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**COMMISSION STAFF WORKING DOCUMENT**

**Serbia 2025 Report**

*Accompanying the document*

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**2025 Communication on EU enlargement policy**

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## 1. INTRODUCTION<sup>1</sup>

### 1.1 CONTEXT

Since Serbia's accession negotiations opened in January 2014, 22 out of 35 chapters have been opened. These include all chapters under cluster 1 on the fundamentals and under cluster 4 on the green agenda and sustainable connectivity. Two chapters have provisionally been closed. The Commission's recommendations from previous years remain valid, that Serbia has fulfilled the opening benchmarks for cluster 3 (competitiveness and inclusive growth) and that this cluster is technically ready to open. The overall pace of negotiations will continue to depend on the rule of law reforms and the normalisation of Serbia's relations with Kosovo\*.

The Serbian government has continued to declare EU membership its strategic goal, and it set a new, more ambitious target date of the end of 2026 to meet technical criteria for membership. Meeting Serbia's objectives for EU accession negotiations requires strong political will, a whole-of-society approach, effective policy planning and coordination, along with sufficient human and financial resources for EU accession across all institutions involved. There is an anti-EU narrative evident not only in Serbian media outlets but also used by political office holders, including at highest levels. As a matter of priority, the Serbian authorities still need to take much more responsibility for proactive and more objective communication on Serbia's EU accession process and the EU and for countering disinformation and information manipulation.

On 1 November 2024, the fall of a canopy at the Novi Sad railway station caused the death of 16 people. This tragic event prompted mass nation-wide student and citizen protests and blockades across the country over corruption and the perceived lack of accountability and transparency at government level with reports of excessive use of force against protesters. The incident and the aftermath has further deepened the polarisation in Serbian society. The protests continue to take place.

In the reporting period, the EU-facilitated Dialogue on normalisation of relations between Serbia and Kosovo continued. Domestic political preoccupations on both sides have hindered decisive steps towards implementing the 2023 Agreement on the Path to Normalisation and its implementation annex and thereby progressing on normalising their relations. Constructive engagement in the normalisation is also a requirement under the Reform and Growth Facility for the Western Balkans.

Serbia has actively engaged in and started to deliver on the implementation of the new Growth Plan for the Western Balkans across all four pillars of gradual integration with the EU: single market, regional economic integration, fundamental reforms and increased financial support. Under the Reform and Growth Facility, a performance-based EU instrument that supports the EU accession process, the country adopted its Reform Agenda. The Reform Agenda covers reforms in the areas of: (i) business environment and private-sector development; (ii) green and digital transition; (iii) human capital; (iv) fundamental rights and the rule of law.

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<sup>1</sup> This report covers the period from 1 September 2024 to 1 September 2025. It is based on input from a variety of sources, including contributions from the government of Serbia, EU Member States, European Parliament reports and information from various international and non-governmental organisations. It also includes the results of comparative assessments and indices produced by other stakeholders, in particular in the area of rule of law.

The report uses the following assessment scale to describe the state of play: early stage, some level of preparation, moderately prepared, good level of preparation and well advanced. To describe progress made during the reporting period, it uses the following scale: backsliding, no progress, limited progress, some progress, good progress and very good progress. Where appropriate, interim steps have also been used.

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

The Commission's 2025 rule of law report<sup>2</sup> covered Serbia for the second time.

## 1.2 MAIN FINDINGS OF THE REPORTS

### CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

#### Democracy

Tangible improvements and further reforms are needed in the conduct of *elections*. It is vital that all outstanding recommendations by the Office for Democratic Institutions and Human Rights (OSCE/ODIHR) and the Council of Europe bodies are fully implemented, in a transparent and inclusive process and well ahead of any new elections.

*Parliament's* effectiveness and oversight function remain hampered by the low frequency of sessions and the lack of genuine political debate. Public scrutiny and involvement in the legislative process were limited and debates continued to be marked by tensions between the ruling coalition and the opposition. Parliamentary rules of procedure and the Code of Conduct to penalise offences by parliamentarians need to be consistently applied.

The institutions in charge of the *EU integration* process are in place. The government has advanced its strategic objective to meet all EU criteria by the end of 2026 but is yet to show genuine political will to deliver on EU-related priorities and speed up the preparations accordingly. The current deep societal polarisation, as well as persistent anti-EU rhetoric, run counter to this objective. The authorities have yet to achieve more proactive and objective communication about the EU and Serbia's accession process. The increasingly difficult environment for civil society has led to the decision by civil society organisations to suspend cooperation with the authorities. This has in turn affected the inclusiveness of the EU integration process.

The *government* was in a caretaker capacity between 19 March (when Parliament took note of the Prime Minister's resignation) and 16 April 2025, when a new government was appointed. The reform of the local government system continued to advance slowly.

*Civil society* organisations (CSOs) in Serbia operate in an increasingly difficult environment. Since the start of the protests, CSOs advocating for the rule of law have faced intensified verbal attacks and smear campaigns, including by high-level officials. Complaints were filed against the use of spyware targeting human rights defenders and journalists. Strategic lawsuits against public participation (SLAPPs) increasingly hindered CSOs' work. Several foreign CSO representatives, including from EU Member States, were expelled from Serbia and some were subsequently banned from entering the country. In February 2025, the police searched the offices of four CSOs at the request of the Special Anti-Corruption Department of the Higher Public Prosecutor's Office in Belgrade. To date, the searches have not resulted in any judicial proceedings and they have been widely perceived as an act of pressure on civil society. Cooperation between the government and CSOs has been under strain. There is still significant scope to improve the transparency of public funding to civil society.

#### Public administration reform

Serbia is **moderately prepared** in the area of public administration reform and overall there has been **no progress** during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

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<sup>2</sup> COM(2025) 900 final.

- reduce the excessive number of acting positions and allocate sufficient resources to run effective, merit-based recruitment processes;
- strengthen the mechanism for systematically integrating opinions issued by the Public Policy Secretariat into draft laws and policy documents, in line with the Law on the planning system;
- put in place a unified, comprehensive and transparent system for capital investment planning and management, in line with the Reform Agenda.

## Chapter 23: Judiciary and fundamental rights

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Serbia has reached **some level of preparation** and has made **no progress**.

### *Functioning of the judiciary*

Serbia is **between having some and a moderate level of preparation** in the area of judiciary. **No progress** was made overall during the reporting period. Whilst the case management system for prosecutor offices was finalised, Serbia still lacks a comprehensive court case management system. Several judges and prosecutors were elected in 2024 and 2025, but a considerable number of vacancies remain to be filled. Undue pressure on the judiciary remains a concern, with little or no follow-up from relevant institutions, and there are concerns about prosecutorial autonomy. Four vacant positions at the Constitutional Court still need to be filled. Serbia has yet to show a genuine commitment to investigating and adjudicating war crimes cases, including by appointing a Chief Public Prosecutor for War Crimes.

The Commission's recommendations from last year were implemented to a limited extent and therefore remain largely valid. In the coming year, Serbia should in particular:

- adopt the Law on the Judicial Academy in line with the Venice Commission recommendations and carry out the appointments of judges and prosecutors in line with the legal framework, in particular to fill the vacant positions in the Constitutional Court;
- reduce political interference in the judiciary and prosecution services and ensure that the High Judicial Council and the High Prosecutorial Council, the government and Parliament defend judicial independence and prosecutorial autonomy effectively and proactively in cases of undue influence;
- make the uniform and centralised case management systems operational; improve the efficiency of the justice system, in particular by reducing the backlogs and disposition times for the Administrative and Constitutional Courts and fully implement the human resources and ICT strategies.

### *Fight against corruption*

Serbia is **between having some and a moderate level of preparation** in the fight against corruption. Overall, it has made **limited progress**. In December 2024, Serbia adopted an action plan for the national anti-corruption strategy for 2024-2025. Overall, corruption is prevalent in many areas and remains an issue of concern. The canopy collapse at Novi Sad railway station prompted widespread public protests over corruption and the perceived lack of accountability and transparency in government infrastructure and construction projects. The authorities launched investigations into alleged corruption linked to the tragic incident, which have yet to be completed. There is a need for stronger political will to tackle corruption effectively, establish a robust track record and put in place a robust criminal justice response, including action on high-level corruption. The role and mandate of the Prosecutor's Office for Organised Crime is insufficiently regulated in the law. Targeted risk assessments and specific measures are also needed to tackle corruption in the most vulnerable sectors.

The Commission's recommendations from last year were implemented only to a limited extent and therefore remain largely valid. In the coming year, Serbia should in particular:

- further improve its track record on investigations, prosecutions and final court decisions in high-level corruption cases, in particular the seizure and confiscation of criminal assets and ensuring the systematic use of parallel financial investigations; strengthen the mandate of the Public Prosecutor's Office for Organised Crime to increase its effectiveness;
- address all GRECO recommendations, in particular from the fifth evaluation round; establish a constructive relationship with the Anti-Corruption Council and systematically consult the Council on draft legislation;
- implement the anti-corruption action plan (2024-2025) accompanying the anti-corruption strategy as well as adopt and start implementing the action plan for 2026-2028, including by establishing an effective monitoring, evaluation and coordination mechanism to track progress and impact, while focusing on all relevant interim benchmarks and GRECO recommendations.

### ***Fundamental rights***

While Serbia's legislative and institutional framework for upholding fundamental rights is broadly in place, implementation of this framework needs to be improved as a matter of priority. Independent bodies have issued only little, or late, public reaction to human rights violations in the context of the protests. While freedom of assembly was generally ensured and protests allowed to take place, the safety of participants was not always guaranteed, and several violent incidents against demonstrators and journalists occurred, with reported cases of excessive use of force by the police. To date, only some perpetrators have been prosecuted, while several others were pardoned from criminal prosecution by the President. Such incidents intensified over the summer. The European Court of Human Rights issued an interim measure on the alleged use by the authorities of a sonic weapon for crowd control at demonstrations in Belgrade; there was no credible follow-up yet by the authorities which denied such use.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- ensure people can effectively exercise their right to freedom of assembly and strengthen the resources of human rights institutions, ensuring they exercise their mandates to the full and put in place procedures to ensure compliance with the decisions issued by the European Court of Human Rights, including interim measures;
- adopt and allocate sufficient resources to implement the pending strategies or action plans on violence against women, deinstitutionalisation, anti-discrimination – including the rights of LGBTIQ persons – and violence against children; actively counter hate crimes and build up a track record of investigations and convictions;
- adopt the pending action plan on national minorities and demonstrate, through better data collection, real improvements in the effective exercise of the rights of individuals belonging to national minorities, including reference to the targets set by the Poznan Declaration on Roma<sup>3</sup> inclusion.

### ***Freedom of expression***

Serbia has **some level of preparation** in the area of freedom of expression. Although Serbia amended its media legislation to align further with the EU *acquis* and European standards, there was **backsliding** during the reporting period as the environment for journalists, media professionals and

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<sup>3</sup> In line with the terminology of European institutions, the umbrella term 'Roma' is used here to refer to a number of different groups, without denying the particular features of these groups.

outlets seriously worsened. Recurrent statements by high-level officials on the work of journalists have a chilling effect on the freedom of expression. Cases of strategic lawsuits against public participation (SLAPPs) increasingly hindered the work of investigative media. The media laws of 2023 have also been inconsistently implemented. In particular, the media regulator, REM, failed to fully exercise its mandate and serious concerns persisted regarding its independence in practice. The Parliament did not elect a new REM Council by the legal deadline of 4 November 2024 and, as a result, Serbia has been without the decision-making body of the media regulator since then. However, the process of selection has recently advanced with international facilitation. Political and economic influence on the media, including on editorial policy, is a source of serious concern.

The Commission's recommendations from last year were implemented to a limited extent and therefore remain valid. In the coming year, Serbia should in particular:

- implement the new media laws in a way that respects both their letter and spirit, including on the independence of the media regulator, and amend the laws to align with the European Media Freedom Act and related European standards and in line with its adopted media strategy;
- strengthen the protection and safety of journalists, notably by ensuring that: (i) high-level officials stop verbal attacks on journalists involving intimidation, stigmatisation and de-legitimisation; and (ii) swiftly follow up any threats or cases of physical and verbal violence and publicly condemn, investigate or prosecute any such cases, as appropriate;
- ensure transparent and equitable co-funding for media content serving the public interest, and full transparency in media ownership and advertising.

## Chapter 24: Justice, freedom and security

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Serbia is **between having some and a moderate level of preparation** in the field of justice, freedom and security and has made **limited progress**. Serbia continued to contribute to the management of mixed migration flows to the EU by playing an active and constructive role and by cooperating effectively with its neighbours, EU Member States and EU agencies. The EU-Serbia status agreement entered into force on 1 April 2025. Serbia took steps to align with the EU visa policy by reinstating visa requirements for nationals of Kuwait, Mongolia, Oman and Qatar in December 2024. However, Serbia's visa policy is still only partially in line with the EU list of visa-required third countries. The acquisition of visa-free travel rights to the EU for nationals of Russia by granting them Serbian citizenship poses potential security risks for the EU.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- amend the Law on internal affairs to make the police fully autonomous from the Ministry of Interior and fully accountable only to the Prosecutor's Office during pre-investigation and investigation phases;
- further align with the EU's visa policy and ensure a rigorous screening of visa-free arrivals of third-country nationals, particularly from countries presenting security or irregular migration risks; apply rigorous security screening when granting Serbian citizenship to third-country nationals, since Serbian passport holders benefit from visa free travel to the EU; take measures to systematically register and identify migrants, develop swift asylum procedures and increase the capacity to manage effective return operations; ensure that legal pathways developed for third country nationals entering Serbia prevent secondary movements to the EU;
- adopt new strategies and action plans to combat cybercrime, small arms and light weapons control, and drugs.

### *Fight against serious and organised crime*



Serbia has **some level of preparation** and has made **limited progress**. Authorities continued to cooperate actively with the European Union Agency for Law Enforcement Training (CEPOL), Eurojust, Europol and Interpol, notably on drugs trafficking and the fight against organised crime groups.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- improve the efficiency of prosecuting serious and organised crime cases, including money laundering cases and the seizure and confiscation of criminal assets by the systematic tracking of money flows, the effective use of financial investigations and special investigative measures, and the systemic use of extended confiscation;
- amend the Criminal Code to effectively criminalise the trafficking of weapons, adopt the new Law on weapons and ammunition and step up the fight against the storage, sale and ownership of illegal firearms; adopt the Law on trafficking in human beings;
- take specific steps to ensure a clear separation between mandates and regulations concerning criminal investigations carried out by law enforcement institutions and security measures executed by the Security Information Agency (BIA).

## **Economic criteria**

### **The existence of a functioning market economy**

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Serbia has a **good level of preparation** and has made **limited progress** in developing a functioning market economy.

In 2024, economic activity was robust, but slowed markedly in the first half of 2025 while external imbalances increased. The budget deficit turned out lower than planned in 2024 and monetary policy remained relatively tight, which helped inflation return to the target band. The banking sector remained stable, and the labour market improved further. Serbia postponed the full application of some fiscal rules and the reform of the public sector wage system faced further delays. State aid rules are not always implemented due to strong political pressure to provide financial assistance to state-owned enterprises (SOEs) and large foreign investors. SOEs continue to have an outsized presence in many structurally important sectors. The business environment is hampered by red tape, weaknesses in the rule of law and limited efficiency and transparency of the public administration. The government has interfered significantly in the goods market by instituting on a very short notice a 20% margin cap for a wide variety of goods from 1 September 2025 for the following 6 months. While it is intended to benefit consumers through lower inflation, the measure risks causing market distortions and having a negative impact on investment.

Last year's recommendations were implemented to a limited extent and therefore remain largely valid. To improve the functioning of the market economy, Serbia should in particular:

- keep an appropriately tight policy stance to maintain price stability, including by containing current spending;
- swiftly advance the reform of the public sector wage system;
- adopt implementing legislation to fully implement the SOE law and strengthen SOE governance to reduce the associated fiscal risks.

### **The capacity to cope with competitive pressure and market forces within the Union**

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Serbia is **between a moderate and a good level of preparation** and has made **some progress** in coping with competitive pressure and market forces in the EU. The manufacturing and service sectors are well-developed, benefiting from close economic integration with the EU. Serbia has made some progress in facilitating the school-to-work transition. Educational outcomes are below the OECD

average and public spending on education and research remains below the EU average. There are wide infrastructure gaps, especially in certain sectors, despite higher government investment. Digital transformation is well advanced. SMEs still face obstacles, including an uneven playing field compared with large companies and foreign investors.

The Commission's recommendations from last year have been partially implemented. Over the coming year, Serbia should in particular:

- improve education outcomes and skills, including by increasing enrolment rates, modernising vocational education and training, and stepping up lifelong learning;
- further strengthen public investment management, including by putting in place a single, comprehensive and transparent system for prioritising and selecting all public investments, regardless of the type and source of financing and in line with the best international standards;
- further advance green transition reforms, connectivity and diversify sources of energy imports.

## Chapter 5: Public procurement

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Serbia is **moderately prepared** in the area of public procurement. It made **limited progress** by increasing the use of green and social procurement, as well as the price and quality criterion for contract award.

The Commission's recommendations from last year were implemented to a limited extent and remain largely valid. In the coming year, Serbia should in particular:

- further align its legislation with the 2014 EU directives on public procurement, in particular by amending the Law on public-private partnerships and concessions and by ensuring that projects are subject to public procurement procedures;
- ensure that procurement rules under intergovernmental agreements with third countries comply with the public procurement principles, in line with the EU *acquis*;
- further strengthen the capacity of the Public Procurement Office, the Commission for Public-Private Partnerships and Concessions, the Republic Commission for the Protection of Rights in Public Procedures and the Administrative Court.

## Chapter 18 - Statistics

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Serbia is **between a moderate and a good level of preparation** in the area of statistics. **Some progress** was made during the reporting period with continued improvements in the compilation of macroeconomic statistics, in line with the European System of Accounts (ESA 2010).

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- adopt a new statistical law to increase the statistical office's professional independence, while taking into account the revised Regulation (EC) No 223/2009;
- continue to improve the compilation of macroeconomic statistics in line with the European System of Accounts (ESA 2010).

## Chapter 32: Financial control

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Serbia is **moderately prepared** in the area of financial control. **Limited progress** was made in the reporting period, notably by adopting the managerial accountability roadmap.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- ensure the public internal financial control (PIFC) legal basis is fully consistent with the general legal framework;

- create an effective internal audit function in all central budget institutions;
- implement the managerial accountability roadmap swiftly and effectively.

## CLUSTER 2: INTERNAL MARKET

### Chapter 1: Free movement of goods

Serbia is **moderately prepared** in the area of free movement of goods. **Limited progress** was made during the reporting period with the revision of the strategic documents under this chapter in accordance with Commission's assessment.

The Commission's recommendations from last year were implemented to a limited extent and remain valid. In the coming year Serbia should, in particular:

- ensure timely implementation of the strategic documents ensuring compliance with Articles 34-36 of the Treaty on the Functioning of the European Union (TFEU) and all the EU *acquis* in this chapter;
- align with the latest EU *acquis* on market surveillance and on machinery.

### Chapter 2 - Freedom of movement for workers

Serbia is **moderately prepared** in the freedom of movement for workers. Serbia made **limited progress** by simplifying the issuance of work and residence permits for foreigners and by continuing to improve electronic data exchange with Member States.

The Commission's recommendations from last year were implemented to a limited extent and therefore remain largely valid. In the coming year, Serbia should in particular:

- continue to work on concluding additional agreements on social security coordination with EU Member States and develop IT infrastructures for the European Health Insurance Card (EHIC) and Electronic Exchange of Social Security Information (EESSI) purposes, as well as administrative capacities in view of joining the future EESSI Network;
- start preparations to join the European Labour Authority;
- start preparing for the alignment of national legislation with the EU *acquis* on free movement of workers – on access for EU citizens to the labour market and on equal treatment of EU citizens with nationals in the labour market.

### Chapter 3: Right of establishment and freedom to provide services

Serbia is **moderately prepared** in these areas. **Some progress** was made, in particular following the adoption of the horizontal Law on services and the Law on postal services, which achieve further alignment with the EU *acquis*.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- further align its horizontal law on services with the EU Services Directive, advance harmonisation of sectoral laws with the horizontal law and the EU *acquis*, and create a portal for the point of single contact providing online information for service providers, including all relevant administrative procedures;
- finalise alignment with the EU *acquis* on postal services and implement the postal market rules;
- continue aligning with the EU *acquis* on the mutual recognition of professional qualifications, including the directives on the recognition of professional qualifications and on a proportionality test.

## Chapter 4: Free movement of capital

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Serbia is **between a moderate and a good level of preparation** on the free movement of capital. **Some progress** was made during the reporting period, in particular with the adoption of several amendments to the legal framework on anti-money laundering and counter-terrorism financing (AML/CFT) and implementing legislation on payment services, to align further with the EU *acquis*.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- liberalise capital movements in line with its obligations under the Stabilisation and Association Agreement (SAA), including by removing the remaining restrictions on the acquisition of agricultural land by EU nationals and by adopting amendments to the Law on the elements of property law relations to ensure equal treatment on the acquisition of property rights;
- demonstrate greater effectiveness in monitoring, supervision, financial intelligence, investigation and reporting by building a track record of action in the field of AML/CFT.

## Chapter 6: Company law

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Serbia has a **good level of preparation** in company law. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- further align its legislation with the EU *acquis* on company law, particularly on takeover bids;
- align its legislation with the EU *acquis* on cross-border operations (conversions, mergers and divisions) and on the use of digital tools and processes in company law;
- further align its legislation on company reporting and transparency.

## Chapter 7: Intellectual property law

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Serbia has a **good level of preparation** in intellectual property rights (IPR). **No progress** was made in the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- align the copyright and related rights legislation with the EU directives on collective rights management, on orphan works and on certain permitted uses of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled;
- strengthen enforcement by improving capacities to handle IPR cases and improving coordination among different stakeholders.

## Chapter 8: Competition policy

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Serbia is **moderately prepared** in competition policy. In 2024, Serbia made **limited progress** by finalising the inventory of State aid schemes.

The Commission's recommendations from last year were implemented to a limited extent, and therefore remain largely valid. In the coming year, Serbia should in particular:

- align the existing fiscal State aid schemes and work on aligning the Law on multilateral interchange fees and special operating rules for card-based payment transactions with the EU *acquis* and with obligations from the Stabilisation and Association Agreement (SAA);

- ensure that the notification and standstill obligations are systematically respected for all State aid measures and build a solid track record in implementing the laws on protection of competition and State aid control;
- in line with the Reform Agenda, finalise the action plan to align all existing schemes identified as being incompatible with SAA obligations.

## Chapter 9: Financial services

Serbia is **moderately prepared** in the area of financial services. **Some progress** was made, particularly with the adoption of amendments to the Law on banks aiming to further align with the Capital Requirements Regulation (CRR II), the Capital Requirements Directive (CRD V) and the Bank Recovery and Resolution Directive (BRRD).

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- continue to align the banking regulation with the latest versions of CRR/CRD and BRRD;
- continue to align with the EU *acquis* on insurance, including the Solvency II Directive;
- continue to align with the EU *acquis* on financial markets infrastructure and capital markets, including the Markets in Financial Instruments Regulation (MiFIR), the Directive on alternative investment fund managers (AIFMD) and the Directive relating to undertakings for collective investment in transferable securities (UCITS).

## Chapter 28: Consumer and health protection

Serbia is **moderately prepared** in consumer and health protection. **Limited progress** was made in implementing consumer protection legislation, notably by adopting the law on the protection of financial service consumers which is aimed to align with the EU *acquis*.

The Commission's recommendations from last year were implemented to a limited extent, and therefore remain largely valid. In the coming year, Serbia should, in particular:

- further align its legislation with the EU *acquis* on substances of human origin, on patients' rights in cross-border healthcare, on tobacco control and on medicinal products for human and for veterinary use;
- amend the Law on health records and documentation to ensure that it fully complies with EU data protection requirements and with the EU *acquis*;
- further align with the EU *acquis* on consumer protection and general product safety.

## CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

### Chapter 10: Digital transformation and media

Serbia is **moderately prepared** in the field of digital transformation and media. **Some progress** was made on digitalisation, with the adoption of the media laws and the transposition of the EU 5G Cybersecurity Toolbox.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should, in particular:

- further align its electronic communications, digital trust and cybersecurity legislation with the EU regulatory framework, including the Gigabit Infrastructure Act, eIDAS 2.0, the NIS2 Directive, and the Artificial Intelligence Act;

- ensure full financial and operational independence of the regulator for electronic media (REM) and the regulator for electronic communication and postal services (RATEL) in line with the EU *acquis*, including the EU Electronic Communications Code;
- fully implement the adopted media legislation, including with respect to the financial and functional independence of the Public Broadcasting Services and the REM Council, and further amend the media laws to align with the European Media Freedom Act, in an inclusive and transparent process.

### Chapter 16: Taxation

Serbia is **between a moderate and a good level of preparation** in the area of taxation. It made **some progress** in particular in aligning with the EU minimum excise duties on tobacco and the amendments to the Value-Added Tax (VAT) Law introducing pre-filled VAT statements.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- continue implementing the Tax Administration transformation programme, in particular finalising the procurement and starting implementation of an integrated information system to support the Tax Administration's new business model, and hire additional staff;
- further align its legislation with the EU *acquis* in the areas of VAT, excise duties and direct taxation;
- sign the Multilateral Competent Authority Agreement on automatic exchange of financial account information and commit to a date for first exchanges.

### Chapter 17: Economic and monetary policy

Serbia is **between a moderate and a good level of preparation** in economic and monetary policy. **Some progress** was made in 2024 by amending the Law on the National Bank of Serbia (NBS) and by improving, including on transparency, the 2025 budget law.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- fully align the legislation on the NBS with the EU *acquis* to ensure its full independence;
- further align the Budget System Law with Directive 85/2011 in the field of macroeconomic and fiscal projections, with a three-year spending timeframe and transparency, including for capital transfer and guarantees to SOEs, and accounting and statistical reporting.

### Chapter 19: Social policy and employment

Serbia is **moderately prepared** in the area of social policy and employment. Serbia made **no progress** during the reporting period. Serbia needs to continue aligning its legislation with the EU *acquis* in the area of non-discrimination and equality, including also gender equality.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming period, Serbia should in particular:

- address the recommendations made in the previous functional reviews of the national employment service to ensure sufficient financial and institutional resources for employment and social policies, to systematically focus on supporting young people, women and the long-term unemployed, and continue implementing the Youth Guarantee pilot;
- launch consultations on the new labour law, including rules on foreign seconded workers in line with the EU *acquis*, and a new law on strike and further capacity building for social partners, and avoid further delays in implementing the action plan for Chapter 19, including aligning further with the EU *acquis* in the area of non-discrimination and equality in employment and social policy;



- adopt the delayed social protection strategy and amendments to the social welfare law to improve the coverage and adequacy of social benefits for people below the poverty threshold, including financial social assistance and child allowances, tackle the high caseload of social welfare centres, and address the recommendations made by the European Commission against Racism and Intolerance (ECRI) on the decision-making process of the Social Card and its impact on Roma and other vulnerable individuals.

## Chapter 20: Enterprise and industrial policy

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Serbia is **moderately prepared** on enterprise and industrial policy. **Limited progress** was made, in particular with the adoption of five pieces of legislation to implement the Law on the governance of state-owned enterprises (SOEs).

The Commission's recommendations from last year were implemented to a limited extent, and therefore remain largely valid. In the coming year, Serbia should in particular:

- further improve the predictability of the business environment, in particular by substantially increasing the proportion of legislative acts opened for public consultation;
- in line with the Reform Agenda, adopt outstanding implementing legislation to ensure proper implementation of the SOE law;
- adopt a new action plan to continue the implementation of the industrial strategy and further increase resources for financial and technical support to SMEs.

## Chapter 25: Science and research

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Serbia has a **good level of preparation** in science and research. **No progress** was made in the reporting period. Although the action plan for the Smart Specialisation strategy and the strategy for the development of a start-up ecosystem continued to be implemented, this was overshadowed by negative developments affecting the autonomy of research institutes and universities.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- ensure the autonomy of research institutes and universities and the respect of academic freedom and freedom of scientific research, in line with the principles of the European Research Area;
- increase its national funding for research and innovation and continue implementing the Smart Specialisation Strategy;
- align its legislation with the European Research Infrastructure Consortium Regulation in line with the Reform Agenda.

## Chapter 26: Education and culture

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Serbia has a **good level of preparation** in education and culture. **No progress** was made overall in the reporting period. While some positive steps were taken, in particular by further consolidating the national qualifications framework system, the delivery of quality education was impacted by the discontinuity of education throughout the 2024/2025 school year, measures worsening the working conditions of teaching staff and dismissals and non-renewals of contracts of a high number of teaching staff and principals at the start of the new school year.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should in particular:

- support children and young people, notably the most vulnerable, by bridging learning gaps during the school year 2024/2025, improve the working conditions of teaching staff and ensure respect of academic freedom, in line with the principles of the European Higher Education Area and the Bologna Follow-up Group;

- increase the number of children attending early childhood education and care, in particular children from disadvantaged backgrounds;
- ensure that the policy and institutional framework for quality assurance in higher education fully complies with the recommendations of the European Association for Quality Assurance in Higher Education.

## Chapter 29: Customs union

Serbia has a **good level of preparation** in the area of the customs union. It made **limited progress**, in particular with the adoption of amendments to existing legislation, including secondary legislation, with the aim of further alignment with the EU *acquis*, as well as partial operationalisation of the new risk analysis IT system RMS.

The Commission's recommendations from last year were implemented to a limited extent, and therefore remain largely valid. In the coming year, Serbia should in particular:

- further upgrade the customs processing system by integrating risk management in all customs procedures;
- further develop the national customs IT system to enable interconnection and interoperability with the EU electronic customs environment;
- upgrade its national component of the New Computerised Transit System (NCTS) to Phase 6.

## CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

### Chapter 14: Transport policy

Serbia has a **good level of preparation** in this field. **No progress** was made during the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia, should in particular:

- adopt the national transport strategy in line with the new TEN-T Regulation requirements; improve the maintenance system for road and rail infrastructure; continue with alignment and simplification of road and rail border crossing procedures, including in the context of the EU-Western Balkans Green Lanes; and implement measures in the action plan for the national road safety strategy;
- ensure that procurement procedures for transport infrastructure projects follow the principles of transparency, equal treatment and open competition, while also strengthening the legal, technical, administrative, and institutional frameworks associated with those projects, including the establishment of fully independent quality control mechanisms;
- on rail reform, continue aligning legislation with the Fourth Railway Package and adopt the Law on Railways and the Law on Railway Safety; start addressing bottlenecks hindering the efficiency and quality of preparation and implementation of infrastructure investment projects.

### Chapter 15: Energy

Serbia is **moderately prepared** in the area of energy. **Some progress** was made on last year's recommendations. Achievements include the certification of the *Transportgas* company, alignment with and commencement of implementation of the Electricity Integration Package, the issuance of the usage permit for the gas interconnector between Serbia and Bulgaria, and further alignment with the EU's Renewable Energy Directive.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should, in particular:



- accelerate the implementation of the Electricity Integration Package, including determining net transmission capacities and allocating capacity on all cross-border interconnections, including on the bidding zone border between Transmission System Operators (TSOs) EMS and KOSTT;
- complete the unbundling of Srbijagas, ensure effective, non-discriminatory, and transparent third-party access at all gas entry points, and certify the Banatski Dvor underground gas storage facility in accordance with the Gas Storage Regulation; align with and implement the Gas Storage Regulation and Gas Security of Supply regulations, including the development of a risk assessment, preventive action plan and emergency plan;
- finalise and adopt the implementing legislation on the energy performance of buildings and set up the Just Transition governance process in line with the adopted Just Transition action plan.

## Chapter 21 - Trans-European networks

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Serbia is between a **moderate and a good level of preparation** in the area of trans-European networks. Overall, **some progress** has been made, including the commissioning and commercial operations of the Serbia-Bulgaria gas interconnector (IBS), as well as the start of works on Section III of the Trans-Balkan Electricity Corridor.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should, in particular:

- continue to improve transport and energy infrastructure connections, ensuring quality and transparency in line with EU standards; Serbia to transpose the revised TEN-E Regulation;
- continue the implementation of the Section III and project preparation for section IV of the Trans-Balkan Electricity Corridor between Serbia, Bosnia and Herzegovina, and Montenegro; continue project preparation for the Pannonian corridor that includes the line 400 kV Subotica-Sandorfalva;
- conclude project preparations and launch the procurement process for works to modernise the railway sections on Corridor X from Belgrade to Niš; accelerate implementation of the Niš-Dimitrovgrad railway line, including the Niš rail bypass; and complete the Niš-Brestovac railway section.

## Chapter 27 - Environment and climate change

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Serbia has **some level of preparation** in the area of environment and climate change. **Some progress** was made through improved legislation on Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA), the adoption of the law on air quality, implementation of Monitoring, Reporting, Verification and Accreditation (MRVA) legislation covering stationary installations, the adoption of a waste prevention plan and adoption of legislation on hazard risk management.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should, in particular:

- implement measures set out in: (i) the action plan for administrative capacity development; (ii) the low carbon development strategy; (iii) the programme on air protection; and (iv) implement extended producers' responsibility (EPR) system for specific waste streams, in accordance with the polluter pays principle;
- adopt legislation in line with the Environmental Crime Directive; adopt the environmental protection strategy; introduce a national carbon pricing mechanism and expand alignment with and implementation of MRVA *acquis* for the purpose of aligning with the EU Emissions Trading System (EU ETS) in its full scope;

- improve the policy dialogue with civil society organisations and ensure transparent public participation; ensure that infrastructure investments comply with the EU environmental and climate *acquis* and national and international nature and water obligations.

## CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

### Chapter 11: Agriculture and rural development

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Serbia has **some level of preparation** in agriculture and rural development. **Limited progress** was made with the rollover of entrusted IPARD measures.

The Commission's recommendations from last year were implemented to a limited extent and therefore remain largely valid. In the coming year, Serbia should, in particular:

- urgently take measures to start implementation of IPARD III and avoid further losses of EU funds, notably by increasing capacity building, ensuring more efficient contracting and implementation of projects, and preparing new measures for entrustment as soon as possible;
- speed up the implementation of the action plan to align with the EU *acquis* in agriculture and rural development and adopt legislation relevant to agricultural markets, quality policy and organic farming;
- adopt a national strategy for agriculture and rural development.

### Chapter 12 - Food safety, veterinary and phytosanitary policy

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Serbia is **moderately prepared** in the area of food safety, veterinary and phytosanitary policy. **Limited progress** was made during the reporting period following the adoption of two framework laws which aim to align with the EU *acquis*.

The Commission's recommendations from last year were implemented to a limited extent and therefore remain largely valid. In the coming year, Serbia should, in particular:

- adopt the framework legislation on food safety, official controls, animal health, animal welfare, plant health and genetically modified organisms, aligned with the EU *acquis*; strengthen administrative capacity to ensure correct implementation;
- adopt and start implementing the national plan to align legislation with EU quality standards for raw milk;
- prioritise the process of upgrading establishments producing food, feed and animal by-products to meet EU structural standards.

### Chapter 13 - Fisheries and aquaculture

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Serbia is **moderately prepared** in the area of fisheries and aquaculture. **Some progress** was made during the reporting period, in particular with the adoption of the action plan for alignment with the EU *acquis* by the date of accession.

The Commission's recommendations from last year were partially implemented. In the coming year, Serbia should, in particular:

- start implementing the action plan for alignment with the EU *acquis*, in particular on the organisation of markets, aquaculture, data collection, control measures and illegal, unreported and unregulated (IUU) fishing;
- address the severe understaffing of the authorities responsible for developing policy and anti-fraud controls for fisheries (including border controls).

### Chapter 22: Regional policy and coordination of structural instruments

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Serbia is **moderately prepared** in the area of regional policy and the coordination of structural instruments. It made **limited progress**, notably by increasing its administrative capacity and improving programming.

The Commission's recommendations from last year were implemented to a limited extent, and therefore remain largely valid. In the coming year, Serbia should in particular:

- put in place a national plan to promote regional development and effectively address regional disparities, and build a resilient ecosystem involving all levels of government and relevant non-state bodies, in line with the partnership principle;
- advance the public administration reforms in a coordinated manner, implementing effectively its local-self-government component, through the necessary financial and fiscal decentralisation;
- strengthen further the financial management and control systems and the capacity for indirect management of EU funds by adopting a comprehensive staff retention policy and tackling the issue of understaffing in critical functions and in the institutions that manage EU funds.

### Chapter 33: Financial and budgetary provisions

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Serbia has **some level of preparation** in the area of financial and budgetary provisions. **No progress** was made over the reporting period.

The Commission's recommendations from last year were not implemented and therefore remain valid. In the coming year, Serbia should in particular:

- develop organisational and procedural links between the institutions involved in the own resources system;
- continue preparations to meet the specific administrative conditions for own resources, as laid down in the EU own resources regulations, including by drafting an action plan with a timeline to meet the administrative conditions.

## CLUSTER 6: EXTERNAL RELATIONS

### Chapter 30: External relations

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Serbia is **moderately prepared** in the area of external relations. **No progress** was made as Serbia temporarily introduced a number of trade restrictive measures that were not in line with the Stabilisation and Association Agreement (SAA).

The Commission's recommendations from last year were implemented to a limited extent and therefore remain largely valid. In the coming year, Serbia should in particular:

- refrain from adopting new trade restrictive measures;
- adopt a WTO-compliant law on genetically modified organisms to move forward in the remaining negotiations on bilateral market access and finalise its accession to the WTO;
- continue to implement the actions set out in the new common regional market action plan for 2025-2028 and implement the nine decisions adopted in the context of the Central European Free Trade Agreement (CEFTA) in October 2024 and the four decisions adopted in February 2025.

### Chapter 31 - Foreign, security and defence policy

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Serbia is **moderately prepared** in the area of EU common foreign, security and defence policy. Overall, it made **limited progress** over the reporting period. While alignment patterns remained largely unchanged, Serbia aligned retroactively with several Council decisions and EU statements, including some decisions listing Russian citizens and statements condemning Russia's actions. Still,

some of Serbia's actions and statements went against key EU foreign policy positions, especially on the Russian Federation. High-level and frequent bilateral contacts with Russia intensified, including attendance at the 9 May Russian military parade, combined with recurrent anti-Western narratives, raising further questions about Serbia's strategic direction. Serbia's Free Trade Agreement with China entered into force on 1 July 2024, posing a strategic concern. Serbia has not aligned with the EU sanctions on Russia's war of aggression on Ukraine, however, Serbia continued cooperating with the EU on countering sanctions circumvention and providing support to Ukraine. Serbia continued to participate in and contribute substantially to EU crisis management missions and operations under the EU's common security and defence policy.

The recommendations issued in 2024 were implemented to a limited extent and therefore remain valid. In the coming year, Serbia should in particular:

- improve, as a matter of priority, its alignment with EU common foreign and security policy (CFSP), including restrictive measures, and avoid actions and statements that go against EU foreign policy positions;
- make credible efforts to close the space for foreign information manipulation and interference (FIMI), including disinformation, and take action to build societal resilience against it and other forms of hybrid threats;
- continue to take action to prevent any attempt to use the territory of Serbia or legal bodies registered in Serbia to circumvent EU restrictive measures.

