drafting the Annual Report on Granted State Aid. According to the Rulebook, the annual report for the previous year is submitted to the Government by 30 June of the current year. In this regard, all state authorities providing state aid will need to cooperate with the Commission’s technical service (Division for State Aid Control within the Ministry of Finance), in order to make the report complete.
4. EUROPEAN STANDARDS				
4.1. Internal Market				
4.1.1. Free Movement of Goods				
39.	The chairman and members of the supervisory board of the Institute for Standardization have not yet been appointed. (30)	Ministry of Economy and Regional Development (MERD), Government as a whole.	MERD – Adopt a Decision on the appointment of chairperson and members of the Supervisory Board of the Serbian Standardisation Institute. Deadline: March 2011.	In the period from 11 May 2010 to 2 March 2011, MERD submitted 36 emergency letters to the Government’s Human Resources Commission requesting action upon the previously submitted proposals for the appointment of members of supervisory boards of the Accreditation Body of Serbia and the Institute for Standardization of Serbia. In view of the above mentioned, please note that MERD is still unable to form all bodies within the Accreditation Body of Serbia and the Institute for Standardization of Serbia due to other bodies’ failure to meet their obligations.
40.	The Chairmen and members of the supervisory board in the Serbian Accreditation Board have not been appointed yet. The administrative capacity of the board needs to be	Ministry of Economy and Regional Development (MERD),	MERD - (1) Issue a Decision on the appointment of chairperson and members of the Supervisory Board of the Serbian Accreditation Board; deadline: March 2011. (2) Engage	In the period from 11 May 2010 to 2 March 2011, MERD submitted 36 emergency letters to the Government’s Human Resources Commission requesting action upon the previously submitted proposals for the appointment of members of

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	strengthened. (30)	Government as a whole.	additional capacities (at least five employees who will need additional training).	supervisory boards of the Accreditation Body of Serbia and the Institute for Standardization of Serbia. In view of the above mentioned, please note that MERD is still unable to form all bodies within the Accreditation Body of Serbia and the Institute for Standardization of Serbia due to other bodies' failure to meet their obligations. Regarding the strengthening of the administrative capacity of the Accreditation Body of Serbia, 5 additional employees were engaged in December 2010, whereby the recommendation was met.
41.	Market surveillance – new legislation fully implementing the 2008 horizontal <i>acquis</i> on marketing of products remains to be adopted. The capacity of market inspectorate needs to be strengthened, not least through training. Coordination between different market surveillance authorities needs to be established, including the development of a common data base. (30)	Ministry of Trade and Services, Ministry of Economy and Regional Development, Ministry of Finance (Customs Administration).	<p>1) Adopt a Rulebook on the programme and method of taking professional exam for market inspectors (by the end of 2nd quarter, the beginning of examination by the end of 3rd quarter 2011.); 2) To adopt the Proposal of the Law on Market Surveillance by the Government (3rd quarter 2011); 3) Conduct an analysis of the existing data bases of state bodies authorized for market surveillance for the purpose of establishing a common information system (3rd quarter of 2011); 4) Sign a Protocol on Cooperation between MERD, MTS and Customs Administration about the cooperation in the field of market surveillance (deadline: December 2010).</p>	<p>MTS : (1) Underway is the drafting of the Rulebook, which will be finalized within the planned timeline (end of the second quarter). (2) Activities have commenced on preparing the Draft Law on Market Surveillance; Guidelines have been prepared on the transposition of Regulation 765/2008 in the part relating to market surveillance. (3) With the support of EU experts, the 2011 Market Surveillance Plan was drafted under the EU methodology and with the involvement of market surveillance state bodies. Implementation of the programme activity of developing an analysis of the existing data bases of market surveillance state bodies for the purposes of establishing a consolidated information system will proceed according to the planned dynamics, including the public procurement procedure within the budget execution planned for the third quarter of 2011. In cooperation with the Chamber of Commerce, educational/training meetings with business entities and market surveillance authorities are organized and implemented, in order to discuss the market surveillance issues. (4) The Protocol on Cooperation between MERD, MTS and Customs Administration was signed on 3</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
42.	Further efforts are required to continue transposition of the product-specific <i>acquis</i> into Serbian legislation (32)	Ministry of Mining and Energy (MME), Ministry of Economy and Regional Development (MERD), Ministry of Interior, Ministry of Health, Ministry of Agriculture, Forestry and Water Management (MAFWM), Ministry of Telecommunications and Information Society (MTIS), Ministry of Environment and Spatial Planning	By the end of 2010 MERD will adopt a Rulebook on Safety of Elevators (Directive 95/16/EC). By the end of 2011 (4th quarter), the following rulebooks will be adopted: Rulebook on metrological requirements for non-automatic weighing instruments (Directive NAWI); Rulebook on metrological requirements for measuring instruments (Directive MID); Rulebook on the procedure of examining pre-packed products (Directive on pre-packed products) and Rulebook on technical requirements for personal protection equipment (Directives 89/686/EEC, 93/68/EEC, 93/95 EEC, 96/58 EEC. These Rulebooks will be accompanied with a list of Serbian standards regarding elevators and personal protection equipment (transposing European harmonized standards) and by their application, the assumption of compliance with important requirements from these Rulebooks will be fulfilled. MAFWM – See the section of this Action Plan (4.2.2.) referring to agriculture and fishery. MME will adopt the Rulebook on containers under pressure, Rulebook on simple containers under pressure, Rulebook on hot water boilers and Rulebook	March 2011. MERD: The Rulebook on Safety of Elevators/Lifts, Official Gazette of the Republic of Serbia, No. 101/2010 was publicised on 29 December 2010. MME: Plans for 2011 remain unchanged. MTIS: Draft Rulebook on Radio Communication Terminal Equipment has been prepared. The public debate will be organized in the course of March 2011. Ministry of Health: The proposal for the Draft Law on Products of General Use is in the legislative procedure and expected to be adopted in the third quarter of 2011. Because of the planned deadline for the adoption of this Law, Rulebook on the requirements with respect to safety of products of general use that may be circulated, which is in compliance with the envisaged directives, will be adopted in the first quarter of 2011. The legal basis for the adoption of this Rulebook is the The Law on Health Safety of Food and Items of General Use.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			on gas devices. MTIS – Technical regulation for the requirements for particular types of communication networks, corresponding electronic equipment and terminal equipment will be adopted by June 2011. (Directive on radio equipment and telecommunication terminal equipment and joint recognition of their compliance). Ministry of Health – To adopt Proposal of the Law on Products of General Use. Deadline: third quarter of 2011	
4.1.2. Movement of Persons, Services, and Right of Establishment				
43.	The Securities Commission, responsible for supervising the capital market, is not sufficiently independent and does not operate fully in line with international standards. The supervisory capacity, in particular regarding employment and staff training, needs to be further strengthened to comply with the Capital Requirements Directive and requirements for risk-based supervision. (31)	Ministry of Finance	Commission is operationally independent, as so much as possible pursuant to the valid legal regulations, which means that it functions independently and avails of its budget. The Commission operates in line with the tasks entrusted to it by the Republic of Serbia. On the other hand, the Commission operates fully in compliance with international standards, IOSCO principles. Higher independence (formal) would be contrary to the Law on Public Administration. The adoption of Basel II framework remains a key priority of our strategy for further enhancement of financial sector supervision.	
4.1.2. Movement of Persons, Services, and Right of Establishment				
44.	Company law - However, the e-	Ministry of	MERD and SBRA – In order to	MERD : The planned deadline for the adoption of

