



EU-Serbia Stabilisation and Association Parliamentary Committee

MINUTES

of the 13th Meeting of the EU-SERBIA STABILISATION AND ASSOCIATION PARLIAMENTARY COMMITTEE

Remotely, via *Interactio* online platform, 28 October 2021

The meeting began on 28 October, at 9:00, with the opening remarks by Ms Tanja FAJON, Chair of the EP Delegation to the EU-Serbia Stabilisation and Association Parliamentary Committee (SAPC).

Ms FAJON welcomed members of both delegations, as well as the distinguished guests: Ms Jadranka JOKSIMOVIĆ, Minister for European Integration, on behalf of the Government of Serbia, Ms Gašper DOVŽAN, State Secretary at the Ministry of Foreign Affairs of the Republic of Slovenia, on behalf of the Slovenian Presidency of the Council of the EU, Ms Catherine WENDT, Head of Unit for Montenegro and Serbia, Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), on behalf of the European Commission and Ms Elsa FENET, Head of Division for South-East Europe and the Western Balkans, on behalf of the European External Action Service.

SAPC Co-Chair, dr Vladimir ORLIĆ pointed out that Serbia had continued intensive reforms, including constitutional issues, strong economic reforms and implementation of the agreements reached within the Inter-Party Dialogue. He also added that people in Serbia expected clear messages from the European Union (EU) related to the enlargement, and to hear the positive messages.

1. Adoption of the Draft Agenda

The Agenda was adopted without any changes, as in the draft.

2. Adoption of the draft minutes of the 12th EU - Serbia SAPC meeting

The draft minutes were adopted with the remarks of Ms Elvira KOVÁCS and Ms Sandra BOZIĆ included.

3. State of play of accession negotiations and EU-Serbia relations in the presence of Ms Jadranka JOKSIMOVIĆ, the Minister for European Integration, on behalf of the Government of the Republic of Serbia, Gašper DOVŽAN, State Secretary at the Ministry of Foreign Affairs of Slovenia, on behalf of the Slovenian Presidency of the Council of the EU, Catherine WENDT, Head of Unit for Serbia and Montenegro at the DG NEAR, on behalf of the European Commission and Elsa FENET, Head of the

Division for South-East Europe and the Western Balkans at the European External Action Service

SAPC Co-Chair Ms T. FAJON indicated that this meeting was held in a period when Serbia was preparing for the forthcoming elections to be held in April the following year and expressed hope that these elections would result in a pluralistic National Assembly and she invited all political actors, including the opposition, to take part in the forthcoming elections. She presented the participants the results of the second phase of the EP-facilitated Inter-Party Dialogue that endorsed 16 measures that should improve conditions for elections in April next year. She admitted to be aware that not everyone was pleased with these measures, but they were the results of negotiations that had lasted for several months, in which all stakeholders had had a chance to take part. The EP facilitators would continue monitoring the implementation of these measures and OSCE/ODIHR recommendations in the forthcoming period. Improvement of the electoral conditions and the political climate in the country was now in the hands of decision-makers and institutions in Serbia. She welcomed the Serbian Government's decision to establish a Temporary Supervisory Body for monitoring the media reporting in the pre-election period, which was a step towards the implementation of the first of the 16 measures.

The EU leaders reaffirmed their support to the European Perspective of the Western Balkans (WB) and the EU's commitment to the enlargement process in the recently held Summit in Brdo in Slovenia. The EP adopted a resolution on Serbia in March 2021 as a response to the European Commission's report, asking Serbia to ensure convincing results in important areas such as judiciary, freedom of expression and fight against corruption and organised crime. They also invited the EC to change the manner of reporting so that any regression could be taken into consideration if it happened. The EC's 2021 Serbia Report, adopted on 19 October, emphasises the need to reduce the gap in economic reforms and the limited progress in the rule of law reforms, in particular the reform of judiciary, fight against organised crime, as well as freedom of expression and public administration reform. The Report also indicates that the political climate is still polarised.

On 15 September, the EP approved EUR 14.2 billion in financial assistance for the WB from IPA III pre-accession funds for the 2021-2027 period. This assistance will be conditioned on the respect for major EU values - democracy, human rights and the rule of law. She also added that the normalisation of Belgrade-Pristina relations was a prerequisite for EU accession and for ensuring prosperity and security of the entire region. She welcomed the reforms implemented by the Government of the RS, including the establishment of the Working Group (WG) for electoral results, amendments to the Constitution, WG for the Media Strategy, adding that it was necessary to adopt the documents and implement them in order to have tangible results. The fact that not a single negotiating chapter has been opened since December 2019 indicates that some EU Member States are not pleased with the progress achieved in the fields of media freedom and rule of law. The EC recommended the opening of two clusters by the end of this year, but some conditions need to be met for this happen. The EC invites the Government to make greater progress in the field of freedom of expression, welcoming the positive steps made with respect to the work of the National Assembly (NA) and inviting the MPs not to use hate speech. Ms Fajon also stated that in 2021 Serbia was stagnating when it comes to freedom of expression and according to some media watchdogs Serbia's media scene soaks in propaganda from regime-owned tabloids and journalists are exposed to almost daily attacks coming from the ruling elite and government affiliated media.