### 1.3 STATE OF PLAY OF THE ACCESSION NEGOTIATIONS

Clusters	Chapters/areas	State of play
<b>1. Fundamentals</b> <i>All chapters open</i>	23 – Judiciary and fundamental Rights 24 – Justice, freedom and security 5 – Public procurement 18 – Statistics 32 – Financial control ...Economic criteria ...Functioning of democratic institutions ...Public administration reform	Opened July 2016  Opened July 2016 Opened December 2016 Opened December 2018 Opened December 2015
<b>2. Internal market</b> <i>4 chapters open</i>	1 – Free movement of goods 2 – Freedom of movement for Workers 3 – Right of establishment and freedom to establish services 4 – Free movement of capital 6 – Company law 7 – Intellectual property rights 8 – Competition 9 – Financial services 28 – Consumer and health protection	Serbia working on fulfilment of opening benchmarks Draft EU Common Position in Council  Draft EU Common Position in Council  Opened December 2019 Opened December 2017 Opened June 2017 Serbia working on fulfilment of opening benchmarks Opened June 2019 Draft EU Common Position in Council
<b>3. Competitiveness and inclusive</b>	10 – Digital transformation and media	Draft EU Common Position in Council

<b>growth</b> <i>5 chapters open</i>	16 – Taxation 17 – Economic and monetary policy 19 – Social policy and employment 20 – Enterprise and industrial policy 25 – Science and research  26 – Education and culture  29 – Customs union	Draft EU Common Position in Council Opened December 2018 Draft EU Common Position in Council Opened February 2017 Opened December 2016 and provisionally closed  Opened February 2017 and provisionally closed  Opened June 2017
<b>4. Green agenda and sustainable connectivity</b> <i>All chapters open</i>	14 – Transport policy 15 – Energy 21 – Trans-European networks 27 – Environment and climate Change	Opened December 2021 Opened December 2021 Opened December 2021 Opened December 2021
<b>5. Resources, agriculture and cohesion</b> <i>2 chapters open</i>	11 – Agriculture and rural development 12 – Food safety, veterinary and phytosanitary policy 13 – Fisheries and aquaculture 22 – Regional policy and coordination of structural instruments 33 – Financial and budgetary Provisions	Opening Benchmarks Assessment Report in Council Serbia working on fulfilment of opening benchmarks Opened June 2018 Opening Benchmarks Assessment Report in Council  Opened June 2018
<b>6. External relations</b> <i>1 chapter open</i>	30 – External relations 31 – Foreign, security and defence policy	Opened December 2017 Screening report in Council

Not part of a cluster:

Chapter 34 – Institutions, currently not applicable for Serbia

Chapter 35 – Other issues (including Normalisation of relations between Serbia and Kosovo) opened in December 2015

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## 2. CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

### 2.1. FUNCTIONING OF DEMOCRATIC INSTITUTIONS AND PUBLIC ADMINISTRATION REFORM

#### 2.1.1 Democracy

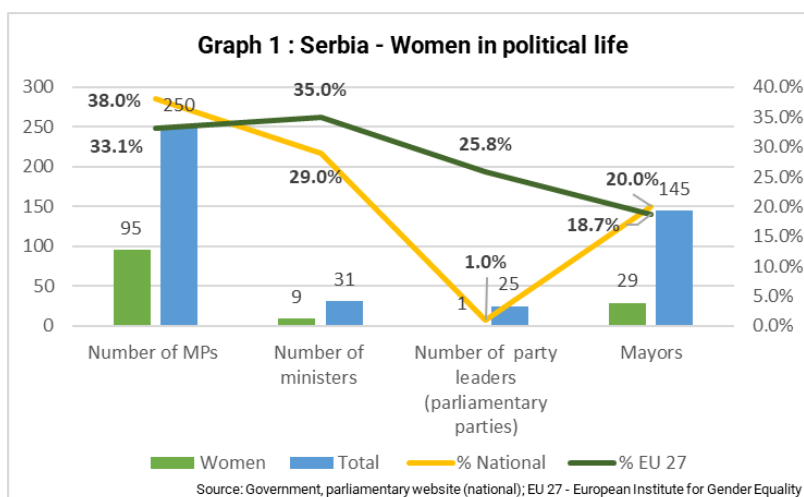
There are challenges in Serbia in the functioning of democratic institutions due to an increasingly polarised political situation, both at national and local levels. The tragic fall of a canopy at the Novi Sad railway station on 1 November 2024 that killed 16 people prompted mass nation-wide student and citizen protests and blockades across the country that continue to take place. For the most part, the authorities allowed the protests to take place and police ensured security during the protests. However, several incidents and attacks against students and peaceful protesters have been recorded, including attacks that led to heavy injuries, hit and run cases and other physical attacks. Incidents intensified over the summer, including vandalism and attacks on properties of individuals and businesses seen as supportive of the protests. There were also incidents of attacks against unprotected ruling party premises. As of late June, the authorities have adopted a more repressive approach, including numerous arrests and reports of excessive use of force against protesters. State officials frequently framed the protests as a foreign-backed 'colour revolution' aimed at overthrowing the constitutional order of the country, thereby undermining the legitimacy of the issues raised by students and citizens. At the same time, the President granted pardon to several individuals responsible for attacks on students, and some student protesters, shielding them from criminal

prosecution. All key state universities were blocked, and teaching process was suspended for months. Online classes and in-person teaching at some state faculties resumed at the end of June. Several governmental measures on research and education interfered with the institutional autonomy of faculties and eroded academic freedom, notably the temporary reduction of salaries for teaching and academic staff and the limitation of working hours dedicated to research.

## Elections

The general framework regarding elections requires comprehensive reform. Priority OSCE/ODIHR recommendations are yet to be implemented. These relate to the separation of state and party, inclusiveness and comprehensiveness of the electoral reform, audit of the voter register and transparency of voter list data, greater oversight of election campaigns and their financing, and measures to enable media freedom and independence.

An inclusive parliamentary working group on the improvement of election conditions was set up, chaired by a CSO representative, but failed to reach consensus or produce effective results. By February 2025, both opposition representatives and CSOs had withdrawn from it. The working group had focused on changes to the Law on unified voter register, on which alternative proposals were drafted, one by the ruling party SNS and one by a renowned Serbian CSO. Between March and September 2025, the ODIHR provided opinions on various versions of the ruling party's proposals. The parliamentary Committee for constitutional and legislative issues organised nine public hearings on various draft proposals. Only one was attended by CSOs and some opposition parties sporadically took part. In October, the ruling party and expert CSOs reached an agreement on the draft law which remains to be adopted.



In December 2024, the Parliament's secretariat adopted a rulebook on the internal organisation foreseeing the establishment of a new sector of support to the State Electoral Commission.

No national elections were held during the reporting period. The Constitutional Court has not issued rulings on opposition motions challenging the December 2023 snap parliamentary and local elections yet. In June 2025, regular local elections were held in municipalities of Zaječar and Kosjerić. According to domestic CSOs observers they were 'neither free nor fair' and were held in a 'climate of fear and repression, marked by institutional pressure, violence and heavy police presence in front of the polling stations throughout the day'. In the aftermath of the elections in Zaječar, a legal and political controversy emerged regarding the constitution of the City administration. After the High Court annulled the constitutive session of the City Assembly for being held after the legal deadline, the ruling majority proceeded with the election of the City leadership nevertheless, on the basis of an opinion by the competent Ministry.

Despite some measures to achieve a more balanced representation, including a gender quota of 40% for electoral lists, in practice women remain underrepresented in political life. The widest disparities remain at local level.

## Parliament

The effectiveness, autonomy and transparency of the work of Parliament, and the role of the

parliamentary opposition, need to be strengthened. The exercise of parliamentary powers is limited by the low frequency of sessions, a lack of genuine political debate, and a lack of an annual work plan for Parliament, with its agenda almost entirely driven by the government. Plenary and committee sessions continue to be marked by tensions and offensive language. Two plenary sessions during the reporting period were marked by incidents, including verbal and physical attacks. At times, parliamentary sessions lacked an impartial reaction from the Speaker, as stipulated by the procedural rules, due to direct exchanges with the opposition.

Nearly all laws and bills adopted by Parliament had been proposed by the government. The practice of amalgamating a number of unrelated agenda items continued, and in November 2024, 68 acts, including the State budget, were adopted without any debate. Contrary to constitutional rules, opposition motions for the dismissal of the Speaker were not included in the agenda for debate and vote. Eleven public hearings were held in 2025 and two in 2024. No sessions of MP questions to the government were held in 2025 and only two were held in 2024 (in July and September). The use of the urgency procedure remained low (9.15% from September 2024 until September 2025).

### **EU integration**

The negotiating structure framework for EU accession was amended in November 2024. The centralised and politically driven coordination structures remain largely unchanged from previous arrangements. The bodies supporting EU accession negotiations now also oversee the implementation of the Reform and Growth Facility. Accordingly, the Minister for European Integration serves simultaneously as Chief Negotiator and as Coordinator of the Reform and Growth Facility for the 2024-2027 period. The Ministry for European Integration continues to be the formal focal point for consultations and engagement with civil society, business community and local self-governments in the negotiating process.

In November 2024, the government brought forward its strategic objective to meet all technical criteria for EU membership by one year and set the new target date to the end of 2026. To align with this accelerated timeline, the Government adopted, in April 2025, a dedicated Plan for fulfilling the key obligations from the EU accession negotiation process, and subsequently, in August 2025, amended the National Program for the Adoption of the *Acquis* (NPAA), thereby ensuring consistency between these documents and with its commitments under the Reform and Growth Facility. Despite this more ambitious goal, Serbia has not advanced substantially in terms of alignment with the EU *acquis*. Nevertheless, certain progress has been made in improving institutional IT planning.

Serbia continues to declare EU membership a strategic goal. To convincingly demonstrate this strategic goal, the Serbian authorities need to prioritise unambiguous, proactive and objective communication about the EU and about Serbia's accession path. In parallel, they must carry out a determined, consistent and genuine implementation of EU-related reforms.

The National Convention on the EU (NCEU), an umbrella platform engaging CSOs in the accession process, continues to act as a public watchdog for the accession negotiations. However, in February 2025, the NCEU suspended their participation in processes that entail cooperation with political decision-makers citing deteriorating environment for civil society as well as loss of inclusivity and lack of meaningful participation of civil society in political processes.

### **Governance**

The practical exercise of presidential powers is intensively debated in public discourse, amid concerns that the political debate and the decision-making is in practice steered by the President in a way that is not intended under the Constitution.

Several changes to the government composition occurred during the reporting period. Following the fall of the canopy at the Novi Sad railway station, two ministers resigned in late 2024. Following a violent physical attack against student protesters, the Prime Minister resigned on 28 January 2025.



Parliament formally took note of the resignation, ending the mandate of the entire government on 19 March. A new government was appointed on 16 April. The political composition and the number of ministerial posts have not changed. Out of 31 members, nine are women. Representatives of national minorities continue to hold ministerial posts.

The autonomy of independent bodies needs to be fully exercised, their roles acknowledged and respected by the authorities, and their recommendations followed up more thoroughly and in a timely manner.

As regards local self-government, the Law on Vojvodina's financing resources has not been adopted yet, contrary to constitutional requirement. Local administrative capacity is weak and significant disparities between municipalities persist. Local governments continue to bear responsibilities without a proper analysis of the capacity and human and financial resources required. The implementation of the programme to reform the local government system (2021-2025) continued to make slow progress (50% at the level of measures and 59% at the level of activities in 2024). The Commission for Financing Local Self-Governments did not convene regular meetings and has not met since April 2022.

### **Civil society**

CSOs operate in a difficult environment and face increasing pressure and attacks. Complaints were filed against the use of spyware targeting human rights defenders and journalists (see also personal data protection under Chapter 23). Cases of strategic lawsuits against public participation (SLAPPs) increasingly hindered the work of CSOs. One party from the ruling coalition proposed a draft law on agents of foreign influence, which was not discussed in the plenary in Parliament. Verbal attacks and smear campaigns against CSOs advocating for the rule of law have intensified since the start of the protests (see also freedom of assembly under Chapter 23). Several foreign civil society representatives, including from EU Member States, were detained and expelled from Serbia. In February 2025, the police searched the offices of four CSOs at the request of the Special Anti-Corruption Department of the Higher Public Prosecutor's Office in Belgrade. This is the second time that CSOs have been publicly accused of money laundering, after the 'List' case of July 2020 which has not yet resulted in an indictment, and the searches have been widely perceived as an act of pressure on civil society. In this context, 29 CSOs announced in February 2025 their withdrawal from the government's working groups. While implementation of the strategy and the new action plan for civil society has continued, its impact has yet to be demonstrated. CSOs froze their membership in the Council for cooperation and development of civil society in January 2025, due to the Council's lack of institutional reaction to increasing attacks on human rights defenders. The transparency and fairness of public funding to civil society still needs to be improved. Key challenges include the lack of transparent criteria for approving support to CSOs and for selecting independent experts in evaluation commissions, and in reporting on how the funds are spent.

### **Civilian oversight of the security and intelligence sector**

The parliamentary Committee for the oversight of security services remains responsible for civilian oversight of the security sector. In March 2025, the Committee discussed allegations of the use of a sonic device during a mass protest on 15 March in Belgrade and dismissed such claims. Representatives of the civilian security agency (BIA) alleged that an 'attempt of a colour revolution' was taking place in Serbia. During mass student and citizens' protests, there were reports that BIA was detaining and summoning citizens, students and activists for informative talks. In December 2024, the Committee held a regular annual review of the activities of the Military-Security Agency. A Law on access to state security files still needs to be adopted.

#### **2.1.2. Public administration reform**

##### Strategic framework for public administration reform (PAR)



A comprehensive PAR strategy (2021-2030) is being implemented. The quality of the strategy is satisfactory, but the effectiveness of implementation needs to be improved. A new PAR action plan and programmes for 2026-2030, under the PAR umbrella strategy, are under preparation. The 2024 PAR implementation report shows slow progress overall with 57% of measures and activities implemented in 2024. The PAR online monitoring tool still does not provide an up-to-date picture of implementation, either overall or by policy pillar. Monitoring reports are adopted too late to timely provide information to decision makers and to enable the adoption of potentially necessary policy changes. PAR coordination mechanisms at political and administrative levels are formally in place, but their use in practice and their impact are limited due to the lack of clear ownership and strong political commitment. Financial sustainability remains an issue of concern due to reliance on donor funding.

#### Policy development and coordination

Policy development and coordination are regulated but not systematically enforced. A system for sound **policymaking** is in place with a clear set of regulations embedded primarily in the Law on the planning system. In March 2025, Serbia adopted new pieces of implementing legislation on the methodology for drafting public policy documents and on the analysis of the effects of regulations. Enforcement of the regulatory framework remains behind the legal deadlines. No notable progress was made to ensure that the Public Policy Secretariat's comments on draft legislation and policy documents were incorporated and that the final versions of these documents were compliant with the legislation. There was no new streamlining of sector strategic frameworks, and only three out of 23 sectors have been optimised so far. The share of published annual reports on implementation of sectoral planning documents is limited (around 30%, despite this being a legislative requirement). The national development plan, due for adoption in 2020, is still not in place. The adoption rate of mid-term plans remains low (61% for the period 2025 - 2027) and seriously lags behind the 2020 deadline set for central level institutions.

**Public consultations** were carried out in 2024 on 58% of draft laws and on 30% of draft regulations, which remains insufficient. There is still no central body in charge of oversight and quality control of public consultations. Use of the e-consultations platform, although mandatory, remains insufficient. Mandatory reports on conducted public consultations are published on the platform in less than 30% of cases (*see civil society under 2.1.1 Democracy*).

#### Public financial management

Public financial management (PFM) is broadly in place but needs to be improved. The 2021-2025 PFM reform programme is being implemented in line with its action plan, but has limited ambitions and is donor-dependent. The highest-level development planning documents, the development plan and the investment plan, were due in 2020, with the delay creating ambiguities in setting national strategic priorities. The link between the strategic priorities and budget programmes remains weak. Programme budgeting is to be further developed to enable proper performance management. Green tagging methodology was integrated in budget planning procedure for the first time in 2024 and gender-responsive budgeting continues to be implemented.

Macroeconomic and fiscal forecasting is well prepared and Serbia has made some progress in presenting the fiscal risks in the fiscal strategy and in strengthening medium-term budgeting. Stronger binding fiscal rules have yet to be implemented. The optimal number of key spending units needs to be specified to improve spending efficiency. The Ministry of Finance does not currently publish a stand-alone and comprehensive fiscal risk statement. The contingency reserve is used without a clear definition of purpose and transparent and regular reporting, with ad hoc spending measures a recurrent budgetary feature. Serbia continues to award large-scale infrastructure contracts without transparency, often under international agreements or through special laws. The vulnerability of public procurement to corruption needs to be carefully monitored (*see Chapter 5 – Public procurement*).

Further progress is needed to increase the coverage and quality of public internal financial control. The managerial accountability roadmap was adopted in December 2024, but its implementation has been delayed. Analytical units in all ministries and government agencies need to be set up without delay. The country has yet to develop a genuine single pipeline for capital investment management. For the first time, the 2025 budget and fiscal strategy include a number of capital investment projects planned over a three-year horizon.

Serbia has not made progress in improving **budget transparency**. It has not produced a transparency roadmap or mid-year report. The Ministry of Finance does not publish the budget execution profile at the beginning of the year, preventing an analysis of any divergence from set targets. Budget execution reports still only contain basic elements. Inconsistencies in the accounting and reporting framework need to be resolved. Public participation in the budget process and budget oversight by the legislature need to be significantly improved. The 2024 budget rebalance and the 2025 budget were adopted with no qualitative assessment or debate with stakeholders and the 2024 supplementary budget was adopted using the fast-track procedure.

#### Public service and human resources management

The public service and human resources management (HRM) regulatory framework is satisfactory, but its effectiveness is undermined by the lack of consistent enforcement. The legal framework for HRM is solid. The horizontal and vertical scope of the civil service is adequate, except for several (regulatory) public agencies with a higher degree of autonomy that are excluded from the civil service system with no justified reason. Serbia's legislation provides for **merit-based recruitment and dismissal procedures** but leaves too much discretion to the heads of institutions in setting up selection committees. Around 10% of all civil servants are hired on a fixed-term basis and still do not need to pass a competition as the legal provision to that effect was postponed again to January 2026. A mandatory assessment of at least one functional competence for hiring fixed-term staff was brought in as of March 2025. Administrative bodies have limited autonomy to launch new recruitments based on their staffing plans, due to recruitment restrictions under the Law on the budget system. The new HRM management information system is not yet operational. The capacity of HRM units remains weak and they lack a strategic role. The 2016 Law on the public sector salary system was annulled after several years of postponing the application date, delaying further the salary reform. Serbia maintained effective gender balance in the administration, including in top managerial positions, with 48% women and 52% men.

Regarding **senior civil servants**, the lack of transparency in appointing candidates recommended by the High Civil Service Council and legal compliance remain issues of serious concern. Most managerial posts (62% as of September 2025) are still occupied by acting appointments. Moreover, most acting managers are not civil servants, despite there being a legal provision against such appointments. It is crucial to secure clear political will and sufficient resources to run competitions for managerial positions and to monitor the phasing-out of the high number of acting managers to urgently reduce the excessive number of senior civil servants in acting positions.

The National Academy for Public Administration continued to improve the scope and quality of **training** for central and local-level public servants. Almost all (99.8%) institutions that have the obligation to adopt **integrity** plans have done so. Further efforts are needed to fully implement the current integrity plans for the judiciary and public administration, including at local level.

#### Accountability of the administration

The **accountability of the administration** still needs to be improved. Serbia made no progress in addressing the administration's systemic organisational problems, such as overlapping roles and unclear reporting lines. In December 2024, it adopted the long overdue managerial accountability roadmap, setting out the key steps in applying this concept. According to the **Ombudsman's** 2024 report, nearly 61% of complaints were related to violations of economic, property and social rights, with the highest number in the sector of local government, property and the right to health. On

**citizens' right to access public information**, the Commissioner for Information of Public Importance and Personal Data Protection resolved 15 282 complaints in 2024 (up from 10 594 in 2023), 50% (2023: 37%) of which were related to requests by people seeking information being ignored. This is a sharp increase, due to legal professionals' potential abuse of legal remedies. The execution rate of Commissioner decisions was 77.98% (2023: 74.83%). On **citizens' right to administrative justice**, no progress was made on structural reforms of the system, except for a slight increase in the number of judges. The establishment of a multi-layer administrative justice has been delayed. In the meantime, Serbia could consider options for expanding the scope to contest decisions by the Administrative Court in the highest court – including by the public authorities – in order to establish in practice a more effective two-instance administrative judicial system. **Citizens' rights to seek compensation** is regulated, but there is a lack of statistical data to monitor implementation.

#### Service delivery to citizens and businesses

Service delivery to citizens and businesses, in particular e-services, is continuously improving. Further developments are hampered by the fragmentation of responsibilities and mandates among institutions and the lack of a dedicated coordination system. Progress on the key enablers, such as a cloud-based e-signature system, user-friendly payment services and digital identity systems, contributed to improved e-services. The interoperability framework is also in place. There are more databases connected to the improved government service bus (an information system linking major databases). The number of municipal one-stop shops also increased but there are still no quality standards for service provision. There has been some progress in increasing user engagement and developing mechanisms for collecting feedback. The legal framework for simplifying administrative procedures is in place, although aligning sector-based legislation with the Law on general administrative procedures is still ongoing. Work continued to simplify and digitalise administrative procedures by implementing the e-paper programme. Serbia continued to improve the portal of the register of administrative procedures, which now includes approximately 3 300 procedures.

## **2.2. RULE OF LAW AND FUNDAMENTAL RIGHTS**

### **2.2.1 Chapter 23: Judiciary and fundamental rights**

*The EU's founding values include the rule of law and respect for human rights. An effective (independent, high-quality and efficient) judicial system and an effective fight against corruption are of paramount importance, as is respect of fundamental rights in law and in practice.*

#### **Functioning of the judiciary**

##### Strategic documents

Strategic documents are in place, but implementation needs to be improved. The main strategic documents are the revised action plan for Chapter 23 and the 2020-2025 judicial development strategy. Implementation of the human resources (HR) and information and communications technology (ICT) strategies remains weak, in part due to a lack of coordination and adequate monitoring mechanisms.

##### Management bodies

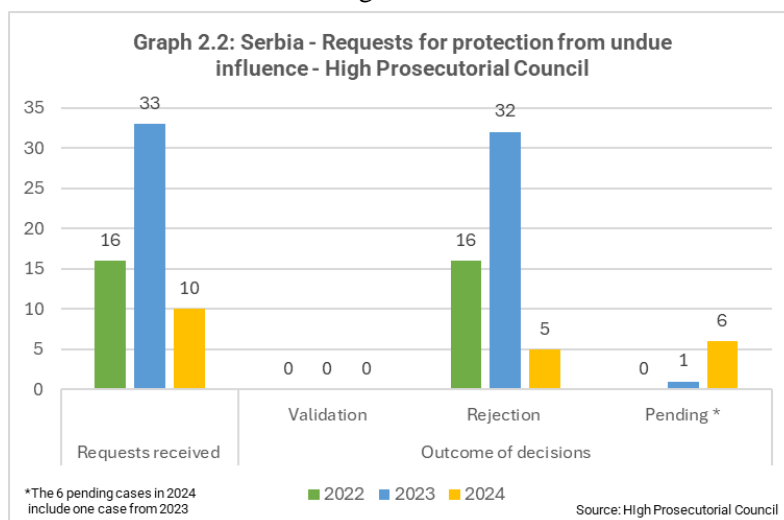
The management bodies are in place and function in line with the adopted legislation. There is a need to improve the analytical and statistical capacity of the High Judicial Council (HJC) and the High Prosecutorial Council (HPC) in line with the HR strategy.

##### Independence and impartiality

The independence and impartiality of the judiciary needs to be improved, both in the higher-level courts and in the courts of first instance.

Following the adoption of the implementing legislation to the constitutional amendments, Serbia has adopted 36 by-laws out of 37. In January 2025, it adopted the Rulebook on administration of the prosecution office, which is a shared competence between the Ministry of Justice and the HPC. One, on the Rules of Court, remains to be adopted.

Political pressure on the judiciary and the prosecution services remains high, with little or no follow-up by relevant institutions. Government and public officials at the highest level, including the President and members of Parliament, continued to make undue public comments on ongoing investigations and court proceedings, including on the work of individual prosecutors and judges. These comments included criticism of judicial decisions and threats to remove judges and prosecutors. Other comments made by officials containing information not in the public domain raise concerns about leakage of information by institutions involved in criminal proceedings. In the context of the protests, there were instances of attacks on court and prosecution offices, as well as protests held in front of court buildings. There was also an instance of a physical attack on a judge. Although

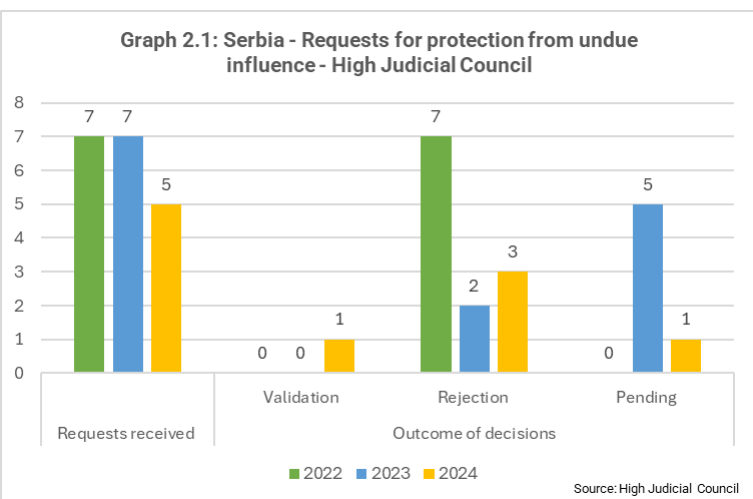


the rules of procedure of the HJC and HPC lay the foundation for a more effective reaction in cases of undue influence, both Councils remained largely passive. Neither Parliament nor the government have so far acted in cases of undue influence. The Serbian institutions have yet to demonstrate a more active role.

The launch of major initiatives by the prosecution, such as the new anti-corruption campaign and the search of four NGO offices in

February 2025, which followed statements by high-level public officials, raises concerns about prosecutorial autonomy. In July the President pardoned five people charged with physically harming protesters, citing the need to correct injustices caused by prosecutors and courts, which raises further concerns about the independence of the justice system.

Cases are allocated electronically and at random to judges via specialised software. Software enabling the automatic allocation of cases to prosecutors has yet to be developed. The system of recruiting, transferring and promoting judges and prosecutors should be further revised to ensure that careers are fully based on merit.



### Accountability

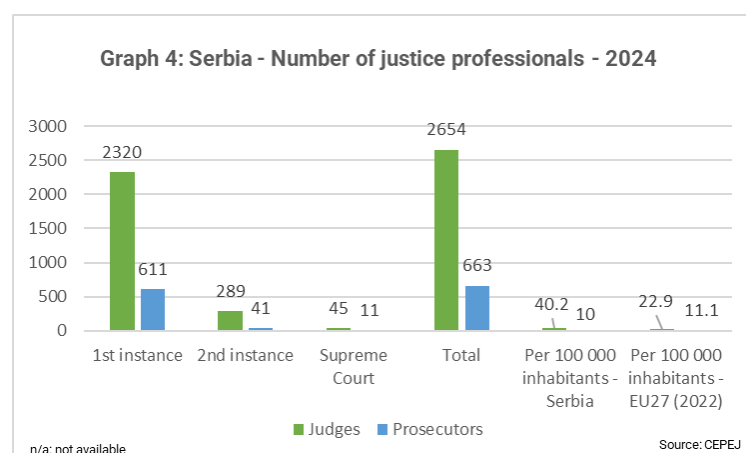
The accountability of the judiciary needs to be improved. In particular, there is need for greater accountability and transparency in the prosecution service and courts.

In 2024, 125 disciplinary complaints were filed to the HPC, and one disciplinary measure was issued in January 2025. In 2024, 386 disciplinary complaints were filed to the HJC at first instance and 10 proposals were forwarded to the disciplinary commission at second instance. The HJC rejected two proposals and issued two sanctions.

The term of office of the Ethics Committee appointed by the HJC ended in October 2024. In accordance with the Law on the High Judicial Council, a new committee was appointed, and it held its constitutive session on 23 January 2025.

In May 2025, the HJC began recording and publishing its sessions, thus increasing its transparency and matching the practice of the HPC.

### Quality of justice

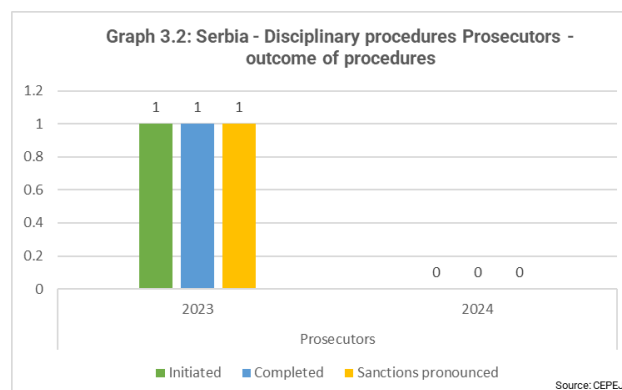
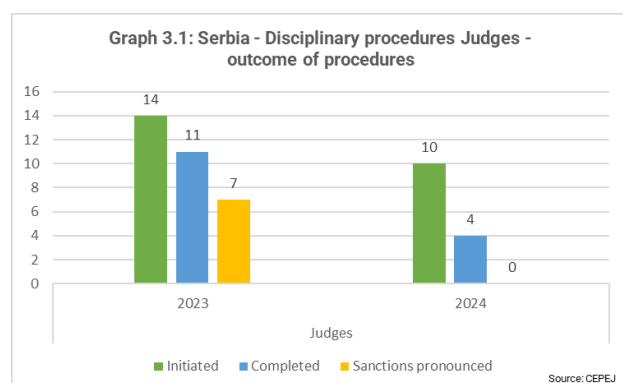


The quality of justice needs to be improved.

The Law on Judicial Academy has not yet been adopted and still needs to be brought in line with the recommendations of the December 2024 Venice Commission opinion. In its opinion the Venice Commission underlined that entrusting the Academy with the exclusive responsibility for entry into the judicial and prosecutorial professions presents several

advantages, including ensuring that candidates are adequately trained and prepared via a uniform examination process and eliminating parallel recruitment processes. The Venice Commission further recommended removing the ex-officio membership of the Minister of Justice in the Academy's management board to greater protect the Academy from any possible undue influence.

From January 2024 to April 2025, the Judicial Academy conducted around 230 educational events. It



should increase its institutional capacity and expertise to deliver an improved programme with clearly defined objectives. The Academy should also make further use of the expertise of the European Judicial Training Network, including on training on EU law.

On case law harmonisation, Serbia further expanded the database of court jurisprudence. At the end of 2024, it contained 471 420 integral decisions and 66 196 anonymised court decisions. There is a need for the Supreme Court to more effectively steer jurisprudence by providing systematic guidance on contentious legal issues, particularly on repetitive cases.

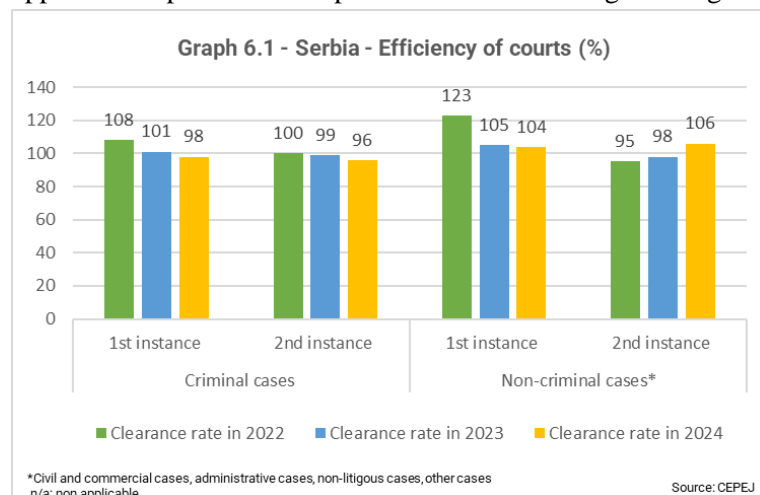
Serbia still lacks a comprehensive court case (and document) management system that interlinks cases across Serbian courts and prosecutors' offices. Development of the IT solution for the new case management system for prosecution offices (SAPO) was finalised and implementation of the new system across all prosecutor's offices is expected to be completed by the end of 2025. Work on the case management system for courts remains stalled. Further work is still required to ensure that all systems can operate smoothly including legislative changes, along with adequate staffing, financial

resources and upgraded communication infrastructure. The judicial system suffers from insufficient human and financial resources and a lack of premises. More efforts are needed to digitalise the justice system, in particular for communication with the courts and the use of videoconferencing for court hearings.

As of January 2025, there were 229 notaries active in Serbia. In addition to the existing system to exchange information and document authentication, in December 2024 the Notary Chamber took steps to develop a common information system for automatic exchange of data with the state geodetic authority. The Law on notaries and accompanying laws still need to be amended.

In 2024, the HJC appointed 241 judges. At the end of 2024, of the 3 102 judicial positions, 383 were vacant and 2 719 judges' positions were filled (up from 2 636 at the end of 2023). In July 2025, 42 judges were elected following a public competition launched in January.

In 2024, the HPC organised 11 competitions to fill 269 public prosecutor positions. At the end of 2024, of the 894 positions for prosecutors, 237 were vacant and 657 prosecutors were in active work (678 at the end of 2023). In September 2024, the Constitutional Court annulled for the first time an appointment procedure for prosecutors for the Belgrade Higher Prosecution Office on the finding that the HPC had breached the rules on testing candidates.



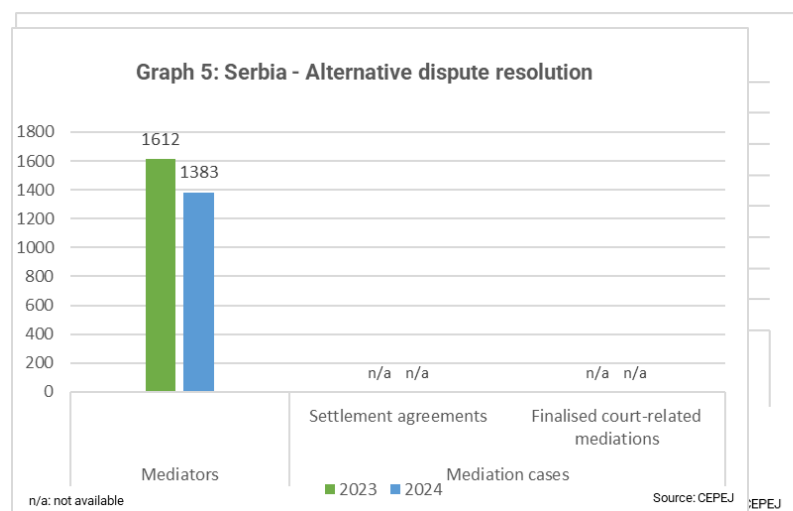
The Constitutional Court continued to work in partial composition, with only 11 of the 15 judges needed. The HJC, the HPC and the President as authorised proponents, have still not made their nominations to the appointment bodies for the four positions that have been vacant since April 2024. Seven of the 11 judges are due to retire at the end of the year, which is a concern as this would lead to

the Constitutional Court losing its *quorum*. No steps were taken to reform the Constitutional Court, specifically to introduce qualified majority with a deadlock mechanism for the election of some of the judges by Parliament, as underlined by the Venice Commission.

### Efficiency

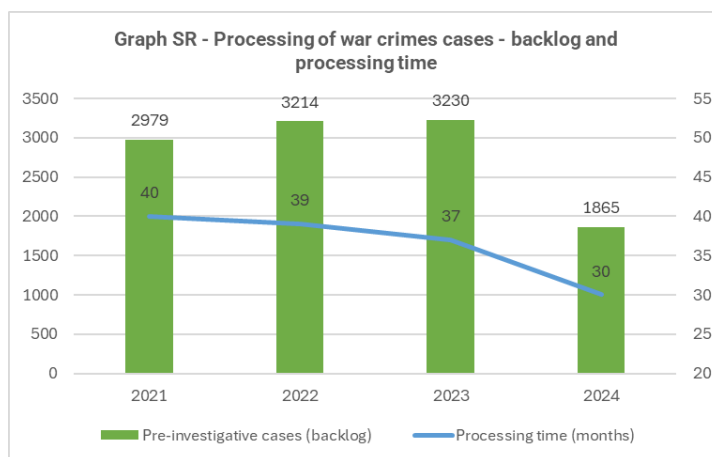
The efficiency of justice needs to be improved.

Problems of unequal workload among judges and prosecutors have continued to negatively affect performance and access to justice. In 2024, the courts worked on 2 796 635 cases and solved 1 754 383 cases. There was an increase in solved cases, including old cases, reducing the number of pending cases at the end of 2024 (1 042 252 from 1 095 599 in 2023). While Serbia continued to perform well in first instance civil and commercial cases (with a clearance rate of 119% and a shorter



disposition time of 274 days), administrative justice remains a critical bottleneck. In particular, the situation at the Administrative Court remains a concern. Despite the reduction in incoming cases - linked to fewer 'silence of the administration' cases - the clearance rate remains low at 76% (compared to 35% in 2023) and the disposition time stands at 1 933 days (compared to 2 095 in 2023). Consequently, the number of pending administrative cases at the end of 2024 exceeded that of 2023 (163 133 in 2024, compared to 153 214 in 2023). Serbia continued to implement the unified backlog reduction programme for 2021-2025, but without significant reductions.

The Constitutional Court still had a high backlog of pending cases (43 666 as of July 2025, up from 29 672 in 2023). In 2024, the Constitutional Court received 18 211 new cases, of which 17 972 were constitutional appeals, and solved 16 435 cases. The information system of the Constitutional Court has been operational since February 2025, but action is needed to simplify access to judgments.



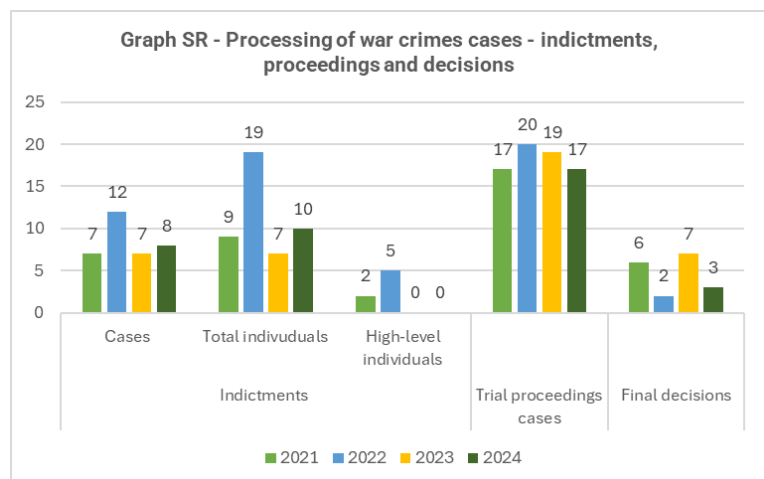
### Domestic processing of war crime cases

Serbia has yet to show a genuine commitment to investigating and adjudicating war crime cases. In 2024, the War Crimes Prosecutor's Office filed eight indictments against 10 individuals, including one case involving two individuals that was transferred from Bosnia and Herzegovina. One indictment has not yet been confirmed. Two final decisions and one first instance verdict were rendered against three accused. At

the end of 2024, trial proceedings were ongoing in 17 cases.