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	Registration system has yet to become fully operational. The Company Registration Law and Securities Law need to be amended. (32)	Economy and Regional Development (MERD), Ministry of Finance (MF), Serbian Business Registers Agency (SBRA).	implement the e-registration of companies, it is necessary to modify the Company Registration Law, which depends on the full implementation of Electronic Document Law and Electronic Signature Law. Planned deadline: 4 th quarter of 2011. MF – Law on the securities market is in the drafting process and it was planned to be adopted by the end of this year (in the Government session). Apart from that, Law on companies was planned to be completely changed. The Government will continue to implement the guillotine of the projects.	<p>amendments to the Law on Registration of Business Entities is the fourth quarter of 2011.</p> <p>In the first week of March, the Agency for Business Registers will submit for the Government procedure the Information on the need to establish uniform registration procedures, a joint information system and centralised system of management and safekeeping of documents in the Agency for Business Registers. Based on the above mentioned Information, the Government will form a Working Group for drafting the Law on Registration in the Agency for Business Registers, and the timeframe for adoption of the Law by the National Assembly will be the third quarter of 2011.</p> <p>Upon adoption of the Law on Business Companies and Law on Registration of Business Entities, the e-registration procedure will be fully operational. The deadline for its application is the fourth quarter of 2011.</p> <p>The Law on the Market of Securities and Other Financial Instruments does not contain provisions regulating the system of electronic registration of business entities.</p> <p>Otherwise, the Proposal of the Law on Capital Market was adopted by the Government on 23 December 2010 and is currently in the parliamentary procedure. A part of the recommendation was implemented with the adoption of the Proposal for the Law on Business Companies on 23 December 2010.</p>
4.1.3. Free Movement of Capital				
45.	The implementation of the legislation on urban planning and construction remains slow. (32)	Ministry of Environment and Spatial Planning	Contentious issues will be solved by the adoption of the envisaged Law on Restitution.	The Law on Amendments to the Law on Planning and Construction was adopted by the Government on 17 February 2011 and is in the parliamentary procedure.
4.1.4. Customs and Taxation				
46.	<u>Taxation</u> - Discriminatory excise duties	Ministry of Finance	During 2011, the harmonisation of	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	on imported spirits need to be brought into line with the same duties on local production in order to comply with the relevant provision of the Interim Agreement. (33)		the excise tax policy with EU <i>acquis</i> will be continued, i.e. fulfilment of obligations ensuing from the Interim Trade Agreement with EU (Article 22 on prohibition of fiscal discrimination) The aim is to harmonise the subject of taxation (degree of alcohol, instead of its kind)	
47.	The share of the 'grey' economy remains high and cumbersome procedures for tax collection remain in place. (33)	Ministry of Finance (Tax Administration)	(1) Continuation with the implementation of measures for reduction of 'grey' economy, stipulated by the Law on Tax Administration, during 2011; (2) introduction of electronic applications as of 1 July 2011.	The Tax Administration has been fighting the grey economy in different ways. In its work up till now, the Tax Administration has identified several modes of value added tax evasion. In all of the identified modes, the key role is played by shell ("phantom") companies, against which 37 criminal charges were brought in 2010 with the damage done to the budget amounting to RSD 580 million and 13 criminal charges were brought with the damage amounting to RSD 81 million in the period January-February 2011. All measures have been taken to identify and stop further business operation of companies with sizeable evasion of public revenues payment, i.e. shell companies ("phantoms") and "money launderers", as well as to combat the grey economy. The analysis of the Tax Police Sector's performance for the 2008-2010 period revealed that the share of shell companies ("phantoms") and "money launderers" in the total amount of the damage done to the budget, relative to regular companies was the following: in 2008 the share of shell companies and "money launderers" was 35.30% of the total damage of 11.31 million (the number of criminal charges filed was 1605); in 2009 the share was 31.83% of the total damage of 8.66 million (the number of criminal charges filed was 1641), and in 2010 the share was

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>15.90% of the total damage of 11.47 million (the number of criminal charges filed was 1755).</p> <p>In case of 4 taxpayers, funds on their accounts were frozen, temporary ban on funds disposal was imposed, with a concurrent tax control; they were prevented from using the total amount of RSD 5,690,000, and the ongoing controls for determining the public revenues obligations are underway.</p> <ul style="list-style-type: none"> - Controls of calculation and payment of compensations, with 14 controlled taxpayers identified irregularities in 3 cases, with unreported public revenues amounting to RSD 9,279,874. The total of 20 business premises was inspected, in the establishments where the use of betting machines or locations had been cancelled. - Of the total of 147 controlled taxpayers, turnover of goods was controlled in terms of Articles 130 and 131 of the Law on Tax Procedure and Tax Administration, irregularities were determined in 70 cases, and the value of <u>confiscated goods amounted to</u> RSD 1,445,613. - <u>74 controls</u> concerned possible violations of intellectual property rights to computer programs. - e-filing of tax returns will be made possible via the “External Portal” module within the project “Integrated Information System”, which commenced in December 2010; - the e-filing of VAT returns, as well as annual personal income tax returns is due to commence on 1 July 2011, whereas the e-filing of other tax returns will be carried out successively in the following months.
4.1.5. Competition				
48.	The financial plan of the CPC for 2010	Government as a	The Ministry of Trade and Services	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	has not yet been adopted by the Government. (33)	whole, Ministry for Trade and Services.	has delivered a positive opinion. (Opinion of the Ministry of Finance is missing).	
49.	The administrative capacity of the Commission for State Aid Control secretariat needs to be substantially strengthened. Serbia needs to continue its efforts to establish a track record in enforcing State aid decisions. (33)	Ministry of Finance (MF), Commission for State Aid Control (CSAC).	CSAC – The new Rulebook on the MF job classification entered into force on 25 September this year and plans the establishment of the units for state aid control for eight employees (up to this moment there was only a group with three employees). Strengthening of the professional service had been actually done already, as six people were already engaged in the tasks of state aid on the various grounds, as well as the consultants in the EU project. MF – Does not lack human resources, as the level of success of the results stands for that. In the Ministry of Finance website there is the register of that in the field of state aid.	The obligation has already been fulfilled! The Ministry of Finance has taken appropriate measures towards further implementation of the recommendation. The Rulebook on Internal Organization and Classification of Job Posts of 5 July 2010 envisages that the Division for State Aid Control has a total of 8 permanently employed civil servants, whose employment will solve the problem of administrative capacities. At the moment, the division has 5 permanently employed civil servants and one civil servant on contract for occasional work. For the divisions' activities, one consultant is engaged in a UNDP project and 3 consultants are engaged in an EU financed technical assistance project. All decisions adopted by the Commission are publicised on the special page of the Ministry of Finance's web site.
4.1.6. Public procurement				
50.	The weak administrative capacity of public procurement bodies, in particular the public procurement unit in the Ministry of Finance, the PPO and the review body, has persisted. The financial resources of these bodies remain scarce. (35)	Ministry of Finance	(1) Enhancing the administrative capacities is in the progress for the Department of public procurement by hiring new employees; (2) ensure that salaries are at the level of enabling the inflow of high quality staff.	MoF has taken appropriate measures to fulfill the stated recommendation. The Rulebook on Internal Organization and Classification of Job Posts in the Ministry of Finance of 5 July 2010 has established a Public Procurement System Group (hereinafter referred to as the Group), which is envisaged to have the total of three (3) permanently employed civil servants, whose employment will partly contribute to solving the respective administrative capacity problem. At present, the Group has one (1) permanently employed civil servant. Moreover, the public competition for filling the remaining job posts