Ms J. JOKSIMOVIĆ pointed out that the opening of two clusters was recommended because progress in all relevant fields had been identified, notably in the field of rule of law and because Serbia deserved it due to its reforms. As regards the attacks against journalists, she said that the Working Group for the Safety and Protection of Journalists, which included representatives of the Prosecutor's Office, police and journalists' associations, worked in line with its competences. As for the composition of the Parliament, she emphasised that it was the will of the citizens expressed in the elections. She mentioned that the electoral conditions were improved, arguing that the Inter-Party Dialogue contributed to strengthening democracy and electoral procedures. She thanked the representatives of the EP for inviting all political actors to take part in the elections. She also pointed out that Serbia had accepted the new methodology actively, which had been noted in the EC's 2021 Serbia Report. Coordinators for all six negotiating clusters, in charge of implementation, have been appointed. Over the previous period of time, Serbia has met its commitments from cluster 1 - fundamental rights, constitutional reforms are being carried out, there is an ongoing process of amending the Law on Referendum, a report on the fight against corruption is being prepared and it will be sent to GRECO that will issue a new opinion on all the activities taken towards prevention of corruption. Serbia has taken all the necessary steps for opening cluster 3 (competitiveness and inclusive growth) and cluster 4 (green agenda and sustainable connectivity), and the EC's Serbia Report invites Member States to open these two clusters, adding that Serbia is fully prepared for opening these clusters in line with the new methodology.

Mr G. DOVŽAN said that the EU leaders' Declaration from Brdo had reiterated the support to the European perspective of the Western Balkans. The EU had supported the WB states during the pandemic by providing a total of EUR 3.3 billion, and it would continue supporting the WB. The recently adopted IPA III Instrument will be the most important source of the financial assistance in the region. The Slovenian Presidency will focus on accession negotiations, including negotiations with Serbia. At the Inter-Governmental Conference in June, the EU welcomed Serbia's efforts towards meeting the benchmarks for opening clusters 3 and 4. It also announced the opening of the clusters at the following conference. The negotiations' dynamics will still depend on the progress Serbia itself makes in the reform efforts, in particular in the field of rule of law and normalisation of relations with Pristina. The Council will carefully assess the Serbia's progress in these key areas. The Council welcomed Serbia's intention to conduct reforms of the judiciary by the end of this year. Adequate functioning of institutions, particularly of the Assembly, are pivotal for democracy and rule of law.

Having in mind the forthcoming spring elections, it is important to remove all the shortcomings of the electoral system prior to the elections. He commended the significant role of the European Parliament in facilitating the Inter-party Dialogue with a view to increasing trust in the electoral process, as well as the specific measures endorsed by the Inter-Party Dialogue. Further progress in Serbia's accession negotiations is expected, in line with the declared strategic goal of EU membership, and Serbia is expected to show constant political will and commitment to the EU-related reforms and to take a constructive part in the dialogue with Pristina. He expressed hope that the public debates would reflect the fact that the EU was Serbia's most important economic partner. He also mentioned the importance of the regional cooperation as a necessary part of the Western Balkans' European perspective. It is important that the remaining bilateral issues are solved in line with international law.

Ms C. WENDT stated that the EC had adopted an enlargement package and confirmed the progress that Serbia had made over the past year, pointing out the challenges and priorities ahead of us. The importance of the region was confirmed by the visit of EC President Von der

Leyen at the end of September 2021, as well as by the EU-Western Balkans Summit, held in Brdo, Slovenia. The Brdo Declaration sent very important and positive messages, first of all confirming the European perspective of the region, secondly, pointing out the assistance in the fight against COVID-19 would continue, and thirdly, EU leaders confirmed the need for a quick implementation of the Economic Investment Plan adopted last year. The plan will mobilize up to 30 billion euros in funding, a third of the region's GDP, and help partners build more modern, better connected and more prosperous societies and bridge socio-economic disparities between the region and the EU. Practical measures were adopted in Brdo in order to make the region more connected to the EU.