Serbia continued to avoid filing indictments against high-level suspects and the time taken to process cases was excessively long. Serbia has yet to take steps to increase the pace of processing war crime cases or to tackle the significant backlog of over 1 800 pre-investigative cases, which remain a very serious concern. Contrary to the intention set out in the revised war crimes prosecutorial strategy of 2022, Serbia has yet to finalise a case categorisation plan.

In 2024, the HPC announced a public competition for the election of the Chief Public Prosecutor for War Crimes and two candidates applied. The selection procedure is ongoing but severely delayed. An acting Chief Public Prosecutor was appointed until his mandate ended on 15 May 2025, leaving the position vacant.



Cooperation has continued with the International Residual Mechanism for Criminal Tribunals Prosecution Office and the War Crimes Prosecutor's Office. Cooperation with Bosnia and Herzegovina also continued, but little progress was made with Croatia and Kosovo. Serbia has yet to enforce the judgments of Bosnia and Herzegovina in the cases of Novak Djukić, Duško Kornjača and Tomislav Kovač, who reside in Serbia. Such individuals are able to evade justice by taking advantage of prohibitions against extradition of nationals for genocide, crimes against humanity and war crimes.



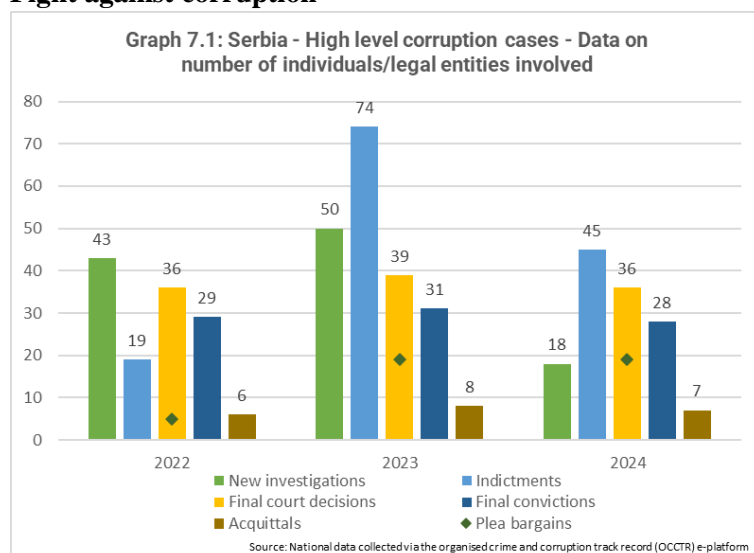
They also benefit from neighbouring jurisdictions' lack of progress in addressing the crimes in question.

A number of Serbian political parties, politicians and media outlets continued to provide support to, and public space for, convicted war criminals and to deny war crimes, including the Srebrenica genocide, without repercussions.

The sentencing policy in war crime cases has been inconsistent and not systematically aligned with the criminal sanctions applicable to the gravity of the crimes. Serbia's judiciary has failed to include financial compensation to the victims of war crimes in any criminal proceedings. This approach is yet to be remedied.

The unresolved fate of missing persons who disappeared during the conflicts in the 1990s remains a key issue to be solved in the Western Balkans. Despite steady progress in identification, 9 624 persons are still missing as a result of the conflict. Further efforts are needed at bilateral level and at regional level through the missing persons group, established in 2018 under the Berlin Process to strengthen cooperation. The UN Committee on Enforced Disappearances issued its findings on Serbia, recommending expanding the victim definition to ensure inclusivity and to cover full reparation for all affected individuals.

## Fight against corruption



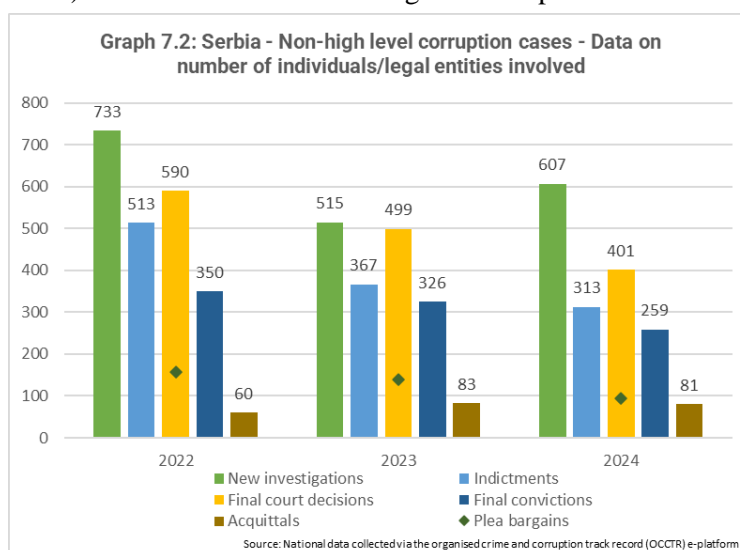
## Track record

The fight against corruption track record should be improved for both high-level and non-high-level cases.

Significant challenges persist, particularly in addressing high-level cases. The number of final convictions in high-level corruption cases in 2024 decreased compared to previous years (28 down from 31 in 2023). The Prosecutor's Office for Organised Crime ordered investigations against fewer individuals (18 in 2024 compared to 50 in 2023) and fewer indictments

were issued (45 in 2024 down from 74 in 2023). Weaknesses in the investigation and prosecution of high-level corruption cases have not been adequately addressed, in particular regarding the quality of evidentiary collection and presentation and the risk of politically motivated interference.

Following the canopy collapse at Novi Sad railway station, authorities launched investigations into alleged corruption linked to the tragic incident, which are yet to be completed. Criminal proceedings were initiated against 15 persons, including two former ministers, as a result of the work of the task force for the investigation of financial flows related to the project 'Modernisation





and reconstruction of the Hungarian-Serbian railway line on the route Novi Sad-Subotica-State Border (Kelebija)'. The tragic incident prompted widespread public protests over corruption and the perceived political capture of state institutions, the lack of accountability and transparency in government infrastructure and construction projects.

Regarding non-high-level corruption, special departments for combating corruption in the offices of higher prosecutors and the prosecution offices of general jurisdiction launched more investigations in 2024 than in the previous year (607 up from 515), but the number of indictments and final convictions fell (313 down from 367, and 259 down from 326 respectively). This downward trend raises concerns about the capacity to address mid and lower-level corruption effectively.

Serbia is expected to submit its compliance report to GRECO in December 2025 to address the recommendations of the fifth evaluation round. GRECO previously assessed that of the 24 recommendations, one recommendation has been fully met, and 10 have been partially met. Serbia should fully implement all recommendations, including those only partially completed from the fourth round.

The perception among the public, experts and businesses is that the level of corruption in the public sector is high. This perception has remained relatively unchanged in recent years.

#### Legal framework

The legal framework on the fight against corruption is in place but it needs to be improved in terms of both preventive measures and law enforcement. While the Law on prevention of corruption is generally well-designed, there are shortcomings. In particular, the scope, which among other prescribes the duty to file asset declarations and report conflicts of interest, does not extend to all high-ranking public officials who are particularly vulnerable to corruption. Legal amendments to address GRECO's fifth-round recommendations and OSCE/ODIHR guidelines on electoral campaign financing have yet to be adopted. Legislation on access to information and lobbying requires further amending to implement the recommendations issued by OSCE/ODIHR, OECD SIGMA (Support for Improvement in Governance and Management), and GRECO.

Amendments to the Law on financing of political activities have yet to be adopted to address outstanding ODIHR recommendations including the effectiveness of the oversight mechanism. The Agency for the Prevention of Corruption's initiative to amend the law is still pending with the Ministry of Finance. The legal framework on whistle-blower protection has yet to be aligned with the EU *acquis*.

Exemptions from the Law on public procurement, particularly in the context of intergovernmental agreements and special laws, continue to be widely used to circumvent the practical application of the law. Wide use of exemptions undermines the effectiveness of the law and should be phased out. This poses risks of corruption and non-compliance with European standards. It is important that all entities, and in particular those with significant public expenditure, comply with the State Audit Institution's recommendations. The authorities should encourage the proactive disclosure of contracts, procurement processes and oversight reports, and step up the protection of whistle-blowers to build public trust. Serbia should further reinforce the SAI's staffing, financial and technical capacities to oversee public spending.

In terms of repression, the Law on the organisation and jurisdiction of state authorities in suppression of organised crime, terrorism and corruption does not give sufficient competences to the Prosecutor's Office for Organised Crime (POOC), which has jurisdiction over high-level corruption cases, to coordinate the corruption cases of the special departments of the Higher Public Prosecutors' offices. In particular, the special departments are not obligated to inform the POOC about the launch of investigations, creating the risk of opening parallel proceedings. Serbia should take further steps to ensure effective coordination.

### Strategic documents

A national anti-corruption strategy for 2024-2028 is in place. In December 2024, an action plan for 2024-2025 was adopted but it does not comprehensively address the GRECO recommendations issued in the fourth and fifth evaluation rounds. The pace and level of implementation should be increased, and an effective monitoring, evaluation and coordination mechanism should be put in place.

The Agency for the Prevention of Corruption is tasked with monitoring implementation, but sufficient coordination mechanisms, budgetary resources and an effective monitoring and evaluation system to track progress and impact is needed for its effective implementation.

Serbia should finalise and adopt the action plan for the period 2026-2028, ensuring it comprehensively addresses the challenges identified in the strategy, as well as the outstanding GRECO recommendations.

### Institutional framework

The institutional framework governing the fight against corruption is largely in place but needs improvement in terms of preventive measures and law enforcement.

In February 2025, the special departments for combating corruption of the Higher Prosecutor's Offices in Belgrade, Novi Sad, Kraljevo and Nis launched initiatives that led to a series of corruption-related arrests of public officials, including in long-standing cases. The fact that these initiatives were launched following the President's announcement of a major anti-corruption campaign raises concerns about prosecutorial autonomy.

The Agency for Prevention of Corruption started 202 procedures to determine violations of the Law on prevention of corruption with regard to conflicts of interest (264 in 2023, 483 in 2022) and submitted 131 requests to start misdemeanour proceedings on the failure to promptly submit asset declarations (143 in 2023, 201 in 2022). Overall, these activities to prevent corruption have yielded limited results. The Agency needs more human and technical resources to be able to work in a comprehensive manner. In addition, steps should be taken to increase the independence, impartiality and accountability of the Agency.

The fact that the authorities have still not established a more constructive relationship with the Anti-Corruption Council, nor addressed the findings of their reports, remains a serious concern. In addition, the Council is still not systematically consulted on draft legislation. No steps have been taken to further increase the Anti-Corruption Council's budgetary resources or staffing.

The Prosecutor's Office for Organised Crime remains understaffed and lacks adequate premises to accommodate new staff, while the specialised organised crime unit within the police lacks sufficient personnel to investigate high-level corruption effectively.

The special departments in the higher prosecution offices should each have a financial forensic expert. Two experts were hired on a contractual basis in the Higher Public Prosecution Offices in Belgrade and Novi Sad, but the positions have not been filled on a permanent basis.

### **Fundamental rights**

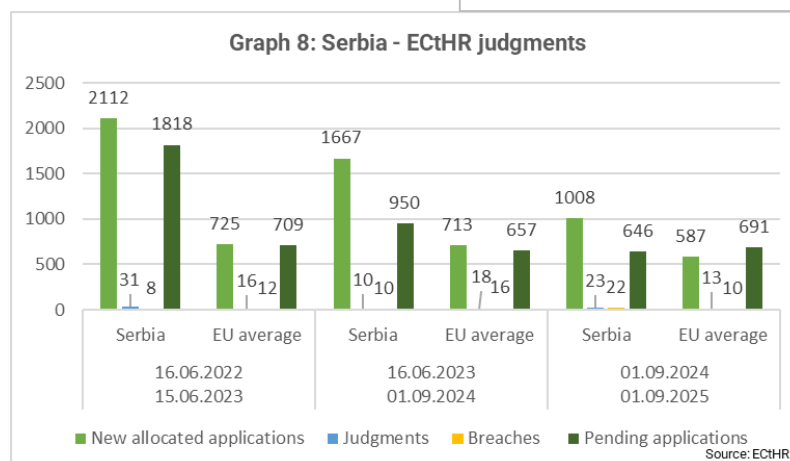
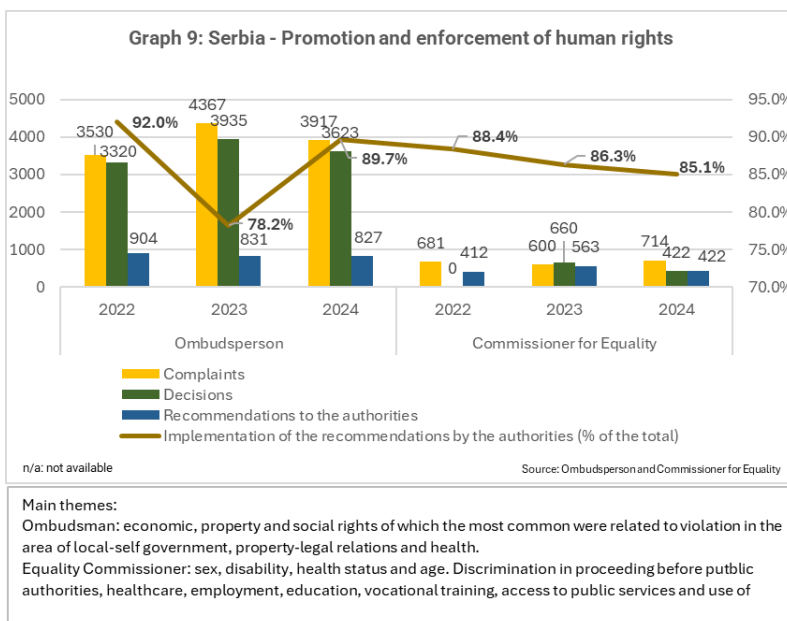
While Serbia's legislative and institutional framework for upholding fundamental rights is broadly in place, implementation of the framework needs to be improved as a matter of priority.

### International human rights instruments

Cooperation with international human rights monitoring bodies and the follow-up to their recommendations need to be improved. Serbia has ratified the main international human rights instruments and continued to benefit from its observer status at the Fundamental Rights Agency.

## European Court of Human Rights

Cooperation with the European Court of Human Rights and implementation of its judgments need to be improved. During the reporting period, the Court found breaches of the European Convention on Human Rights relating mainly to the right to a fair trial, respect for private and family life, prohibition of torture and protection of property. Currently, there are 12 cases under enhanced supervision by the Committee of Ministers of the Council of Europe (23 cases last year). These cases



concern mainly ill treatment/torture, failure to comply with interim measures of the Court, excessive length of judicial proceedings, unfair criminal proceedings and peaceful enjoyment of possession. No actions were taken to further regulate the role of Serbia's government agent before the European Court of Human Rights, to avoid repetition of a previous case

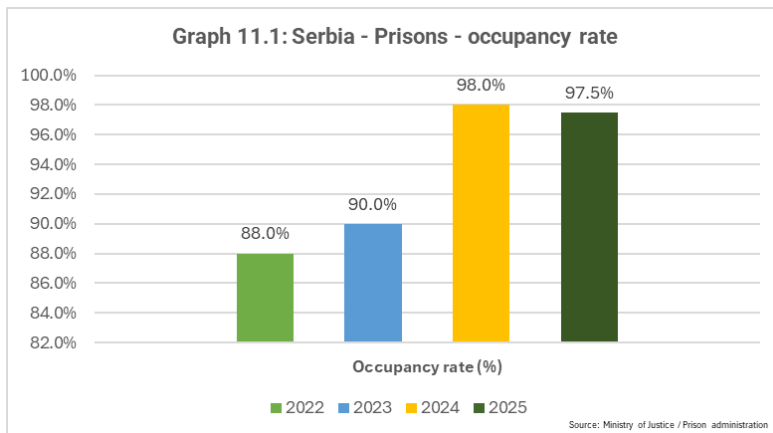
when Serbia did not comply with an interim measure of the Court. The government agent needs to be given a coordination role and the authority to fulfil it. Serbia has yet to adopt amendments to the Law on the National DNA Registry to implement the mechanism providing individual redress to parents in cases similar to that of *Zorica Jovanović v Serbia*. The transfer of the *Kačapor v Serbia* group of cases from ordinary courts to the Constitutional Court has contributed to the execution of this judgment, but further action is needed to sustain progress.

## Promotion and enforcement of human rights

The institutional framework for the promotion, protection and enforcement of human rights needs to be improved. There has been little, or delayed, public reaction by the Ombudsperson to human rights violations in the context of the student and citizen protests (*see also Freedom of assembly*). CSOs submitted an initiative to Parliament calling for the dismissal of the Ombudsperson, in particular due to his actions in the area of women's rights. The Ombudsperson's Office is still operating with fewer staff (65 as of August 2025) than the staffing figure set in the action plan for Chapter 23 (106). Staff turnover continues to hamper efficiency. In June 2025, after several years of delay, Parliament adopted conclusions on the Ombudsperson's reports for 2022, 2023 and 2024.

## Prevention of torture and ill treatment

The follow-up to cases of ill treatment needs to be improved. In the context of the student and citizen protests, there were reports of excessive use of force by the police. The Ombudsperson, in capacity as National Preventive Mechanism against Torture (NPM), partnered with additional CSOs. Cooperation with civil society requires further improvement in terms of incorporating their proposals when preparing visit reports and developing recommendations. An agreement on cooperation between the Ministry of the Interior and the Ministry of Health was signed in October 2024, with the aim of preventing ill treatment and torture; this must be followed up with the confidential examination of people in police custody and the proper recording of injuries. Several recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishments



(CPT) have yet to be addressed, especially on eradicating police ill treatment and ensuring effective investigations of such cases, to prevent the impunity of perpetrators. Action is still needed to achieve accurate recordings of police interviews with audio and video equipment and to protect the rights of individuals in remand detention and their right of access to a lawyer without undue delay. The Council of Europe's Committee of Ministers continued to supervise the execution of judgments in cases of investigations of ill treatment under the enhanced procedure. In November and December 2024, the CPT paid two ad hoc visits to Serbia, focusing on treatment and safeguards for children, adolescents and adult patients deprived of their liberty in psychiatric facilities. In its visit to Serbia in June 2025, the UN Subcommittee on the Prevention of Torture expressed concerns over persons with disabilities in institutions and over children in extended periods of pre-trial detention under restrictive conditions. Serbia has still not revised the Criminal Code amendments of 2019, which brought in life imprisonment without the possibility of conditional release for a number of crimes, contrary to the European Convention on Human Rights and the case law.



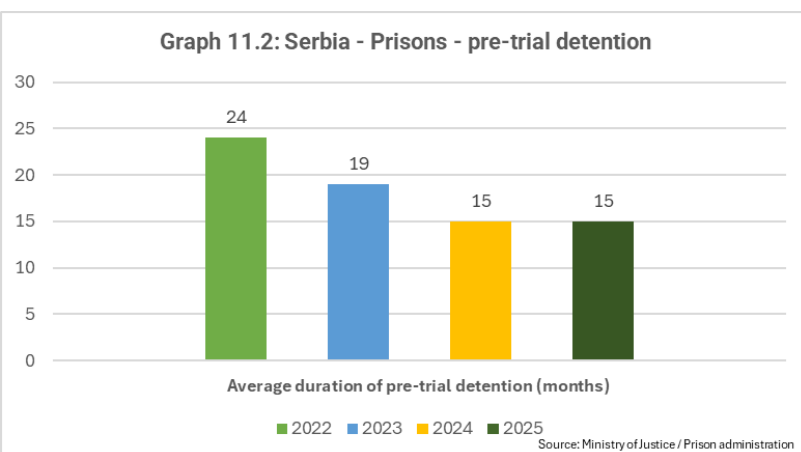
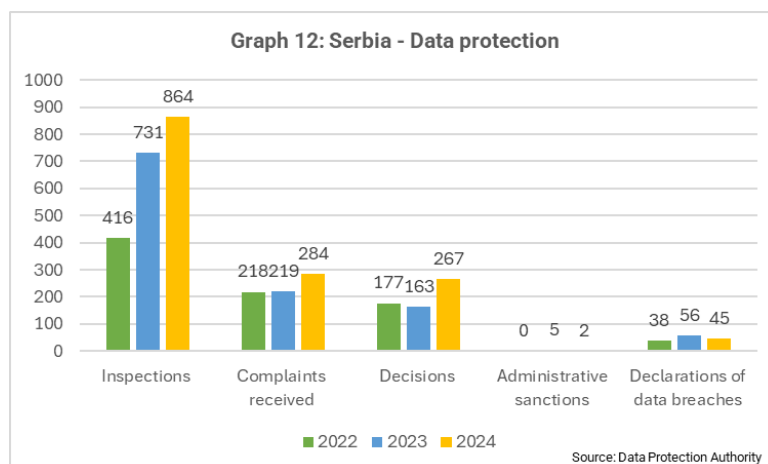
### Execution of criminal sanctions

The system for the execution of criminal sanctions (including probation) needs to be improved. Renovation programmes continued in several facilities, including in the Special Prison Hospital in Belgrade. The number of health staff increased, and the procurement of medicine and medical equipment was centralised.

A new treatment programme for people convicted of sexual offences was piloted and treatment staff trained. Individual and group work was prescribed to juvenile perpetrators under specialised programmes. The rise in non-custodial sanctions continued, mainly in the form of house arrest and a low use of community penalties. Despite employing 15 additional commissioners, the probation, social and employment services still lacked sufficient resources.

### Protection of personal data

The legal framework for the protection of personal data (PDP) needs to be further aligned with the EU *acquis* and the capacities of the PDP authority need to be improved. The PDP law is mostly aligned with the EU General Data Protection Regulation (GDPR) and the Law Enforcement Directive (LED).



However, the law is insufficient with regards e.g. to penalties and it is difficult to implement in practice as it includes provisions from both the GDPR and the LED. The process of harmonising all other laws with the PDP law is significantly delayed. As of June 2025, the Office of the Commissioner for Information of Public Importance and Personal Data Protection had 121 employees, moving closer to the target of 129 set in the action plan for Chapter 23. The Commissioner opened a third regional office. In March 2025, Serbia adopted, with delay, the action plan on the PDP strategy, which plans

amendments to the PDP law by mid-2026. The new strategy for development of artificial intelligence was adopted in January 2025 without an analysis of the previous strategy, as legally required. Following the Commissioner's previous negative opinions on the Ministry of the Interior's impact assessment on street video surveillance, a legal basis has not yet been developed. The proportionality and necessity of the proposed system of video surveillance in public spaces needs to be assessed. Complaints were filed against the use of spyware and mobile phone forensic products targeting human rights defenders and journalists. Spyware attacks or attempts of their use were found on phone devices of people who had spent time in detention or police interviews, and an increasing number of cases were reported by those arrested during the protests. A case concerning at least seven people is at the pre-investigation stage, with no indication of progress so far. The Ombudsperson and the Commissioner for Personal Data Protection announced the opening of cases on these attacks but have not yet reported on the outcome. Such surveillance produces a chilling effect and may lead to self-censorship. The disclosure to tabloids of the personal data of participants in the student protests and on social networks has remained unpunished. The personal data of judges, including those who ruled in favour of repeating some local elections, were also disclosed in tabloid press campaigns, without eliciting an appropriate reaction.

### Freedom of religion or belief

Serbia provides adequate legal guarantees on the freedom of religion or belief. However, the registration process for religious communities remained non-transparent and inconsistent. The Law on

churches and religious communities is not yet aligned with European standards. Serbia continued to implement the Law on the restitution of heirless Jewish property.

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## **Freedom of expression**

The environment for media and its free, independent and professional operation is constrained.

### Intimidation of journalists

Cases of threats, intimidation, hate speech and violence against journalists increased and are not consistently condemned by the authorities. Female journalists and local journalists are particularly vulnerable to such attacks. Recurrent statements by high-level officials on the work of journalists and media workers have a chilling effect on the freedom of expression. Several foreign journalists, including from EU Member States, were denied entry to Serbia before the protests. The personal data of journalists was disclosed, including by some media. The number of attacks and cases of pressure increased in the course of 2025 compared to the same period of the previous year, including physical attacks, some of which were in the presence of police that did not respond. Cases have also been reported of the use of police force against journalists, of preventing media workers from reporting on the protests and of journalists being briefly detained. Cases brought by the prosecution services during the reporting period resulted in only one conviction and one deferred criminal prosecution. No progress was made in the prosecution of the three murders of journalists, one of which reached the statute of limitation. Cases of strategic lawsuits against public participation (SLAPPs) increasingly hindered the work of investigative media. Serbia needs to align with the Anti-SLAPP Directive and Recommendation, including by covering the early dismissal of manifestly unfounded claims and remedies against abusive court proceedings.

### Legislative environment

Serbia amended the media legislation in June 2025 to align further with the EU *acquis* and European standards. There were very short consultations of media associations at the end of the process but, overall, the drafting process lacked transparent and inclusive consultations and did not respect the legal obligation to hold a public debate, except for the Law on public broadcasters. Following the amendments of 2023 that allowed state-owned companies to be media owners, additional safeguards to protect media pluralism and editorial independence were brought in; they will need to be monitored in practice. Meanwhile, TV channels seen as critical of the authorities were removed in April 2025 from a TV platform following the purchase of this platform by Telekom Srbija, whose majority stakeholder is the state. Serbia has not adopted a new action plan on the media strategy since the previous plan expired at the end of 2022. Parliament did not elect a new Council of the media regulator, REM, by the legal deadline of 4 November 2024 and, as a result, Serbia has been without the decision-making body of the media regulator since then. The relevant parliamentary committee published the call for nominations only on 25 November 2024. Seven out of 18 candidates withdrew their applications citing irregularities that the committee did not address, and the call was annulled. Several candidates and proposers also initially withdrew at the start of the second call. However, with international facilitation, the process resumed and advanced with the shortlisting of candidates.

### Implementation of legislation/institutions

The media laws of 2023 have been inconsistently implemented. The REM failed to fully exercise its mandate and serious concerns regarding its independence in practice persisted. In 2024, the REM issued only five measures and did not sufficiently impose penalties for frequent violations of the rules, such as media with national frequencies broadcasting content targeting journalists and civil society or reality shows that are prone to violence. In November 2024, the parliamentary committee for culture and information gave consent to the new statute of the REM Council which contains new provisions

on the secrecy of certain documents adopted by the Council, thus hindering transparency. The REM published the full report on election media monitoring only 14 months after the December 2023 elections. The competition for the allocation of the fifth frequency for national broadcasting, launched in 2022, has still not been finalised without justified reason for the delay. Serbia did not take any action to counter foreign information manipulation and interference. By contrast, the REM Council awarded RT (Russian TV) with a licence enabling it to launch its programme in Serbian on the majority state-owned Telekom cable operator. 41% of journalist complaints to the Commissioner for Information of Public Importance concerned the ‘institutional silence’ of public bodies. Access to sensitive information was denied regarding cases of environmental damage, capital projects, the use of public resources or co-financing of media projects.

#### Public service broadcaster

Serbia adopted amendments to the Law on Public Broadcasting Services in June 2025 to make the public broadcasters more institutionally and functionally independent. It remains to be seen whether the current public broadcasting service fee is sufficient to cover the needs of the public broadcasters or whether they still need to rely on additional state funding, which would prevent full financial independence. Concerns over issues of editorial autonomy, limited pluralism and biased reporting in favour of the government increased. In 2024, 94% of airtime in central RTS news broadcasts covered the ruling majority, against 6% of airtime for opposition parties. In March and April 2025, students and citizens blocked the main buildings of RTS and RTV, demanding more objective reporting on the protests. The two-week blockade of RTS eventually led to the relaunch of the call for the REM Council election. Permanent positions of RTV editors-in-chief (which have been filled in acting status since 2023) and programme director have not been appointed.

#### Economic factors

Political and economic influence on the media, including on editorial policy, is a source of serious concern. In August 2025, a leaked phone conversation between the CEOs of a private media group and of majority state-owned Telekom Srbija regarding personnel changes in the former raised concerns about political pressure on media outlets perceived as critical towards the authorities. A high number of registered media outlets combined with a limited advertising market produce economic uncertainty, especially at local level. This means that media often strongly depend on public co-funding. In January 2025, Serbia established a Unified Information System on public co-funding of media. The Ministry of Information and Telecommunication increased the 2025 budget for public co-funding at national level. However, new calls published in 2024 significantly reduced public funding in several municipalities, and the remaining public funding was awarded through less transparent processes, such as the procurement of information services and advertising. Some media outlets that violated the Code of Ethics continued to receive public co-financing, although the Law on Public Information and Media prescribes the extent to which the media outlets meet ethical standards as one of the criteria for receiving co-funding. Media associations also reported irregularities and lack of transparency. Information on other sources of public funding, including advertising, have yet to be made more transparent and comprehensive in the media register. The register does not reveal beneficial ownership for each media, since many owners are listed as subsidiary companies. Supervisory inspections of the register have yet to start.

#### Professional organisations and working conditions

The Press Council continued to effectively monitor print media’s compliance with the Serbian Journalists’ Code of Ethics. In 2024, the Press Council received 88 complaints (125 in 2023) and found in almost all cases that several points of the Code of Ethics had been violated. In February 2025, as part of a larger group of CSOs, a number of media associations announced the suspension of their participation in all government working groups and in the standing working group on the safety of journalists, arguing that the government failed to meet basic democratic standards or the rule of law

principles. Journalists and other media professionals have been working in adverse conditions, often without suitable work contracts and unstable financing. Some journalist redundancies, including at the public broadcaster, were reportedly in retaliation for their personal social and political views.

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### Freedom of assembly and association

While the legislation on the freedom of association is adequate, the legal framework governing the freedom of assembly needs to be further aligned with European standards, as Serbia has yet to align further with the joint Venice Commission and OSCE/ODIHR Guidelines on Freedom of Peaceful Assembly and with the Conclusions of the UN Human Rights Committee concerning the notification requirements in the Law on public assembly. Following the tragic incident in Novi Sad, large protests demanding accountability and a more effective fight against corruption took place in various cities, including student blockades of major universities. High-level authorities have attempted to delegitimise the protesters, as well as several media and CSOs, by suggesting, without any evidence, that they are seeking to ‘destroy Serbia’s constitutional order’ and preparing a foreign-backed and financed ‘colour revolution’. There were several violent incidents against demonstrators and journalists and, to date, only some perpetrators have been prosecuted, while several others were pardoned from criminal prosecution by the President. Such incidents intensified over the summer, including vandalism and attacks on properties of individuals and businesses seen as supportive of the protests. There were also incidents of attacks against unprotected ruling party premises by violent individuals. As regards the authorities’ handling of protests, cases of excessive use of force by the police, including against journalists and minors, were reported. There were also allegations of the use of toxic CN gas against protestors, which was denied by the Ministry of the Interior, and of unidentified, masked individuals dressed in uniforms resembling the police using force against protesters. ‘Informative talks’ were held by the Security Intelligence Agency (BIA) with protesters, which were perceived as a form of pressure. Plainclothes police officers arrested protesters and seized and inspected their telephones; previous Ombudsman’s recommendations to wear uniforms with visible police identification have yet to be fully enforced. Overall, several hundreds of individuals were arrested in the context of the protests, and some were detained or put under house arrest. However, few of these cases resulted in indictments. On 29 April 2025, the European Court of Human Rights issued an interim measure in the case concerning the alleged use of a sonic weapon for crowd control by the authorities at demonstrations in Belgrade on 15 March. The Court informed the government that it should prevent any use of sound devices for crowd control (other than for communication purposes). The Court noted that ‘use of such weapons for crowd control was unlawful in Serbia and, in particular, potentially serious health effects that could be caused to a large number of persons. There was no credible follow-up yet by the authorities which denied such use. A case initiated by the Organised Crime Prosecutor’s Office is ongoing.

Labour and trade union rights are covered in *Chapter 19 – Social policy and employment*.

### Property rights

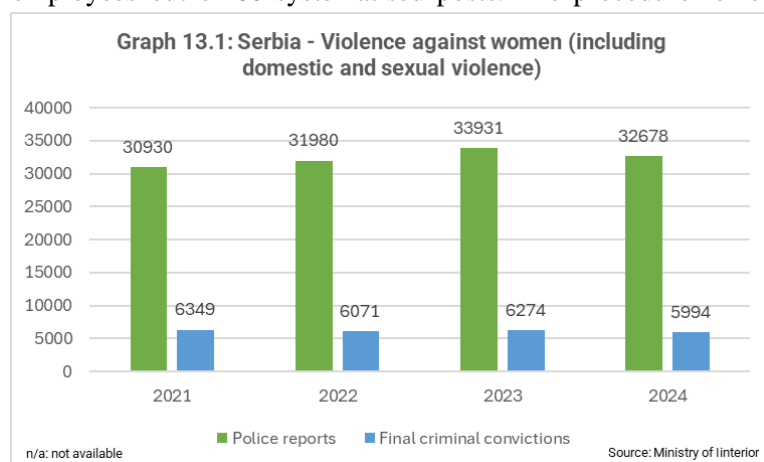
The legal and institutional framework for enforcing property rights is in place. Enforcement through the judicial and restitution system has been slow and complex in some cases. The Agency for Restitution continued with restitutions in kind of confiscated properties. The government issued bonds when restitution in kind was not possible. Sufficient resources, including allocation of land, need to be secured to facilitate the finalisation of the process.

### Non-discrimination

The legal framework on non-discrimination needs to be further aligned with the EU *acquis* and European standards, including the Directives on standards for equality bodies. In addition, the legal framework on hate speech and hate crime needs to be aligned with the EU *acquis* and European standards, including the Framework Decision on combating racism and xenophobia and the Racial



Equality Directive. Serbia needs to consistently implement strategic measures on combating discrimination and racism. Adoption of the 2024-2025 anti-discrimination action plan is seriously delayed. As of August 2025, the Office of the Commissioner for the Protection of Equality had 45 employees out of 60 systematised posts. The procedure for electing a new Commissioner was not

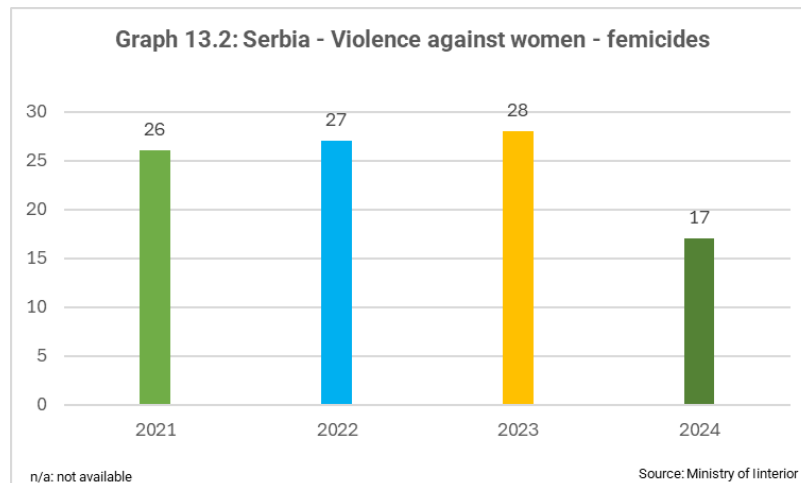


initiated by Parliament by the legal deadline. Episodes of incitement to violence or hatred continued to specifically target human rights defenders, Roma, LGBTIQ persons, and migrants. In addition, in her 2024 report, the Commissioner for the Protection of Equality found that unacceptable speech from public officials was a particular problem, as it contributed to the creation of a hostile and offensive environment. Serbia still

lacks centralised official data on hate crimes, broken down by bias motivation.

### Gender equality

The legal framework on gender equality and combating gender-based violence needs to be further aligned with the EU *acquis* and European standards. Enforcement is insufficient as, in a context of backlash against the concept of gender equality, the law on gender equality has remained suspended since the decision of the Constitutional Court of June 2024 and until the assessment of constitutionality is completed, preventing further progress in this area. In February 2025, Serbia adopted, with delay, a new action plan on the gender equality strategy. More efforts are needed to enforce the legal obligation to include the gender perspective and to remove gender stereotypes from textbooks, challenge stereotypes in the public discourse and collect official sex-disaggregated data. Roma women, older women, poor women, women with disabilities, refugee and internally displaced women continued to experience multiple and intersecting forms of discrimination.



Violence against women and domestic violence continued to be widespread. Women played a prominent role in protests and were disproportionately exposed to violence, intimidation and targeted attacks. The action plan for the 2021 strategy against violence against women and domestic violence is seriously delayed. Reliable integrated data on cases of gender-based violence, with a breakdown by type of violence (including digital and obstetric) and by relationship between perpetrator and victim, is not available and there are no reliable official statistics on femicides. Data collected by CSOs indicates an increase in the number of murdered women who had previously reported violence. Serbia needs to align with the Directive on combating violence against women and domestic violence and to address the recommendations of the baseline report issued by the Group of Experts on Action against Violence against Women and Domestic Violence (GREVIO) of 2020, which were largely reiterated in

GREVIO's first thematic evaluation report of September 2025. This includes amending the definitions of rape and sexual harassment in the Criminal Code to comply with the Istanbul Convention. The very few support services for victims of gender-based violence and domestic violence are predominantly run by CSOs and operate on a limited budget. The transparency and fairness of public funding in this area need to be significantly improved to address allegations of bias in allocating funding to 'governmental non-governmental organisations' (GONGOs). Police protocols do not mandate cooperation with specialised support services or routine referral of victims, resulting in the underuse of existing CSO expertise. The law against domestic violence does not give women CSOs a standard role in drawing up individual protection plans, as recommended by GREVIO, but leaves their participation to the discretion of the relevant prosecutor's office. The legal provision offering victims the option to participate in the creation of individual protection plans needs to be enforced. Safe houses lack staffing and adequate funding. Attention needs to be paid to ensuring equal access for all women, including refugee and migrant women, transgender women and women from other marginalised groups.