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				in the Group is underway.
4.1.7. Intellectual property law				
51.	The national intellectual property rights strategy needs to be finalised. (35)	Ministry of Science and Technological Development, Intellectual Property Office (IPO).	It has been planned that the Government should adopt the Strategy by the end of March 2011.	The procedure of consultation with the competent public administration authorities on the Draft Strategy is underway.
52.	The members of the Commission on Copyright and Related Rights have not yet been appointed by the Government. (35)	IPO, Government as a whole, Ministry of Science and Technological Development.	Decision on the appointment of members of the Commission on Copyright and Related Rights has been adopted;	The obligation was fulfilled on 9 December 2010. The Government adopted the decision on appointing the Commission president, members and deputy members and the Commission has started to work.
53.	The Law on Optical Discs needs to be passed. (35)	IPO, Ministry of Science and Technological Development	To adopt Proposal of the Law by the end of March 2011.	The procedure of consultation with the competent public administration authorities on the Draft Law is underway.
54.	Adopt the Law on Patents. (35)	IPO, Ministry of Science and Technological Development	It is planned to submit the draft proposal of the Law on patent for adoption by the government by the end of June 2011.	The procedure of consultation with the competent public administration authorities on the Draft Law is underway.
55.	Provide the specialisation of judges and court panels in the area of intellectual property rights protection.	IPO, Judicial Academy.	Continuation and improvement of the existing trainings for judges within the Judicial Academy. Deadline: June 2011	The training plan has been developed; work on specific training programmes in cooperation with the Judicial Academy will be finalised by the end of March.
4.1.8. Employment and social policies, public health policy				
56.	Further efforts are needed to ensure that the Commissioner for Protection of Equality becomes operational. (37)	Ministry of Finance, Government as a whole.	Provision of adequate working conditions for Commissioners, by June 2011, at the latest.	The obligation has been fulfilled before deadline The 2011 Budget of the Republic of Serbia has allocated RSD 96,213,000 for the work of the Office of the Commissioner for the Protection of Equality and envisaged 25 job posts. An open competition for 10 civil service staff positions was announced on 8 February. The refurbishment of Commissioner's premises, which the Government had previously allocated, has commenced.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
4.1.9. Education and research				
57.	Adjusting the education system to the labour market needs further improvement. (39)	Ministry of Education (ME), Ministry of Economy and Regional Development (MERD).	<p>MERD – 1) Enhancing capacity of NES for forecasting labour market trends and monitoring and evaluation of active employment policy measures through 2008 IPA Project <i>Forecasting and Data Management of NES</i> (project period March 2010-October 2011). 2) Allocating more funds for additional education and training within the entire amount of resources earmarked for active employment measures (Programme of distribution and use of funds of the organizations for mandatory social insurance in 2011 – for active measures that will be adopted in the 1st quarter of 2011). ME – (A) First group of measures: (1) modernization of vocational education and training in Serbia (National Qualification Framework) through the IPA 2007 Project; (2) ensuring quality within examination system in elementary and secondary school education (general and vocational education and training) through the IPA 2008 Project; (3) Implementation of the project ‘Second Chance’ – development of a system for a functional elementary education of adults in Serbia (IPA 2008); (4) development of the Programme of Investment in</p>	<p>MERD 1) The forecasting methodology has been developed and approved; the monitoring and evaluation methodology has also been developed and is pending approval; preparation of internal documents and training programme for conducting the survey and data analysis training for counselors at the National Employment Service is underway.</p> <p>2) The Programme of distribution and use of subsidy funds for mandatory social insurance organizations from the budget of the Republic of Serbia for 2011 was adopted, earmarking the amount of RSD 1.89 billion for additional education and training programmes. Moreover, funds from social insurance contributions in the amount of RSD 1.65 billion will also be used for additional education and training programmes, whereby the total additional education and training funds in 2011 will be increased by 68% relative to 2010 (from RSD 2.095 billion to RSD 3.54 billion).</p> <p>Ministry of Education (MoE) – (A) First group of measures:</p> <p>(2) The Minister of Education has adopted the Rulebook on the Final Examination Programme in Primary Education, which was published in the <i>Official Gazette – Educational Gazette</i>, no. 1/2011.</p> <p>(3) The project implementation has commenced, the initial report has been accepted</p> <p>(4) Of the total of 62 applications, the selection was narrowed down to 27 projects, and the technical support tendering procedure is underway</p> <p>(B) The second group of measures targets vulnerable groups:</p> <p>(1) The Minister of Education and the Minister of</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			<p>Educational Infrastructure, by realising IPA 2010 projects; (5)improvement of central education information system, (B) The second group of measures is directed towards vulnerable groups: Implementation of affirmative activities aimed at enrolling the Roma, persons with disabilities, students in difficult social situation, and refugees and displaced persons in institutions providing higher education; (2) strengthening capacities of schools and teachers for the purpose of inclusive education of children/students with developmental and other disabilities; (3) strengthening capacities of under-developed municipalities for the purpose of integration of Roma children and students in regular schools, avoidance of segregation and reduction of dropout rates; (4) provision of vehicles for transportation of pupils/students; (5)institutionalisation of the inclusive education support network.</p>	<p>Human and Minority Rights have agreed that as of 2011 affirmative actions will be conducted systematically. (2) In 2011, the total of 27 trainings were held on the development of the individual education programme, 810 participants from 159 schools took part in the programme “Empowering Schools for Inclusive Education” and a two-day training on learning motivation was held in 55 schools with some 1650 participants. 33 mentors supported 159 schools in developing project proposals for encouraging inclusive education in schools. (3) Mentor support was assigned to 58 municipalities for developing project proposals for the creation and implementation of a sustainable plan of enrollment of Roma children, for the reduction of their dropout rates and provision of equal learning opportunities for Roma children. Distribution of grants to 40 out of the total of 58 selected municipalities is planned. (5) Constant mutual information sharing and cooperation within the network.</p>
4.2. Sectoral policies				
4.2.1. Industry and SMEs				
58.	Developments in the area of SMEs were affected by the shift of the focus of the ministry in charge of SMEs to regional development and also by a significant cut in human resources in its SME department. Reduced administrative	Ministry of Economy and Regional Development	(1) Full implementation of the Strategy for Competitive and Innovative SMEs for the period 2008-2013, through the annual action plan (the plan for the year 2010 is being implemented and the	(1) The Report on the Implementation of the Action Plan for the Implementation of the Strategy for Competitive and Innovative SMEs for 2010 has been prepared and will be submitted to the Government of Serbia for consideration by the end of March 2011. The 2011 Action Plan was developed in cooperation

No.	Recommendations	Jurisdiction	Planned measures	Implementation
	capacity raises concern for the implementation of the national strategy for SME development 2008-2013 and for the implementation of the Small Business Act. (40)		report on its implementation will also be submitted to the Government of the Republic of Serbia for its consideration, while the 2011 action plan will be developed in cooperation with all the institutions competent for SMEs development policy); (2) Strengthen capacities and mechanisms for efficient implementation of SME sector support policy: Intensification of the work of the Council for SME aimed at a better inter-ministerial coordination, improvement of dialogue with private sector (above all through a newly established SME Business Council and SME Forum within the Serbian Chamber of Commerce) and strengthening administrative capacities in the Ministry of Economy and Regional Development; (3) Application of the principles of Small Business Act for Europe, through the process of its implementation for the Western Balkans, and in cooperation with the European Commission and OECD (4) Launching an initiative in 2011 for transposition of the EU Late Payment Directive into national legislation and introducing the SME text into the Regulatory Impact Analysis.	with 20 institutions responsible for creating and implementing the SMEs development policy; (2) Members of the Council for SMEs contributed significantly to the development of the Action Plan for the Implementation of the Strategy for Competitive and Innovative SMEs for 2011; new members of the Business Council were chosen, in consultation with the private sector, and the plan of their activities for 2011 was developed; (3) Preparations were made for starting the assessment of implementation of the principles of the Small Business Act for Europe for Western Balkans, which is due to commence in April 2011; a preliminary Report was made on the SMEs policy measures taken for Serbia, within the framework of the SBA Fact Sheets (monitoring the application of SBA at the EU level).
59.	The industrial strategy remains to be adopted. (40)	Ministry of Economy and	By the Conclusion 05 No. 311-2057/2010-1 of April 22, 2010, the	The Republic Development Bureau has drafted the working version of the Strategy and submitted it to

No.	Recommendations	Jurisdiction	Planned measures	Implementation
		Regional Development	Government accepted the Basis for the Strategy and industrial development policy of the Republic of Serbia in the period 2011-2020. The Republic Development Institute is responsible for the development of Strategy. Deadline: June 2011.	the Ministry of Economy and Regional Development. Underway are preparations for the public debate and harmonization of the working version of the the above mentioned document
4.2.2. Agriculture and fisheries				
60.	(1) The national strategy for agriculture and rural development, (2) the national programme for agriculture and (3) the national programme for rural development have not yet been adopted. (4) The managing authority remains to be appointed. (41)	Ministry of Agriculture, Forestry and Water Management	(1) The National Strategy for Agriculture and Rural Development for the period 2011- 2020 is in the public debate stage. (2) The National Programme for Agriculture was adopted on November 9, 2010 and published in the <i>Official Gazette of the Republic of Serbia</i> , No. 83/10. (3) The National Programme for Rural Development is undergoing the adoption procedure.(4) The managing authorities for programme management were elected on the basis of Decision on the establishment of working body for the management of the European Union's rural development programmes dated October 21, 2010, and in accordance with the Law on Ratification of the Framework Agreement between the Government of the Republic of Serbia and the European Commission concerning the rules of cooperation related to the EU's financial assistance to the Republic of Serbia – IPARD.	Obligations (2) and (4) have been fulfilled. (3) The National Programme for Rural Development was adopted by the Government on 17 February 2011 and is awaiting publication in the Official Gazette.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
61.	The Directorate for Agrarian Payments remains to be fully staffed. (41)	Ministry of Agriculture, Forestry and Water Management	1) Provide additional staffing 2) Continue with the initiated training programmes financed from the bilateral resources and the Twinning Project entitled "Strengthening the Capacity of the Republic of Serbia for the Absorption of EU Rural Development Funds in Pre-Accession Period".	(1) Under the new job classification, the number of job posts has been reduced from 112 to 70. (2) The Twinning Project is underway, as well as the trainings.
62.	An interministerial mechanism for coordinating rural development policies has yet to be established. (41)	Ministry of Agriculture, Forestry and Water Management	Proposal of the Decision on the Establishment of National Council for Rural Development was prepared and sent on November 18, 2010 to the Republic Legislative Secretariat and the Ministry of Finance to obtain their opinion.	The Government had adopted the Decision on the Establishment of National Council for Rural Development (Official Gazette, No. 100/2010, 28 December 2010).
63.	The vineyard register remains to be established. (41)	Ministry of Agriculture, Forestry and Water Management	In addition to the job classification envisaging two positions in MAFWM – Land Directorate related to the administration of vineyard database and records, in the 49 th week of the year 2010, on the basis of Article 15 of the Wine Act, a competition for the administration of Vineyard Register will be published. The competition will serve to select and authorize an expert organization that will perform the tasks related to the Vineyard Register. In accordance thereof, in addition to the financial resources secured within the 2011 Funds Allocation Programme, the necessary administrative and human resources for the establishment of Vineyard	With the view to delegating the tasks relating to the Vineyard Register to an Expert Organization for the Vineyard Register, an open competition was announced on 11 January 2011. The deadline for submitting applications and the related documentation was 28 February 2011, and the Competition Commission is expected to have a meeting in March, when it will present a proposal for delegation of such tasks. As a follow-up, the commission's proposal is expected to be adopted by the minister and the tasks relating to the Vineyard Register are expected to be officially delegated.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			Register system will be prepared by June 30, 2011.	
64.	The procedure for the authorisation of the oenology laboratories has not started. (41)	Ministry of Agriculture, Forestry and Water Management	In the first half of 2011, the Rulebook regulating the obligatory requirements for laboratories will be adopted.	
65.	The Hazard Analysis and Critical Control Points Plans need to be better implemented by operators and associated official controls. (41)	Ministry of Agriculture, Forestry and Water Management	(1) Prepare risk analysis instructions and criteria; (2) Enhance the capacity, programme preparation and delivery of trainings for the application of risk analysis procedure; (3) Further develop IT systems for data collection and processing; (4) Prepare initial programmes of associated official control; (5) Standardize inspection controls; (6) Analyze risks (assessing, managing and informing) and conduct monitoring (programme, structure and organization of control system, priorities, coordination).	(4) The annual and quarterly plans are adopted on a regular basis at the level of divisions and the General Inspectorate (also including action controls); further development of IT systems for data collection and processing is underway, as well as connection of the inspection and authorised laboratories for the purposes of full traceability of shipments and full application of the Risk Analysis. (5) initial programmes of targeted official controls are under preparation, we have embarked upon developing a large number of procedures in order to streamline the work of inspectors and most of them have already become operational.
66.	Inspections and controls at the external border need to be further upgraded. (41)	Ministry of Agriculture, Forestry and Water Management	(1) Adopt by-laws; (2) Apply the regulations on sanitary and technical requirements at border crossings; (3) Implement the Action Plan for Integrated Border Management; (4) Educate and increase the number of border inspectors; (5) Establish IT Communication System of Management.	<u>Veterinary Directorate</u> (1) The following acts have been adopted: - The Rulebook on conditions for non-commercial movement of pet animals that does not require an import and transit permit, as well as on the design and content of certificates for such shipments (<i>Official Gazette of the RS</i> , No. 11/11) (2): - The Rulebook on sanitary-technical and work conditions that have to be met by border crossings where organized veterinary-sanitary control exists (<i>Official Gazette of the RS</i> , No. 30/2010); - The Rulebook on types of shipments subjected to

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>veterinary-sanitary control and on the modality of border inspection of veterinary-sanitary shipments (<i>Official Gazette of the RS</i>, No. 56/2010):</p> <ul style="list-style-type: none"> -The Rulebook on the contents and development of forms, and on the modality of issuing the common veterinary entry document (<i>Official Gazette of the RS</i>, No. 70/10); - The Rulebook on modality and procedure of issuance of international veterinary certificates for shipments of animals, animal products, animal feed, animal by-products and related objects, as well as the records on issued certificates (<i>Official Gazette of the RS</i>, No. 76/10); <p>The screening of the present situation has shown that certain border crossings do not meet the sanitary-technical conditions; efforts are being made and a plan has been developed to introduce uniformity of sanitary- technical conditions at all border crossings; namely conditions for which the General Inspectorate of the Ministry of Agriculture, Forestry and Water Management is responsible,</p> <p>(3) The Integrated Border Management Action Plan has not been implemented due to unresolved property-legal relations relating to ownership;</p> <p>(4) Constant training of border veterinary inspectors has been underway.</p> <p>(5) The complete IT equipment for border veterinary crossings was procured in February.</p>
67.	Agri-food establishments - National programme for upgrading the establishments remains to be adopted. (41)	Ministry of Agriculture, Forestry and Water Management	<p>1) Adopt by-laws; 2) Make decisions on the process of upgrading the establishments; 3) Inform operators dealing with food about the process of upgrading the establishments, their rights and</p>	<p>(1) The following acts have been adopted:</p> <ul style="list-style-type: none"> - The Rulebook on Food Hygiene Requirements (<i>Official Gazette of the RS</i>, No. 73/10); - The Rulebook on General and Special Food Hygiene Requirements in all stages of production, processing and trade (<i>Official Gazette of the RS</i>, No.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			<p>obligations; 4) Prepare instructions, criteria and control lists for assessing the establishments; 5) Provide qualified resources or administrative capacities for assessing the structural conditions in the establishments; 6) Prepare the initial National programme for the upgrading of establishments.</p>	<p>72/10); - The Rulebook on General and Special Animal Feed Hygiene Requirements (<i>Official Gazette of the RS</i>, No. 78/10); - The Rulebook on the Modality and Procedure of Conducting Official Inspections of Animal Food and on the Modality of Ante-mortem and Post-mortem Inspection of Animals (<i>Official Gazette of the RS</i>, No. 99/10); (2) Following the beginning of application of all of the above mentioned Rulebooks, it will be necessary to take decisions at the level of the MAFWM on the process of up grading the establishments. (3) Underway is the process of informing the food business operators on harmonization of structural conditions in the establishments within the competence of the Veterinary Directorate. (5) Underway is preparation of criteria for the selection of veterinary inspectors and of training plans for special veterinary inspection teams who will be assessing the structural conditions in the establishments. The General Inspectorate undertakes continuous training of inspectors; the manpower plan has been made on the required number of inspectors for performing these tasks; the fulfillment of the plan depends on the Government's plan for downsizing the public administration. (6) The Programme for the Improvement of Establishments will be prepared based on assessments of the structural status of the establishments and on the relevant decisions of the MAFWM.</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
68.	<p><u>Veterinary area</u> - further amendments to the import licensing system will be necessary as the current system is not compatible with the <i>acquis</i>. (41)</p>	<p>Ministry of Agriculture, Forestry and Water Management</p>	<p>(1) Provide the funds for introducing IT connections between the inspection and licensed laboratories in order to enable complete tracking of consignments and complete application of Risk Analysis; (2) Adopt more by-laws in this field; (3) Perform continual education of employees in the Veterinary Administration and laboratories as well as operators dealing with food; (4) Improve administrative capacities of the Veterinary Administration.</p>	<p>(1) The Veterinary Directorate's IT system comprises:</p> <ul style="list-style-type: none"> - the Central Data Base and the VetDir Data Base on registered veterinarians, veterinary stations and veterinary clinics, including data on geographic jurisdiction for Contract-based activities, namely activities of implementing the Programme on Measures for Animal Healthcare; the register of marked dogs; the data on registered and vaccinated pigs; vaccinated poultry; as well as the data on notification and monitoring of developments in contagious animal diseases. Application for the AIMCS (Animal Identification and Movement Control System). Underway is the connecting of the veterinary inspection and authorized laboratories for the purposes of traceability of shipments and full application of the Risk Analysis. <p>(2) In 2010, a total of 38 Rulebooks were adopted, and in December 2010, January and February 2011 the following were adopted:</p> <ul style="list-style-type: none"> The Rulebook on Closer Conditions to be Met by Animal Loading, Transshipping and Unloading Points, Rest Points and Control Stations (<i>Official Gazette of the RS</i>, No. 92/2010) of 8 December 2010; - Rulebook on the Establishment of Measures for Early Detection and Diagnosing Contagious Diseases of Transmissible Spongiform Encephalopathies, the Manner of Their Implementation, as well as Measures for the Prevention of Spreading, Control and Eradication of this Contagious Disease (<i>Official Gazette of the RS</i>, No. 96/10); - Rulebook on Conditions relating to Establishments, Equipment, Instruments for Work and Professional

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>Staff that need to be met by the center for warehousing and distribution of artificial insemination semen (<i>Official Gazette of the RS</i>, No. 6/1);</p> <p>- Rulebook on the Mode of Marking and Registration of Sheep and Goats, and on the Official Control of Identification, Marking and Registration of Sheep and Goats (<i>Official Gazette of the RS</i>, No. 6/1);</p> <p>Other regulations are shown in the part on border control and control of establishments, animal health care, security.</p> <p>(3) In the Veterinary Directorate, in 2010, the total of 77 trainings were held, for 2747 participants, including veterinary inspectors, veterinarians, representatives of laboratories, representatives of other ministries and institutions, food business operators, farmers, etc.</p> <p>(4) The administrative capacities of the Veterinary Directorate have not been improved despite the increased workload.</p>
69.	The national reference laboratories are not operational. (42)	Ministry of Agriculture, Forestry and Water Management	(1) Complete the laboratory equipment procurement procedure and reconstruction works on these establishments; (2) Further improve the work of veterinary laboratories, licensed reference laboratories and licensed laboratories; (3) According to the new job classification from	(2) There has been a constant improvement of work of the veterinary laboratories, authorised reference laboratories and authorised laboratories, including: 2 Veterinary Research Institutes, 10 specialized training institutes, the Institute of Meat Hygiene and Technology, Belgrade (in addition to accreditation, also a reference laboratory for monitoring of testing of residues in animals, products, food and animal