### Rights of the child

The legal framework on the rights of the child needs to be further aligned with the EU *acquis* and European standards, including the European Commission Recommendation on integrated child protection, and enforcement needs to be improved. Serbia has yet to ratify the UN Convention on the Rights of the Child's third optional protocol on a communication procedure. Many children joined the protests, which the authorities criticised despite the Convention on the Rights of the Child guaranteeing children the rights to freedom of assembly and expression in a safe and peaceful manner. In October 2024, Serbia adopted a special protocol for the protection of children from violence in the field of social protection; other sectoral protocols in education, health, judiciary and police have yet to be adopted. A new strategy related to violence against children has yet to be adopted as the previous strategy expired in 2023 and no national action plan for the rights of the child is in place. The Council on the rights of the child did not meet in 2024 and, to date, in 2025. It has yet to be supported by a technical body and a cross-sectoral group. The Law against domestic violence needs to be amended to ensure that every child who is a witness or victim of domestic violence is included in the court's individual protection plan. Serbia needs to amend its family law to explicitly prohibit corporal punishment of children in the family and to ban child marriage. A new Law on juvenile offenders and the protection of minors in criminal proceedings has yet to be adopted to ensure child-friendly court procedures and equal access to justice for all children. Statistical data on vulnerable groups is still needed, with a breakdown by age and sex and including Roma children and children with disabilities. Although relatively few children are placed in institutional care (under 100 children per 100 000 children), violations of child rights in large-scale institutions remain a concern. Children with disabilities, who are vulnerable to multiple forms of exclusion and abuse, constitute the largest group of children in institutions as they are over-represented (70%) among children living in residential large-scale institutions. Serbia does not fully enforce the legal ban on placing children below three years of age in residential care.

### Persons with disabilities

The legal framework on the rights of persons with disabilities needs to be further aligned with the EU *acquis* and European standards, including the European Accessibility Act and the Commission Guidance on independent living and inclusion in the community of persons with disabilities in the context of EU funding. Enforcement mechanisms need to be improved. In January 2025, Serbia adopted the strategy and action plan in this area. Serbia has yet to adopt implementing legislation for the Law on temporary social care residents. There is still no legal basis ensuring that placement decisions in care homes are subject to regular court reviews. Deprivation of legal capacity procedures need to be changed to strengthen the position of the individuals concerned, as noted in the 2022 CPT report. Amendments to the family law to abolish the existing system of complete deprivation of legal

capacity have yet to be adopted. The delay in adopting the action plan for the 2022 strategy on deinstitutionalisation is an increasing concern. There was no substantive progress in developing sustainable community-based services. Women with disabilities in residential institutions continued to face gender-specific forms of violence. The Commissioner for the Protection of Equality published the first Special Report on Disability-Based Discrimination, with a particular emphasis on intersectionality, accessibility and the denial of reasonable accommodation in employment.

### LGBTIQ persons

The legal protection of the rights of lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) persons needs to be improved. Serbia needs to consistently implement strategic measures on combating discrimination and strengthening the rights of LGBTIQ persons, who continued to face high levels of discrimination. A pride event took place in Belgrade in September 2025. The withdrawal of U.S. funding led to a significant reduction of CSOs activities, including the provision of legal and psycho-social support to LGBTIQ persons. There were no developments on the draft law on same-sex partnerships, nor on the regulation of legal gender recognition, as already planned in the previous anti-discrimination strategy. Serbia needs to align with the EU *acquis* and ECtHR case law in this area. Difficulties remain, especially in smaller municipalities, in implementing amendments to the Law on birth registry, which enable data on gender changes to be entered into the registry. The implementation of legislation combating hate crime, including on grounds of sexual orientation, remains inadequate. LGBTIQ persons, and in particular transgender persons, are vulnerable to hate speech, violence, abuse and discrimination. Due to a lack of trust in institutions and fear of secondary victimisation, cases of violence and discrimination towards LGBTIQ persons are often unreported. Intersex persons remain invisible both socially and legally.

### Procedural rights and victims' rights

The legal framework on procedural rights for suspects and accused as well as the rights of victims of crime needs to be further aligned with the EU *acquis*. A victim support coordinator was appointed at the Ministry of Justice. In December 2024, the High Judicial Council adopted a rulebook on the operation of victim and witness support services and focal points to provide information to victims and witnesses, paving the way to uniform services across the high courts. While such services have been set up in 15 high courts, a nation-wide victim support service is not yet in place and specific human and financial resources are still needed. Continued investments are needed to equip high courts with special equipment and separate rooms so that victims do not face their perpetrators during proceedings. An effective referral mechanism is lacking. Although CSOs provide the bulk of specialised victim support, they still lack sufficient and sustained financing. Regarding access to justice, there is a need for stronger financial support at state level, greater capacity of local self-governments to handle legal aid requests and further attention to women's access to justice in all cases of gender-based violence and discrimination. An analysis of the necessary amendments to the Law on free legal aid was finalised but its adoption is delayed.

### Protection of minorities

Serbia's institutional framework for the protection of persons belonging to minorities is incomplete as a new action plan is seriously delayed. Persons belonging to minorities continued to face discrimination. Serbia needs to take into account the new, fifth opinion issued by the Advisory Committee of the Council of Europe Framework Convention on National Minorities (FCNM) when finalising the new action plan, in inclusive consultations with national minorities. The proper functioning and independence of national minority councils remains important. Members of the Albanian national minority continued to raise concerns about the way police were checking residence status in south Serbia, resulting in the 'passivisation' of certain addresses. There is a need for the authorities to better explain to the public how these checks are being conducted and to address the concerns expressed in the fifth opinion over the reported lack of effective remedies. The '*action plan*

*for improvements in the representation of Albanians in institutions'* has not yet delivered measurable outcomes. National minorities remain underrepresented in public administration and the police. The Ministry of Education allocated funding for the printing of new textbooks in minority languages; this work needs to be further intensified. Although teaching Serbian as a non-mother tongue continued, the FCNM Advisory Committee underlined the importance of developing targeted measures to improve official language learning, in light of the limited proficiency of some national minorities. Access to religious worship in minority languages has yet to be enabled throughout Serbia. Public broadcasting services in minority languages are still not sufficient, except for some local broadcasters in Vojvodina. Hateful rhetoric against national minorities in the media and by politicians continued.

### Roma

The institutional framework on Roma is incomplete as a new action plan is pending, and Roma people continued to face discrimination. An *ex post* analysis of the action plan for Roma inclusion for 2022-2024 was developed and a new action plan needs to be prepared and adopted. Robust monitoring and data collection are needed to meet the commitments made in the Poznan Declaration. Job descriptions for local Roma coordinators, pedagogical assistants and health mediators have not been aligned, and contracts are signed with limited duration. Most Roma people in Serbia have civil documentation. The procedure for registering all births, regardless of the parents' status, needs to be implemented effectively and monitored. Roma pupils continued to receive scholarships through affirmative measures. However, school dropout rates remain high, especially for Roma girls. Roma pupils are still over-represented in special-needs schools and classes. The transition from education to the labour market is particularly challenging. Roma people are still underrepresented in the public administration. Forced evictions are still taking place, in breach of the law and international standards. The FCNM Advisory Committee stressed that no evictions should take place without adequate notice and without providing effective opportunities for rehousing in decent, affordable accommodation. Early and child marriage remains an issue of concern among Roma girls living in settlements. Domestic violence also often goes unreported.

### Refugees and internally displaced persons

As of July 2024, there were 194 171 internationally displaced persons (IDPs) in Serbia, according to official data by the Serbian authorities, of whom 68 500 still have displacement-related needs and are among the most vulnerable segments of the population. In November 2024, Serbia adopted a new strategy to resolve issues related to refugees and IDPs. Solutions for Roma IDPs remain slow and limited, requiring more funding.

### Citizenship rights

Serbia will need to ensure that the EU *acquis* on EU citizenship rights, notably the right to move and reside freely within the territory of the Member States, can be applied upon accession.

## **2.2.2 Chapter 24: Justice, freedom and security**

*The EU has common rules for border and migration management, visa policy, and asylum.. Schengen cooperation entails the lifting of border controls inside the EU. There is also cooperation in the fight against serious and organised crime and terrorism, and judicial, police and customs cooperation, all with the support of the EU Justice and Home Affairs agencies.*

### **Fight against serious and organised crime**

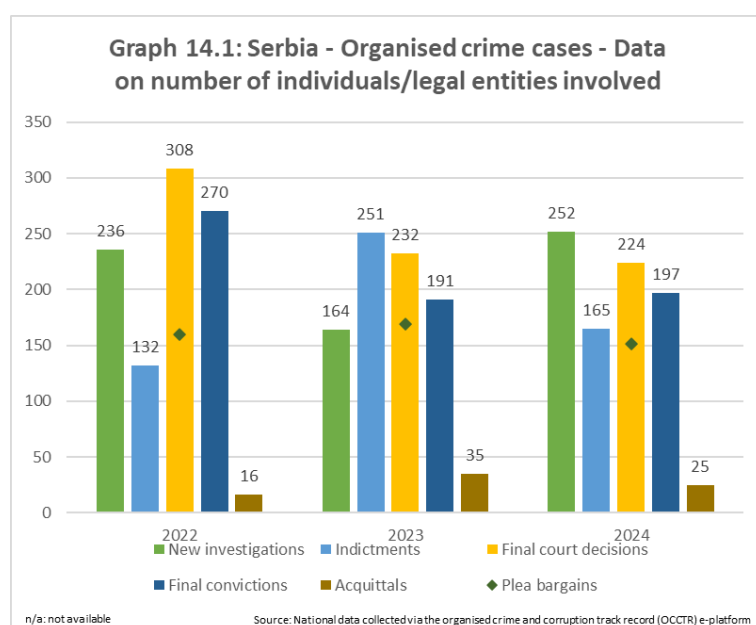
The legal framework on serious and organised crime is partially aligned with the EU *acquis*.

The capacity to fight against serious and organised crime needs to be improved.

### Legal alignment, strategic and institutional frameworks

The 2024-2027 national Serious and Organised Crime Threat Assessment (SOCTA) provides the operational priorities for fighting serious and organised crime. A new Director of Police was appointed in April 2025. The position had been vacant since December 2021. The Prosecutor's Office for Organised Crime (POOC) and the Special Prosecutor's Office for Cybercrime lack sufficient human, material and technical resources to carry out their tasks. In 2024, the number of public prosecutors in the POOC was reduced, leaving six out of 25 positions vacant. The POOC and the police lack the technical resources to carry out special investigative measures without the help of the Security Information Agency (BIA). The police services still lack a shared case / workflow management system, connecting all institutions and giving them access to a common database. Serbia should continue to work towards ensuring a fully operational national criminal intelligence system and make the Asset Recovery Office fully operational.

The operational autonomy of the police from the Ministry of the Interior during the pre-investigation



and investigation phases to be fully accountable only to the prosecutor is still not established either in law or in practice. A new Law on internal affairs has yet to be adopted to address this issue and the recommendations of the Committee for the Prevention of Torture (CPT). Serbia should adopt amendments to the Law on organisation and competence of state authorities in suppression of organised crime, terrorism and corruption to improve the institutional set-up in the fight against organised crime. Serbia should also put in place an anti-corruption strategy for the police to strengthen anti-corruption measures.

Serbia should phase out the role of the security services in investigations of serious and organised crime cases. Legislative changes should be made to limit the role of BIA and the Military Security Agency to national security threats and remove their involvement in criminal proceedings. A clear separation needs to be made between the remits and regulations for criminal investigations and for security purposes.

In November 2024, Serbia amended the Law on the freezing of assets, with the aim of preventing terrorism and the proliferation of weapons of mass destruction, to fulfil the Financial Action Task Force recommendations. Amendments to the Law on the seizure and confiscation of the proceeds of crime have been prepared. A strategic-operational plan for the prevention of money laundering, terrorist financing and financing of the proliferation of weapons for mass destruction (2025-2029) was adopted in April 2025 (*see also chapter 4 – Free movement of capital*).

A new strategy and action plan for the fight against cybercrime has yet to be adopted. The Criminal Code and the Criminal Procedure Code are not yet harmonised with the Second Additional Protocol to the Council of Europe Budapest Convention on Cybercrime. Serbia needs to address the Lanzarote Committee's recommendations on the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse. In addition, the legal framework needs to be aligned with the Directive on combating the sexual abuse and sexual exploitation of children and child pornography.

The Law on the prevention and combating of trafficking in human beings and the protection of victims has been prepared but remains to be adopted. While CSOs are the primary providers of

support for victims of trafficking, they still lack sufficient and sustained financing. Implementation of the programme for the fight against human trafficking (2024-2027) is ongoing. Coordination among institutions at national and local levels should be further increased.

Amendments to the Criminal Code are being prepared with the aim of effectively criminalising the trafficking of weapons. The new Law on weapons and ammunitions and the programme on the control of small arms and light weapons and its action plan for the period 2025-2030 have yet to be adopted. The Firearms Focal Point remained fully operational. Serbia's proof house for testing firearms and ammunition joined the *Commission Internationale Permanente pour l'épreuve des armes à feu portatives* (CIP) in December 2024.

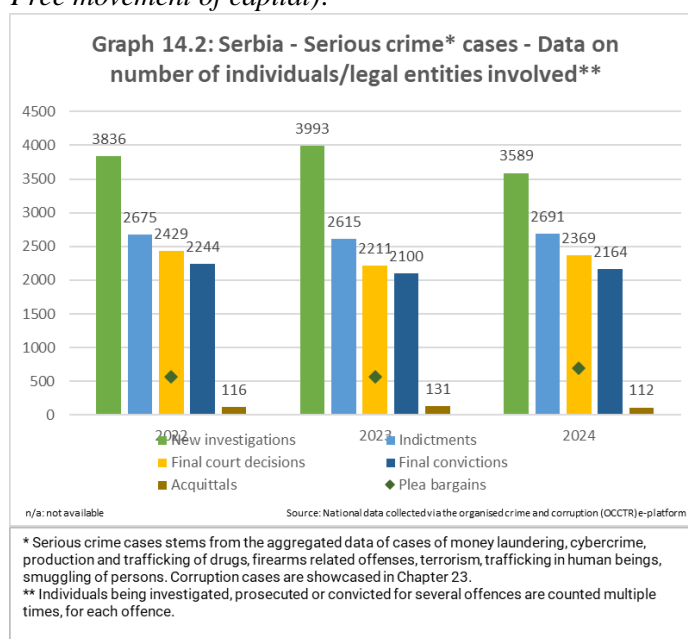
#### Implementation and enforcement capacity

In 2024, although there was a decrease in the number of individuals indicted for organised crime, there was an increase in the number of individuals convicted and of individuals under investigation. The use of plea agreements needs to be carefully balanced against the need to avoid any impression of impunity in serious and organised crime cases. Serbia should increase the number of proactive investigations, based on intelligence-led policing, focusing on high-profile cases aiming at dismantling big and international criminal organisations.

Financial investigations are still not conducted consistently and systematically when investigating serious and organised crime, including money laundering, illicit trafficking and terrorism. Proactive financial investigations are needed, including a systematic tracking of money flows, to be able to identify more criminal assets, uncover illegal financial schemes, increase confiscation and gather circumstantial evidence of inexplicable wealth. In 2024, financial investigations were initiated in 11 9 cases of serious and organised crime.

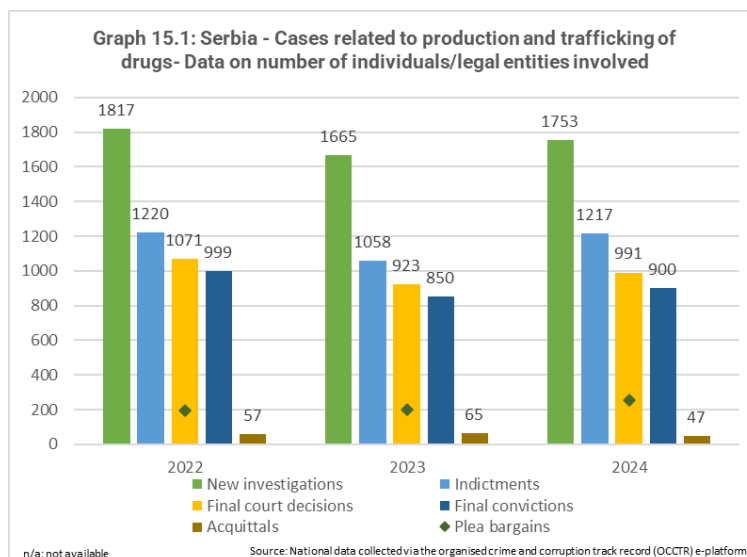
Cooperation with CEPOL, Eurojust, Europol and Interpol continued, leading to arrests in serious and organised crime cases and to the disruption of organised criminal groups. In 2024, a total of 13 672 messages were exchanged via the Secure Information Exchange Network Application (SIENA) (up from 10 098 in 2023). Serbia continued to actively participate in the European Multidisciplinary Platform Against Criminal Threats (EMPACT), taking part in 73 operational actions (up from 64 in 2023), including four as action co-leader. In the fight against money laundering and following indictments by the Prosecutor's Office for Organised Crime, eight individuals were convicted in 2024 (five in 2023). In 2024, 94 individuals were convicted (final decision) for money laundering in courts of general jurisdiction (*see also Chapter 4 – Free movement of capital*).

The specialised police department for combating high-tech crime continued to conduct investigations on the darknet to identify illegal content, illicit trade and various malware services. Serbia played an active role in international operations aimed at combating cybercrime, including online child sexual exploitation.





Of the total 34 convictions for trafficking in human beings, seven individuals were convicted in the context of organised crime and 27 under general jurisdiction. Serbia should take further steps to support and protect victims of trafficking in human beings, including proper protection during trials, and to improve the investigation, prosecution and adjudication of trafficking cases, in particular for the purpose of labour exploitation. Given the migratory flows through its territory, Serbia needs to build the capacity to detect and identify possible third-country victims of trafficking in human beings, including through the abuse of visa-free regimes. In 2024, the Centre for protection of victims of human trafficking identified 71 victims (66 in 2023). Serbia's participation in EMPACT is a key instrument for responding to trafficking in human beings. Serbia has demonstrated a strong commitment in combatting trafficking in human beings by participating in 11 EMPACT operational actions out of 22, including the Global Chain.



Continued efforts are needed to prevent the storage, sale and ownership of illegal firearms, registration and destruction of surrendered weapon and arms' trafficking. In 2024, Serbia seized 1 100 pieces of firearms, 35 325 pieces of ammunition and 5 360 grams of explosives. The capacity of law enforcement bodies to handle cases of gender-based violence and their victims should be improved.

### Cooperation in the field of drugs

The legal framework for cooperation in the field of drugs needs to be improved.

#### Legal alignment, strategic and institutional frameworks

Serbia's legislative framework for psychoactive substances has been in force since 2021. The Criminal Procedure Code still needs to be amended so that only a sample of drugs is kept as material evidence for court proceedings.

The national drug strategy expired in 2021, and Serbia has not yet adopted the Operational Plan for the Prevention of Drug Abuse for 2024-2027. Serbia has a well-established national early-warning system that continued to liaise with the EU Drugs Agency (EUDA) on psychoactive substances and trends. The list of psychoactive controlled substances continued to be updated, and Serbia's National Drugs Observatory remained operational.

#### Implementation and enforcement capacity





Of the 900 final convictions in 2024 for drug production and trafficking, 35 were in the context of organised crime. Serbia played an active role in numerous EMPACT operations aimed at combating drug trafficking.

There is a high level of cooperation between the EUDA and Serbia. Serbia submitted a national drug situation review including data that are largely aligned with EU standards.

### **Fight against terrorism and the prevention of radicalisation and violent extremism**

The legal framework for the fight against terrorism is largely aligned with the EU *acquis*. The fight against terrorism is broadly satisfactory.

The legal framework for countering violent extremism is partially aligned with the EU *acquis*. The countering of violent extremism, in particular ethnonationalism and violent right-wing extremism, needs to be improved.

The legal framework for critical infrastructure protection and the resilience of critical entities is not aligned with the EU *acquis*. The protection of critical infrastructure and the resilience of critical entities needs to be improved.

#### Legal alignment, strategic and institutional frameworks

Serbia did not further align its legal framework with the EU *acquis* on the fight against terrorism and prevention of radicalisation and violent extremism.

Serbia has yet to adopt the programme for preventing and combating terrorism and all forms of radicalisation and violent extremism for the period 2025-2030 and the accompanying action plan. The previous strategy expired in 2021. A National Coordinator and the National Coordination Body for the Prevention and Combating of Terrorism have been in place since July 2023.

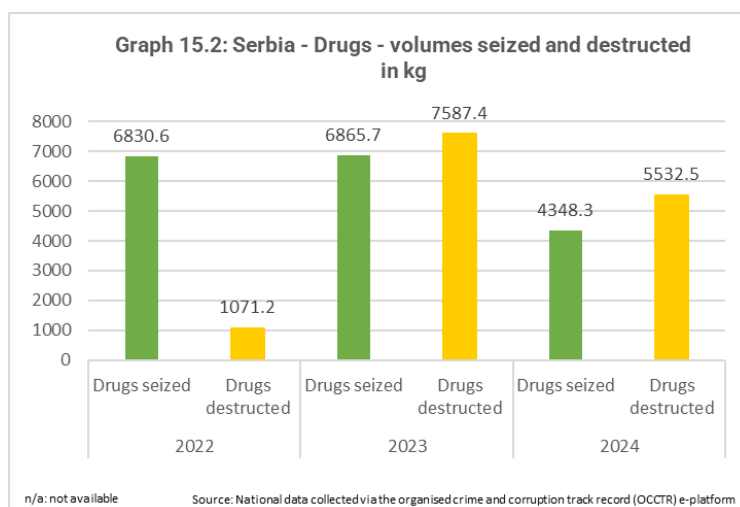
#### Implementation and enforcement capacity

Serbia made limited progress in implementing the EU-Western Balkans Joint Action Plan (JAP) on Counterterrorism. The national database for the prevention and fight against terrorism has been operational since June 2023.

In 2024, there was one conviction for terrorist offences and the Prosecutors' Office for Organised Crime filed seven indictments. A growing concern is the increasing presence of right-wing extremist content online, along with hateful content and disinformation.

Serbia actively participated in Europol analysis projects falling under the European Counter Terrorism Centre and in international operations supported by Europol aiming at countering terrorist content online (i.e. Referral Action Days) and CEPOL activities. Serbia should integrate the knowledge and competencies gained through CEPOL trainings into its law enforcement training system. Serbia also took part in several Interpol operations and projects as well as the Council of Europe Network of Contact Points on Foreign Terrorist Fighters.

Pre-investigative action was taken to discover and prove the financing of terrorism (140 individuals, one legal entity and two citizens' associations were checked). There were no final convictions for



financing of terrorism. Serbia should speed up the process of identifying critical infrastructure and aim to align its legislation with the Directive on critical entities resilience.

## Judicial cooperation in civil and criminal matters

Judicial cooperation in civil and criminal matters is broadly satisfactory.

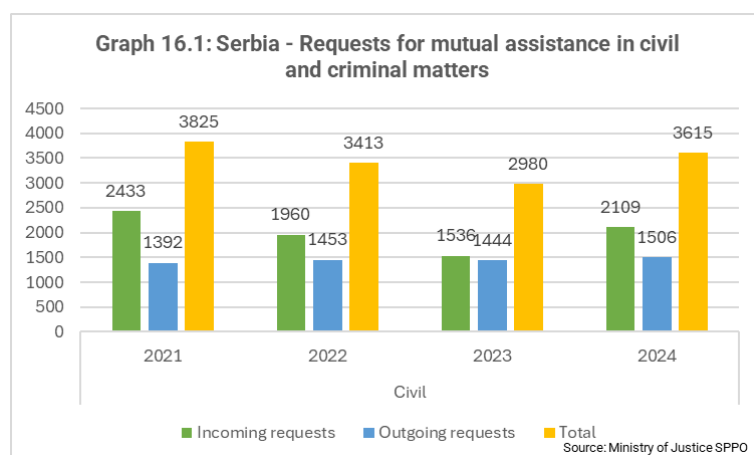
The legal framework for judicial cooperation in civil and criminal matters is partially aligned with the EU *acquis* to the extent that alignment is already possible. Serbia should reform its legal framework to enable more efficient cooperation in criminal matters and increase institutional capacity to reduce processing times. The Criminal Code and Criminal Procedure Code still need to be aligned with the EU *acquis*.

Serbia continued reporting on implementation of the 2007 Hague Convention on Child Support, in force since February 2021. Serbia still needs

to accede to two core instruments under the Hague conference of private international law: the 2000 Hague Convention on the International Protection of Adults and the 2019 Hague Convention on the Recognition and Enforcement of Foreign Judgements in Civil or Commercial Matters.

The average duration of the procedure for providing mutual legal assistance (MLA) was 499 days in civil matters and 470 days in criminal matters. Regulatory and administrative capacity measures should be taken to improve efficiency and timeliness for executing mutual legal assistance requests. Eurojust and Serbia have continued their good cooperation in criminal matters through the Serbian Liaison Prosecutor. From 1 March 2024 to 31 July 2025, Serbia participated in 130 new cases at Eurojust, of which 60 were opened at the request of the Serbian Liaison Prosecutor. The majority of cases related to organised crime, drug trafficking, money-laundering and fraud. Three new joint investigation teams were created related to organised crime and drug trafficking, in addition to the five from the previous period.

The Supreme Public Prosecution Office was active in cooperating with the European Judicial Network. The working arrangement on cooperation with the European Public Prosecutor's Office (EPPO), which has been pending since 2023, has still not been finalised. In 2024, EPPO sent three requests for mutual legal assistance to Serbia.



## Legal and irregular migration

The legal framework for management of legal and irregular migration is partially aligned with the EU *acquis*.

The management of legal and irregular migration is broadly satisfactory.

### Legal alignment, strategic and institutional frameworks

The legislative framework for the management of external borders is largely aligned with the EU *acquis*. However, further alignment and better implementation is still needed to ensure efficient and systematic registration of irregular migrants.

Serbia contributed to the management of mixed migration flows to the EU and continued to implement the EU Action Plan on the Western Balkans. Further alignment with EU visa policy and additional progress under all pillars in the Action Plan is expected, in particular action to improve the efficiency of the asylum system.

In March 2024, Serbia adopted a decision on providing temporary protection to all people having fled Russia's war of aggression against Ukraine. This provides the legal basis for further extensions.

In terms of combating irregular migration, implementation of the integrated border management strategy (2022-2027) and accompanying action plan (2022-2024) is delayed. Serbia has not yet adopted the next action plan for the period 2025-2027.

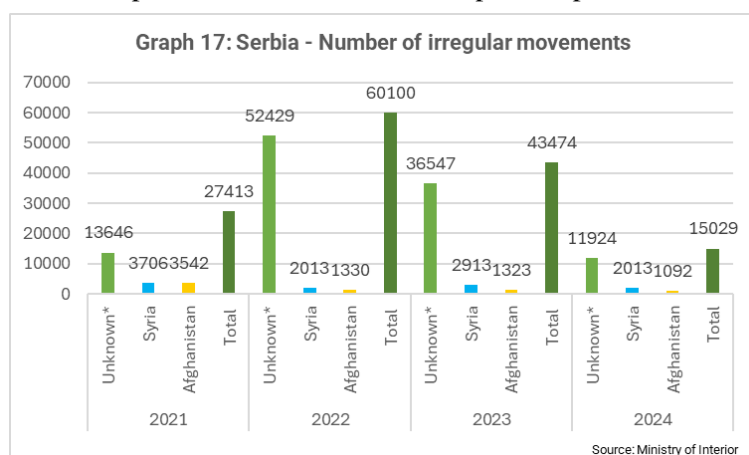
As an observer in the European Migration Network, Serbia is included in the Asylum and Migration Overview of EU Member States and observer countries.

### Implementation and enforcement capacity

Serbia continues to host a substantial number of third-country nationals with EU support.

The EU-Serbia readmission agreement continued to be implemented. In November 2024, Serbia signed a readmission agreement with Kazakhstan. Negotiations on readmission agreements are ongoing with Iceland, Ukraine, Türkiye and efforts to establish cooperation on legal migration and on readmission are ongoing with Pakistan, Bangladesh and Nepal. Serbia should ensure that legal pathways developed for third-country nationals entering Serbia prevent secondary movements to the EU.

Serbia continued to intensify border controls and police operations targeting migrant smugglers. For the second consecutive year, the number of irregular movements through Serbia fell substantially from the previous year (43 474 in 2023 to 14 029 in 2024) and Serbia recorded the lowest number of migrants accommodated in reception and asylum centres since 2015. Due to this significant decrease, the Commissariat for Refugees and Migration continued to reduce the number of operational reception and asylum centres (6 operational out of 17), in accordance with the response plan for the management of mixed migration flows. While the lower occupancy rate helped improve conditions in some reception facilities, reduced reception capacities increased the risk of migrants moving faster



and undetected through the country and without access to essential reception and protection services. A contingency plan is in place in case there is a sudden increase in migration flows. Overall, reception capacities are adequate.

In 2024, Serbia conducted new investigations in 306 smuggling of migrant cases and filed indictments against 381 defendants. The police operation launched in 2023 and intensified controls targeting

smugglers and migrants illegally present in the country continued in 2024.

Serbia continues to take part in the Global Alliance to Counter Migrant Smuggling and is invited to renew its engagement at the occasion of the Global Alliance's second conference scheduled to take place end of 2025.

## Asylum

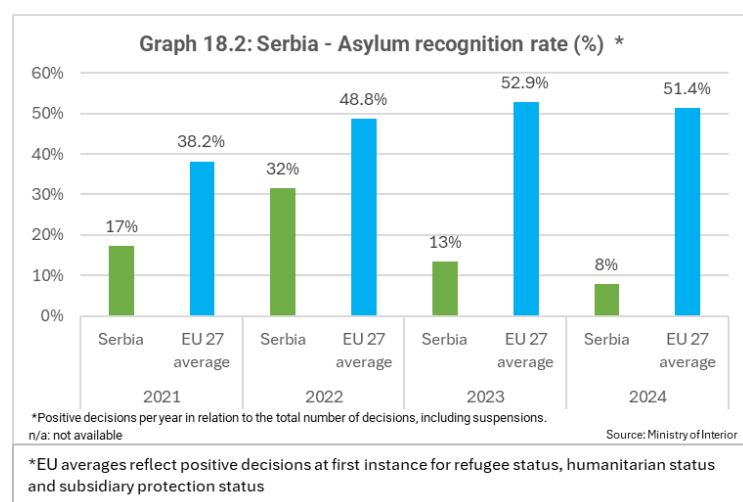
The management of asylum needs to be improved.

### Legal alignment, strategic and institutional frameworks

Serbia's legal framework is largely aligned with the EU *acquis*, but further alignment and better implementation of current legislation is still needed to ensure fair and fast asylum processing.

Serbia should revise the Law on asylum and temporary protection to further align it with the EU *acquis*, notably on effective access to the procedure, appeal bodies, rights and obligations of applicants/people under international protection, free legal aid and on the safe third-country procedure.

Serbia has the institutions needed to manage asylum applications. The third roadmap for cooperation (2024-2026) with the European Union Agency for Asylum (EUAA) has been developed but final endorsement of the roadmap is still pending.



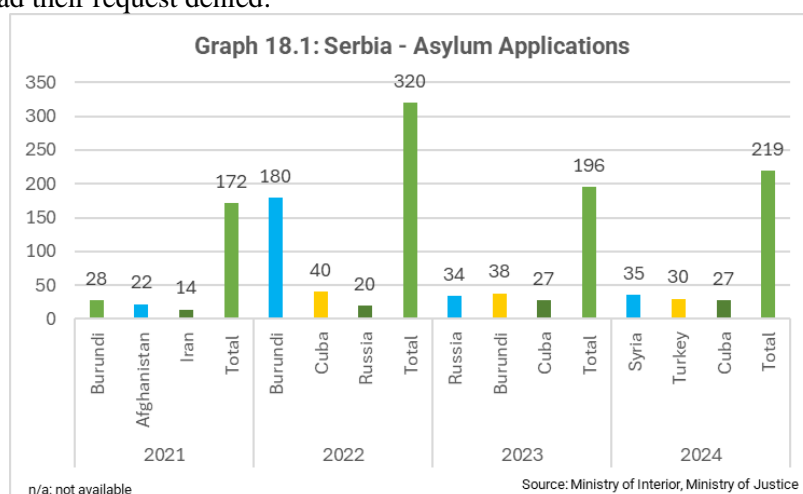
Amendments to the Law on employment of foreigners facilitate access to employment for refugees and asylum seekers in Serbia. For example, it shortens the period for asylum seekers to access the labour market from nine to six months from the date of their asylum application. As of February 2024, the Asylum Office issued 51 travel documents to refugees, with the assistance of the EU.

### Implementation and enforcement capacity

There were fewer asylum seekers in 2024 compared with previous years. Out of the 847 individuals (against 1 654 in 2023 and 4 155 in 2022) who expressed their intention to seek asylum, only 219 lodged an asylum application. The absconding rate remained high at over 50%. The asylum recognition rate was very low. In 2024, only four asylum seekers received refugee status, three received subsidiary protection while 79 had their request denied.

In 2024, Serbia granted 375 Ukrainian citizens temporary protection and extended protection for 707 people.

The quality of asylum decisions needs to be further improved. Efforts have been made to develop country-of-origin information functions within the Asylum Department. The Asylum Commission and the Administrative Court should review the Asylum Office's decisions more effectively and



based on merit. Further advanced training is needed. The state-funded free legal aid mechanism in the asylum procedure needs to be improved.

Serbia has the basic legal framework for integration in place, including good practice for individual integration plans. However, the quality of ID documents to facilitate access to socio-economic rights and services, and the predictability and scope of integration schemes (e.g. for the acquisition of skills, language proficiency, and integration of persons with disabilities) continue to be major obstacles to integration.

### **Visa policy**

Visa policy is not fully aligned with EU policy, in particular concerning the list of countries whose nationals require a visa to enter the EU. In December 2024, the Serbian government abolished the visa exemptions for Qatar, Kuwait, Oman and Mongolia nationals. Serbia's list of visa-free countries still differs by 12 countries. Serbia's visa issuing system is partially in line with the EU Visa Code.

In 2024, Serbia further tightened its requirements for obtaining entry visas. A more rigorous screening of visa-free arrivals of third-country nationals is necessary, in particular of arrivals from countries presenting security or irregular migration risks.

In May 2025, Serbia launched a new digital platform for travel authorisations as a pilot phase in the digitalisation of its visa application and approval procedure. The platform currently covers 42 countries which are visa required in Serbia and where Serbia lacks consular representation. Of these, 16 countries are also visa-required in the EU. Serbia should therefore ensure appropriate safeguards and security checks when processing the travel authorisations from these countries. At this stage, the platform applies exclusively to tourist visas and short-term stays.

According to Eurostat, 3 270 Serbian nationals applied for asylum in the EU 27 in 2024 (against 4 695 in 2023).

The acquisition of visa-free travel rights to the EU for Russian nationals by granting them Serbian citizenship poses potential security risks for the EU. Rigorous security screening should apply when granting Serbian citizenship to Russian nationals, since Serbian passport holders benefits from visa-free travel to the EU.

### **Schengen governance and external borders**

The legislative framework for the management of external borders is largely aligned with the EU *acquis*. The management of borders is broadly satisfactory.

#### **Legal alignment, strategic and institutional frameworks**

Continued efforts are needed to align with and implement the EU *acquis*. Issues relating to national borders are governed by the Law on border control.

Serbian authorities have well-established cooperation with the European Border and Coast Guard Agency (Frontex). As of September 2025, 159 standing corps officers are deployed at Serbia's borders with North Macedonia and Bosnia and Herzegovina and at the international airport in Belgrade, in addition to Hungary and Bulgaria. The new status agreement between the EU and Serbia entered into force on 1 April 2025 and renewal of the Ministry of Interior's working arrangement with Frontex is ongoing. Serbia has also invited Frontex to extend its operations along the borders with Croatia, Bosnia and Herzegovina and Montenegro, and those deployments are expected in the last quarter of 2025.

Implementation of the integrated border management (IBM) action plan (2022-2024) is delayed and should be followed up more effectively by the coordination body in charge of monitoring the

activities and results. The subsequent action plan for the period 2025-2027 has been prepared but has not yet been adopted.

Implementation of the Schengen *acquis* is supported by the Schengen action plan. Given the need to reinforce and establish a solid foundation for the Schengen system, an action plan for the accession of Serbia to the Schengen area was adopted in July 2023, and implementation is ongoing.

#### Implementation and enforcement capacity

Significant investment is needed in human, financial and technical resources for border control (second-line checks, border surveillance and equipment for the detection of forged documents), and in infrastructure at border crossing points, in line with EU Schengen requirements. A national coordination centre is not yet established. Inter-agency cooperation is satisfactory between border police and customs at border crossing points. Further improvements are needed on information exchange by enabling mutual access to databases and a formalised and secure information exchange system. Serbia should also increase the capacity of all stakeholders in IBM to achieve interoperability with EU border management information systems. Serbia should step up action to implement the Directive on the obligation of carriers to communicate advance passenger information and the Directive on the use of passenger name record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crime.

In January 2025, several foreign civil society representatives (including from EU Member States) were detained and expelled from Serbia. Some were subsequently banned from entering the country on the grounds of representing a ‘security risk’. Furthermore, in March 2025, several foreign journalists, including from EU Member States, were denied entry into Serbia and some EU citizens legally residing in Serbia had their residence status removed and were asked to leave the country at short notice (*see Freedom of expression*).

Based on the Police Cooperation Convention for Southeast Europe (PCC SEE), the Ministry of Interior established cooperation with all neighbouring countries. Joint patrols continued with Hungary, North Macedonia and Romania.

The interim common crossing points (CCPs) between Kosovo and Serbia remain operational. Only two of the six permanent CCPs have been established (Merdare and Mutivodë/Mutivode). Serbia still needs to establish permanent CCPs hosted on their side (Jarinje/Rudnica, Končulj/Dheu i Bardhë and Depce/Muçibabë), which led to a suspension of EU funds for a project in July 2018. In addition, Serbia needs to engage constructively to enable the construction of the CCP hosted by Kosovo in the north of Kosovo at Tabavije/Bërnjak-Tabalije/Brnjak. Urgent action is required from Serbia to close illegal roads and bypasses to ensure exclusive use of official crossing points for goods and people entering or leaving Kosovo.

An anti-corruption preventive mechanism for authorities involved in IBM has been adopted, but further efforts are still needed at regional and local level.

Serbia needs to continue building the capacity needed to conduct returns of migrants with no legal right to stay to their countries of origin, both for forced and voluntary returns, in a manner fully compliant with fundamental rights and international law.

#### **Counterfeiting of the euro (criminal law aspect)**

Serbia’s legislation on the suppression of counterfeit currency is largely aligned with the EU *acquis*.

The central bank has formal cooperation agreements with the European Commission on coins and with the European Central Bank on banknotes. The National Bank of Serbia conducts technical analysis and provides specialised training for licensed entities that authenticate euro coins and process euro banknotes since January 2020. Procedures are in place to deal with counterfeit money.