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			November 2010, 55 staff should work in the Directorate; the qualified staff vacancies envisaged by the new job classification will be filled as soon as possible; (4) The reconstruction of the laboratory establishments is ongoing and it has been planned to complete the reconstruction works towards the beginning of 2011. (5) The laboratory equipment procurement procedure is in its final stage and the delivery of necessary laboratory equipment is expected in 2011.	feed, that is carried out according to the Veterinary Directorate's Testing Plan for each year, developed in line with EU regulations), Laboratories of the Faculty of Veterinary Medicine, Belgrade, the Dairy Institute, Belgrade, the Center for Foodstuffs Testing, Belgrade, and the joint stock company "SP Laboratory", Becej, in line with the scope of accreditation. (3) Employment of professional staff in the Directorate will be possible following the adoption of the manpower plan at the level of the Ministry of Agriculture, Forestry and Water Management. (4) Reconstruction of laboratory facilities has been completed. Other activities are underway.
70.	<u>Phytosanitary area</u> - There is no official pesticide residues monitoring programme meeting the EU requirements in place. (42)	Ministry of Agriculture, Forestry and Water Management	Adopt Programme of the post-registration control of plant protection products, including both formulation and residues of plant protection products in food of plant origin (deadline: the second quarter of 2011).	Preparation of the Rulebook on Post-Registration Control of Plant Protection Agents is underway.
71.	As regards genetically modified organisms (GMOs), the law banning imports of genetically modified reproductive material needs to be amended to be aligned with the <i>acquis</i> and WTO requirements. (42)	Ministry of Agriculture, Forestry and Water Management	The working version of draft Law on genetically modified organisms has been prepared in accordance with the European Commission's recommendations. The EC experts visited MAFWM on October 22, 2010 in relation to the preparation of draft law. The working version of draft Law on GMOs will be submitted to the Regulatory Affairs Section of MAFWM until December 15, 2010.	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
4.2.3. Environment				
72.	<u>Waste management</u> - The procedures for setting product charges, as well as criteria and procedures for the Environmental Fund to finance waste recovery and recycling activities need to be further established. (43)	Ministry of Environment and Spatial Planning	By the end of second quarter of 2011: (1) adoption of amendments to the Regulation on products becoming specific waste streams by envisaging payments of compensation for vehicles aimed at financing waste vehicle management; adoption of amendments to the Regulation on the amount and conditions for granting subsidies for recovery and recycling of electric and electronic waste equipment, waste oils, waste batteries and accumulators and waste vehicles.	Regulation on amendments to the Regulation on the Amount and Conditions for Granting Subsidies was adopted and published in the Official Gazette No. 101/2010.
4.2.4. Transport policy				
73.	The Directorate for Railways is still not exercising its role as regulatory body. (45)	Ministry for Infrastructure	In the fourth quarter of 2011, the Law on Amendments to the Law on Railways will be adopted, according to which the Directorate for Railways will take over entirely the role of regulatory body as of June 1, 2012.	In January 2011, the Working Group for Drafting the Law on Rail Traffic Safety and amendments to the Law on Railways was established and became operational.
74.	<u>Air transport</u> - Serbia still needs to make further efforts to complete regulatory alignment with the single European sky within the Implementation of Single European Sky in South-East Europe (ISIS) Programme. (45)	Civil Aviation Directorate of the Republic of Serbia.	Adopt: 1) Rulebook on establishing the safety assurance system for the computer programmes of air traffic service providers, transposing into the Serbian national legislation the EC Regulation No. 482/2008 (deadline: the fourth quarter of 2010); 2) Rulebook on flight controller licenses and training centres, transposing into the Serbian national legislation the Directive	(1) The obligation has been fulfilled. At its meeting held on 20 December 2010, the Managing Board of the Civil Aviation Directorate adopted the Rulebook on Establishing the Safety Assurance System for Computer Programmes of Air Traffic Service Providers, transposing into the Serbian national legislation the EC Regulation No. 482/2008 (<i>Official Gazette of the RS</i> , No. 2/11); (2) Underway is the final harmonization of the text of Proposal for the Rulebook on air traffic controller licenses and training centres, transposing into the

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			<p>2006/23 (deadline: first quarter 2011.); 3) Rulebook on requirements and way of issuing certificates for providing air traffic services, transposing into the Serbian national legislation: Regulation of the European Parliament and of the Council (EC) No. 549/2004, Regulation of the European Parliament and of the Council (EC) No. 550/2004, Commission Regulation (EC) No. 2096/2006 and Commission Regulation (EC) No. 1315/2007 (deadline: the first quarter of 2011); 4) Rulebooks for transposing: Regulation (EC) No. 551/2004 of the European Parliament and of the Council, Regulation (EC) No. 552/2004 of the European Parliament and of the Council and Commission Regulation (EC) No. 2150/2005 (deadline: the second quarter of 2011).</p>	<p>Serbian national legislation the Directive 2006/23, after which it will be submitted to the Civil Aviation Directorate's Managing Board for consideration and adoption;</p> <p>(3) Underway is the final harmonization of the text of Proposal for the Rulebook on requirements and way of issuing certificates for providing air traffic services, transposing into the Serbian national legislation the Regulation of the European Parliament and of the Council (EC) No. 549/2004, Regulation of the European Parliament and of the Council (EC) No. 550/2004, Commission Regulation (EC) No. 2096/2006 and Commission Regulation (EC) No. 1315/2007, after which it will be submitted to the Civil Aviation Directorate's Managing Board for consideration and adoption;</p> <p>(4) Underway is the drafting of the rulebook transposing the Regulation (EC) No. 551/2004 of the European Parliament and of the Council, Regulation (EC) No. 552/2004 of the European Parliament and of the Council and Commission Regulation (EC) No. 2150/2005.</p>
75.	Competences of air inspection and audit need to be joined. (45)	Ministry of Public Administrations and Local Self-government, Ministry of Infrastructure, Civil Aviation Directorate of the Republic of Serbia (CADRS).	CADRS - 1) Modify the part of the State Administration Law which does not allow to entrust the Agency with inspection control; 2) Modify the part of the Law on Ministries which stipulates that the Ministry of Infrastructure is responsible for air traffic inspection control; 3) Modify the part of the Law on Air Traffic which defines the competences of the Ministry of Infrastructure and Civil Aviation Directorate. Deadline	MIS - The initiative has been launched for amending (1) the State Administration Law in the part that makes it impossible to delegate the inspection control task to the Agency, and for amending (2) Article 11 of the Law on Ministries, by adding a comma and the words <i>except for the air traffic inspection control</i> after the words <i>inspection control</i> . A meeting was held at the Ministry of Public Administrations and Local Self-government. Pursuant to indications on a possible Government reshuffle, an amendment to the Law on Ministries would provide an opportunity to fulfill this recommendation; amendments to (3) the