## 2.3. ECONOMIC CRITERIA

<i>Table 19:</i>	<b>2016-21</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Serbia - Key economic figures</b>	average			
<b>GDP per capita</b> (% of EU-27 in PPS) <sup>1)</sup>	42	46	49	51
<b>Real GDP growth</b>	3.5	2.6	3.8	3.9
<b>Activity rate of the population aged 15-64</b> (%), total <sup>1)</sup>	67.7	70.9	71.7	72.7
<i>female</i>	60.1	64.0	65.6	66.9
<i>male</i>	75.3	77.8	77.8	78.6
<b>Unemployment rate of the population aged 15-64</b> (%), total <sup>1)</sup>	12.5	9.8	9.7	8.9
<i>female</i>	13.3	10.3	10.2	9.1
<i>male</i>	11.9	9.4	9.3	8.8
<b>Employment of the population aged 15-64</b> (annual growth %)	2.1	2.3	0.8	2.0
<b>Nominal wages</b> (annual growth %)	6.9	13.8	14.7	14.4
<b>Consumer price index</b> (annual growth %)	2.3	11.9	12.1	4.6
<b>Exchange rate against EUR</b>	119.3	117.5	117.3	117.1
<b>Current account balance</b> (% of GDP)	-4.5	-6.6	-2.4	-4.7
<b>Net foreign direct investment, FDI</b> (% of GDP)	6.3	6.8	5.7	5.6
<b>General government balance</b> (% of GDP)	-1.9	-3.0	-2.1	-2.0
<b>General government debt</b> (% of GDP)	55.8	52.5	48.0	47.2

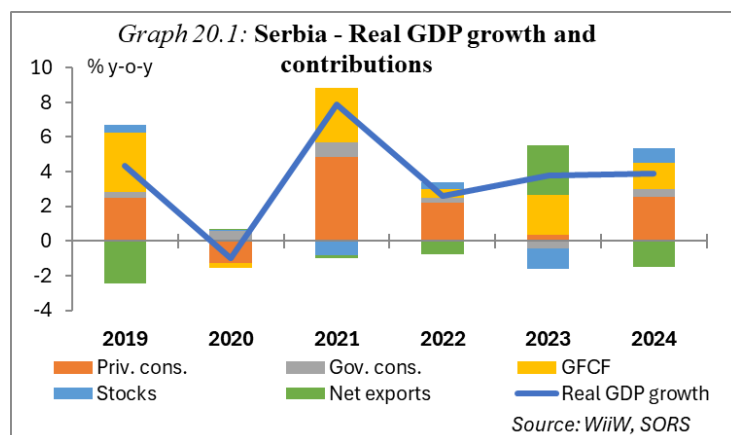
*Notes:*  
1) Eurostat  
Sources: Statistical office of Serbia, National Bank of Serbia, Ministry of Finance of Serbia and Eurostat

### 2.3.1. The existence of a functioning market economy

#### Economic governance

**Serbia remained committed to maintaining macroeconomic stability.** Serbia's 24-month stand-by arrangement with the International Monetary Fund (IMF) was successfully concluded in December 2024. It was replaced by a 36-month Policy Coordination Instrument (PCI), under which Serbia commits to continue to implement important reforms regarding SOE governance, the public-sector wage system, fiscal transparency, public investment management and energy sector reforms. The government's current fiscal strategy (2025-2027) targets an increased deficit of 3.0% of GDP in every single year, which is higher than the ceiling set in the fiscal rules.

**Serbia has partially implemented the policy guidance set out in the conclusions of the May 2024**



#### Economic and Financial Dialogue.

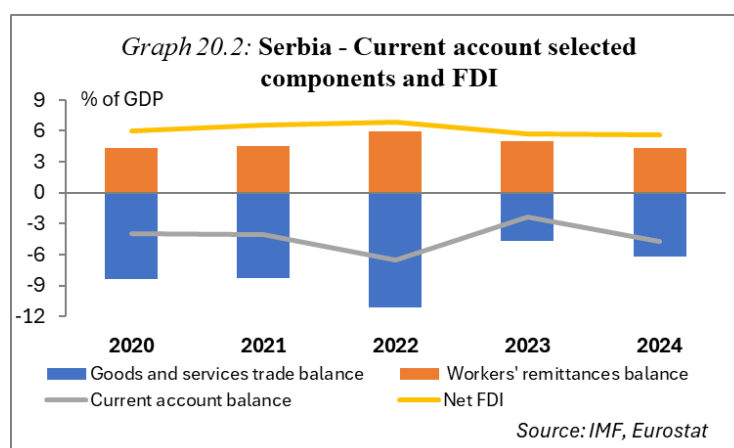
Serbia has achieved good progress notably in achieving a sufficiently tight monetary policy stance, continuing action to promote the use of the domestic currency and creating a bank resolution fund. However, only partial progress was made on the public-sector wage reform, fiscal risk analysis and reporting, implementation of the new SOE Law and on strengthening medium-term budgeting.

#### Macroeconomic stability

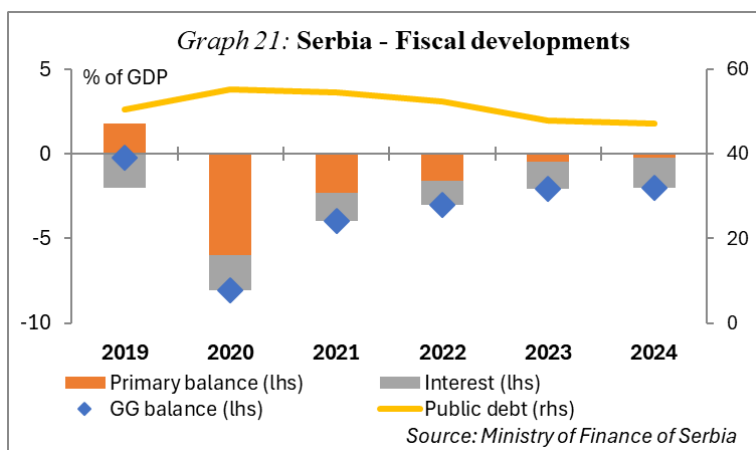


**Following last year's strong growth, economic activity slowed down at the beginning of 2025.** In 2024, GDP growth reached 3.9%, slightly higher than the average growth rate of 3.6% between 2019 and 2023, driven by buoyant investment and rising consumer spending. Consumer spending was supported by higher real disposable income resulting from rapid real wage growth, while investment was boosted by strong inflows of foreign direct investment (FDI) in 2024 and an ambitious public investment programme. In line with the strong increase in domestic demand, the contribution of net exports to GDP growth was negative as import growth far exceeded exports. However, the ongoing domestic political turmoil, weak demand from main EU trading partners, and intensified global trade tensions dampened economic sentiment, notably in the first half of 2025, and resulted in GDP growth decelerating to only about 2% in the first two quarters of 2025. The income gap with the EU average continued to narrow slightly in 2024, with GDP per capita in purchasing power standards reaching 51% of the EU average, up from 42% in 2019.

**In line with surges in investment and spending, the current account deficit widened considerably in 2024.** After falling to 2.4% of GDP in 2023, the external deficit rose to 4.7% of GDP in 2024 as both the trade and the primary income balance deteriorated notably. In the second quarter of 2025, the current account deficit rose further to 6.3% of GDP due to the large negative goods trade balance only partly offset by the surplus in trade in services, supported by ICT and business service exports. At the same time, the growing stock of FDI resulted in higher outflows of dividend and interest payments, while remittances decreased. The current account deficit was fully offset by net FDI inflows in 2024, reaching 5.6% of GDP. However, FDI fell by over half in the first six months of 2025 compared with the same period in 2024, but the fall is from record-high levels. Official foreign exchange reserves peaked at the end of 2024 at 35.6% of GDP, covering 7.3 months of goods and services imports, before subsiding in early 2025. External debt remained stable at 60.6% of GDP in 2024, slightly below the average of 62.6% between 2019 and 2023.



**Monetary policy remained relatively tight in 2024, which helped inflation return to within the central bank's target band ( $3\pm 1.5\%$ ) in mid-2024.** Down from 12.1% in 2023, inflation averaged 4.7% in 2024 but continued to hover around the upper bound of the target band in the second half of 2024. It bottomed at 3.8% in May 2025, but has since accelerated to 4.7% in August, notably driven by food prices. After lowering the key policy rate in the second half of 2024 in three steps to 5.75%, the National Bank of Serbia (NBS) has refrained from further easing of monetary conditions as domestic price pressures remain high. The NBS maintained exchange rate stability but switched to being a net seller on the local FX market in the first half of 2025 due to the deteriorating external position.



**The general government deficit turned out lower than planned in 2024, at 2.0% of GDP.** Compared with 2023 figures, both revenue and expenditure increased by 1.5 percentage points (pps) of GDP, resulting in a minor improvement of the deficit vis-à-vis 2023 and a continuation of the positive trend in the balance since the outbreak of the COVID-19 pandemic in 2020. Revenues were mostly boosted by social contributions and personal

income tax, driven by rises in wages and employment. Capital spending increased by 0.9 pps to 7.3% of GDP, while current spending on pensions (up 0.8 pps) and wages (up 0.6 pps), also saw notable increases. However, these were in line with the special fiscal rules capping pension and wage expenditure at 10% of GDP each. The level of subsidies remained relatively high at 2.5% of GDP. The primary balance was slightly negative. The public debt-to-GDP ratio declined to 47.5% from 48.4% in 2023. In October 2024, S&P Global Ratings upgraded Serbia's short- and long-term foreign and local currency credit rating, which resulted in the country's first-ever investment grade rating.

**The fiscal governance framework, while well-designed, risks being undermined by the decision to postpone the full application of the fiscal rules.** Serbia adopted a new set of fiscal rules in December 2022, with the deficit component set to enter into force in 2025. However, in late 2024, specific new deficit targets were agreed with the IMF under the PCI. The fiscal deficits are thereafter in practice anchored by the IMF program, as the application of the deficit rule will be *de facto* postponed until 2029, while the fiscal rule component on pension and public wage growth is still in place. Budgetary practices need improvements, notably as regards the budget procedure, including for amending budgets. Serbia used the fast-track procedure again to adopt the 2024 supplementary budget. Similarly, the contingency reserve, (which is relatively high against an international comparison) allows for substantial ad hoc spending decisions during the year. The reserve lacks clearly defined restrictions on the use of ad hoc decisions and is often spent in an untransparent way. The Fiscal Council continued to monitor fiscal policies, producing independent reports and recommendations.

**Overall, the macroeconomic policy mix was appropriate, although the plan to loosen the fiscal stance in 2025 somewhat contradicts the efforts to combat inflation.** Under current projections, the more expansionary fiscal policy is still set to result in a sustainable fiscal position as public debt is projected to decline gradually. However, the decision to weaken the fiscal targets appears pro-cyclical in the context of a projected economic upswing in the coming years. Maintaining fiscal discipline would be important to manage inflationary risks. Monetary policy has been appropriately tight, given the persisting domestic inflationary pressure.

### Functioning of product markets

#### *Business environment*

**Despite progress in reducing the regulatory and administrative burden on businesses, there are still weaknesses that affect small and medium-sized enterprises (SMEs) in particular.** The business environment is hampered by red tape, political interference, weaknesses in the rule of law and limited efficiency and transparency of the public administration. The Law on foreign exchange transactions is too restrictive and not applied consistently. Serbia ranked 105<sup>th</sup> out of 180 countries in the 2024 corruption perception index by Transparency International, continuing the negative trend since 2016. Efforts to reduce the size of the informal economy continued, but several factors favour

its persistence: high taxes and social security contributions on the lowest salaries, parafiscal (non-tax) charges, red tape and shortcomings in addressing corruption. In addition, there is insufficient capacity in key inspection departments. Further efforts are needed to improve the quality, independence and efficiency of the justice system.

#### *State influence on product markets*

**The state has significantly intervened in the product markets.** The government announced in August 2025 a major new intervention into the domestic trade of many basic goods, taking effect abruptly on 1 September 2025 for the following 6 months, with no meaningful prior consultation with stakeholders. The measure caps margins for the largest retailers, wholesalers and distributors to a maximum of 20% of purchase price for a large number of products, such as most food categories and household cleaning and personal hygiene products, cosmetics, etc. While it is intended to benefit consumers and contain inflation, the measure risks disrupting the business operations of retailers and the whole supply chain and could negatively impact investment and business climate. The legal framework for competition and State aid is broadly in line with the EU *acquis*, but greater alignment is needed with implementing legislation and to make implementation systematic. The Commission for Protection of Competition (CPC) and the Commission for State Aid Control (CSAC) are legally independent bodies. However, the operational independence of the CSAC needs to be demonstrated. State aid rules are not always implemented due to strong political pressure to provide financial assistance to SOEs and large foreign investors, which has a significant impact on competition. State aid is not sufficiently transparent, including in the 2025 budget. In addition, temporary ad hoc trade restrictions continue to be brought in at very short notice and without clear justification, with negative impacts on both local and foreign companies. Public investment management and public procurement procedures still use exemptions from standard procedures, undermining the attainment of a unified and transparent system for investment planning and management and preventing fair competition.

#### *Privatisation and restructuring*

**The state still plays a major role in the economy, which hampers competition and the development of the private sector.** Serbia's SOEs still operate in many structurally important sectors including energy, transport, manufacturing, telecommunications and finance, and employ a large share of Serbia's workforce. Their outsized presence affects resource allocation and impedes overall competitiveness while also posing a major risk for public finances. Steps have been taken to improve SOE governance through the 2021-2027 strategy on state ownership and management of SOEs and the Law on SOE governance, which entered into force in September 2024, and a number of related secondary laws. However, practical improvements have so far been limited. Many SOEs still do not apply proper corporate governance rules and continue to operate inefficiently. They often rely on direct or indirect government subsidies and are subject to strong political influence. The issue of appointing temporary managers for extended periods (against the rules) has yet to be addressed in practice. It is critical to finalise and operationalise the implementing legislation without delay, to ensure its application in practice, and make sure that the institutions responsible for doing so have sufficient administrative capacity.

#### Functioning of the financial market

**The banking sector remained stable** in the reporting period. The sector's capital adequacy was 21.3% at the end of 2024, well above the 8% minimum set by the central bank. Sector-wide liquidity remained high. Profitability increased, with the return on assets increasing to 2.8% in 2024 from 2.5% in 2023. The non-performing loan ratio decreased to 2.9% at the end of 2024 from 3.2% at the end of 2023. Bank lending to the non-financial sector amounted to around 36.5% of GDP in 2024. Bank financing remained the dominant form of lending, with non-banking financial institutions still underdeveloped. The Central Bank has intervened in the consumer and 'first residential property' loan market by issuing supervisory guidance for commercial banks to offer more favourable interest rates

and lending conditions specifically for low-income employees and pensioners. While the objective is to improve the accessibility of banking services for all categories of the population, this measure risks distorting the credit market, creates incentives for loan uptake beyond market-driven conditions and raises loan default risks. A legal framework for microfinance institutions is yet to be drawn up. Backed by the capital market development strategy, Serbia is working to further develop the domestic corporate bond capital market. The availability of venture capital in Serbia is very limited, but the adoption of the Draft Law on Amendments and Supplements to the Law on Alternative Investment Funds in 2024 is a step in the right direction.

### Functioning of the labour market

**The labour market continued to improve.** The overall unemployment rate fell to 8.6% in the fourth quarter of 2024. The activity rate of the population aged 15-64 continued to increase in 2024 and reached 72.7%. Net salaries increased by 13.9% in nominal terms, which due to lower inflation in 2024 translated into a 9.2% growth in real terms. Despite the increase in the activity rate of women, their participation in the labour force lags significantly behind that of men (66.9% and 78.6% respectively in 2024). The youth unemployment rate (15-24) was 23% in 2024, down from about 50% a decade ago. Emigration and the brain drain is a long-standing problem which has a negative impact on the growth and skills level of the labour force. Companies' access to skills is an increasing issue in various sectors. Despite notable unemployment, local labour shortage is a common issue for larger investments. Unemployment benefits and subsidised job seeker measures are low compared with the EU average. The budget allocated to active labour market measures has stagnated at around 0.1% of GDP in recent years. Undeclared work, especially in the agricultural sector, is a long-standing issue that has yet to be fully addressed. However, legislation on temporary agency employment and seasonal work has gradually lowered the rate of people working in the informal economy.

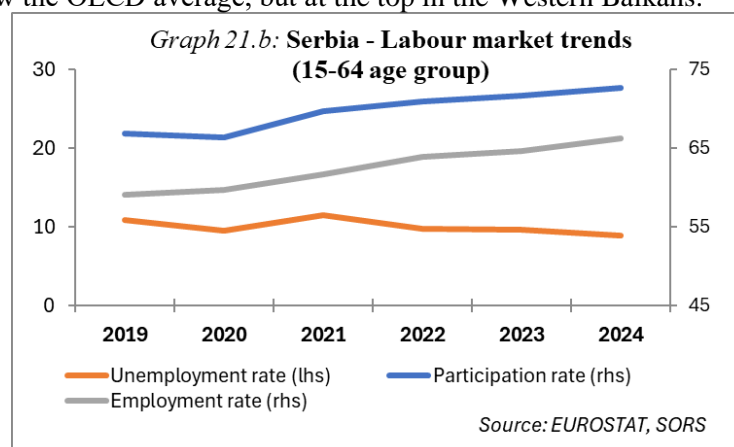
### **2.3.2. The capacity to cope with competitive pressure and market forces within the EU**

#### Education and innovation

**Despite the ongoing implementation of the 2030 education strategy, the quality of education and training has yet to meet labour market needs.** Public spending on education remains below the EU average (3.2% in 2023<sup>4</sup>). According to the Programme for International Student Assessment (PISA) 2022, Serbia's learning outcomes are below the OECD average, but at the top in the Western Balkans.

Serbia made progress in facilitating the school-to-work transition, as evidenced by the 11 pps increase in employment rates of recent graduates over the past five years (reaching 73.1% in 2024) and the relatively low rate of young people not in education, employment or training (NEET) (15.2% in 2023 for people aged 15-29 and 15.9% in the fourth quarter of 2024). The modernisation of vocational education and training (VET) is ongoing.

The quality of education needs to be improved to meet labour market needs and limited exposure to practical work-place training remains a challenge even for VET students. Participation rates in lifelong learning remained low. To remedy this, the offer could be diversified and better promoted, while reskilling and upskilling should be facilitated. The legal framework for



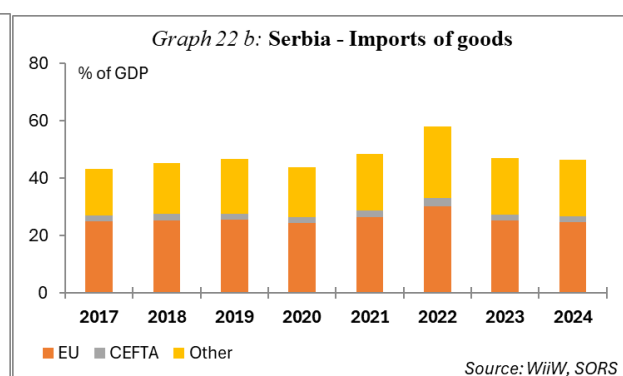
<sup>4</sup> Latest available data

lifelong learning lacks detailed implementation guidance, including standards for programme content, certification requirements and links to the National Qualifications Framework. Investment in research remained low at 0.88% of GDP in 2023 (against the EU average of 2.24%). The share of private-sector investment remained unchanged at 43.7% of total financing. The share of researchers in the labour force has steadily increased over the last 10 years to above the EU average. Implementation of Serbia's smart specialisation strategy, the strategy for development of start-up ecosystem and the law on innovation activity are ongoing.

### Physical capital and quality of infrastructure

**The level of government investment is high, concentrated in road and rail infrastructure, but infrastructure gaps remain.** In 2024, Serbia invested a total of 23.6% of its GDP. The economy also attracted significant FDI inflows of EUR 4.6 billion, or 5.6% of GDP in 2024, largely directed to manufacturing, mining and construction. Government investment was relatively high at over 7.3% of GDP in 2024, concentrated in railways, roads, energy infrastructure and environmental investments. Continuous monitoring of transport investment compliance with European standards is a challenge. Energy infrastructure is largely outdated, and coal remains the main source of energy. However, recent auctions were successful in attracting bidders for new renewable sources. The regulatory and green transition reforms are progressing but at too slow a pace. Serbia remains highly dependent on Russia for gas and oil, although steps have been taken to diversify import sources. Work is progressing on transport connectivity with neighbouring countries. The authorities are committed to extending the 'green lanes' to neighbouring Member States, in line with the Growth Plan for the Western Balkans. Serbia's digital transformation is well under way. Digital connectivity infrastructure is well developed in urban areas but underdeveloped in rural areas where commercial operators do not see any economic interest. However, some progress on rural broadband connectivity has been made in recent years. Digital government services are well developed, already reaching the EU average in many dimensions. Businesses are relatively active in e-commerce, but digital uptake among SMEs remains constrained mainly due to insufficient support mechanisms to translate regulatory improvements into business practice.

### Sectoral and enterprise structure



**Services dominate the economy, providing more than two thirds of the value added.** Industry continued to be the single largest sector in terms of its share of GDP, at 21.5% in 2024 although on a declining trend for several years. The share of the agricultural sector fell to 3.7% of GDP, while the share of the construction sector in GDP increased to 5.8% in 2024, supported by investments in infrastructure. SMEs provided close to 60% of total employment and turnover in the economy and around 50% of the value added in 2023<sup>5</sup>. SMEs are particularly active in construction, housing and food services, retail and real estate. Serbia is

<sup>5</sup> Last data point available.

implementing several programmes to support SME development, although the budget allocation remains modest and prone to ad hoc changes and cuts. Loans to SMEs consistently account for some two thirds of total corporate loans, but SMEs' borrowing costs are significantly higher than the costs faced by large companies. Policies to compensate for SMEs' lack of collateral, such as public credit guarantee schemes, are lacking. SMEs often face an uneven playing field as large companies and foreign investors often have direct lines of communication to the government and are much more likely to receive state subsidies.

#### Economic integration with the EU and price competitiveness

**Economic integration with the EU is high.** The EU is Serbia's biggest trading and investment partner, accounting for 58.3% of all trade and 37.6% of FDI inflows in 2024. Serbia's other main trading partners in 2024 were China (10%), the Central European Free Trade Agreement (CEFTA) countries (9%) and Türkiye (4.5%). China has become an increasingly important source of both imported goods and FDI inflows, accounting for around a third of the FDI inflow in 2024. There are still significant bottlenecks at border crossing points with neighbouring EU countries, despite continued efforts in various fora to address these.

**The real effective exchange rate (REER) has steadily appreciated in recent years.** The dinar–euro nominal exchange rate was broadly stable, as the central bank successfully managed both appreciation (in 2024) and depreciation (in the first quarter of 2025) pressure on the dinar. The Consumer Price Index (CPI)-based REER appreciated by 4.6% cumulatively between 2020 and 2022, edged down slightly by 0.3% in 2023, and then rose again by 0.4% in 2024. This reflects persistent inflation differentials between Serbia and its main trading partners. Similarly, the unit labour cost (ULC)-based REER continued to appreciate in 2024, rising by 13.4% over the year, mostly due to continued strong wage growth in the private sector.

## **2.4. PUBLIC PROCUREMENT, STATISTICS AND FINANCIAL CONTROL**

### **Chapter 5: Public procurement**

*EU rules ensure that the public procurement of goods, services and works in any Member State is transparent and open to all EU companies on the basis of non-discrimination and equal treatment.*

#### Institutional set-up and legal alignment

The **legal framework** of Serbia is broadly aligned with the EU *acquis*. The Law on public-private partnerships and concessions (PPPs) still needs to be amended to align with the Directive 2014/23/EU on concessions. In April 2025, Serbia adopted the 2025 annual action plan related to the 2024-2028 Programme for the development of the public procurement.

Serbia continues to have the tendency to circumvent its legislation in this area through intergovernmental agreements and special laws, including for the implementation of the international specialised exhibition EXPO Belgrade 2027. The Law on special procedures for the implementation of EXPO Belgrade 2027 and its accompanying decree exempt projects from the application of the Law on public procurement (PPL) and continue to raise concerns with respect to their compliance with the EU *acquis*, including as regards legal redress and tender submission deadlines. Additionally, the Decree on the selection of a strategic partner for solar power plants which introduced an exemption from the PPL and the Law on PPPs remains in force. An EXPO 2027 module exists on the public procurement portal. The transparency of projects contracted under intergovernmental agreements has improved, but remains limited.

#### Implementation and enforcement capacity

In 2024, the **public procurement market** represented 10.87% of GDP (10.50% in 2023) and increased by 22% in terms of total value of contracts while the average number of bids per tender



slightly increased from 2.4 to 2.5. The share of tenders with only one submitted bid remained broadly at the same level (50.75%) as in 2023. The number of public procurement procedures applying green and social procurement principles doubled in 2024. The share of contracts awarded on the basis of the price and quality criterion doubled from 4.46% in 2023 to 9.78% in 2024. In 2024, 55 contracts for public-private partnerships were signed.

Concerning the **capacity to manage public procurement processes**, the Public Procurement Office (PPO) remains slightly understaffed, whereas the administrative capacity of the Commission for Public-Private Partnerships and Concessions needs to be significantly strengthened. The PPO continued to provide trainings to contracting authorities, economic operators and the judiciary.

The total value of contracts exempted from the application of the PPL decreased from EUR 7.1 billion in 2023 to EUR 5.7 billion in 2024. Intergovernmental agreements were the second most frequently used legal basis for the exemptions in terms of value (EUR 1.2 billion) and represented 21% of the exemptions reported in 2024.

The number of public procurement procedures monitored by the PPO remained stable at 810 in 2024 (782 in 2023). The number of requests submitted by the PPO to the relevant courts to initiate misdemeanour proceedings remained stable (223 in 2024, 218 in 2023). The State Audit Institution found irregularities in cases covering 21.2% of the value of public procurement contracts audited in 2024. These findings raise concerns and need to be closely followed up. More efforts are needed to consistently apply the PPL, to improve competition and transparency and to avoid conflicts of interest in the public procurement process, which remains vulnerable to corruption.

#### Efficient remedy system

Legislation on the **right to legal remedy** is broadly in line with the EU *acquis*, which is enforced by the Republic Commission for Protection of Rights in Public Procurement Procedures (RCPRPPP). The RCPRPPP solved 803 cases out of 812 requests for protection of rights in 2024 (729 received in 2023). Due to limited specialisation and training, the Administrative Court's **implementation capacity** is weak, and thus needs to be increased. Exchange of knowledge and information between the PPO and the Republic Commission with the Administrative Court should be further improved.

### **Chapter 18: Statistics**

*European statistics are developed, produced and disseminated by EU Member States, guided by the principles and quality criteria elaborated in the Regulation on European statistics, such as professional independence, impartiality, reliability, accessibility transparency and statistical confidentiality. Common rules are in place for the methodology, production and dissemination of statistical information, which are further specified in sectoral legislation that constitute the EU acquis on statistics.*

Serbia's **statistical infrastructure** is largely in line with European standards and integrates the principles of the European Statistics Code of Practice. A new law on official statistics, which should enhance the professional independence of the Statistical Office of the Republic of Serbia (SORS) and improve the alignment with the amended Regulation (EC) No 223/2009 on European statistics has yet to be adopted. The institutional framework is functional, but the administrative capacity of SORS still needs to be strengthened.

Concerning **classifications and registers**, the main classifications are aligned with the EU *acquis* and registers are updated regularly. SORS' submission of data to Eurostat continues to increase but the coverage of data needs to be further expanded.

Regarding **macroeconomic statistics**, Serbia implemented a benchmark revision in 2024 and improved the completeness of the submitted ESA tables, but there are still data gaps. As regards government finance statistics (GFS) and excessive deficit procedure (EDP), efforts should continue to



comply with ESA 2010. The coverage of the questionnaire related to the excessive deficit procedure notification tables as well as the alignment of ESA tables and EDP notifications following the benchmark revision should be further improved. The results of the benchmark revision need to be communicated adequately to users.

Serbia is largely aligned with the EU *acquis* concerning **business statistics**. It transmits structural business statistics (SBS) data and metadata for publication to Eurostat in good quality and in the required technical format. SORS also submits business demography (BD) data to Eurostat. However, for SBS as well as BD full coverage as well as timeliness has yet to be achieved. In the area of short-term business statistics (STS), Serbia produces fully compliant data except for service producer prices and the service production volume. Serbia should start the compilation of outward foreign affiliates statistics (outward FATS).

Serbia broadly complies with the EU *acquis* on **social statistics**. However, further progress is needed to produce statistics on job vacancies. Demographic and international migration statistics are partly aligned with EU requirements. Serbia should increase efforts to provide population data by all required breakdowns and submit to Eurostat data on immigrants, emigrants and acquisition of citizenship by all requested breakdowns.

Regarding **agricultural statistics**, Serbia is largely compliant with the EU *acquis* but still needs to transmit agro-monetary statistics.

Annual and monthly **energy statistics** are produced and sent for all relevant energy sources. In the area of **environmental statistics** Serbia is fully compliant for physical environmental accounts. However, monetary environmental accounts data still need to be developed. Serbia has also yet to start submitting data on pesticide statistics, fertiliser consumption and gross nutrient balances, whereas ecosystem accounts are still missing.

## Chapter 32: Financial control

*The EU promotes the reform of national governance systems to improve managerial accountability, sound financial management of income and expenditure and external audit of public funds. The financial control rules further protect the EU's financial interests against fraud in the management of EU funds and protect the euro against counterfeiting.*

### Public internal financial control

The **legal, strategic and institutional framework** for public internal financial control (PIFC) is broadly in place. However, Serbia should improve its implementation and ensure full consistency of the PIFC legal basis with the general legal framework. Weaknesses in performance management and lines of accountability between independent bodies and their parent institutions persist. The managerial accountability roadmap was adopted in December 2024, but its implementation is lagging behind.

Capacities to implement **internal control standards**, including risk management, have to increase at both central and local government level and to be integrated in the administrative culture. The framework for irregularity reporting for budget beneficiaries is in place, but the system needs to be properly implemented. The Ministry of Finance has successfully centralised the budget inspection function which however needs to be strengthened. The mapping of the national inspection environment and ensuring its proper role and scope remain a priority.

The **internal audit** practice is broadly in line with international standards. However, despite an increase in the number of internal auditors, not all institutions required to put in place an internal audit unit have done so, and many internal audit units do not have a sufficient number of auditors. Amendments to the Budget System Law adopted in November 2024 introduced penal provisions for budget beneficiaries which fail to put in place internal audit functions but remain to be enforced.

The **central harmonisation unit** continued to focus on system development and dissemination of methodological guidance.

#### External audit

Serbia's **constitutional and legal framework** provides for the independence of the State Audit Institution (SAI) in line with the standards of the International Organisation of Supreme Audit Institutions. The SAI Strategic Plan for the period 2024-2028 is duly implemented. The SAI audit procedures are in line with international standards. Although short from filling all systematised job positions, SAI currently demonstrates sufficient institutional capacity. The implementation of its recommendations is satisfactory. However, the continued focus on the detection of errors and filing of misdemeanour and economic offences and criminal charges against individuals adversely affected SAI's capacity to carry out its core audit tasks. SAI's financial independence was respected during the 2025 budget approval procedure. The quality of **audit work** is constantly improving and during 2024, SAI started to conduct real-time performance audits.

#### Protection of the EU's financial interests

Serbia has achieved a high degree of EU *acquis* alignment, but full alignment with the Directive on the fight against fraud to the EU's financial interests by means of criminal law still needs to be ensured. The 2024-2026 strategic plan for combating fraud and managing irregularities in handling financial resources of the EU in Serbia is being implemented. The **anti-fraud coordination service** (AFCOS) in the Ministry of Finance has only five full time and three temporary employees out of the planned 13. In 2024, AFCOS performed five administrative checks.

Serbia continued **good cooperation with OLAF** during investigations, and with other departments of the European Commission on the follow-up to recommendations. In 2024, Serbia reported 25 cases of irregularities via the Irregularity Management System. Serbia should maintain its efforts in further developing a solid track record on cooperation in investigations and reporting of irregularities.

#### Protection of the euro against counterfeiting

Serbia maintained a high degree of EU *acquis* alignment. The NBS has formal cooperation agreements with the European Commission on coins and with the European Central Bank on banknotes. NBS continued to develop its administrative capacities and actively cooperated with central banks in the region and Member States.

### **3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION**

Good neighbourly relations and regional cooperation form an essential part of Serbia's European integration process. They contribute to stability, reconciliation and a climate conducive to addressing open bilateral issues and the legacy of the past.

Serbia maintained its engagement in several regional cooperation initiatives such as the Central European Free Trade Agreement, the Energy Community, the Transport Community, the South-East European Cooperation Process and the Regional Cooperation Council.

The fifth **EU-Western Balkans Summit** was held in December 2024 in Brussels. It provided an opportunity to build on the momentum in the strategic partnership between the European Union and the Western Balkans, including a reflection on how to deepen that partnership and move forward together towards a joint future in the EU.

Serbia has actively engaged in the regional dimension of the **Growth Plan for the Western Balkans**, actively participating in both ministerial and leaders' meetings.

On the **Common Regional Market (CRM)**, at the Berlin process summit in London in October 2025, the leaders of the region endorsed a revised and streamlined action plan to implement the Green Agenda for the Western Balkans, adopted a Western Balkans Climate Adaptation Roadmap and committed to make progress in the promotion of regional mobility and implementation of relevant regional agreements and CEFTA decisions. . Serbia signed the fifth mobility agreement on access to higher education and admission to studies in the Western Balkans and supported the CRM action plan for 2025-2028. So far, Serbia has ratified four of the five regional mobility agreements; the ratification of the fifth mobility agreement is still pending. The **roadmap for roaming** between the Western Balkans and the EU entered the first phase of implementation. Twelve decisions were agreed by the CEFTA Joint Committee in October 2024, following an agreement between CEFTA members that allowed decision making in the organisation to be unblocked.

As a signatory to the **Dayton/Paris Peace Agreement**, Serbia respects Bosnia and Herzegovina's sovereignty and territorial integrity while developing and publicly promoting special relations with the *Republika Srpska* entity. As part of a continuing trend, senior Serbian officials attended the unconstitutional entity celebrations on 9 January. Serbia hosted then political leaders of *Republika Srpska* entity despite recent arrests warrants issued against them by the institutions of Bosnia and Herzegovina and filed a request at Interpol countering an international arrest warrant against the then *Republika Srpska* leader filed by a BiH court.

Serbia continued to cooperate closely with Croatia, Montenegro and Bosnia and Herzegovina under the **Sarajevo Declaration Process** to find sustainable solutions for refugees and persons displaced by conflicts in the 1990s.

Regarding **missing persons**, Serbia continued working with the International Commission on Missing Persons and the International Committee of the Red Cross (ICRC). Serbia took part in the work of the Western Balkans Missing Persons Group to address unresolved cases of mutual interest and unidentified persons together with Bosnia and Herzegovina, Montenegro, Croatia and Kosovo. Serbia also joined trilateral meetings to foster cooperation with Montenegro and Kosovo. No bilateral meeting with Croatia has taken place since January 2023. The Belgrade delegation to the ICRC-chaired working group on missing persons remained engaged, including in assessing possible grave sites in Serbia. The mechanism has not met at Heads of delegation level since April 2021, due to Kosovo's refusal to engage with the Head of the Belgrade delegation. Following ad hoc meetings of the working group at the level of Deputy Heads of delegation, hosted by the ICRC in January and July 2024, both delegations agreed on field work plans and to relaunch meetings at sub-levels of the working group to discuss specific cases (in July and October 2024). Another session of the Working Group was held in June 2025, with Kosovo delegation represented by its Head and Serbia by its Deputy Head. Consecutive sessions of the sub-working group scheduled for December 2024, January and June 2025 did not take place. Operational coordination was sustained through an ICRC-chaired thematic session on unidentified human remains (NNs) in March 2025, during which the parties exchanged information on several NNs cases of common interest and agreed to jointly focus on those.

While these commitments have so far been only partially fulfilled by both delegations, several joint field assessments, excavations and examinations took place during the reporting period, resulting in the resolution of four missing persons' cases. Two joint field assessments were organised by the Belgrade delegation in 2024 (in Kozlje and Kozarevo, located in the Novi Pazar municipality) and the launch of forensic works in Kozlje started in September 2025. The parties have exchanged information that can potentially lead to the identification of five unidentified human remains in the Pristina mortuary. Recent analytical reports and extracts from internal archives obtained by the ICRC could potentially lead to further progress.

Overall, Kosovo-Serbia cooperation in the working group remained hampered by unconstructive behaviour by the parties. On 17 December 2024, the two Chief Negotiators of Serbia and Kosovo agreed on the terms of reference for the Joint Commission on Missing Persons during an EU-

facilitated Belgrade-Pristina Dialogue meeting, paving the way for the overdue implementation of the Joint Declaration on Missing Persons endorsed by President Vučić and Prime Minister Kurti in May 2023. The Joint Commission is yet to hold its first trilateral meeting.

Overall, Serbia has remained committed to maintaining good **bilateral relations** with other candidate countries and neighbouring EU Member States. However, in 2025, several nationals of several EU Member States were expelled from Serbia and given a one-year entry ban on security grounds. Several EU Member States issued protest notes to the Serbian Ministry of Foreign Affairs in this regard.

Relations with **Albania** remained good overall. However, Serbia reacted negatively to the signing of a declaration on cooperation in security and defence between Croatia, Albania and Kosovo.

Relations with **Bosnia and Herzegovina** are overall good and stable. They continue to be affected by political tensions in relations to the 2024 ‘all-Serb assembly’ and its declaration on ‘the common future of the Serbian people’. As is the case every year, senior Serbian officials attended the unconstitutional *Republika Srpska* entity celebrations on 9 January. Milorad Dodik continued to receive political and logistical support from Serbia after the arrest warrant and final conviction, which the Serbian President and the Serbian government refuse to accept. As a signatory to the Dayton / Paris Peace Agreement, Serbia is obliged to respect Bosnia and Herzegovina’s sovereignty and territorial integrity. The two countries need to reach an agreement on state borders, including on two dams on the Drina River and a part of the Belgrade-Bar railway.

Relations with **Montenegro** are generally stable despite occasional mutual accusations. High-level visits took place and cooperation agreements were signed between the two countries. The Ambassador of Montenegro was accredited in April 2025.

Relations with **North Macedonia** intensified. The Prime Minister of North Macedonia paid an official visit to Belgrade. Memoranda of Cooperation were signed on the energy sector, gas sector and public administration reform. Serbia opened an Honorary Consulate in Kumanovo.

Relations with **Türkiye** are good. The fourth meeting of the Türkiye-Serbia High-level Cooperation Council took place in October 2024 in Belgrade, chaired by the two Presidents, who agreed to strengthen defence cooperation. Disagreement over Türkiye’s support to Kosovo’s membership in international organisations (notably the Council of Europe) remains.

Relations with **Ukraine** have improved, although Serbia has not joined the sanctions against the Russian Federation. The Serbian Embassy to Ukraine in Kyiv was reopened in December 2024 and the new Serbian Ambassador to Ukraine was accredited. In June 2025, President Vučić made his first official visit to Ukraine to participate in the Ukraine-Southeast Europe Summit in Odesa (re)confirming Serbia’s support to the territorial integrity and sovereignty of Ukraine. However, he did not sign the common declaration (*see also Chapter 31*). Serbia continued to provide financial and humanitarian assistance to Ukraine.