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			for all three measures is the second quarter of 2011.	Law on Air Traffic, in the part defining the competences of the Ministry of Infrastructure and Civil Aviation Directorate regarding air traffic inspection have been prepared; it is still necessary to create prerequisites in terms of sub-items 1 and 2. MPALSG Concerning the Recommendation to amend the State Administration Law, Law on Ministries and Law on Air Traffic, please note that the amendments to the State Administration Law and Law on Ministries fall within the competence of the MPALSG, but in order to solve the problem of joining the competencies of the air traffic inspection and audit, it will suffice to amend the Law on Air Traffic, on which we informed you in the opinion submitted to you in the act No. 337-00-1/2011-05 of 17 January 2011.
76.	An independent air accident investigation needs to be established.	Ministry of Infrastructure, Civil Aviation Directorate of the Republic of Serbia (CADRS).	1) Modify the Law on Air Traffic (Chapter 10 – Air Traffic Accidents and Disasters); 2) Adopt a Rulebook to transpose in the Serbian national legislation the Regulation (EC) No. 996/2010 of the European Parliament and of the Council. Deadline for both measures is the second quarter of 2011.	MIS - (1) Underway is the technical work of the preparation of amendments to the Law on Air Traffic (Chapter 10 – Aircraft Accidents and Disasters); (2) Work has commenced on developing the Rulebook to transpose in the Serbian national legislation the Regulation (EC) No. 996/2010 of the European Parliament and of the Council.
4.2.5. Energy				
77.	Electricity interconnections - Following a complaint from the Kosovan Transmission System Operator, the Secretariat of the Energy Community launched a dispute settlement procedure taking the preliminary view that Serbia "failed to fulfil its obligation under the Energy Community Treaty". (46)	Ministry of Energy and Mining	In accordance with the Procedural Act No. 2008/01/MC-EnC of the Ministerial Council of the Energy Community (EC), the Government submitted a response to the Open Letter dated November 17, 2010, expressing its view related to the facts and legal matters presented in	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			this letter. Further steps depend exclusively on EC, in accordance with the Procedural Act, while the final decision is to be brought by the Ministerial Council.	
78.	The separation of distribution and supply in the electricity sector still has to be completed. The deadlines set by the Energy Treaty have not been met. (46)	Ministry of Energy and Mining	(1) Continuation of the separate bookkeeping practice for operators and suppliers, and of preparations for formal separation; (2) draft and adoption of the Law on Energy by July 2011, as basis for formal separation; (3) six months after the adoption of the Law on Energy, activities aimed at the separation will initiate.	
79.	Amendments to the Energy Law, concerning the supply function in both the electricity and gas sectors and extension of the legal responsibilities of the AERS, remain to be adopted. (46)	Ministry of Energy and Mining	The supply of electricity and natural gas as well as the extension of competences of the Energy Agency of the Republic of Serbia have been elaborated in the draft Energy Law, which will be established as a Proposal for the Law by the Government by the end of May 2011.	
80.	Adopte the Law on rational use of energy. (46)	Ministry of Energy and Mining	Draft law will be submitted to the Government by May 2011.	
81.	Responsibility for inspection and the operating budget for the Agency for Ionizing Radiation (AIR) need to be clearly defined. (46/47)	Ministry of Science and Technological Development, Agency for Ionizing Radiation (AIR), Government as a whole (for the measure no. 2).	(1) Amendment of the Law on Protection against Ionizing Radiation and Nuclear Safety in order to enable the AIR to perform its inspection surveillance independently; deadline: final quarter of 2011; (2) enabling the financing of the AIR from its own budget, and not from the Ministry of	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			Environment and Spatial Planning; deadline: December 2010; (3) adoption of medium-term operative budget of the AIR; deadline: December 2010.	
4.2.6. Information society and media				
82.	The board members of the Republic Agency for Electronic Communications remain to be appointed. (47)	Ministry of Telecommunications and Information Society (MTIS), Government as a whole.	MTIS – Issue a Decision on the appointment of RATEL management board members. Deadline: February 2011.	The proposal for the appointment of members of the managing board was formulated at the Government session of 17 February 2011 and was submitted to the National Assembly of the Republic of Serbia for adoption. The Proposal of decision on the appointment of president, deputy president and members of the Managing Board of the Republic Agency for Electronic Communications, submitted by the Government on 17 February 2011 (02-696/11), was formulated as item 23 on the agenda of the first sitting of the first regular session of the National Assembly of the Republic of Serbia in 2011 (2 March 2011). Upon the conclusion of the debate on all agenda items, the voting will take place. (The voting is expected to be carried out prior to the adoption of the Report on Implementation of the Action Plan – 17 March 2011).
83.	<u>Information society services</u> - Implementing rules remain to be adopted to ensure that the switchover process from analogue to digital terrestrial broadcasting takes place as indicated in the 2009 digital switchover strategy. (47)	Ministry of Telecommunications and Information Society	Rulebook on the switchover from analogue to digital television broadcasting and access to the multiplex in terrestrial digital radio broadcasting will be adopted in accordance with Article 104 of the Law on Electronic Communication (<i>Official Gazette of the Republic of Serbia</i> , No. 44/2010) by the end of 2010.	The obligation has been fulfilled. The Ministry of Telecommunications and Information Society adopted the Rulebook on 21 February 2011 (<i>Official Gazette of the RS</i> , No. 12/11).

No.	Recommendations	Jurisdiction	Planned measures	Implementation
4.2.7. Financial control				
84.	<u>External audit</u> - The SAI is not yet fully operational and further audit staff needs to be recruited. (48)	Ministry of Finance (MF), Government as a whole.	MF – State Audit Institution (SAI) at the moment there are three departments with total of 20 auditors. It is planned to have 6 departments with 120 auditors. It is planned to hire approximately 70 auditors in the following year. It is important to observe that there are financial resources, so that SAI will expand the scope of activities with new auditors.	<p>The obligation has been fulfilled before deadline In In 2008 report, the State Audit Institution covered 27% of budgetary expenditures in the audited entities. When auditing the financial statements for 2009, the State Audit Institution covered 70.13% of budgetary expenditures and 17.76% of the own revenues in the audited entities.</p> <p>In addition to the departments that audited the annual balance sheet of the budget, for 2008, and financial reports of the National Bank of Serbia, in the part concerning operations with the budgetary resources, the newly staffed departments commenced the audit of public companies, mandatory social insurance organizations and local authorities, under the 2011 Auditing Program and Plan.</p> <p>One public company was subject to audit in 2009 and the audit of two other public companies is in its final stage.</p> <p><u>Human Resources:</u></p> <p>By its act No. 112-01-00022/2011-060 of 9 February 2011, the Ministry of Finance gave its consent to the State Audit Institution’s Manpower Plan for 2011, with the total of 155 civil service staff, including 11 officials and 114 state auditors, civil servants and general service employees (42 state auditors, 98 civil servants and 4 general service employees).</p> <p>On 15 November 2010, the Institution had the total of 35 employees.</p> <p>On 31 December 2010, the Institution had the total of 59 employees.</p> <p>On 1 March 2011, the Institution has the total of 69 employees.</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>An open competition for filling 34 civil service job posts is underway.</p> <p>The new act on internal organization and classification of job posts has created new job opportunities outside the Institution's seat, namely in Nis and Novi Sad, which have also been partly filled (employees belong to departments responsible for local governments and public companies).</p> <p>Facilities: The State Audit Institution presently uses 16 offices in Belgrade, 4 offices in Novi Sad and 2 offices in Nis, which were given to the Institution for temporary use by the National Bank of Serbia (NBS is subjected to auditing in the scope prescribed by the Law). For the purposes of increasing the number of its employees, the SAI addressed the Government through the Republic Directorate for Property of Serbia by its act No. 361-642/09 of 8 February 2011 and requested to be allowed to use the business premises in the Gavrilina Principa Street and Zagrebacka Street, with a total area of approximately 410 square metres. Until the date of this report, the SAI has not received a reply. Please note that the use of business premises in several different locations in Belgrade, at its seat, is not an optimal solution for the Institution's problem given that this creates communication problems and increases the overall operating expenses. For now, the SAI has enough financial resources, both from the budget and from donors, but it is now impossible to assume what the costs of the use of business premises will be at the end of the year (we are referring to new expenses for the business premises which the SAI might get).</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
				<p>MoF. The 2011 Budget Law of the Republic of Serbia has allocated additional amounts for 73 persons employed in the State Audit Institution.</p>
4.2.8. Statistics				
85.	The budget for the population census is not yet allocated. (49)	Republic Statistical Bureau (RSB), Ministry of Finance, Government as a whole..	RSB – Allocate the funds for the population census from the 2011 budget in the amount of 2.34 billion dinars.	The Obligation has been fulfilled The 2011 Budget has allocated RSD 1 billion and an additional amount of EUR 10 million is expected from the IPA fund (the procedure with the EU delegation has been initiated). Possibility exists for the remaining lacking funds to be raised through the IPA fund.
4.3. Justice, freedom and security				
4.3.1. Visa, border management, asylum and migration				
86.	New rise in asylum applications was registered in August and September of 2010. Authorities need to continue informing citizens about the rights and obligations stemming from visa –free travel. (49)	Ministry of Interior	The information campaign is ongoing, the informative fliers about the rules on legal and safe travelling to EU countries have been re-printed and distributed on all border crossings; individual measures of stricter control have been applied on all border crossings.	Measures of more stringent control continue to be applied at all border crossings and the information campaign is ongoing.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
87.	The current list of countries the citizens of which require visas to travel to Serbia is not fully in conformity with the EU <i>acquis</i> . (49)	Ministry of Foreign Affairs	(1) Gradual harmonization with EU <i>acquis</i> , i. e. the visa regime of the EU states and Schengen Agreement; (2) Concluding bilateral agreements, passing legal regulations and by-laws.	<p>Gradual harmonization is underway, but the Republic of Serbia is also governed by its own interests in case of holders of passports of several states subjected to the Schengen visa regime. Visas are not required for holders of Russian, Turkish and in the near future also Ukrainian, Azeri and Kazakh passports. The visa regime for holders of Albanian passports has been fully harmonized with the visa regime valid in the EU.</p> <p>Underway are negotiations on the abolition of visas for holders of passports/travel documents of Chinese SARs Hong Kong and Macau, with the view to full harmonisation of the visa regime for these categories of Chinese nationals with the visa regime in force in the EU states. On the other hand, visas are not issued to holders of unrecognized Taiwanese passports because the Republic of Serbia does not recognize Taiwan as an independent state, but their entry into the country is made possible under a simplified procedure.</p> <p>The Republic of Serbia has been taking all the necessary steps to prevent illegal migrations from third countries towards Europe. In that respect, please note that the project of setting up a “Visa Centre” and electronic records of issued visas and refused applications is about to be finalised, which will allow full control of the visa issuance procedures, with a three tier control.</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
88.	All border crossings need to be fully connected to the central database of the Ministry of Interior and to the Interpol system (1-24/7). (50)	Ministry of Interior	The majority of border crossings (90%) have already been connected with the MI's central database, and 50% of them have been connected with the Interpol system. The networking of other border crossings will be performed upon the completed procurement of technical equipment and software, which is expected to happen by the end of first quarter of 2011.	Border crossings are still expected to be connected to the Ministry of Interior and Interpol databases within the set timeframe.
89.	Surveillance and control at the Administrative Boundary Line with Kosovo need to be further strengthened and cooperation and exchange of information with EULEX/Kosovo police improved. (50)	Ministry of Interior	The project of the Ministry of Interior of RS has been prepared under the title "Providing technical equipment and training for using the equipment for the purpose of police control of the administrative boundary line with AP Kosovo and Metohija" but the funds have not been secured and a donor is needed. Improving the cooperation in accordance with the Protocol on Police Cooperation between the Ministry of Interior of the Republic of Serbia and EULEX.	The Project of "Providing technical equipment and training for using the equipment for police control of the administrative boundary line with AP Kosovo and Metohija" has not yet been implemented due to the lack of funds, which have not been allocated from the budget.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
90.	The Asylum Office, the first instance body for asylum claims, has not been established. (50)	Ministry of Interior	The Asylum Office has not been established but the complete work from its purview has been performed by the Asylum Section within the Department for Foreign Citizens of the Border Police Directorate (BPD). According to the draft of new job classification (expected to be adopted until June 30, 2011), it is planned to establish the Asylum Office that would function independently within BPD.	The job classification is still expected to be adopted within the set timeline.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
91.	An Action Plan for Migration has not been adopted yet. (50)	Ministry of Interior (MI), Commissariat for Refugees (CR).	<p>CR – Adopting the Action Plan for the Implementation of Strategy for Managing Migrations by the end of 1st quarter of 2011. MI –The procedure of adopting the Action Plan for Combating Illegal Migrations is in its final phase. MI is the leader of this activity. Deadline: December 2010.</p>	<p>CR. The Draft Action Plan for the Implementation of the Migration Management Strategy was developed in coordination with relevant institutions and circulated to all participants for comments and final harmonisation on 18 February, in order to speed up the process of official consultations for the Government. By 1 March, comments were submitted by the Ministry of Foreign Affairs, Ministry of Human and Minority Rights, Ministry of Labour and Social Policy, Ministry for Diaspora, Ministry of Economy and Regional Development and the Republic Statistical Office. All comments have been included in the draft document. No comments were submitted by the Ministry of Interior and Ministry for Kosovo and Metohija. Should the Ministry of Interior submit its comments by 10 March (as they have announced) , the draft action plan will be submitted for official consultation to all ministries on 14 March. Given that the plan will already have been harmonised by that date, all opinions are expected to be positive.</p> <p>MoI. The CR has submitted the Draft Action Plan for the Implementation of the Migration Management Strategy for consultation to the MoI and to other ministries recognized by the Strategy as partners in its implementation. The Action Plan is expected to be adopted in the first half of 2011.</p> <p>THE OBLIGATION HAS BEEN FULFILLED. The Action Plan for the Implementation of the Strategy for Combating Illegal Migrations in the Republic of Serbia for 2009-2014 was adopted by the Government of Serbia and published in the <i>Official Gazette</i> No. 99/10 of 27 October 2010.</p>