Relations with the **Republic of Moldova** are good but trade relations are underdeveloped.

Serbia’s relations with **Georgia** are overall good. Serbia has a Memorandum of Understanding with Georgia on cooperation in the field of European integration. A parliamentary delegation from Georgia visited Belgrade in March 2025 and air flights have been launched from Belgrade to Tbilisi. Preparations are ongoing to open the Serbian Embassy in Tbilisi. Bilateral trade is underdeveloped.

Relations with **Romania** and **Bulgaria** are overall good and relations with **Hungary** are very good, with high-level meetings taking place regularly and a number of joint strategic projects in the area of energy and transport.

Relations with **Croatia** continue to be marked by ad hoc antagonistic public exchanges and diplomatic demarches. Serbia has expelled several Croatian nationals on alleged grounds of posing a security

threat in the context of mass protests following the tragic accident at the railway station in Novi Sad. Nonetheless, energy cooperation between the two countries remained effective throughout the reporting period. Serbia reacted negatively to the declaration on cooperation in security and defence signed by Croatia, Albania and Kosovo and the signing of a bilateral agreement on expanding military cooperation between Croatia and Slovenia.

#### **4. NORMALISATION OF RELATIONS BETWEEN SERBIA AND KOSOVO**

The EU-facilitated Dialogue on normalisation of relations between Serbia and Kosovo continued in the reporting period with regular Dialogue meetings on the level of Chief Negotiators.

Both Serbia and Kosovo are expected to implement all of their respective obligations stemming from the Agreement on the Path to Normalisation and its Implementation Annex, as well as all past Dialogue agreements, in line with the official recommitment made in September and October 2024 respectively. Serbia is expected to start delivering on its obligations from the Agreement by initiating the recognition of Kosovo's documents, symbols and institutions, while Kosovo is expected to start the process leading to the establishment of the Association/Community of Serb Majority Municipalities (A/CSM) in parallel. The Agreement is valid and legally binding for the parties and any formalities, including related to its adoption or "formalisation", should not stand in the way of making progress in its implementation. The Parties also have an obligation to fully implement all past Dialogue Agreements. The constructiveness of the Parties will be assessed based solely on their own implementation performance. Normalisation of relations and implementing their Dialogue commitments remain essential conditions on the European path of both Parties and both risk losing important opportunities in the absence of progress.

In January 2025, the Council appointed Peter Sørensen as EU Special Representative for the Belgrade-Pristina Dialogue, to assist High-Representative/Vice-President in taking forward the normalisation talks.

During the reporting period, the situation in the north of Kosovo remained calm but fragile. In November 2024, an attack on the Iber Lepenc / Ibar Lepenac canal in the north of Kosovo took place for which perpetrators still have to be apprehended and brought to justice. In summer 2025, a series of arrests by both Serbia and Kosovo, including the Assistant Director of the Serbian Office for Kosovo Igor Popović (later released), temporarily negatively affected the normalisation process. In this context, Serbia is expected to comply with the 2015 Justice Agreement stipulating that criminal proceedings for offences in Kosovo are to take place in principle in front of Kosovo courts, notably in the case of arrest of Arbnor Spahiu. Serbia repeatedly conducted activities contrary to its obligations under the Agreement on the Path to Normalisation by lobbying against Kosovo's membership in international organisations. The normalisation process continues to be impacted by insufficient steps by Serbia to ensure accountability for the violent attack by armed Kosovo Serb assailants against Kosovo Police on 24 September 2023 in Banjska/Banjskë, which constituted the gravest escalation in recent years. Kosovo also repeatedly conducted activities contrary to its obligations under the Dialogue, including police operations against Serbia-supported structures and services in the north. Kosovo also arrested and immediately deported Kosovo citizens working for Serbian security structures and constructed two new bridges in Mitrovica in the vicinity of the main bridge. These actions are not in line with the spirit of normalisation. The EU expressed concerns about the recurrent lack of coordination by Kosovo and the negative impact on local communities and their access to basic public and social services, while reiterating that the actions undermine efforts towards sustained de-escalation – most recently in its statement of 16 May 2025.

When it comes to the state of play on implementation of all Dialogue agreements:

- The withdrawal of Kosovo Serbs from Kosovo institutions in November 2022 and the boycott of local elections in the north of Kosovo in April 2023 violate Serbia's Dialogue obligations and

they constitute severe backsliding in Serbia's compliance with the April 2013 "First agreement of principles governing the normalisation of relations" and direct violation of the Justice Agreement of 2015. At the time of reporting, both Parties are not complying with the 2013 "First agreement of principles governing the normalisation of relations and the 2015 Justice Agreement. The EU welcomed the participation of Kosovo Serbs in the parliamentary elections on 9 February 2025 and local elections in Kosovo on 12 October 2025 as a first step towards return of Kosovo Serbs to Kosovo institutions. The EU recalls that the return of Kosovo Serb officials to Kosovo institutions, including judiciary and law enforcement, has to be done in accordance with past Dialogue agreements and with full respect for Kosovo's legal framework.

- There has been no further progress on the implementation of the August 2015 Agreement, which laid down the principles for establishing the A/CSM. Kosovo and Serbia are urged to engage constructively on the establishment of the A/CSM based on the European Draft Statute presented to the Parties in October 2023 with no further delay. This obligation forms a part of the implementation of the Agreement on the Path to Normalisation of Relations, which the Parties are expected to advance on, as recalled by the European Council in October 2023. The status of Serbia-supported structures and services in Kosovo needs to be addressed in line with agreements reached in the EU-facilitated Dialogue and Kosovo law and not through uncoordinated measures.
- The works on the Austerlitz bridge in Mitrovica, as well as additional assessments and consultations have been completed. The position of the EU remains that the bridge should be opened. The opening has to be coordinated with security partners.
- The implementation of the 2013 and 2015 Energy agreements and 2022 Energy Roadmap continued. Serbia is encouraged to allocate cross-border capacities to Kosovo and fulfil its longstanding obligation under the Energy Community Treaty.
- As regards the technical Dialogue agreements (2011-2012), some are not or only partially implemented. Until sustainable solutions are found, both Parties need to remain committed to the continued implementation of the Arrangements on Regional Representation and Cooperation, which enables Kosovo's participation in regional forums. Neither Party should block the work of regional forums over bilateral disputes. The implementation of the Agreements on cadastre and acceptance of university diplomas agreements is still pending due to non-implementation by Serbia. Serbia also has yet to address the issue of re-located Serbian administrative customs structures with Kosovo denomination that operate from within Serbia.
- On IBM, the Interim Common Crossing-Points (CCPs) between Serbia and Kosovo continue to be operational. Only two of the six permanent CCPs have been established (Merdare and Mutivodë/Mutivode). Serbia still has not established permanent CCPs to be hosted by their side (Jarinje/Rudnica, Končulj/Dheu i Bardhë and Depce/Muçibabë), which led to a suspension of EU funds for this project in July 2018. In addition, Serbia needs to engage constructively to enable the construction of the third CCP hosted by Kosovo in the north of Kosovo at Tabavije/Bërnjak-Tabaliqe/Brnjak. Additional efforts are required from Serbia to close illegal roads and bypasses to ensure exclusive use of official crossing points for goods and persons entering into or leaving Kosovo. While a first discussion on harmonisation of phytosanitary and veterinary certificates took place at technical level on 23 April 2025, Serbia should allow the resumption of the EU-facilitated joint IBM meetings at all levels (local, regional and central).
- On freedom of movement, the EU welcomes the phasing out of plates with Kosovo cities' denomination issued by Serbia and the mutual recognition of licence plates, which took place in December 2023 and January 2024. The full implementation of the Freedom of Movement agreements still requires additional steps. In this context, Kosovo is encouraged to offer an effective registration process to all citizens for obtaining personal documents and Kosovo licence plates.
- Both Parties need to fully respect the Telecoms Agreement and not put its hitherto successful implementation at risk in any way. The Parties are also expected to engage constructively and find

through the Dialogue sustainable solutions to the remaining issues such as frequency harmonisation and postal services.

- The processing of mutual legal assistance (MLA) requests has been stopped by Serbia. Serbia needs to resume the MLA processing immediately in line with established and previously respected practice and address also pending requests. Judicial cooperation in criminal matters and civil cases is covered by MLA and not police cooperation.
- Both Parties need to respect the Arrangements for Official Visits in good faith and without preconditions. Almost no visits took place during the reporting period. Both Serbia and Kosovo need to allow the visits of their respective Chief Negotiator, other government officials and religious authorities when they are announced and conducted in line with the Arrangements, which has not always been the case. Official visitors are expected to refrain from divisive statements or behaviour.
- Limited progress has been made in the implementation of the political Declaration on Missing Persons adopted in May 2023 with the 17 December 2024 agreement on the Terms of Reference for the Joint Commission to be established as per the Declaration. The Parties are encouraged to refrain from politisation of this humanitarian issue and start implementing the Declaration immediately by holding a first meeting of the Joint Commission.

Overall, Serbia and Kosovo have participated in the Dialogue, but they need to demonstrate more serious and constructive commitment to advance the normalisation process. Moving forward, Serbia and Kosovo also need to make further substantial efforts to avoid actions that undermine stability and rhetoric that is not conducive to dialogue and reconciliation.

## 5. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

### CLUSTER 2: INTERNAL MARKET

This cluster covers: free movement of goods (Chapter 1); freedom of movement for workers (Chapter 2); right of establishment and freedom to provide services (Chapter 3); free movement of capital (Chapter 4); company law (Chapter 6); intellectual property law (Chapter 7); competition policy (Chapter 8); financial services (Chapter 9) and consumer and health protection (Chapter 28).

#### Chapter 1: Free movement of goods

*The free movement of goods ensures that many products can be traded freely across the EU based on common rules and procedures. Where products are governed by national rules, the principle of the free movement of goods prevents these rules from creating unjustified barriers to trade.*

##### General principles

Serbia revised the strategic documents to implement EU *acquis* in accordance with Commission's assessment. Serbia now needs to adopt the revised strategic documents and ensure their timely implementation. Assessment of the legislation regarding Serbia's application for an Agreement on Conformity Assessment and Acceptance covering low voltage devices, electromagnetic compatibility, machinery, and personal protective equipment is ongoing.

##### Non-harmonised area

Serbia needs to timely implement its action plan to ensure compliance with **Articles 34-36 of the TFEU**. Serbia remains partly aligned with the EU *acquis* on mutual recognition.

##### Harmonised area: quality infrastructure

Serbia has a developed quality infrastructure system, overseen by the Ministry of Economy and supported by various key entities and market surveillance bodies. However, the quality infrastructure institutions need additional budget and human resources. On **standardisation**, the national legislation



is highly aligned with the relevant EU *acquis* and Serbia has aligned with 99,5% of European standards (EN).

**Conformity assessment** bodies in Serbia increased to 918 from 889 in 2024. Serbia accepts the CE marking as a conformity mark and repealed most of the required obligations regarding Serbian certificates of conformity for EU products. However, Serbian certificates of conformity are still required for drones, and construction products including cement, steel for the reinforcement of concrete, and specific types of screws. Serbian legislation remains partly aligned with the EU *acquis* on **accreditation** and **metrology**. Serbia needs to align with the latest EU *acquis* on **market surveillance**, adopt an adequate market surveillance strategy and increase the number of market surveillance staff and IT resources.

#### Harmonised area: sectoral legislation

Serbia needs to fully align its national legislation with the latest EU *acquis* on machinery.

There was no progress on alignment with EU ‘**new and global approach**’ or EU ‘**old approach**’ product *acquis*. Serbia needs to align with the EU *acquis* on radio equipment. The alignment and capacity to implement the EU *acquis* on vehicle homologation needs to be strengthened.

On **procedural measures**, in August 2025 Serbia adopted and published a national control list of weapons partly aligned with the EU.

## Chapter 2 - Freedom of movement for workers

*Citizens of one Member State have the right to work in another Member State and must be given the same working and social conditions as other workers.*

Regarding **access to the labour market**, the legislative framework is partially aligned with the EU *acquis* as EU citizens are currently covered by rules for third-country nationals. In 2024, a total of 17 251 work permits were issued, of which 3% (526) to EU citizens. The working permit procedure has been simplified by the new system of single permit for residence and work.

Serbia’s National Employment Service has continued to carry out preparations for joining **EURES** (European employment services) upon accession and has started work to align its national classification of occupations to the European Skills, Competences, Qualifications and Occupations (ESCO). Serbia needs to initiate preparations for joining the **European Labour Authority**.

Regarding the **coordination of social security systems**, bilateral agreements are in place with 20 EU Member States. No new bilateral agreements were concluded over the reporting period. Overall, legislative and technical conditions for social security institutions to cooperate with their counterparts in EU Member States need to be further improved.

There were no developments on the **European Health Insurance Card (EHIC)**. Serbia currently applies agreements on the use of EHIC with nine EU Member States.

## Chapter 3: Right of establishment and freedom to provide services

*EU natural and legal persons have the right to establish themselves in any Member State and to provide cross-border services. For certain regulated professions, there are rules on mutual recognition of qualifications. EU rules on postal services focus on improving the quality of universal service, gradual market opening to competition, and the establishment of an independent regulator.*

In the areas of the **right of establishment** and **freedom to provide cross-border services**, the legal framework remains to be aligned with the EU *acquis*. Some progress was made with the adoption of the horizontal Law on services in November 2024 which is partially aligned with the EU Services Directive. The Law provides for the establishment of a point of single contact by the end of 2026. Sectoral legislation remains to be aligned with the EU Services Directive. The institutional framework

needs to be further strengthened.

In the area of **postal services**, the legal framework is aligned with the First and Second Postal Services Directives as well as partly with the Third Postal Services Directive. With the new Law on postal services entering into force in March 2025, Serbia aligned its legislation with the Regulation on cross-border parcel delivery services. The new postal law also lowered the weight limit for reserved letter items from 50 grams to 20 grams in line with the Postal Services Directive foreseeing a progressive and controlled opening of the postal market to competition. The national regulatory authority remains sufficiently staffed to manage ongoing responsibilities related to the postal market. Serbia continued to implement its Postal Services Development Strategy 2021-2025 to enable postal services to adapt to the technological, digitalisation, and e-commerce developments. Work is ongoing to prepare a new strategy for postal services 2026-2030.

In the field of **mutual recognition of professional qualifications**, national legislation is broadly aligned with the EU *acquis*. Serbia needs to fully align with the Professional Qualifications Directive, and the Proportionality Test Directive as well as further harmonise relevant sectoral legislation. On the mutual recognition of professional qualifications for nurses, veterinary surgeons, pharmacists and midwives, Serbia ratified the CEFTA agreement in September 2024. Certain regulated professions still have nationality requirement for access. A preliminary list of 50 regulated professions is pending adoption but does not contain all seven sectoral professions which benefit from automatic recognition under the Directive.

#### Chapter 4: Free movement of capital

*In the EU, capital and investments must be able to move without restrictions, with common rules for cross-border payments. Banks and other economic operators apply certain rules to support the fight against money laundering and terrorist financing.*

In the field of **capital movements and payments**, the institutional framework is in place. The legal framework is partially aligned with the EU *acquis*. Certain restrictions on capital movements remain on short-term foreign credit and deposit operations, on transactions with financial derivatives, on the Insurance Law and the Law on Voluntary Pension Funds. Administrative burden for entities engaging in foreign exchange operations remain significant. EU citizens still do not have equal treatment regarding the acquisition of real estate and agricultural land, which is not compliant with Serbia's obligations under the SAA.

On **payment services**, the legal framework was further aligned with the EU *acquis*. Amendments to the Law on payment services aligning with the Payment Services Directive (PSD2) started applying as of May 2025 and the related implementing legislation was adopted in December 2024. Having undertaken the necessary alignment with the *acquis*, Serbia joined the geographic scope of the Single Euro Payments Area (SEPA) payment schemes in May 2025. Nevertheless, Serbia should continue its efforts to align with the EU *acquis* in the area of payment services, including with the Cross-Border Payments Regulation. The Law on multilateral interchange fees and special operating rules for card-based payment transactions remains to be aligned with the EU *acquis* and the SAA obligations (*See Chapter 8 – Competition policy*).

On the **fight against money laundering and terrorism financing (AML/CFT)**, the legal framework is in place and to a large extent aligned with the current EU *acquis*. In the reporting period, Serbia further aligned the AML/CFT Law and the Law on central records of beneficial owners with the fifth EU anti-money laundering Directive and Regulation 2023/1113 on transfer of funds.

Following the adoption of the updated national risk assessment for AML/CFT in December 2024, the Strategic Operational Plan for the 2025-2029 period was adopted in April 2025. In May 2025, MONEYVAL conducted an evaluation visit for the sixth round of mutual evaluation in Serbia.

The institutional framework is in place but need to be further strengthened, including through increased capacity in the Administration for Prevention of Money Laundering (APML). In 2024, 2 014 suspicious transactions were reported to the APML, including 1 161 from the banks and by September 2025, 1 474 suspicious transactions had been reported, including 944 from banks.

## Chapter 6: Company law

*The EU has common rules on the formation, registration and disclosure requirements of a company, with complementary rules for accounting and financial reporting, and statutory audit.*

As regards **company law and corporate governance**, Serbia's legislation has a good level of alignment with the EU *acquis*. The adoption of a new Law on takeovers of joint-stock companies and related legislation to align with the EU *acquis* on company takeover bids is pending. Further alignment is needed with the directives on the use of digital tools and on cross-border conversions, mergers and divisions. Serbia's Corporate Governance Code is based on EU best practice and OECD principles. Company information in the business register is stored electronically in a database and is technically ready to interconnect with the Business Registers Interconnection System upon EU accession.

Regarding **company reporting**, Serbia has yet to align with the EU *acquis* on corporate sustainability reporting, on the disclosure of income tax information by certain undertakings and branches, and regarding the adjustments of the size criteria for micro, small, medium-sized and large undertakings or groups, bearing in mind the ongoing developments with the EU *acquis*. The Law on capital market is largely aligned with the EU Transparency Directive for listed companies.

## Chapter 7: Intellectual property law

*The EU has to a large extent harmonised rules for the legal protection and enforcement of intellectual property rights (IPR), covering notably patents, biotechnological inventions and pharmaceuticals, including supplementary protection certificates (SPCs), trademarks, designs, geographical indications (GIs), including craft and industrial GIs, as well as copyright and related rights.*

The Law on **copyright and related rights** remains to be further aligned with the EU *acquis*, in particular with Directives 2014/26 on collective rights management, 2012/28 on orphan works and 2017/1564 on certain permitted uses of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled. Work on the alignment of Serbia's legal framework with Directive 2019/789 on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, and Directive 2019/790 on copyrights and related rights in the Digital Single Market is ongoing.

On **industrial property rights**, the legislative framework is generally in line with the relevant EU *acquis*. The Intellectual Property Office is relatively well staffed and efficient in registering trademarks. In 2024, it received 2 600 applications for trademark protection and 273 for industrial designs. It registered 1 935 trademarks and 273 industrial designs during the same period. In 2024, there were 1 304 validated European patents while 21 national patents were granted.

On **enforcement**, the amount of counterfeit and pirated goods confiscated and destroyed by the Market Inspectorate increased significantly from 739 750 in 2023 to 1 215 425 in 2024, while the number of items detained by the Customs Administration dropped from 290 866 in 2023 to 103 894 in 2024. A new programme on the development of intellectual property remains to be adopted. Work to further align with the Directive on the enforcement of IPR is ongoing. The Intellectual Property Office set up an enforcement unit in charge of coordinating the work of the IPR enforcement coordination body. However, the electronic platform for information exchange among IPR

enforcement institutions remains to be launched. Due to inadequate specialisation and the increasing number of new cases, the capacity of the judiciary to handle IPR cases remains limited

## Chapter 8 - Competition policy

*EU rules protect free competition. They include antitrust rules against restrictive agreements between companies and abuse of a dominant position, and rules on concentrations between companies which would significantly impede effective competition. EU rules also set out a system of State aid control. Governments are only allowed to grant State aid if restrictive conditions are met, with a view to preventing distortion of competition.*

### Antitrust and mergers

The **legislative framework** is broadly in line with Articles 101 and 102 TFEU and related provisions of the SAA but needs to be fully aligned with EU guidelines and communications. Three block exemption regulations remain to be adopted. No progress was made on aligning Article 9 of the Law on multilateral interchange fees and special operating rules for card-based payment transactions with the EU *acquis* and the SAA.

Regarding the **institutional framework**, the Commission for Protection of Competition (CPC) has a reputation as an operationally independent institution. The level of fines in 2024 decreased from over EUR 3 million in 2023 to around EUR 0.5 million. Work should continue on sustaining a credible enforcement record, decisions should be systematically published, and the transparency of the CPC's work should increase.

The **enforcement capacity** of the CPC is relatively adequate. Consulting the CPC on all relevant legislation should continue and its opinions should be systematically taken into account. The CPC should further step up advocacy activities. The capacity and specialisation of the judiciary for complex competition cases needs to be improved significantly.

### State aid

Regarding the **legislative framework** on **State aid**, the Law on State aid control is broadly in line with the EU *acquis* and the relevant provisions of the SAA. To further align implementing legislation with the EU *acquis*, three new decrees were adopted in February 2025. However, additional implementing legislation needs to be further aligned. Existing State aid schemes, most notably the fiscal State aid schemes established by the laws on corporate income tax, on personal income tax and on free zones, are not yet aligned with the EU *acquis*. In line with its SAA obligations, Serbia has finalised an inventory of State aid schemes. However, a timebound action plan for alignment of incompatible schemes remains to be adopted by the government. Furthermore, the regional aid map still has to be drafted.

On the **institutional framework**, the operational independence of the Commission for State Aid Control (CSAC) needs to be demonstrated by establishing a transparent track record that shows consistent and satisfactory implementation of the law.

CSAC's **enforcement capacity** in terms of staffing should be further strengthened.

The **implementation** of the Law on State aid control should be further improved. In particular, the notification and the standstill obligations need to be respected systematically. State aid is occasionally provided to economic operators, particularly foreign investors, without prior approval by CSAC. It is important that Serbia ensures that all State aid grantors, including municipalities, notify State aid *ex ante*. CSAC's annual reports on State aid granted should be adopted timely by the government. Advocacy activities among aid-granting authorities need to continue as there is a systematic lack of awareness of State aid rules.

On **liberalisation**, a new decree on *de minimis* aid for the provision of services of general economic

interest was adopted in February 2025, while rules on public service compensation to undertakings for the provision of services of general economic interest need to be further aligned. Enforcement of competition rules for public companies needs to be intensified. There is no evidence of the existence of commercial monopolies within the meaning of Article 37 TFEU.

## Chapter 9 - Financial services

*EU rules aim at ensuring fair competition among financial institutions and the stability and integrity of financial markets, namely in the field of banking, insurance, supplementary pensions, investment services and securities. They include rules on authorisation, operation and supervision of these institutions.*

In the area of **banking and financial conglomerates**, the institutional and legal framework is in place, with a good level of alignment with the previous versions of the Capital Requirements Regulation and the Capital Requirements Directive (CRR/CRD). Amendments to the Law on banks were adopted in March 2025 and will apply as of October 2025, aiming to further align with CRR II and CRD V. Work needs to continue to align with the latest versions of the CRR/CRD. Regarding bank resolution, the amended Law on banks created a dedicated resolution fund to be financed with contributions from banks, as well as important elements of the Bank Recovery and Resolution Directive II (BRRD II), such as: rules on the calculation of the minimum requirements for own funds and eligible liabilities (MREL) as percentage of total risk exposure amount and total exposure measure; the concepts of resolution entity and resolution group; option to impose a pre-resolution moratorium in addition to the possibility of already existing post-resolution moratorium. However, full alignment with the revised version of the BRRD is yet to be achieved. NBS also progressed on the operationalisation of the resolution framework by adopting several implementing legislation to the Law on banks. As regards protection of deposits, Serbia needs to further align its national legislation with the EU Deposit Guarantee Scheme Directive.

Regarding **insurance and occupational pensions**, a new Law on compulsory traffic insurance is yet to be prepared. Preparations for alignment with the Solvency II Directive are ongoing. Alignment is still to be completed as regards the Directive on the activities and supervision of institutions for occupational retirement provision.

In the area of **financial market infrastructure**, Serbia remains partially aligned with the EU *acquis* and should continue alignment efforts. Serbia is implementing its Capital market development strategy for 2021-2026, focusing on completing the implementing legislation of the Law on capital market.

On **securities markets and investment services**, Serbia should further align with the EU *acquis*. Despite amendments to the Law on open-ended investment funds and the Law on alternative investment funds adopted in December 2024, further work is needed to fully align with the Directive on alternative investment fund managers (AIFMD) and the Directive relating to undertakings for collective investment in transferable securities (UCITS).

There were no developments on **sustainable and digital finance** in the reporting period.

## Chapter 28 - Consumer and health protection

*EU rules protect consumers' economic interests and in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, as well as human and veterinary medicinal products. The EU also has rules for upholding patients' rights in cross-border healthcare and in preparing for and responding to serious cross-border health threats including communicable diseases.*

### Consumer protection



On **horizontal aspects**, Serbia's legislation remains largely aligned with the EU consumer protection framework, however the horizontal Law on consumer protection requires further alignment.

On **non-safety issues**, the number of alternative dispute resolution (ADR) bodies increased to 71, and the number of solved cases in ADRs proceedings amounted to 3993 in 2024 and 1869 in 2025. The financial stability of ADRs needs to be ensured. In its capacity as an ADR body in charge of financial institutions, in 2025 the National Bank of Serbia (NBS) resolved 813 complaints related to banks. Serbia adopted the new Law on the protection of financial service consumers which aims for further alignment.

On **product safety**, Serbia's legislation needs to be further aligned with the EU *acquis*, and market surveillance capacities need to be strengthened (*see also Chapter 1*).

### Public health

On **public health**, Serbia needs to ensure the sustainability of the public health insurance fund, full compliance with EU health indicators, implement the national plan for human resources in the health sector, and adopt secondary legislation to improve the organisation of emergency services. On **eHealth**, the Law on health records and documentation needs to be aligned with the EU data protection *acquis*, standards and principles.

There was no progress on alignment with the EU *acquis* on **tobacco control**. Serbia needs to intensify controls to ensure effective implementation of tobacco control measures. Surveillance and response capacities for **serious cross-border health threats**, including **communicable diseases**, remain limited and in need of modernisation. Serbia needs to increase awareness of the necessity of childhood vaccination. There was no progress on alignment with the EU *acquis* on **blood, tissues, cells and organs, patients' rights in cross-border healthcare**, on **human and veterinary medicinal products**, on **medical devices**, or on **health technology assessment**. Serbia needs to implement stricter controls on prescriptions of antimicrobials for human and veterinary use to bolster its efforts on **antimicrobial resistance**.

Community-based **mental health** services remain underdeveloped, with low accessibility, and the 2019-2026 mental health protection programme remains to be implemented. There were no new developments on **cancer**, on **nutrition and physical activity**, on **drug abuse prevention and harm reduction**, or on **health inequalities**. Appropriate funding is needed to ensure implementation of the national programme on **sexual and reproductive health**. There is a need for humane and adequate treatment in gynaecological and obstetric facilities.

On anti-corruption, the Law on medicinal products and medical devices and its by-laws contain anti-corruption provisions, though aspects on the promotion or advertising of medicinal products need to be improved.

## **CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH**

This cluster covers: digital transformation and media (Chapter 10); taxation (Chapter 16); economic and monetary policy (Chapter 17); social policy and employment (Chapter 19); industrial policy (Chapter 20); science and research (Chapter 25); education and culture (Chapter 26); and customs union (Chapter 29).

### **Chapter 10: Digital transformation and media**

*The EU supports the proper functioning of the internal market for electronic communications, electronic commerce and audiovisual services. The rules protect consumers and support the universal availability of modern services.*

On **overall strategy**, Serbia's digital transformation is guided by EU alignment and public investment with a focus on innovation. Serbia joined the European Digital Innovation Hubs (EDIH) network on 1

January 2025, and participates in the Digital Europe Programme, EU Digital Agenda for the Western Balkans, EU4Digital initiative and Wifi4WB.

Regarding **electronic communications**, the Law on electronic communication is partially aligned with the European Electronic Communications Code. Full adoption of secondary legislation is still needed. The full operational and financial independence of the Regulatory Agency for Electronic Communications and Postal Services (RATEL) also remains to be ensured, and its administrative capacity needs to be improved.

The 112 European emergency number calling system has not yet been fully implemented according to EU standards.

The Law on broadband infrastructure, which aims to align with the Gigabit Infrastructure Act, remains to be adopted.

Serbia initiated the 5G frequency auction, having previously adopted the implementing legislation on minimum conditions for issuing individual operator licences for spectrum use for the 5G frequency auction. Serbia transposed the EU 5G Cybersecurity Toolbox, which it needs to fully implement, including the assessment of suppliers' risk profiles and putting in place appropriate restrictions and/or exclusions for high-risk suppliers. Regarding regional integration, Serbia has not yet signed the Memorandum of Understanding on a 5G roadmap for digital transformation. There were no developments regarding competitive safeguards, while the cable operators' market landscape further concentrated, and media content market share changed.

Regarding **digital services**, Serbia continued upgrading the government service information portal and introduced new e-gov services. Serbia needs to align with the Digital Services Act and Digital Markets Act. Serbia also needs to fully align with the EU's Open Data Directive on the reuse of public sector information.

Regarding **digital trust and cybersecurity**, further alignment with the EU *acquis* on the European Digital Identity Framework Regulation is needed in preparation for the roll-out of an interoperable national digital wallet. Serbia needs to align with the Network and Information Security 2 (NIS2) Directive.

On **media**, Parliament failed to timely launch the process to elect a new REM Council by 4 November 2024 as provided for by the law. As a consequence, the REM Council mandate expired and caused a regulatory vacuum. The process was launched on 25 November 2024 but not completed following a number of reported irregularities. A new call for REM Council was launched in May 2025 – months after the legal deadline. Several candidates and proposers also initially withdrew at the start of the second call. However, with international facilitation, the process resumed and advanced with the shortlisting of candidates.

In June 2025, Serbia adopted amendments to the Law on electronic media, the Law on public information and media, and the Law on public broadcasters. Several media associations were critical of the process as it was not sufficiently inclusive nor transparent. Alignment with the European Media Freedom Act is needed. Serbia also needs to amend the Law on advertising to ensure alignment with the Audiovisual Media Services Directive. The competition for the allocation of the fifth frequency for national broadcasting, launched in 2022 remains incomplete without a justified reason.

On **semiconductors**, Serbia does not yet align with the EU Chips Act. Regarding **artificial intelligence**, Serbia needs to align with the EU AI Act and create the necessary governance structures. In 2025, Serbia became co-chair of the OECD-backed Global Partnership on AI (GPAI). Serbia adopted a strategy for the development of artificial intelligence for 2025-2030.



## Chapter 16 - Taxation

*EU rules on taxation cover value-added tax, excise duties and aspects of corporate taxation. They also cover cooperation between tax administrations, including the exchange of information to prevent tax evasion.*

In the area of taxation, the institutional framework is in place.

Regarding **indirect taxation**, the legislative framework is partially aligned with the EU *acquis*. The Law on Value Added Tax was amended to introduce preliminary tax returns for VAT, modernising the system. Despite gradual increases, the Law on excise duties has yet to be fully aligned with the EU *acquis*. While the 2024 amendment aligned the excise duties on tobacco with the EU minima, the application of excise duty on natural gas was further postponed until 1 January 2026 for its use as propellant and until accession for heating purposes. An effective system to control and monitor the movement of excisable products is not yet fully in place, although improvements were made to the excise system for cigarettes and non-burning tobacco.

Regarding **direct taxation**, the legislative framework is partially aligned with the EU *acquis*. 2024 amendments to the Law on tax procedures and tax administration created a legal basis for the establishment of a comprehensive tax registry of natural persons, which will improve enforcement efforts.

Serbia cooperates with the EU through an enhanced dialogue on tax good governance, on the basis of the EU list of non-cooperative jurisdictions for tax purposes. The country remains committed to implement the Inclusive Framework on Base Erosion and Profit Shifting minimum standards.

Regarding **administrative cooperation and mutual assistance**, the institutional and legislative framework is largely in place and aligned. Serbia signed the Multilateral Competent Authority Agreement on the exchange of country-by-country reports in March 2025 but is yet to implement automatic exchange of financial account information.

Regarding **operational capacity and computerisation**, the institutional framework needs to be strengthened. The capacities of the Tax Administration, particularly on enforcement, need improving. The procurement of the IT system was delayed, while efforts to meet the requirement for the exchange of information on VAT (VIES system) are underway.

## Chapter 17 - Economic and monetary policy

*EU rules require the independence of central banks and prohibit them from directly financing the public sector. Member States coordinate their economic policies and are subject to fiscal, economic and financial surveillance.*

On **monetary policy**, the institutional framework is in place and the legal framework is largely aligned with the EU *acquis*. In March 2025, Serbia further aligned the Law on the NBS with the EU *acquis*. However, to ensure the full functional, institutional, personal, and financial independence of the NBS additional amendments are still needed, including amendments to the Law on public property. Regarding **economic policy**, the legal framework is partially aligned with the EU *acquis*. The 2025 budget listed for the first time a number of capital investment projects planned over a three-year horizon and applied a green tagging methodology. However, the introduction of a presentation of tax expenditures has been further postponed. Further alignment with the Directive on requirements for budgetary frameworks is needed through amendments to the Law on the budget system regarding macroeconomic and fiscal projections, a 3-year expenditure perspective, transparency, and accounting and statistical reporting. Furthermore, the sizeable contingency reserve, which has in recent years been used to facilitate ad hoc spending measures, lacks clearly defined restrictions for its usage and would benefit from improved regular reporting.

The budget procedure, including for amending budgets, needs to be systematically respected and public participation in the budget process and budget oversight by the legislature needs to be

improved. In recent years, in-year ad hoc spending measures have been a recurrent feature of budget execution which should be avoided. The institutional framework is well-developed, but programme budgeting needs to be strengthened, and administrative and IT capacity bolstered.

The government submitted its 2025-2027 **Economic Reform Programme** (ERP) on 15 January 2025. As in previous years, its analytical diagnostics were solid. Core reforms under the ERP continue from the previous programme and are in line with the Reform Agenda. Implementation of policy guidance set out in the conclusions of the Economic and Financial Dialogue of May 2024 has been partial.

## Chapter 19 - Social policy and employment

*EU rules in the social field include minimum requirements for labour law, equality and non-discrimination, health and safety at work. They also promote social inclusion and social protection, and social dialogue at EU level.*

In the field of **labour law**, the 2014 law remains only partially aligned with the EU *acquis*. The number of labour inspectors continues to be below the target of the Chapter 19 action plan. The number of child labour cases identified in 2024 by the Labour Inspectorate (0 cases) and the Republic Institute for Social Welfare (23 cases) is under-reported, compared with the National Child Labour Survey. Serbia has not yet addressed the recommendations of the Council of Europe Group of Experts on Action against Trafficking in Human Beings (GRETA) which called for proactive and thorough investigation of allegations of trafficking for labour exploitation involving foreign workers. The law on inspection oversight still does not comply with the International Labour Organisation (ILO)'s Convention requiring that labour inspectors be empowered to enter workplaces freely and without giving notice.

In the area of **health and safety at work**, the legislation of 2023 remains partially aligned with the EU *acquis*. Serbia continued to align its secondary legislation with the EU *acquis*. A new strategy and action plan in this area were adopted in October 2024. In 2024, labour inspectors carried out 1,025 inspections regarding fatal, serious with fatal outcome, serious, collective and minor injuries at work. The number of reported workplace fatalities increased in 2024 (59 cases, from 42 in 2023), with most cases occurring in construction and industry.

**Social dialogue**, and the involvement of social partners in policy developments relevant to them, remain weak. The last period marked by protests and work stoppages in the education sector confirmed the need to amend the law on strike without further delay as the current law of 1996 is outdated and not in line with ILO standards. In this context, the salaries of teachers participating in protests were severely reduced. No new sectoral collective bargaining agreements were signed. Some complaints brought up to ILO about the infringement of trade union and workers' rights have not been resolved yet.

On **employment policy**, budget allocations for active labour market policies decreased in 2025 and remain below 0.1% of GDP despite the employment action plan's target of 0.16%. The public employment advisers to job seekers ratio is too low. A Youth Guarantee pilot scheme has been implemented in three employment offices since January 2024. The scheme is expected to reduce youth unemployment (23% in 2024 for the 15-24 population) and NEET rate (14.9% in 2024 for people aged 15-29) (*see also Chapter 26 – Education and culture*). Regarding **labour force participation** and **unemployment rate** *see the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria*.

In the area of **social protection and inclusion**, in 2024, according to the latest survey on income and living conditions (SILC), the at-risk-of-poverty or social exclusion rate amounted to 24.3%, compared to 27.2% in 2023. Public expenditure on social protection and budget transfers as a share of GDP are still low. Serbia needs to address the ECRI's recommendations of June 2024 on the decision-making process of the Social Card and its impact on Roma and other vulnerable individuals. The ECRI called for a review involving equality bodies and CSOs, with *'particular emphasis on ensuring transparency*

in the operation of algorithmic systems [...], developing effective remedies and establishing a powerful oversight mechanism'. There is a need for legislative adjustments and improvement of the coverage and adequacy of financial social assistance. A new strategy for social protection and amendments to the law on social welfare are seriously delayed. The Law on

Financial Support to Family with Children was amended in September 2024 to increase several allowances but the recommendation of 2022 of the UN Committee on Economic, Social and Cultural Rights to remove discriminatory conditions was not addressed. Means-tested social assistance programmes do not sufficiently reach the poor, a large share of children living in poverty are not covered by any benefit, and the social protection system remains understaffed. The system of earmarked transfers to the local level is still not implemented systematically or transparently. Following an invitation by the Commission, Serbia nominated a national Contact Point for the European Child Guarantee. In the area of **de-institutionalisation**, an action plan to implement the related strategy is seriously delayed.

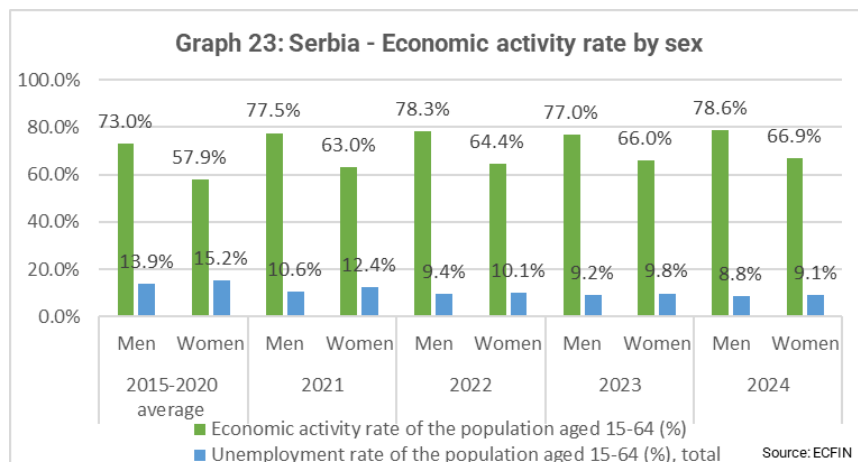
In the field of **non-discrimination in employment and social policy**, Serbia still needs to fully align with the relevant EU *acquis*, including the Employment Equality Directive, the Racial Equality Directive, the Directive and Council Directive on standards for equality bodies. Most complaints received by Serbia's Commissioner for the Protection of Equality are related to the area of employment (*see also Chapter 23 – Judiciary and fundamental rights*).

In the area of **equal opportunities for women and men in employment and social policy**, Serbia still needs to fully align with the EU *acquis*, including the Directive on Work-Life Balance, the Pay Transparency Directive and the Women on Boards Directive. The position of women on the labour market in Serbia remains unfavourable compared with the position of men. The employment rate for men (20-64 year olds) is 13.9 percentage points higher and their activity rate is 13.2 percentage points higher than those for women. The gender pay gap is 14.5%. The suspension of the gender equality law by the Constitutional Court has suspended the legal obligation for employers to report on gender equality in the workplace, including on the principle of equal pay for equal work. The gender pension gap stands at 16.8%. Although the legislation grants access to parental leave to both parents, gender-based stereotypical preconceptions persist about childcare and household work being a woman's responsibility. The lack of State services for childcare in rural areas also increases the amount of unpaid household work for women. Maternity, paternity and parental leave rights in the legislation are not aligned with the EU *acquis*. Sustained efforts are needed to ensure that anti-discrimination commitments translate into consistent practice, particularly in under-resourced municipalities.

There were no developments as regards preparations for the **European Social Fund** (*see also Chapter 22 - Regional policy and coordination of structural instruments*).

## Chapter 20 - Enterprise and industrial policy

*EU industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs).*



Concerning **industrial policy**, the institutional and policy framework is largely in place. Serbia continues to implement its strategy for industrial development 2021-2030 and the accompanying 2024-2025 action plan. Serbia should timely adopt a new action plan for the subsequent period.

Serbia continues to use budgetary subsidies for newly created jobs as an incentive for foreign direct investments. This approach is not consistent with its industrial policy goal of privileging value added over labour cost, and with the continued need to better integrate SMEs into domestic and international supply chains.

Regarding **enterprise policy**, reforms concerning the ownership and management of state-owned enterprises (SOEs) are advancing primarily through the implementation of the SOE strategy and related action plans, and the new SOE law which entered into force in September 2024. Proper implementation of the new law is dependent on 11 pieces of implementing legislation, of which 5 have been timely adopted. Serbia continues to make progress on its privatisation and restructuring process of over 500 SOEs, in which 41 companies remain.

Serbia's SME development strategy for 2023-2027 is being implemented. However, Serbia has yet to adopt an action plan covering 2025-2027.

Serbia should improve the predictability of the business environment, with an emphasis on ensuring that all relevant legislation undergoes timely and comprehensive public consultations, including through effective communication of the e-consultation portal.

Serbia has a range of **enterprise and industrial policy instruments** in place, including grants, subsidies, tax exemptions and guarantee schemes. The budget for measures supporting SMEs and entrepreneurship is growing but remains modest. Serbia participates in the SME Pillar of the Single Market Programme.

On combating late payments in commercial transactions, Serbia's legislation is largely aligned with the EU *acquis*. However, Serbia continues not to be aligned with its rules on payments, indemnity interest rates, expedited recovery procedures and compensation.

On **sectoral policies**, Serbia has a number of sector-specific strategies including in the areas of energy, transport, education, media, artificial intelligence (*see also chapters 10 on Digital transformation and media, 14 on Transport, 15 on Energy and 26 on Education and culture*) and tourism. In addition, Serbia is implementing its smart specialisation strategy (*see also Chapter 25 on Science and research*).

## Chapter 25 - Science and research

*The EU provides significant support to research and innovation. All Member States can participate in the EU's research and innovation programmes and benefit from them, especially where there is scientific excellence and solid investment in research and innovation.*

On **research and innovation policy**, Serbia is implementing its 2021-2025 strategy for development of a start-up ecosystem. Work is ongoing to align with the European Research Infrastructure Consortium regulation.

During the reporting period, worrying developments took place impacting the institutional autonomy of research and academic institutions and academic freedom. In March 2025, the government adopted two Decrees restricting the amount of time academic staff can spend on research activities. Their implementation resulted in a decrease in the salaries of teaching researchers to only 12.5% during the interruption of the academic year and retroactive payments of full salaries conditioned to the completion of the 2024/2025 academic year. These measures also undermine the eligibility of Serbian researchers to apply to certain European Research Council (ERC) grants and limit the effectiveness of the cooperation between academia and the private sector as part of the Quadruple Helix.

In July and August, central and local authorities dismissed board members of two major research institutes, and the management in one of the two, and nominated new members. Some of these decisions are challenged before the courts for allegedly not following the requirements set in the Law on Science and Research.

The Science Fund is operational as a funding mechanism with an increasing number of 13 funded programmes under a total budget of EUR 106.5 million.

The national level of investment in research remains low at 0.88% of GDP in 2023 (0.92% in 2022). Serbia is in the fifth year of implementing its Smart Specialisation strategy, with the second action plan extending to the end of 2025.

Concerning innovation measures, the Innovation Fund, four science and technology parks and 14 new incubators continue to be active with increasing financial contributions. While the Innovation Fund's Katapult accelerator and Serbia Ventures Programme (with investments of up to EUR 5 million) have positive impact on the innovation ecosystem, the number of validated European patents is modest. Further integration into the new European Innovation Agenda and activities of the European Innovation Council is strongly encouraged.

Serbia is an Emerging Innovator in the European innovation scoreboard, with a score of 51.5 in 2025 – above the average of the emerging innovators group. The performance gap with the EU is nonetheless increasing. Private sector research and innovation expenditure is increasing.

As regards the EU Framework programmes, Serbia takes an active part in Horizon Europe as an associated country. Serbia is also successfully participating in EUREKA and the European Cooperation in Science and Technology.

## Chapter 26 - Education and culture

*The EU supports cooperation in education and culture through funding programmes and the coordination of Member State policies through the 'open method of coordination'. The EU and the Member States must also prevent discrimination and ensure quality education for children of migrant workers, including those from disadvantaged backgrounds.*

In the area of **education and training**, the policy framework and the institutional framework are in place. There is a certain vulnerability for corruption in the sector as a whole and for higher education in particular. Serbia continued to implement its 2030 education strategy and its action plan with delays.

There was a discontinuity in the delivery of education on all levels, especially in higher education, throughout the 2024/2025 school year due to students' protests and blockades which were joined by education staff. Education delivery resumed gradually according to a new calendar to mitigate the impact of missed classes. During protests, cases of attacks and threats against students and professors were recorded.

At the beginning of the 2025/2026 school year, a significant number of principals were dismissed and temporary contracts of some teachers in primary and secondary education were not renewed. Serbia's Commissioner for the Protection of Equality launched proceedings over complaints of discrimination based on political or union activity. This raises concern in terms of erosion academic freedom, institutional autonomy and the quality of education in the context of persistent teacher shortages.

In March 2025, Serbia adopted amendments to four framework laws concerning primary, secondary and higher education. The draft amendments to the Law on Textbooks adopted by the government which would give exclusive rights to a public publisher for producing textbooks for subjects such as the Serbian language, geography, history and arts risk affecting the quality of textbooks and education and politicizing curriculum.



The level of public spending on education in Serbia in 2023 is modest around 3.2%, which is below the EU average of 4.6% of GDP. Public expenditures for higher education increased by 20%, namely for staff, material costs and scholarships. At the same time, a severe cut of salaries and operational costs across the education system was made on the account of discontinued delivery of classes in the context of the protests but are retroactively being paid conditioned with the completion of the 2024/2025 academic year. The student population continues to decrease due to negative demographic trends and emigration.

The coverage of children with early childhood education and care education (ECEC) is stable at 62.1 % in 2024 (61.2% in 2023) for age 6 months to 6.5 years. However, further efforts are needed to increase participation in preschool education, including through ensuring equitable ECEC for the most disadvantaged children. The enrolment rate in mandatory ECEC has been broadly stable, though decreasing to 96.2% during the 2024/2025 school year (97.2% in 2023/2024).

In December 2024, Serbia adopted new standards of achievement for all three cycles of pre-university education. The introduction of final examinations in secondary education was postponed to the 2028/2029 school year. The rate of early school leavers slightly increased to 6.2% in 2024 (5.8% in 2023). Serbia should commit sufficient funding and human resources for sustained participation in international assessments. Findings of the TIMSS 2023 survey indicate more favourable results among fourth graders, where Serbian students achieved results above the international average in mathematics and science. Serbia conducted the TALIS 2024 but postponed the PISA 2025 testing to autumn 2025.

Serbia should continue to modernise the curricula to improve VET relevance and further develop the national work-based learning model for VET. The employment rate of VET graduates (aged 20-34) is low but slightly increased to 67.3% in 2024 (65.6% in 2023). The lack of opportunities for reskilling and upskilling is a structural barrier to youth and adult employment which should be addressed. Work on the recognition of informal and non-formal training is progressing slowly and is yet to be scaled up systematically. Serbia is a member of the European Alliance for Apprenticeships (EAfA) and should encourage regional and local stakeholders to join the network.

Serbia is a member of the European Higher Education Area (Bologna process). Three Serbian universities participate in European Universities alliances. Amendments to the Law on Higher Education which brought in the possibility of micro credentials should be fully operationalised to facilitate additional lifelong learning opportunities. Lifelong learning participation decreased to 5.5% in 2024 (6.1% in 2023).

On quality assurance in higher education, no progress was made in the implementation of recommendations of the European Association for Quality Assurance in Higher Education (ENQA). An application for renewed membership in ENQA has yet to be submitted by the National Accreditation Body after its suspension in 2020. First qualification standards for higher education have been developed but are yet to be linked with quality assurance procedures. The attainment of tertiary level qualifications for people aged 25-34 slightly increased to 37.2% in 2024 (34.7% in 2023), significantly below the 2030 EU target of 45%.

Measures to reduce drop-out rates and segregation need to be enforced focusing also on the inclusion of women and girls in education and training. The number of students supported by individual education plans increased significantly in the 2024/2025 school year. Children with disabilities still do not have access to teaching assistants. The issue of children in residential institutions who are not attending education or have dropped out needs to be adequately addressed. Free textbooks are provided for an extended number of vulnerable categories of students. The education system has demonstrated flexibility in integrating migrants. The assistive technology resource centres need to become fully operational to provide additional services for inclusive education. The Criminal Code was amended with rules setting out penalties for assault and violence against people employed in

education. Mechanisms for prevention of, and protection against, violence and discrimination need to be fully implemented, and monitoring strengthened.

Serbia's digital transformation of the education system is ongoing including developing infrastructure and teacher digital competencies. Although the pre-university level curricula include mandatory subjects to develop digital skills, according to the 2023 International Computer and Information Literacy Study survey 67% of students lack sufficient competency to use digital technologies independently, safely and with critical thinking. The development of the education management information system still requires further consolidation. Further efforts are needed to align digital education with the EU's 2021-2027 digital education action plan. Serbia has yet to incorporate green and environmental topics into its curricula.

Serbia has been successfully participating in the Erasmus+ programme as an associated country since 2019. In 2024, Serbian organisations participated in 794 Erasmus+ projects, of which in more than 230 projects as project coordinators for a total contracted grant amount of EUR 19.4 million. Serbia is participating in all the European Education Area 2021-2025 working groups.

Regarding **youth**, Serbia is implementing the youth strategy and the Youth Guarantee action plans. The expenditures from the national budget for youth policy increased by 25% in 2025 compared to 2024. The legislation on youth, volunteering and internship has not been revised yet. The National Youth Council was re-constituted in October 2024. Despite increased efforts, youth policy and support mechanisms remain unevenly developed at local level.

On **sports**, Serbia is successfully implementing the third call for proposals for mobility projects in the area of sport and continued to participate in the European Week of Sport.

On **culture**, Serbia has been implementing its strategic priorities for cultural development for the period 2021-2025. However, the adoption of the overarching cultural development strategy is still pending. Serbia has ratified and continues to implement the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions at both national and local levels. Serbia fully participates in the 2021-2027 Creative Europe Programme. The 'Creative Europe Festival,' held across the country, further increases visibility and awareness of the programme. The Serbian cultural and creative sector has over the past year faced challenges with reduced funding and limited institutional support.

## Chapter 29 - Customs union

*All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity, and access to and interoperability with the EU electronic customs environment.*

Serbia's **customs legislation** is largely aligned with the EU *acquis*. In December 2024, Serbia further aligned its Regulation on customs procedures and customs formalities. A large number of implementing legislation related to the classification of certain goods was also adopted during the reporting period. Serbia is a party to the Common Transit Convention and to the Pan-Euro-Mediterranean Convention on rules of origin, including the transitional provisions that entered into force in January 2025. Serbia regularly harmonises its customs tariff nomenclature with the EU combined nomenclature, including for 2025. Serbia has an authorised economic operator programme and has issued a total of 66 certificates for authorised economic operators. Full alignment with the EU *acquis* is still needed concerning free zones. Fees are still charged at some border crossing points on lorries entering customs terminals to discharge customs obligations, which is not in line with Serbia's SAA obligations. In terms of the **administrative and operational capacity**, the customs laboratory remains underequipped, and the risk management system must be strengthened. To fully align on security aspects, Serbia should consistently carry out pre-arrival/pre-departure risk-based analysis, in line with the EU Customs Code. In 2024, total revenues collected by the customs administration



increased by 11% year-on-year. The administrative capacity for the control of illicit tobacco trade is insufficient. Serbia should continue to strengthen combating customs fraud, in particular smuggling of tobacco products and by cooperating with the European Anti-Fraud Office (OLAF).

Serbia is a party to the Protocol to Eliminate Illicit Trade in Tobacco Products of the WHO Framework Convention on Tobacco Control but has yet to fully comply with its provisions including by establishing a track and trace system of tobacco products.

Serbia continued to cooperate with EU Member States and OLAF under Protocol 6 of the SAA on mutual administrative assistance in customs matters in particular in order to investigate suspected cases of circumvention via its territory and/or by legal entities registered in Serbia of EU sanctions adopted in the context of Russia's war of aggression against Ukraine.

## CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

This cluster covers: transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

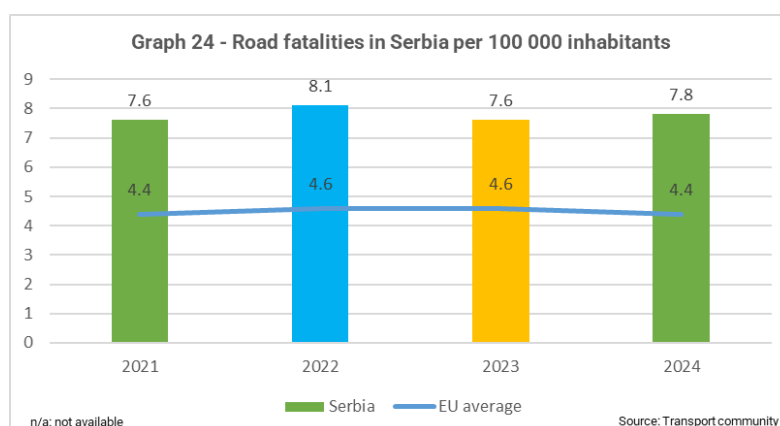
### Chapter 14: Transport policy

*The EU has common rules for technical and safety standards, security, social standards, State aid and market liberalisation in road transport, railways, inland waterways, multimodal transport, aviation and maritime transport.*

For the **general transport acquis**, Serbia must finalise and adopt its National Transport Strategy, while ensuring a transparent and inclusive consultation process. Subsequently, Serbia needs to update the general transport master plan and integrate it with capital budgeting. The improvement of administrative capacity in the road and rail sectors should continue. Serbia actively engages in the work of the Transport Community (TCT) and implemented the five TCT action plans, which ended in 2024. Serbia should now focus on the implementation of the next generation action plans 2025-2027. For larger transport agglomerations, sustainable urban mobility plans that adhere to environmental and social standards should be developed in accordance with EU practice.

On **road transport**, alignment with the EU *acquis* is at a good level and remains a priority. The institutional framework is in place, however, agencies responsible for road maintenance and construction lack full independence in carrying out their mandates. Road maintenance, including its financing, should ensure the sustainability of investments in road infrastructure and adhere to the 'user pays' principle. Serbia is committed to implementing EU-Western Balkans green lanes by updating working regimes at border crossing points with EU Member States, expanding border crossings along main corridors, including parking facilities, and promoting the use of digital waybills. The Road Safety Strategy for 2023-2030 and its three-year action plan should continue to be implemented, including more systemic use of tools supporting road safety improvements. The exchange of data with the European Commission, in accordance with the EU CARE protocol, should also be maintained. Social and market rules in the field of road transport must be fully transposed. In this context, the transition to smart tachograph technology is an important step.

On **rail transport**, there is a high



level of alignment with the EU *acquis*. The Railway Directorate, which acts as the regulatory body, licensing authority, and safety authority, should be further strengthened. The investment pipeline in railway infrastructure continues to grow. However, the legal, technical, administrative, and institutional frameworks relevant for the preparation and implementation of investment projects need to be thoroughly reassessed to tackle significant delays and administrative weaknesses currently causing ineffective use of resources. Current maintenance practices of railway infrastructure must be systemically improved to provide an adequate balance between infrastructure capacity and safety standards, as well as to ensure sustainability of ongoing and planned investments in railway infrastructure modernisation. Alignment with the fourth EU Railway Package should continue, notably by ensuring the adoption of the new Law on railways. Formal adoption of the EU technical specifications for interoperability remains pending, as does full alignment with the rail safety and interoperability *acquis*. The European Rail Traffic Management System should be fully and transparently implemented.

On **maritime transport**, Serbia is at a high level of alignment with the EU *acquis*. Serbia should continue aligning with international conventions.

Regarding **inland waterway transport**, there is a high level of alignment with the EU *acquis*. The institutional framework is in place; however, vessel traffic services need to be further strengthened. Serbia's operational river information services system is highly interoperable with those of EU Member States. Serbia should continue efforts to meet all requirements in the ongoing process of recognition of certificates in inland waterways including the connection to European Crew Data Base.

On **aviation**, Serbia maintains a good level of alignment with the EU *acquis*. Good level of implementation of EU safety *acquis* in the domain of air crew licencing was confirmed during the EASA inspection conducted in June 2025. No progress was made in lifting the suspension of articles on the licensing of air carriers or in normalising the lower airspace regime over Kosovo.

**Multimodal transport** policy should focus on improving the operational connectivity of various transport modes. Administrative capacity for multimodal transport needs to be further strengthened. A company in charge of operating the intermodal terminal in Batajnica was established in 2023, however, the terminal is still not yet fully operational, and customs services need to become functional at the terminal. Serbia has not yet aligned with the Combined Transport Directive.

No progress was made on **EU passenger rights reforms**.

## Chapter 15 - Energy

*EU energy policy covers energy supply, infrastructure, the internal energy market, consumers, renewable energy, energy efficiency, nuclear energy, nuclear safety, radiation protection and nuclear safeguards.*

On **security of supply**, Serbia took decisive steps in establishing the legal and institutional framework for the unbundling of the gas sector in line with the Third Energy Package, and Transportgas company was conditionally certified in March 2025. However, additional steps are pending, while the certification of the Banatski Dvor underground gas storage facility continues to experience significant delay.

Serbia maintained a high level of alignment with the EU *acquis* on emergency oil stocks. The Law on energy adopted in November 2024, together with Governmental Decree on Risk Preparedness in the Electricity Sector adopted in May 2025 aim at full transposition of Regulation (EU) 2019/941 on risk-preparedness in the electricity sector. Adoption of the Electricity Risk Preparedness Plan is **still pending**.

Regarding **internal energy markets**, alignment with and implementation of the Gas Storage Regulation is further delayed. In May 2025, the current gas supply contract with Russia was extended

by four months. Serbia should align to the EU policy of reducing gas dependence on Russia and address the issue of Russian majority control over its gas and oil industry. On 9 October, the US started implementing sanctions against Serbia's largest oil company NIS due to the company's ownership structure, in which the majority of shares (56%) are held by Gazprom Neft (50%) and Gazprom subsidiary.

Serbia has not yet enabled **transparent and non-discriminatory** third-party access to gas infrastructure, most notably to the interconnection transmission capacity. The development of competition and liquid trading of capacity and gas in Serbia is still lacking.

The amendments to the Law on energy **adopted in** November 2024, accompanied by Governmental Decrees transposing all five Network Codes and Guidelines adopted in the course of 2025, aim at transposing the Electricity Integration Package **and therefore** facilitate the integration of Serbia's electricity market with the EU market. Serbia continued its alignment with the Electricity Regulation 714/2009 to enable coordinated cross-border capacity allocation. However, the electricity transmission company EMS has not made progress on determining net transmission capacities and capacity allocation at the interconnection with Kosovo Transmission System Operator (KOSTT). Trading volumes on the organised electricity day-ahead market increased by 16.1% in 2024 compared to 2023.

Regarding **renewable energy**, in March 2025, the Ministry of Mining and Energy successfully completed the second auction process for wind and solar power plants (300 MW for wind and 124.8 MW for solar). The total capacity of new renewable sources supported by these schemes reached 770 MW.

Serbia further aligned with the Renewable Energy Directive (REDII), particularly by introducing mandatory certification for renewable energy installers and strengthening the regulation of energy communities and prosumers. Additionally, the Regulation on sustainability criteria for biofuels, bioliquids, and biomass fuels was adopted. However, Serbia is yet to establish a national traceability system for these fuels. Further alignment is needed, especially regarding the implementation of energy communities and the introduction of advanced biofuels and Renewable Fuels of Non-Biological Origin (RFNBOs).

On **energy efficiency**, no progress was made in aligning with the Energy Performance of Buildings Directive, while institutional capacity for implementing energy efficiency projects and measures continues to require substantial strengthening.

Regarding **energy labelling and eco-design** Serbia continued alignment with the Energy Labelling Regulation by adopting rulebooks for energy related products. However, only limited progress was achieved in aligning with the eco-design for the Sustainable Products Regulation.

Regarding **governance**, in November 2024, Serbia adopted the Energy Development Strategy until 2040, with projections to 2050, outlining a pathway toward climate neutrality through decarbonisation measures, including the expansion of renewable energy sources, enhancement of energy efficiency, and the introduction of emission pricing mechanisms. In July 2025, Serbia adopted the Just Transition action plan, as a milestone to accelerate coal phase out. Serbia should now establish the Just Transition governance process in accordance with the action plan.

As regards **nuclear energy, nuclear safety and radiation protection**, Serbia's legislation is partially in line with the Euratom *acquis*. The ban on the construction of nuclear power plants was lifted in December 2024. Licensing of two old storage facilities, two research nuclear reactors and an abandoned uranium mine has yet to be finalised. The Serbian Parliament has still not ratified the European Community Urgent Radiological Information Exchange (ECURIE) Agreement. The capacity of the Serbian Radiation and Nuclear Safety and Security Directorate (SRBATOM) needs

further strengthening in order to fulfil its future obligations also taking into account ongoing activities for the possible use of nuclear energy.

On **nuclear safeguards**, upon EU accession, the existing systems of accountancy and control of nuclear materials in Serbia would need to be adapted to accommodate for the safeguards provisions of the Euratom Treaty.

## Chapter 21 - Trans-European networks

*The EU promotes trans-European networks (TENs) in the areas of transport, telecommunications and energy to strengthen the internal market and contribute to growth and employment.*

On **transport networks**, the legislative framework is partially aligned with the EU *acquis*.

Serbia continues to develop transport projects within the trans-European networks. The preparation of technical and tender documentation for the implementation of TEN-T projects in road and rail needs to be accelerated. Feasibility studies and Environmental and Social Impact Assessments with active stakeholders' engagement should remain central to ensuring the quality of technical project documentation. Serbia needs to take into account the new TEN-T Regulation requirements and standards.

Regarding **roads**, for the works on the Niš-Merdare highway, to date, only around 10% of approved EU grant funds have been utilised, and the tendering of the remaining sections has been further delayed and postponed until the end of 2025. The preparation of missing project documentation for the Pločnik-Merdare section, for which EU funds have also been secured, has been pending for an extended period.

Regarding **rail infrastructure**, works related to the modernisation of the Niš–Dimitrovgrad railway and the Niš railway bypass are progressing at a very slow pace. Testing and completion of works on the remaining part of the Budapest-Belgrade line (the Novi Sad–Subotica sub-section) have been slowed down due to the tragic accident at the Novi Sad railway station. Tenders for the selection of contractors on sections 3 and 2 of Rail Corridor X are to be launched, while preparatory activities related to Section 1 should be accelerated. Scoping for the modernisation of the Belgrade and Niš railway junctions should be carried out to facilitate budgeting and project preparation activities. The works on lot one of the Stalać–Djunis sub-section, funded by the national budget, are significantly delayed, while the tendering procedure for lot 2 has been completed, but the works contract has not yet been signed.

Serbia is part of the new Western Balkans–Eastern Mediterranean European Transport Corridor and is therefore expected to be constructive in EU-funded projects implemented across the region, enhancing regional connectivity.

Transposition of the revised TEN-E Regulation is delayed. Serbia should transpose it in its national legislation, with the aim to accelerate permitting procedures and enable development of key infrastructure projects with the neighbouring countries.

Serbia continues to develop energy projects within the trans-European **energy networks**. In January 2025, the gas interconnector between Serbia and Bulgaria (IBS) began commercial operations after receiving a usage permit. However, an unrestricted third-party access regime and an open capacity allocation procedure on a non-discriminatory basis in line with the Energy Community *acquis*, the IPA 2017 Financing Agreement and Serbia's own commitments under the Reform Agenda remain to be fully implemented. Regarding the Trans-Balkan electricity corridor, the contract for the construction of a double circuit 400 kV transmission line included in the Section III from Obrenovac to Bajina Bašta has been signed and works began in June 2025. Assistance for the preparation of tender documentation for Section IV from Bajina Bašta to Montenegro and Bosnia and Herzegovina is ongoing. Serbia also initiated the drafting of the spatial plan for the "Pannonian corridor" project.

## Chapter 27 - Environment and climate change

*The EU promotes strong climate action, sustainable development and protection of the environment. EU rules contain provisions addressing climate change, water and air quality, waste management, nature protection, industrial pollution, chemicals, noise and civil protection.*

### Environment

The **institutional framework** is in place but should be improved as the environmental sector competencies are scattered across several Ministries. Overall coordination and capacity of local self-governments and public utilities companies, in particular in the water sector, should be strengthened.

In the area of **horizontal legislation**, the legislative framework has a high level of alignment with the EU *acquis*. In November 2024, the Parliament adopted the Law on environmental impact assessment (EIA) and the Law on strategic environmental assessment (SEA). It is now important to ensure swift implementation of the legislation for all projects, including for EXPO 2027, prior to issuing construction permits.

Public participation and consultations processes did not improve compared to the previous reporting period. Serbia should continue to enhance inter-ministerial coordination. Official reports and information about ongoing infrastructure investments and their environmental impact should be made publicly available by the Ministry of Environmental Protection.

Transboundary cooperation did not improve during the reporting period. Serbia should continue its efforts to implement the Espoo Convention, to strengthen collaboration with neighbouring countries and begin implementing the activities outlined in the Memorandum of Understanding on cooperation in the field of environmental protection with Bulgaria.

The number of inspection cases and issuance of offences increased, however, the alignment with the Environmental Liability Directive remains at an early stage, while alignment with the Environmental Crime Directive and its implementation needs to be improved.

In the field of **air quality**, Serbia maintains a high level of alignment with the EU *acquis*. In June 2025, Serbia adopted a new Law on air protection. Further alignment is encouraged with the latest air quality *acquis*, as well as alignment with the EU air quality index. In January 2025, civil society organisations took legal action against the authorities due to the lack of information on air pollution levels in Leskovac, Prokuplje, Požega, and Indija, where real-time data was allegedly not available to citizens. Three local air quality plans were adopted for Zrenjanin, Valjevo and Zaječar. Serbia continued to replace inefficient and polluting boilers in public buildings across the country.

Regarding **waste management**, Serbia has a good level of alignment with the EU *acquis*, however, implementation progresses slowly and remains limited. The waste prevention plan 2025–2030 together with four implementing laws were adopted during the reporting period. There is still a need to implement extended producers' responsibility system for specific waste streams, in accordance with the polluter pays principle. The Duboko waste management centre was closed, leading to the waste being redirected to unsanitary landfills. Landfill fires broke out in several cities during the summer 2025, prompting emergency actions from central and local authorities. Efforts at closing unsanitary landfills are ongoing and should intensify. The Belgrade waste incinerator has been operational since November 2024. Serbia has ratified the Parma declaration for prevention of diseases caused by exposure to asbestos, and also the Ostrava declaration supporting provisions of the Parma declaration.

The level of alignment with the EU *acquis* on **water quality** remains partial. The institutional framework in the water sector is fragmented and not adequately adapted to the increasing level of investments. Improving local governance and technical skills, especially regarding the operation and maintenance of water and wastewater treatment facilities, remains a priority. Serbia needs to

accelerate the adoption of the new water Law in line with the EU *acquis*, as well as the Law on drinking water.

Alignment in the field of **nature protection**, particularly with the Habitats and Birds Directives and the EU's latest *acquis* on nature restoration, remains partial and the adoption of the new Law on nature protection is still pending. In the reporting period, the surface of protected areas was expanded. Serbia should further intensify efforts to identify and pre-designate sites for inclusion in the Natura 2000 network. Institutional and human resource capacity at both national and local levels remains weak, especially in relation to enforcement capacity and control of wildlife trade. Novi Sad received the Ramsar Wetland City accreditation in July 2025.

As regards **industrial pollution and risk management**, alignment with the EU *acquis* remains partial. During the reporting period, 62 new Integrated Pollution Prevention and Control (IPPC) permits were issued out of a total of 220 required. Significant progress was achieved in the area of hazard risk management, with the adoption in November 2024 of the new Law on the control of major accidents involving dangerous substances together implementing legislation. Serbia is encouraged to adopt the remaining implementing legislation. In the reporting period, Serbia adopted the Law on ratification of the Minamata Convention on mercury.

Serbia has a high level of alignment with the EU *acquis* on **chemicals**.

There is partial alignment with the EU *acquis* on **noise**. Serbia should adopt the three prepared implementing laws under the Law on environmental noise protection. The strategic noise map for Belgrade Airport was adopted in June 2024. Serbia needs to continue developing noise maps for Belgrade, Subotica, and Kragujevac, as well as corresponding action plans, and ensure the enforcement of noise legislation.

Regarding **civil protection**, Serbia actively contributes to and participates in the Union Civil Protection Mechanism (UCPM) and provided critical energy infrastructure to Ukraine through the EU's Emergency Response Coordination Centre. Serbia possesses a legal and policy framework for disaster risk management, however, the new disaster risk reduction strategy and the new Law on disaster risk reduction and emergency management remain to be adopted. The Disaster Risk Register, in line with the EU INSPIRE Directive and the EU initiative to enhance data interoperability, is regularly updated. Serbia should establish the trans-European Services for Telematics between Administrations (TESTA) as a prerequisite for connecting to the Common Emergency Communication and Information System (CECIS).

### Climate change

Serbia has some preparedness in the area of **climate change**, but enforcement is at an early stage. Limited progress was achieved during the reporting period.

Serbia advanced on implementation of Monitoring Reporting Verification and Accreditation (MRVA) *acquis*. Trainings on carbon pricing and GHG applications for relevant stakeholders continued. The greenhouse gas registry has been operational since October 2024 and so far, 93 permits were issued. Guidance documents are publicly available through the platform. Serbia is encouraged to expand its legislative alignment with and implementation of MRVA *acquis* to cover the full EU ETS scope, thus including aviation, shipping and ETS2 sectors. There was some preparatory work for the introduction of a national carbon tax.

Serbia's draft national spatial plan, based on its energy strategy, includes the construction and operation of new thermal power plants, which could jeopardise Serbia's ability to fulfil its climate targets and align with those of the EU. Serbia should set a coal phase-out date as an effective means to comply with its Green Agenda commitments on achieving climate neutrality by 2050. The country should update its Climate Law and Low Carbon Development Strategy to align with the EU's 2050 climate neutrality target. Serbia still needs fully align with EU *acquis* on fluorinated greenhouse



gases, ozone-depleting substances, and emissions from the Land Use, Land Use Change and Forestry (LULUCF) sector, vehicles and road transport.

In January and September 2025 respectively, Serbia submitted its first biennial transparency report and its new nationally determined contribution (NDC) under the Paris Agreement. The new NDC sets a goal to reduce greenhouse gas emission by 40.1% (excluding the LULUCF sector) by 2035 which de facto means that most of the remaining mitigation efforts to reach low-carbon economy are postponed to after 2035.

## CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

This cluster covers: agriculture and rural development (Chapter 11); food safety, veterinary and phytosanitary policy (Chapter 12); fisheries and aquaculture (Chapter 13); regional policy and coordination of structural instruments (Chapter 22); and financial and budgetary provisions (Chapter 33).

### Chapter 11: Agriculture and rural development

*The EU's common agricultural policy supports farmers and ensures Europe's food security. It helps tackle climate change and the sustainable management of national resources; maintains rural areas and landscapes across the EU; and keeps the rural economy alive by promoting jobs in farming, agri-food industries and associated sectors. This requires strong management and control systems. There are also common EU rules for marketing standards, quality policy and organic farming.*

Regarding **horizontal issues**, Serbia revised its action plan for the transposition, implementation and enforcement of the *acquis* in this area. A new, national strategy for the period 2025-2034 remains to be adopted.

Serbia needs to make progress with the establishment of the integrated administration and control system (IACS) and the transition from manual to electronic processing of aid applications. The land parcel identification system (LPIS) software was developed. The Ministry of Agriculture, Forestry and Water Management needs to ensure sufficient human resources to implement the LPIS and further develop IACS. The sample size and the collected data need to be further improved to ensure the development of the farm sustainability data network.

In the area of **agricultural markets - common market organisation**, there was no progress on the adoption of legislation. The Law on wine remains to be adopted.

On **rural development**, Serbia recorded further losses under the IPARD II programme in 2024 and absorbed only 56,6% of the available EU funding.

Regarding IPARD III, there was limited progress with the rollover of entrusted IPARD measures. However, there was a lack of progress in the implementation, with no contracts signed yet and significant delays in the submission of entrustment requests for new measures. Serbia should urgently engage all efforts to contract and disburse IPARD III funds and significantly accelerate the entrustment of three new measures. The IPARD Agency's capacity needs to be further strengthened.

As regards **quality policy**, there was no progress. The Law on quality schemes still needs to be adopted.

On **organic farming**, the Law on organic production which would provide alignment with the EU *acquis* still needs to be adopted.

On the **fight against corruption**, the IPARD bodies are obliged to prevent, detect and report irregularities.



## Chapter 12 - Food safety, veterinary and phytosanitary policy

*The EU food acquis including hygiene rules for foodstuff production ensure a high level of food and feed safety, and a high level of protection of consumers' interests. Animal health and welfare, and the safety of food of animal origin, are safeguarded together with the quality of seeds, plant reproductive material, the protection against harmful organisms, animal nutrition and the use of plant protection products.*

The legal and institutional framework for this Chapter is in place. However, the legal framework remains to be fully aligned with the EU *acquis*, while the institutional framework and capacities need to be considerably strengthened.

In the area of **general food safety**, Serbia still needs to adopt a strategy and action plan for alignment with the EU *acquis*. Only two out of sixteen foreseen framework laws which are aimed to align with the *acquis* were adopted in the reporting period. Serbia continues to apply an inefficient risk-based approach to food imports. In addition, Serbia introduced unannounced changes of import conditions for products of animal origin, which negatively impacted trade flows of those product categories (see also Chapter 30). This issue now seems to have been broadly addressed.

On **veterinary policy**, understaffing at the Veterinary Directorate remains a major challenge for the implementation capacity. Serbia implemented rabies vaccination campaigns in 2024 and 2025 on its entire territory and should continue to do so. Serbia needs to strengthen its rabies surveillance. Serbia still needs to meet some requirements for the start of exports of fresh eggs and fresh poultry, and pork meat to the EU. Alignment with the EU *acquis* on animal welfare remains ongoing.

Regarding **placing on the market of food, feed and animal by-products**, additional efforts are needed to monitor and upgrade food establishments to EU standards. Further work is still needed to ensure full alignment with the EU *acquis* on the collection, storage and processing of animal by-products.

On **food safety rules** and its **specific rules for feed**, Serbia still needs to adopt the strategy/national programme for the improvement of milk quality. No progress was reported on aligning the permitted level of aflatoxins in milk with the EU *acquis*.

In the area of **phytosanitary policy**, some steps were taken in relation to the sustainable use of pesticides, but the relevant legislation remains to be fully implemented. The Plant Health Directorate also remains seriously understaffed, especially its policy departments. Amendments to two framework laws from this area, the Law on forest reproductive material and the Law on acceptance of agricultural plant varieties, were adopted in March 2025, aiming for alignment with the EU *acquis*.

No progress was reported on **genetically modified organisms**. Alignment in this area remains essential to advance negotiations on World Trade Organisation membership and is a prerequisite for opening this chapter.

## Chapter 13 - Fisheries and aquaculture

*The common fisheries policy lays down rules on fisheries management, protects living resources of the sea and limits the environmental impact of fisheries. This includes setting catch quotas, managing fleet capacity, rules on control and inspection, rules on markets and aquaculture and support for fisheries and coastal communities. Further, it promotes a sustainable aquaculture.*

While Serbia, as a landlocked country, only has inland fishing and aquaculture, it still needs to fully develop its currently limited institutional framework to address the relevant parts of the EU *acquis* under this chapter, in particular as a market country and in the field of aquaculture. The legal framework remains to be fully aligned with the EU *acquis*. During the reporting period, Serbia adopted an action plan to achieve full compliance with the EU *acquis* by the time of accession. This comprehensive document addresses the main actions to be undertaken in the field of fisheries.

On **resource and fleet management**, the EU *acquis* applicable to Serbia includes provisions on the European eel. Legislation on **market policy** remains to be aligned with the EU *acquis*.

While the system for **inspection and controls** is generally in place, further improvements are needed, including coordination between the state bodies involved. Official controls of fishery products intended for export to the EU remain to be aligned with the EU *acquis*. The implementation of the rulebook on catch certification and full alignment of the legal framework on illegal, unreported, and unregulated (IUU) fishing has been repeatedly postponed and should be addressed as a matter of priority.

In the area of **structural actions**, the sector is eligible for support under IPARD, however, the first contracts have not yet been signed.

In the area of **aquaculture**, Serbia should adopt a strategic plan to facilitate the development of this economic activity and further align with the EU *acquis*.

There were no significant developments concerning **State aid** and **international agreements**.