No.	Recommendations	Jurisdiction	Planned measures	Implementation
4.3.2 Money laundering				
92.	The Department for the Prevention of Money Laundering lacks capacity to systematically identify suspicious cases. (51)	Ministry of Finance	The Department for the Prevention of Money laundering is a financial information body that hires 25 public servants. It is planned to change the job classification of the job positions, establish new department of direct control and hire at least 15 public servants.	Underway is the amendment to the Decision on the maximum number of employees in public administration bodies, public agencies and mandatory social insurance institutions, proposing an increase in the number of civil servants at the Department for the Prevention of Money Laundering to 15. Following this amendment to the Decision, the Rulebook on Job Classification at the Department for the Prevention of Money Laundering will also be amended. The recommendation is expected to be fulfilled in April 2011.
93.	Guidelines for the identification of suspicious transactions have not yet been adopted. (51)	Ministry of Finance	Guidelines for the identification of suspicious transactions were adopted in November 2010 and can be downloaded from the web site of the Administration.	The obligation has been fulfilled.
94.	Reporting remains poor, in particular outside the banking sector, with the real estate sector and currency exchange offices being of most concern. (51)	Ministry of Finance	The reporting is regulated by the Law on prevention of money laundering and financing terrorism. Due to the incompleteness of the Law above mentioned, the new Law amending the Law on prevention of money laundering and financing of terrorism improves the reporting in the business outside the banking sector. The draft Law amending the Law on foreign exchange operation designates the Foreign exchange inspectorate as the body supervising the implementation of the Law on prevention of money laundering and financing of terrorism for the exchange offices.	The Law on Amendments to the Law on Foreign Exchange Operations is in the parliamentary procedure and is expected to be adopted in March 2011.

No.	Recommendations	Jurisdiction	Planned measures	Implementation
4.3.3. Drugs				
95.	Serious weaknesses continue to exist in surveillance of the borders with the former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina and Croatia as well as the Administrative Boundary Line with Kosovo, which is of particular concern in view of the level of drug trafficking activity in Kosovo. (52)	Ministry of Interior	The joint patrolling system has been established with Montenegro and Bosnia and Herzegovina, while with the Republic of Croatia an Agreement on Police Cooperation, with special provisions on border cooperation, has been signed, allowing the exchange of information, joint actions and other forms of cooperation. (See the recommendation 89 about the surveillance and control of the administrative boundary line with Kosovo and Metohija).	On 28 February 2011, the Protocol on Establishing Joint Patrols along the shared state border between the MoI of the Republic of Serbia and the MoI of the Republic of Macedonia was signed, as well as the Protocol on the Establishment and Operation of the Joint Contact Centre for Police Cooperation. On 18 September 2010, the Agreement was signed between the Government of the Republic of Serbia and Government of the Republic of Macedonia on Regulation of the Border Traffic Regime at the Serbian-Macedonian State Border. In addition, on 29 December 2010, the Protocol between the MoI of the Republic of Serbia and the MoI of the Republic of Croatia on Setting Up the Joint Contact Service was signed.
4.3.5. Fighting organized crime and terrorism				
96.	(1) Strengthen capacities of the Directorate for the Management of Seized Assets. (2) The limited capacities of the agency for the management of seized assets and the fast auctioning of seized assets in the absence of a conviction or any risk of immediate deterioration raise some concerns. (53)	Ministry of Justice	(1) By the job classification, y Directorate for management of seized and confiscated assets should hire employees for 30 job positions and 17 have already been hired. At the moment the remaining of the job positions are being filled. (2) Directorate for management of seized and confiscated assets, on the basis of Article 41 of the Law on seizure and confiscation of the proceeds from crime, has put on sale the part of temporarily confiscated movable property in just two cases with the aim of avoiding reduction of that property value, i.e. in the aim of not harming the defendant. The sale is processed on the basis of the	

No.	Recommendations	Jurisdiction	Planned measures	Implementation
			<p>court approval, and expert has assessed the value of the soled property (expert witness), and the sale has been processed by strictly following the positive regulations that set out the sale process. Financial means gained by this sale are stored in a special account of the Directorate and in the case of decision on the release, the property will be returned to the released person.</p>	