## **Chapter 22 - Regional policy & coordination of structural instruments**

*Regional policy is the EU's main tool for reducing regional disparities and investing in sustainable and inclusive socio-economic growth. It is operating through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative capacity on programme and project level, the establishment of systems of sound financial management and control and also the fulfilment of other EU *acquis* elements such as environmental or public procurement legislation.*

On **legislative framework**, Serbia still needs to adopt the law on cohesion policy, strengthen joint regional planning between central and local authorities and advance fiscal decentralisation to align responsibilities with financial resources. Since March 2025, regional planning is supported by the implementing legislation on public policy documents and regulatory impact assessment. By the end of the reporting period, 83% of the local self-governments had adopted local development plans, based on the principle of partnership. However, Serbia has still to adopt its national development plan to set policy priorities, recognise the development potential of the regions, and support efforts to reduce regional and local disparities. Compliance with enabling conditions remains monitored on a regular basis. More efforts are needed to promote sustainable and inclusive growth in the regions (*see also Chapters 5, 8, 15, 17, 19 and 27*).

The **institutional framework** for cohesion policy is largely in place, but responsibility for regional policy remains scattered among several ministries, and the potential of regional development agencies and local development offices is still underused. There are regular meetings to coordinate activities related to regional developments including the Chapter 22 action plan.

The potential of using European groupings of territorial cooperation in various policy instruments, as facilitators for integrated territorial governance and Interreg cooperation, remains untapped. Serbia demonstrates sufficient **administrative capacity** to manage EU funds. However, key institutions face understaffing, risking system disruptions and requiring urgent attention. The adoption of a retention policy remains a priority. Progress was made with the roadmap for building administrative capacity, mainstreaming the training on EU financing instruments and cohesion policy through the National Academy for Public Administration Training programme, certification of trainers on cohesion policy and ensuring good training dynamics and effectiveness. The existing training opportunities must be fully utilised to ensure timely implementation of the adopted operational programmes and seamless shift to ex-post controls.

On **programming**, Serbia adopted the Reform Agenda under the Reform and Growth Facility, completed the programming of the remaining IPA III funds, and launched the implementation of two

operational programmes. Progress was achieved in public investment management with the budgeting of capital investment projects over a three-year horizon, the application of green tagging methodology for investments, and the upgrade of the Public Investment Management Information System, enabling efficient assessment, monitoring and reporting of green investments. Serbia continues to participate in six cross-border programmes and two transnational programmes: the EU Strategy for the Adriatic and Ionian Region and the EU Strategy for the Danube Region.

Serbia benefits from a regulated and functioning **monitoring and evaluation** system, supported by an operational management information system. The Sector Monitoring Committees for the operational programmes need to be established, in line with the partnership principle.

The **financial management, control and audit** systems are functioning, as evidenced by the IPA contracting and disbursement rates and the low rejection rates. The strengthened audit system provides sufficient coverage and compliance with the international audit standards, although enhancing is needed to audit the IPA operational programmes and the Reform and Growth Facility. However, the understaffing of the National Authorising Officer Support Office, and the internal audit units of three ministries implementing EU assistance create critical risks.

Serbia has to upscale the legal framework for **fight against corruption and fraud with EU funds** and funds from other sources, through adopting provisions on exchange of information with OLAF, as well as on authorising access to information, and technical and financial verifications by the European Commission, OLAF and the European Court of Auditors. Strengthening the capacities of the Department for combating irregularities and fraud dealing with European Union funds (AFCOS) remains essential (*see also Chapter 32*).

### Chapter 33 - Financial and budgetary provisions

*This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) non-recycled plastic; and (iv) a resource based on value-added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.*

There was between limited to some progress in the underlying policy areas indirectly affecting the own resources system (*for progress in these areas, see Chapters 16 – Taxation, 18 – Statistics, 29 – Customs union, and 32 – Financial control*).

Regarding **traditional own resources**, the customs legislation is largely aligned with the EU *acquis*. However, reporting is manual, and Serbia does not use OWNRES, or any other similar national electronic database, to report on fraud and irregularities for amounts over EUR 10 000. The current accounting system does not use two different accounts, one for collected or secured debts (A account) and the other for uncollected/unsecured debts or secured but appealed debts (B account).

As regards the **VAT-based resource**, sufficient data sources are available for the calculation of the weighted average rate, deriving from the supply and use tables that were published for the first time in 2019.

Regarding **administrative infrastructure**, the capacity of the institutions in the relevant policy areas needs to be further strengthened, and the organisational and procedural links between the institutions involved in own resources should still be developed.

## CLUSTER 6: EXTERNAL RELATIONS

There are two chapters in this cluster: external relations (Chapter 30) and foreign, security and defence policy (Chapter 31).

## Chapter 30: External relations

*The EU has a common commercial policy towards third countries, based on multilateral and bilateral agreements and autonomous measures. There are also EU rules on humanitarian aid and development policy.*

As regards the **common commercial policy**, Serbia has yet to accede to the World Trade Organisation (WTO). The process is stalled primarily due to the lack of progress on the adoption of a modified law on trade in genetically modified organisms, and on the completion of market access negotiations with a small number of WTO members. Furthermore, Serbia has yet to achieve full alignment with the EU *acquis* in line with its action plan on remaining preparations for EU accession under Chapter 30.

Serbia should continue to play a constructive role in CEFTA and within the common regional market (CRM), in line with commitments taken in the context of the Berlin Process. Serbia should also continue to implement the new CRM action plan for 2025-2028 and decisions adopted in the context of CEFTA, including the nine decisions from October 2024 and the four from February 2025.

Serbia has a tendency to introduce ad hoc trade restrictive measures against the spirit of the SAA. Quantitative import restrictions on sunflower oil and margarine adopted by Serbia in March 2024 and the export ban on wood pellets from April 2024 were lifted in March 2025, and export quotas for iron and steel scrap adopted in December 2024 were lifted in July. In addition, in May 2025 Serbia revoked import licences and terminated the issuance of new licences concerning a large number of dairy and meat products, significantly disrupting trade while adding to the list of trade restrictive measures taken over the past years. This issue now seems to have been broadly addressed. An export ban of arms and military equipment remain in place as of June. There are also systematically deteriorating conditions for imports of different types of products primarily of animal origin related to the practices of sanitary, phytosanitary and veterinary border inspections in terms of frequency, duration, volume and costs of sampling. Serbia should abstain from introducing unilateral trade restrictive measures, in line with its SAA obligations under Article 36. In addition, concerning the management of its wine quotas, Serbia is encouraged to revert to the open and transparent First Come First Served System, which is the system applied to all wine imports into the EU.

Serbia continues to prevent circumvention of the EU restrictive measures adopted in the context of Russia's war of aggression against Ukraine via Serbian territory and/or by legal entities registered in Serbia. Serbia should continue to step up its efforts to fight sanctions circumvention including concerning the risk of trade triangulation.

In March 2025, Serbia adopted a new Law on **dual-use goods** aimed at further alignment with the latest EU *acquis*, namely Regulation (EU) 2021/821. Serbia regularly adopts a national control list of dual-use goods aimed at full alignment with the latest Commission Delegated Regulation. Serbia's applications to join the Wassenaar Arrangement and the Australia Group from 2009 and 2017 respectively, are still under consideration. Serbia has yet to align with the EU *acquis* on **screening of foreign direct investments**.

Serbia continues to negotiate **bilateral agreements with third countries**. In October 2024, a Free Trade Agreement (FTA) with the United Arab Emirates was signed, which entered into force on 1 June 2025. The FTA with Egypt signed in July 2024 entered into force in September 2025. In addition, negotiations on an FTA with South Korea are ongoing. Serbia has announced plans for an FTA with Israel. All the FTAs that Serbia negotiates must ensure compatibility with the EU *acquis* and include sunset clauses, which guarantee that Serbia can renounce the agreements upon accession to the EU. Serbia should also ensure that proper cost-benefit analyses are conducted before concluding any negotiations to minimise the risk of negative effects on specific sectors. Serbia has 50 Bilateral Investment Treaties (BITs) in force, of which 21 with EU Member States. In addition, a number of BITs are pending ratification. Serbia has also announced plans for new BITs with Bahrain,

Uzbekistan, India, Kyrgyzstan, Equatorial Guinea, Japan and San Marino. Serbia is encouraged to develop a strategy for amending or terminating BITs that fall short of EU standards and expose the country to risks.

Serbia's institutional framework is in place. However, the administrative capacity should be strengthened concerning trade with the EU and EFTA, related to completing the WTO accession and to collecting market statistics.

Regarding **development policy** and **humanitarian aid**, development assistance and humanitarian aid are granted on an ad hoc basis.

### Chapter 31 - Foreign, security and defence policy

*Member States must be able to conduct political dialogue under the EU foreign, security and defence policy, align with EU statements, take part in EU actions, and apply agreed sanctions and restrictive measures.*

The **political dialogue** between the EU and Serbia on foreign and security policy continued. In April 2025, Serbia participated in the eleventh EU-Western Balkans meeting of Political Directors on CFSP. In April 2025, the Serbian Foreign Affairs Minister participated in the working dinner between the Foreign Ministers from Western Balkans and members of the Foreign Affairs Council.

The institutional framework enabling Serbia's participation in the EU common foreign and security policy and common security and defence policy is in place.

In the area of the EU's **common foreign and security policy**, Serbia needs, as a matter of priority, to make additional efforts to further align its foreign policy with the EU CFSP. Serbia's alignment with statements by the High Representative on behalf of the EU and Council decisions on sanctions remains low. As of 24 October 2025, the CFSP alignment is at 63% (compared to 59% in 2024), it increased in the last weeks after Serbia retroactively aligned with several Council decisions and EU statements, including some decisions listing Russian citizens and statements condemning Russia's actions.

Serbia has not aligned with EU's **restrictive measures** against Russia, nor with a number of other statements and EU restrictive measures linked to Russia, China, Belarus, Iran, the Democratic People's Republic of Korea and destabilisation of the Republic of Moldova. It continues to operate flights to Russia, with increased frequency. Close cooperation and exchange of information between the EU and the national authorities is ongoing at technical level on sanctions circumvention and Serbia should maintain the existing good level of cooperation in this field. However, the fast-track acquisition of visa-free travel rights to the EU for nationals of Russia by granting them Serbian citizenship is a matter of concern. Serbia voted at the UN General Assembly in favour of establishing an International Day against Unilateral Coercive Measures, voting against the European Union position.

Serbia continued to engage actively with **international organisations**. Serbia does not have a bilateral immunity agreement granting exemptions from the jurisdiction of the International Criminal Court and complies with EU common positions on the integrity of the Rome Statute together with related EU's guiding principles on bilateral immunity agreements. The third action plan for the Implementation of UN Security Council Resolution 1325 on Women, Peace and Security for the period 2024-2026 was adopted in April 2025; it does not explicitly refer to women CSOs nor to all women from vulnerable groups. Serbia also contributed to four UN peacekeeping missions (often joining the contingent of one EU Member State) and maintained its cooperation with NATO and its members. Serbia abstained from voting on the EU-supported UN General Assembly Resolution on Cooperation between the UN and the Council of Europe.



Serbia continued to develop intense relations and strategic partnerships with a vast number of countries worldwide. High-level and frequent bilateral contacts with **Russia** intensified, combined with instances of anti-Western narratives, including the narrative characterising student protests as a foreign backed '*colour revolution*', raising questions about Serbia's strategic direction. The Serbian President attended the Victory Day parade in Moscow on 9 May and held a bilateral meeting with the Russian President. They also met in September in Beijing. Frequent close contacts with Russian officials and ministers were maintained by a number of Serbian ministers, including through visits to Moscow. On 14 March 2025, Serbia was among the 41 countries supporting a joint statement delivered by the Russian Federation on their behalf at the UN Human Rights Council concerning the commemoration of the 80<sup>th</sup> anniversary of Victory over Nazism on 9 May.

With **Ukraine**, Serbia is maintaining a balancing act. High-level contacts were also maintained with Ukraine, including a phone conversation between the two Presidents in December 2024 and May 2025. On 11 June 2025, the Serbian President attended the Southeast Europe-Ukraine summit in Odesa, marking his first visit to Ukraine since the start of the Russian aggression. Serbia supports the territorial integrity of Ukraine; however, it did not join the final Odesa declaration condemning Russia's aggression against Ukraine. In February 2025 Serbia publicly retracted its support to the EU-backed UN General Assembly Resolution 'Advancing a comprehensive, just and lasting peace in Ukraine' marking the third anniversary of Russia's full-scale invasion of Ukraine after the vote had taken place. Serbia continued providing humanitarian (including significant amounts of energy equipment) and financial assistance to Ukraine. Russia's Foreign Intelligence Service stated that ammunition produced in Serbia was supplied indirectly, via assembly in NATO countries, to Ukraine. Following pressure from Russia, Serbia announced the suspension of exports of arms and military equipment produced in Serbia and declared that any future such exports will require National Security Council approval.

Serbia maintained frequent high-level contacts with **China** and participated in a joint military exercise with China in July 2025. President Vučić also attended the commemoration of the 80<sup>th</sup> anniversary of WWII and of the Sino-Japanese War in September in Beijing, where he also met with Chinese President Xi Jinping.

Serbia also pursued an active foreign policy with a wide range of countries from various continents, including the USA (having agreed to establish a strategic dialogue process), EU Member States, UK, Türkiye, Israel, Azerbaijan, Kazakhstan, Iran, and Uzbekistan. Serbia also strengthened its ties with African partners.

Serbia continued supporting EU measures and documents on **conflict prevention**. Serbia also contributed to four UN peacekeeping missions (often joining the contingent of one EU Member State) and maintained its cooperation with NATO and its members.

As regards **non-proliferation and disarmament**, Serbia is implementing its 2023-2025 strategy and action plan for the fight against proliferation of weapons of mass destruction. As regards conventional weapons, Serbia continued to implement and engage positively on the new Western Balkans Regional Roadmap for a sustainable solution to the illegal possessions, misuse and trafficking of small arms and light weapons and their ammunition. Serbia should consider ratifying Protocol V on Explosive Remnants of War of the Convention on Certain Conventional Weapons.

Serbia is a member of the Nuclear Suppliers Group but not yet of any other multilateral export control regime. Serbia has aligned with the EU Common Position 2008/944 defining common rules governing control of exports of military technology and equipment by revising the Law on export and import of arms and military equipment and adopting a new Law on the export and import of dual-use goods adopted in March 2025. Serbia established its National Control List of Arms and Military Equipment in July. The same month, the government adopted an export ban on arms and military

equipment produced in Serbia, in a confidential decision, which subjects future exports to approval by the National Security Council.

Serbia has a transparent reporting system on its **strategic exports controls** but allegations of corruption in arms trade deals need to be investigated. Serbia is a party to the Arms Trade Treaty but further measures to prevent diversion of arms and ammunition should be developed to support compliance. Serbia has not aligned with EU statements agreed in the Organisation for the Prohibition of Chemical Weapons Conference of States Parties and Executive Council meetings in recent years and with related EU restrictive measures. In 2024 and 2025, Serbia has not systematically aligned with EU statements in the context of the UN Conference on Disarmament and the UN General Assembly First Committee and sometimes supported positions that were opposed by the EU. At the Arms Trade Treaty meetings, Serbia aligns with the EU on technical issues and general effectiveness of the Treaty, staying apart on political issues (Russia/Ukraine, China).

In terms of **security measures**, Serbia continued implementing its Security of Information Agreement with the EU on procedures for exchanging and protecting classified information.

On **common security and defence policy (CSDP)**, Serbia continued to actively participate and contribute substantially to **EU military crisis management missions and operations** in Africa and to EUNAVFOR Atalanta in the Western Indian Ocean and in the Red Sea. Serbia still needs to put in place the legislation needed to implement the 2023 law on participation of civilians in international missions and operations, as well as the institutional framework required to become eligible to contribute to civilian CSDP missions. Serbia contributes to cooperation in military medicine through the Balkan Medical Task Force. Serbia also contributed to four UN peacekeeping missions (often joining the contingent of one EU Member State) and maintained its cooperation with NATO and its members.

On **hybrid threats**, foreign information manipulation and interference (FIMI), including disinformation, remain a matter of concern to be urgently addressed. In December 2024, the TV broadcaster Russia Today Balkan was officially launched and became available on channels and services of state operator Telekom *Srbija*. There have been worrying reports about Serbian citizens and the Serbian territory being involved in Russian hybrid operations, including subversive activities in the wake of Moldovan elections. As a consequence, a number of persons were detained by the Serbian authorities. On cyber in the context of international security, Serbia has actively engaged in the negotiations of the final report of the 2021-2025 Open Ended Working Group on security of and in the use of information and communications technologies, including through alignment with the EU Statements.



## ANNEX I - RELATIONS BETWEEN THE EU AND SERBIA

As part of the **accession negotiations**, 22 chapters have been opened, two of which have been provisionally closed (Chapters 25 and 26). In line with the revised enlargement methodology, which Serbia accepted, negotiation chapters are grouped in six thematic clusters, and negotiations should be opened for each cluster as a whole – after fulfilling opening benchmarks – rather than on individual chapters. All chapters of cluster 1 (fundamentals) and cluster 4 (green agenda and sustainable connectivity) have been opened. Cluster 3 (competitiveness and inclusive growth) is the most advanced after those and in line to be opened next. Serbia tabled its negotiating positions on Chapters 2, 3, 10, 16, 19 and 28.

Serbia is participating in the **Stabilisation and Association Process**. Serbia continued to build a track record in implementing the obligations of the Stabilisation and Association Agreement (SAA). However, Serbian legislation still does not comply with the SAA in a number of areas, including on restrictions on the acquisition of real estate and on discriminatory practices in issuing payment cards by banks. On public procurement, intergovernmental agreements concluded with third countries and their implementation do not follow the EU principles of equal treatment, transparency, non-discrimination and competition for the majority of the value of public procurement contracts. As a result, EU companies are prevented from participating in large-scale infrastructure projects in the country.

Regular political and economic dialogue between the EU and Serbia has continued. Subcommittee meetings were held, together with a meeting of a special group on public administration reform. Serbia also participates in the ministerial dialogue between the economic and finance ministers of the EU and candidate countries, where joint recommendations are adopted. The most recent meeting was held on 13 May 2025.

**Economic integration with the EU** is strong. The EU is Serbia's main trading partner. In 2024, the EU accounted for 58.3% of Serbia's total trade. Serbia's trade deficit with the EU slightly increased to EUR 5.2 billion in 2024, against EUR 5.1 billion in 2023. In comparison, Serbia's trade with its second largest trading partner, CEFTA, accounted for around 9% of total trade. Serbia's total trade in 2024 increased further to EUR 68.2 billion.

Serbia's pattern of alignment with **EU common foreign and security policy** positions remained largely unchanged. Serbia continued to participate actively in EU crisis management missions and operations under the common security and defence policy.

The Balkans Medical Task Force, in which Serbia participates, benefits from a EUR 6 million 2022 support measure under the European Peace Facility.

**Visa-free travel** for citizens of Serbia travelling to the Schengen area has been in force since December 2009. A **readmission** agreement between the EU and Serbia has been in force since 2008. The Commission's December 2024 seventh report under the visa suspension mechanism concluded that Serbia continues to meet the visa liberalisation requirements.

Under the **Instrument for Pre-accession Assistance 2021 – 2027 (IPA III)**<sup>6</sup> a financing decision for IPA 2025-27 was adopted amounting to EUR 139.4 million in support for Serbia covering areas of fundamental reforms, good governance, local development, and *acquis* alignment. This complements EUR 875 million in IPA III support provided under financing decisions adopted in 2021, 2022, 2023, and 2024. This comprises two operational programmes on (i) environment and energy, as well as on (ii) employment, skills, and social inclusion, amounting to total EUR 340 million in EU support.

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<sup>6</sup> Official Journal L 330, 20.9.2021.

Furthermore, EUR 288 million in EU support are provided for the rural development programme, IPARD III.

This set of programmes are complemented by a significant package of multi-country and regional programmes, including the Western Balkans Investment Framework. Additionally, Serbia participates in three cross-border cooperation programmes with neighbouring Western Balkan countries and in transnational cooperation programmes with Member States under the European Regional Development Fund and the IPA Adriatic cross-border programme. The new activities add to ongoing programmes under IPA II (2014-2020), which are still providing significant support to the social and economic development of the country and contributing to key reforms in the rule of law, public administration reform and other sectors.

Under the **Reform and Growth Facility**, Serbia could benefit from an indicative allocation of EUR 1.586 billion, to be channelled via a Reform Agenda covering key reforms in four policy areas: business environment and private-sector development; green and digital transition; private-sector development and business environment; human capital development; and fundamentals / rule of law. Disbursement of EU support will be conditional on compliance with the preconditions – including, for Serbia and Kosovo, constructive engagement in the normalisation of their relations with a view to fully implementing all their respective obligations stemming from the Agreement on the Path to Normalisation and its Implementation Annex and all past Dialogue Agreements and engage in negotiations on the Comprehensive Agreement on normalisation of relations.

Serbia participates with IPA support in the following EU programmes: Horizon Europe, the Competitiveness of Enterprises and Small and Medium-Sized Enterprises programme, the European Cooperation in Science and Technology, Connecting Europe Facility, Erasmus+ and Creative Europe, the Citizens, Equality, Rights and Values programme, Employment and Social Innovation, EUREKA and the Digital Europe programme. To improve green budgeting practices, Serbia is participating, as observer, in two pilot projects under the Technical Support Instrument. Serbia also participates in the European Digital Innovation Hubs (EDIH) network, the EU digital agenda for the Western Balkans the EU4Digital initiative and Wifi4WB.

## Annex II – Statistical data

### STATISTICAL DATA (as of 11/09/2025)

Basic data	Note	2012	2020	2021	2022	2023	2024
Population (thousand)		7 217 i	6 927 i	6 872 i	6 797 i	6 641 i	6 605 i
Total area of the country (km²)		77 594 iw	77 594 iw	77 594 iw	77 539 iw	77 539 iw	77 539 iw

National accounts	Note	2012	2020	2021	2022	2023	2024
Gross domestic product (GDP) (million national currency)		3 967 884	5 764 148	6 576 024	7 458 762 p	8 817 763 p	9 638 519 p
Gross domestic product (GDP) (million euro)		35 074	49 024	55 931	63 501 p	75 204 p	82 321 p
GDP per capita (euro)		4 870	7 110	8 180	9 530 p	11 350 p	12 510 p
GDP per capita (in purchasing power standards (PPS))		10 712	13 422	14 929	16 449 p	18 650 p	20 365 p
GDP per capita (in PPS), relative to the EU average (EU-27 = 100)		41.2	44.1 b	45.0	45.7 p	48.9 p	51.3 p
Real GDP growth rate: change on previous year of GDP volume (%)		- 0.4	- 1.0	7.9	2.6 p	3.8 p	3.9 p
Employment growth (national accounts data), relative to the previous year (%)		0 p	- 1 p	1 p	0 p	0 p	1 p
Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%)		- 1 p	0 p	7 p	3 p	4 p	3 p
Unit labour cost growth, relative to the previous year (%)		10 p	9 p	2 p	10 p	10 p	11 p
*3 year change (T/T-3) in the nominal unit labour cost growth index (2015 = 100)		23.8 p	16.7 p	16.3 p	22.5 p	24.4 p	34.8 p
Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100)		54 p	47 p	47 p	46 p	:	:
Gross value added by main sectors							
Agriculture, forestry and fisheries (%)		7.1	6.0	6.2	6.3 p	4.4 p	3.7 p
Industry (%)		27.9	23.4	22.9	24.1 p	22.2 p	21.5 p
Construction (%)		4.0	5.6	6.2	5.6 p	5.9 p	5.9 p
Services (%)		61.2 i	64.8 i	64.7 i	64.0 pi	67.5 pi	69.0 pi
Final consumption expenditure, as a share of GDP (%)		94.4	84.0	82.7	84.0 p	79.7 p	80.5 p
Gross fixed capital formation, as a share of GDP (%)		19.9	21.4	23.1	23.9 p	23.4 p	23.6 p
Exports of goods and services, relative to GDP (%)		34.4	46.1	52.3	60.7 p	55.1 p	54.2 p
Imports of goods and services, relative to GDP (%)		47.7	54.2	60.0	71.2 p	59.4 p	58.8 p
Gross fixed capital formation by the general government sector, as a percentage of GDP (%)		:	:	:	:	:	:

Business	Note	2012	2020	2021	2022	2023	2024
Industrial production volume index (2015 = 100)		95.0	111.0	118.5	120.6	123.4	:
Number of active enterprises (number)		:	:	213 099	205 316	210 715	:
Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%)		:	:	11.1 i	11.5 i	12.5 i	:
Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%)		:	:	5.9 i	13.6 i	9.9 i	:

People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%)	1)	:	:	89.72 b	90.15	90.12	:
Value added by SMEs (in the non-financial business economy) (EUR million)	1)	:	:	16 050 bi	19 476 i	21 895 i	:
Total value added (in the non-financial business economy) (EUR million)		:	:	29 297 b	35 231	40 593	:

<b>Inflation rate and house prices</b>	Note	2012	2020	2021	2022	2023	2024
Consumer price index (CPI), change relative to the previous year (%)		7.4 d	1.8 d	4.0 d	11.7 d	12.1 d	4.8 d

<b>Balance of payments</b>	Note	2012	2020	2021	2022	2023	2024
Balance of payments: current account total (million euro)		- 3 672.0	- 2 034.0	- 2 296.0	- 4 139.0	- 1 804.0	- 3 899.0
Balance of payments current account: trade balance (million euro)		- 5 635.0	- 5 200.0	- 5 923.0	- 9 352.0	- 6 629.0	- 6 780.0
Balance of payments current account: net services (million euro)		111.0	1 101.0	1 399.0	2 315.0	3 103.0	2 761.0
Balance of payments current account: net balance for primary income (million euro)		- 1 098.0	- 1 529.0	- 2 059.0	- 3 013.0	- 3 915.0	- 5 151.0
Balance of payments current account: net balance for secondary income (million euro)		2 949.0	3 594.0	4 287.0	5 913.0	5 638.0	5 269.0
Net balance for primary and secondary income: of which government transfers (million euro)		69.0	252.0	294.0	553.0	341.0	100.0
*3 year backward moving average of the current account balance relative to GDP (%)		:	- 5.2	- 5.0	- 4.9	- 4.3	- 4.6
*Five year change in share of world exports of goods and services (%)		:	38.4	31.0	33.5	43.5	40.6
Net balance (inward - outward) of foreign direct investment (FDI) (million euro)		752.8 w	2 938.5 w	3 656.9 w	4 328.2 w	4 261.6 w	4 600.4 w
Foreign direct investment (FDI) abroad (million euro)		256.0 w	100.4 w	229.1 w	104.2 w	302.8 w	610.8 w
of which FDI of the reporting economy in the EU-27 countries (million euro)		:	C	- 43.0	- 38.0	113.0	:
Foreign direct investment (FDI) in the reporting economy (million euro)		1 008.8 w	3 038.9 w	3 886.0 w	4 432.5 w	4 564.4 w	5 211.1 w
of which FDI of the EU-27 countries in the reporting economy (million euro)		:	C	1 758.0	1 392.0	2 235.0	:
*Net international investment position, relative to GDP (%)		:	- 86.2	- 79.2	- 77.6	- 65.0	- 61.7
Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%)		:	:	:	:	:	:

<b>Public finance</b>	Note	2012	2020	2021	2022	2023	2024
General government deficit / surplus, relative to GDP (%)		:	:	:	:	:	:
General government gross debt relative to GDP (%)		:	:	:	:	:	:
Total government revenues, as a percentage of GDP (%)		:	:	:	:	:	:
Total government expenditure, as a percentage of GDP (%)		:	:	:	:	:	:

<b>Financial indicators</b>	Note	2012	2020	2021	2022	2023	2024
Gross external debt of the whole economy, relative to GDP (%)	2)	73.1 iw	62.8 iw	65.2 iw	66.0 piw	60.4 piw	60.5 piw
Gross external debt of the whole economy, relative to total exports (%)		223.6 w	138.2 w	126.6 w	110.2 w	110.7 w	115.9 w
Money supply: M1 (banknotes, coins, overnight deposits, million euro)	3)	2 714.6 w	10 376.6 w	11 915.9 w	12 237.3 w	14 948.1 w	17 419.0 w
Total credit by monetary financial institutions to residents (consolidated) (million euro)		:	:	:	:	:	:
*Annual change in financial sector liabilities (%)		:	:	:	:	:	:
*Private debt, consolidated, relative to GDP (%)		:	:	:	:	:	:

Interest rates: day-to-day money rate, per annum (%)		9.81 w	0.08 w	0.23 w	4.00 w	5.23 w	4.45 w
Euro exchange rates: average of period (1 euro = ... national currency)		113.128	117.578	117.573	117.459	117.251	117.085
Trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
*3 year change (T/T-3) in the trade-weighted effective exchange rate index, 42 countries (2015 = 100)		:	:	:	:	:	:
Value of reserve assets (including gold) (million euro)		- 1 138.0	271.0	2 620.0	2 919.0	5 104.0	2 834.0

<b>External trade in goods</b>	Note	2012	2020	2021	2022	2023	2024
Value of imports: all goods, all partners (million euro)		13 522	21 482	27 332	36 739	35 217	38 103
Value of exports: all goods, all partners (million euro)		8 251	16 464	21 053	26 354	27 039	28 944
Trade balance: all goods, all partners (million euro)		- 5 271	- 5 019	- 6 279	- 10 386	- 8 178	- 9 159
Terms of trade (export price index / import price index * 100) (number)		97.8 iw	103.4 iw	106.1 iw	102.0 iw	103.6 iw	105.6 piw
Share of exports to EU-27 countries in value of total exports (%)		61.1 iw	66.2 iw	65.8 iw	66.0 iw	65.7 iw	63.4 iw
Share of imports from EU-27 countries in value of total imports (%)		57.1 iw	55.6 iw	53.9 iw	51.9 iw	53.6 iw	53.1 iw

<b>Demography</b>	Note	2012	2020	2021	2022	2023	2024
Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants)		- 4.9	- 8.0	- 10.9	- 6.9	- 5.4	- 5.7
Infant mortality rate deaths of children under one year of age (per thousand live births)		6.2	5.0	4.7	4.0	4.7	:
Life expectancy at birth: male (years)		72.3	71.6	70.0	72.7 b	73.8 b	:
Life expectancy at birth: female (years)		77.5	77.5	75.7	77.9 b	78.6 b	:

<b>Labour market</b>	Note	2012	2020	2021	2022	2023	2024
Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%)		64.5	72.5	74.5 b	75.9	76.8	78.0
Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%)		49.0	65.9	66.2 b	68.8	69.6	71.3
Male employment rate for persons aged 20–64 (%)		56.9	72.9	73.6 b	75.8	75.9	77.2
Female employment rate for persons aged 20–64 (%)		41.2	58.9	58.9 b	61.8	63.4	65.5
Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%)		31.6	52.2	50.3 b	53.6	56.7	58.7
Employment by main sectors							
Agriculture, forestry and fisheries (%)		21.0 i	14.6 i	14.2 bi	13.9 i	13.1 i	12.8 i
Industry (%)		21.3 i	22.6 i	23.6 bi	23.8 i	23.5 i	23.0 i
Construction (%)		5.2 i	5.4 i	6.0 bi	5.9 i	5.9 i	6.0 i
Services (%)		52.5 i	57.5 i	56.2 bi	56.4 i	57.4 i	58.2 i
People employed in the public sector as a share of total employment, persons aged 20–64 (%)		:	:	:	:	:	:
People employed in the private sector as a share of total employment, persons aged 20–64 (%)		:	:	:	:	:	:
Unemployment rate: proportion of the labour force that is unemployed (%)		24.1	9.1	11.2 b	9.6	9.5	8.6

Male unemployment rate (%)		23.4	8.8	10.3 b	9.1	9.1	8.4
Female unemployment rate (%)		25.1	9.5	12.2 b	10.1	9.9	8.9
Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%)		51.2	26.6	26.0 b	24.3	25.0	23.0
Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%)		17.0	4.4	5.0	3.9	3.8	3.4
Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%)		23.3	9.6	14.6 b	12.9	13.3	12.7
Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%)		15.9	7.6	8.3 b	5.9	6.4	6.2

<b>Social cohesion</b>	Note	2012	2020	2021	2022	2023	2024
Average nominal monthly wages and salaries (national currency)	4) 5)	57 430 w	82 984 w	90 784 w	103 316 w	118 599 w	135 403 w
Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100)		104 w	123 w	129 w	131 w	134 w	147 w
Gini coefficient		:	33.8	33.3	32.6	31.7	31.9
Poverty gap		:	28.7	29.8	25.7	28.6	29.1

<b>Standard of living</b>	Note	2012	2020	2021	2022	2023	2024
Number of passenger cars relative to population size (number per thousand population)		229.6 iw	315.0	329.0	352.0	362.0	377.0
Number of mobile phone subscriptions relative to population size (number per thousand population)		1 269.3 w	1 192.6 w	1 250.8 w	1 465.2 w	1 304.5 w	:
Mobile broadband penetration (per 100 inhabitants)		:	:	:	:	:	:
Fixed broadband penetration (per 100 inhabitants)		:	34 w	35 w	35 w	35 w	:

<b>Infrastructure</b>	Note	2012	2020	2021	2022	2023	2024
Density of railway network (lines in operation per thousand km <sup>2</sup> )		49.2 iw	43.2 iw	43.4 iw	43.6 iw	43.6 iw	:
Length of motorways (kilometres)		:	928	928	941	963	:

<b>Education, Innovation and Research</b>	Note	2012	2020	2021	2022	2023	2024
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8)		24.6	33.0	35.3 b	36.1	38.2	40.0
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males		20.3	27.1	27.8 b	30.7	29.8	32.3
Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females		29.0	39.1	42.9 b	41.6	46.9	48.0
Participation in early childhood education (children aged 3 and over)		:	69.1	67.5	69.2	:	:
Participation in early childhood education (children aged 3 and over), males		:	69.0	67.3	69.2	:	:
Participation in early childhood education (children aged 3 and over), females		:	69.3	67.7	69.3	:	:
Low achieving 15-year-olds in reading		33.1	:	:	36.4	:	:
Low achieving 15-year-olds in mathematics		38.9	:	:	43.1	:	:
Low achieving 15-year-olds in science		35.0	:	:	35.1	:	:

Early leavers from education and training: proportion of persons aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		8.1	5.6	7.7 b	5.7	5.8	6.2
Early leavers from education and training: proportion of men aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		8.7	5.4	8.7 b	6.5	5.8	6.8
Early leavers from education and training: proportion of women aged 18-24 with at most lower secondary education (at most ISCED 2011 level 2) who are not in further education or training		7.4	5.8	6.6 b	5.0	5.9	5.7
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks)		3.6	3.7	4.8 b	5.1	6.1	5.5
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men		3.4	3.3	4.2 b	4.4	5.5	4.9
Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women		3.8	4.0	5.3 b	5.7	6.7	6.1
Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34)		:	:	17.1	17.2	21.4	21.0
Share of individuals having at least basic digital skills (% of population aged 16-74)		:	:	41.3	:	33.6	:
Share of individuals having at least basic digital skills (% of population aged 16-74), males		:	:	43.9	:	35.5	:
Share of individuals having at least basic digital skills (% of population aged 16-74), females		:	:	38.8	:	31.8	:
Public expenditure on education relative to GDP (%)		:	:	:	3.0 p	:	:
Gross domestic expenditure on R&D relative to GDP (%)		0.82	0.86	0.95	0.92	0.88	:
Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%)		:	0.44	0.40	0.37	0.36	0.40
Percentage of households who have internet access at home (%)		:	81.0	81.5	83.2	85.4	88.9

<b>Environment</b>	Note	2012	2020	2021	2022	2023	2024
Index of greenhouse gas emissions, CO <sub>2</sub> equivalent (1990 = 100)		75.4 w	78.0 w	75.8 w	76.4 w	:	:
Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices)		421.4	392.0	370.3	365.2	:	:
Electricity generated from renewable sources relative to gross electricity consumption (%)		28.5	30.7	29.9	30.1	31.7	:
Road share of inland freight transport (based on tonne-km) (%)		33.8 w	64.9 w	62.0 w	62.5 w	66.1 w	:

<b>Energy</b>	Note	2012	2020	2021	2022	2023	2024
Primary production of all energy products (thousand TOE)		10 793	10 963	10 179	9 617	9 508	:
Primary production of crude oil (thousand TOE)		1 229	921	894	881	886	:
Primary production of solid fuels (thousand TOE)		7 278	7 205	6 282	5 979	5 504	:
Primary production of gas (thousand TOE)		425	325	288	261	251	:
Net imports of all energy products (thousand TOE)		4 082 i	4 795 i	5 652 i	7 381 i	6 699 i	:
Gross inland energy consumption (thousand TOE)		14 607	15 950	16 231	16 428	15 966	:
Gross electricity generation (GWh)		36 799	37 956	38 236	35 510	40 028	:



<b>Agriculture</b>	Note	2012	2020	2021	2022	2023	2024
Agricultural output volume index (at producer prices) (2015 = 100)		81.7 w	116.0 w	110.2 w	101.4 w	104.9 w	:
Utilised agricultural area (thousand hectares)		3 485.9	3 506.5	3 506.1	3 488.8	3 396.3	:
Livestock numbers: live bovine animals (thousand heads, end of period)		921.0 e	886.0	860.0	799.8	725.4	698.6
Livestock numbers: live swine (thousand heads, end of period)		3 139.0 e	2 983.0	2 868.0	2 667.0	2 141.0	2 349.2
Livestock numbers: live sheep and live goats (thousand heads, end of period)		1 867.0 i	1 887.0 i	1 890.0 i	1 912.5 i	1 863.9 i	1 878.5 i
Raw milk available on farms (thousand tonnes)		:	1 583.7	1 563.5	1 512.1	1 416.8	:
Harvested crop production: cereals (including rice) (thousand tonnes)		6 354.9	11 447.6	10 236.4	8 012.9	10 809.3	8 687.1
Harvested crop production: sugar beet (thousand tonnes)		2 483.0	2 018.2	2 048.2	1 667.1	2 040.6	1 922.9
Harvested crop production: vegetables (thousand tonnes)		915.8	720.1	795.7	815.8	704.7	855.6

**Source: Eurostat and/or the statistical authorities in Serbia**

: = not available

b = break in series

C = confidential value

d = definition differs

e = estimated value

p = provisional

i = Eurostat estimate

w= data supplied by and under the responsibility of the national statistical authority and published on an "as is" basis and without any assurance as regards their quality and adherence to EU statistical methodology

\* = Macroeconomic Imbalance Procedure (MIP) indicator

Footnotes:

- 1) From the reference year 2021 a part of unincorporated enterprises which provide annual financial report are included. Also beside NACE Rev. 2 Sections B to N (except K), are covered sections P to R and Divisions S95 and S96, which must be taken into account when comparing with the data until 2021.
- 2) Official external debt of the Republic of Serbia.
- 3) The money supply M1 consists of currency in circulation and funds in giro, current and other accounts belonging to the owners of money balances in banks' liabilities, including money balances in the accounts of local government bodies, i.e. accounts from which payments can be made without any restrictions.
- 4) Wages and salaries paid to employees of legal entities and of unincorporated enterprises.
- 5) Wages and salaries are obtained from administrative sources (tax administration records). Average earnings are calculated on the basis of the total amount of accrued earnings for the reporting month and the number of full-time equivalent (FTE) employees.