List of abbreviations and ordinal numbers of priorities by institutions

Abbreviations	Full title	Ordinal number of the priority
-	Government as a whole	
MFA	Ministry of Foreign Affairs	
MI	Ministry of Interior	
MF	Ministry of Finance	
MJ	Ministry of Justice	
MAFWM	Ministry of Agriculture, Forestry and Water Management	
MERD	Ministry of Economy and Regional Development	
MME	Ministry of Mining and Energy	
MIS	Ministry of Infrastructure	
MPALSG	Ministry of Public Administration and Local Self-government	
MTS	Ministry of Trade and Services	
MSTD	Ministry of Science and Technological Development	
ME	Ministry of Education	
MH	Ministry of Health	
MTIS	Ministry of Telecommunications and Information Society	
MLSP	Ministry of Labour and Social Policy	
MESP	Ministry of Environment and Spatial Planning	
MKM	Ministry for Kosovo and Metohija	
MHMR	Ministry of Human and Minority Rights	
CR	The Commissariat for Refugees of the Republic of Serbia	
SBRA	Serbian Business Registers Agency	
CADRS	Civil Aviation Directorate of the Republic of Serbia	
IPO	Intellectual Property Office	

Abbreviations	Full title	Ordinal number of the priority
AIR	Agency for Ionizing Radiation and Nuclear Safety of the Republic of Serbia	
ACA	Anti-corruption Agency	
SIA	Security-Information Agency;	
ONCSI	Office of the National Council for Cooperation with the ICTY (ONCSI)	
BSA	Bankruptcy Supervision Agency	
CSAC	Commission for State Aid Control	
-	Judicial Academy	

LIST OF RECOMMENDATIONS, i.e. NOTICED SHORTCOMINGS, FROM THE SERBIA 2010 PROGRESS REPORT OF EC WHICH ARE NOT WITHIN COMPETENCES OF THE GOVERNMENT, AND THE FULFILLMENT OF WHICH WOULD CONTRIBUTE TO OBTAINING THE EU CANDIDATE STATUS IN 2011

National Assembly

- Some provisions of the Rules of Procedure of the National Assembly related to its relations with other state authorities and institutions have been criticised by the Ombudsman and the Commissioner for Information of Public Importance and Protection of Personal Data, as an attempt to interfere in the functioning of independent regulatory bodies. (page 7 in the English version of the Annual Progress Report)
- The quality of the legislative output has been affected by the practice of lawmaking by urgent procedure, which has been used for major systemic pieces of legislation. Public debate on content and impact of draft laws has remained insufficient. (7)
- The functioning of the committees remains largely reactive and their effectiveness varies significantly. (7)
- There is a lack of adequate expert and support staff to assist the committees. (7)
- National Assembly has continued with regular MPs Questions to the Government. However, these remain formalistic rather than substantive in nature. (7)
- Inflammatory and offensive language has continued, with sanctions being applied in some cases. (7)
- Parliamentary oversight of the security forces remains weak, as the legislature is not proactive and lacks capacity. (9)
- The Security and Defence Committee has limited resources to deal with its wide scope of work, which covers internal affairs, defence and security. (9)

Constitutional Court of Serbia

- The Constitutional Court faces a backlog of some ,7000 pending cases, including the appeals filed by judges and prosecutors who have not been appointed. (11)

State Prosecutorial Council

- The reappointment procedure for prosecutors was carried out in a non-transparent way, putting at risk the principle of the independence of the judiciary. (10)
- The State Prosecutorial Council, acted in a transitory composition, which neglected adequate representation of the profession and created a high risk of political influence. In addition, not all members had been appointed to the council. Objective criteria for reappointment, which had been developed in close cooperation with the Council of Europe's Venice Commission, were not applied. (10)
- Prosecutors were not heard during the procedure and did not receive adequate explanations for the decisions. (10)
- First-time candidates (876 judges and 88 deputy prosecutors) were appointed without conducting interviews or applying merit-based criteria. (10)
- The State Prosecutorial Council has not yet been elected in its permanent composition.. (10)
- Vojvodina - Investigations by the police into inter-ethnic incidents have improved, as well as police sensitivity in treating them as ethnically motivated acts as opposed to the previous practice of classifying them as ordinary incidents. Their legal follow up has however been insufficient. The prosecution continued to dismiss them as criminal acts and referred them instead to misdemeanour courts. (16)

High Judicial Council

- The reappointment procedure for prosecutors was carried out in a non-transparent way, putting at risk the principle of the independence of the judiciary. (10)

- High Judicial Council acted in a transitory composition, which neglected adequate representation of the profession and created a high risk of political influence. In addition, not all members had been appointed to the council. Objective criteria for reappointment, which had been developed in close cooperation with the Council of Europe's Venice Commission, were not applied. (10)
- Judges were not heard during the procedure and did not receive adequate explanations for the decisions. (10)
- First-time candidates (876 judges and 88 deputy prosecutors) were appointed without conducting interviews or applying merit-based criteria. (10)
- High Judicial Council has not yet been elected in its permanent composition. (10)
- New court presidents have not been appointed. The respective legal deadlines expired in July and March 2010. (10)

Public Procurement Office

- The Public Procurement Office had difficulties in carrying out its duties owing to lack of resources and, in some cases, delays in the implementation of the relevant legislation. (9)
- Administrative capacities of the Public Procurement Office are still weak. (35)
- The coordination mechanisms among the main stakeholders in the public procurement system, especially with a view to reducing the scope for corruption, remain weak. (35)
- The certification of public procurement officials has not yet started. (35)
- The strategy for upgrading the public procurement system in Serbia remains at early stage. (35) (Also within the competences of the Ministry of Finance)

Ombudsman

- The Deputy Ombudsman in charge of the protection of persons deprived of their liberty is operational but still not fully effective. (13)

Commissioner for Information of Public Importance and Protection of Personal Data

- The Law on the Protection of Personal Data is not fully in line with EU standards and not all necessary implementing legislation has yet been adopted. (54)

The Commission for Protection of Bidders' Rights in public procurement procedures

- The Commission for the Protection of Bidders' Rights had difficulties in carrying out its duties owing to lack of resources and, in some cases, delays in the implementation of the relevant legislation. (9)
- Administrative capacities of the Commission are still weak. (35)
- The coordination mechanisms among the main stakeholders in the public procurement system, especially with a view to reducing the scope for corruption, remain weak. (35)

The Securities Commission

- The Securities Commission, responsible for supervising the capital market, is not sufficiently independent and does not operate fully in line with international standards. The supervisory capacity, in particular regarding employment and staff training, needs to be further strengthened to comply with the Capital Requirements Directive (*Basel 2; Capital Requirements Directive*) and requirements for risk-based supervision. (31) (Also within the competences of the Ministry of Finance)

State Audit Institution

- State Audit Institution has only performed a partial audit of the 2008 state accounts. (9)
- The setting up of the State Audit Institution remains slow. (12) External Audit - the SAI is not yet fully operational and further audit staff needs to be recruited. (48)

National Bank of Serbia

- Disinflation has remained the key policy objective, but price developments need to be monitored carefully as further inflationary pressures might be generated by the increases in regulated prices of energy, gas and oil as well as the pass-through effect of the depreciating dinar (24)
- The banking sector remained generally sound and profitable, but a close watch needs to be kept for possible deterioration in the repayment capacity of borrowers due to the relatively high share of bad loans and considerable exposure to exchange rate risk (27)
- Progress in development of the non-banking financial sector slowed down and consequently its size in financial intermediation remained limited. (28)
- New legislation on banking, securities and insurance needs to be adopted. Serbia needs to further align with the Financial Services Directives. (31)
- Serbia has yet to sign memoranda of understanding with all home supervisory authorities of foreign banks operating on its territory (31)
- The Law on competition protection has been undermined by the adoption of some conflicting horizontal legislation notably on mandatory car insurance. (34)

Administrative Court of Serbia

- The capacity of the judiciary to deal with substantive issues of competition remains weak and significant efforts are needed in this respect. A solid enforcement record remains to be demonstrated. (34)

Commissioner for Protection of Equality

- In practice, discrimination continues, particularly against the Roma, the LGBT community, women, national minorities, and persons with disabilities. These groups, but also human rights defenders and journalists, are exposed to hate speech and threats that are rarely followed up by the authorities. (15)
- Further efforts are needed to ensure that the Commissioner for Protection of Equality becomes operational. A comprehensive approach in the field of the anti-discrimination policies remains to be ensured. (37)

The Commission for the Protection of Competition (CPC)

- The Commission for the Protection of Competition had difficulties in carrying out its duties owing to lack of resources and, in some cases, delays in the implementation of the relevant legislation. (9)
- The CPC's capacity to carry out economic analysis and to deal with procedural matters remains to be further strengthened in order to fully implement with the IA requirements. Moreover, the CPC needs to improve its expertise and knowledge in procedural matters. (33)

The Republic Agency for Electronic Communications (RATEL)

- In the area of electronic communications and information technologies, few competitive safeguards have yet been introduced and tariffs are not rebalanced. Market competitiveness is still limited. (47)
- Concerning administrative capacity, the RATEL needs to be strengthened. In particular, the RATEL needs to ensure the supervision over the implementation of the new Law on electronic communications. (47)