Regarding the EU-Serbia negotiations, she pointed out that it was important that all chapters from cluster 1 were open, which enabled an active dialogue on these key issues. As for the revised methodology, the first Intergovernmental Conference was held in June, paving the way for the opening of new clusters based on the country's expected progress, especially in the area of rule of law. The goal of the EC is to step up Serbia's negotiations on the basis of good reforms. The annual report recognized these reforms. She welcomed the fact that Serbia had met the conditions for opening clusters 3 and 4, adding that the EC supported the opening of these clusters, with the final decision being in the hands of Member States.

She presented the priorities for the further work of the EC and the situation related to the COVID-19 pandemic. As regards the rule of law, concrete steps have been taken regarding the Constitutional reform aimed at strengthening the independence and accountability of the judiciary, and it is important that this reform is completed, including amendments to the Constitution and the referendum. She mentioned activities related to freedom of expression, the fight against corruption and organized crime, economic reforms, as well as the need to complete major structural reforms in the public administration and fiscal policy and further development of the private sector. Serbia is expected to put more emphasis on a proactive and objective communication on the EU.

Ms E. FENET said that the EU High Representative, Mr Borrell, as well as the entire EU, were committed to the region's and Serbia's European perspective, as confirmed at the EU-WB Summit in Brdo. At this summit, it had been agreed that we would work together on global security issues, including cyber attacks, disinformation, but also cooperation in the field of military mobility, the fight against terrorism and illegal weapons. She welcomed the fact that Serbia had embarked on serious reforms, especially in the area of rule of law, as reflected in the annual report, and hoped that this would be a sustainable progress that would include both civil society and journalists. Elections are expected to be held in Serbia next year, so it is important to implement the ODIHR's recommendations and the recommendations from the Inter-Party Dialogue.

As for the Common Foreign and Security Policy and Security and Defence Policy, Serbia participates in the EU military missions and intends to participate in civilian missions as well. It is expected that Serbia gradually aligns with the EU's Common Foreign and Security Policy, as this alignment is now at about 60%, which is not enough. Further progress is expected in the normalization of Belgrade-Pristina relations, and both sides should respect what had already been agreed, which is important for further normalization of relations. As for regional initiatives, she praised Serbia for its regional activities related to the COVID-19 pandemic and for the Open Balkans initiative.

MEP Mr F. BOGOVIĆ stated that it was important that the EU-WB Summit had been organized in Brdo, where the Western Balkans' European perspective had been reconfirmed. He added that he hoped that all WB partners would be committed to regional cooperation. He pointed out that the rule of law was a continuous process that required efforts, adding that he supported the opening of clusters 3 and 4. He emphasized the importance of the green agenda and the energy sector. He opined that it was necessary to increase the visibility of the EU in Serbia.

MP Ms E. KOVÁCS pointed out that this was the moment to redefine the EU enlargement policy, but also for Serbia to redefine and strengthen the credibility of the European integration process. In addition to the general assessment that Serbia's European integration is characterized by moderate preparedness with limited progress - the EC 2021 Report leads to the conclusion that the Government of the Republic of Serbia in the first half of the year had set the reforms related to the EU and the rule of law as priorities and had achieved balance between progress in the areas of rule of law and normalization of relations with Pristina, on the one hand, and progress in other chapters, on the other hand. The situation regarding EU-Serbia negotiations is perhaps best described by the position of the EC that it is an imperative to move from words to deeds, among other things, by actively involving our partners in the Conference on the Future of Europe. It is time to redefine the future, and just as there is no future for Serbia without the EU, it is difficult to imagine the future of the EU without Serbia.

SAPC Co-Chair Mr ORLIĆ emphasized that Serbia had made a visible progress since the previous meeting, as confirmed by the invitation to open two new clusters in their entirety. He also presented the work of the National Assembly in this period, as well as the activities related to the Inter-Party Dialogue, and confirmed that the conclusions from this dialogue would be implemented despite the fact that part of the opposition had abandoned the dialogue. This part of the opposition was only saying it was for the dialogue, and now they switched to an open anti-European narrative, and the representatives of the EP also became their targets. This was pointed out when we talked about the brutal campaign that this part of the opposition is constantly leading against the President of Serbia and all those who pursue the state policy. The authorities accepted to implement the agreed measures, which gave even non-parliamentary structures the rights that do not exist anywhere else in Europe. Under such conditions, therefore, elections are being prepared: by standards higher than anywhere else in Europe.

Mr ORLIĆ pointed out that the term "hate speech" was not mentioned in the Report as used in the parliament, but he reminded of the front pages calling for the physical liquidation of the President of the Republic. The printed media front pages, being under the control of these people, had been pointed out during the inter-party dialogue as the real example of hate speech. When the National Assembly reacted to that, it was not pressure on the media, but a reaction to something that is condemned everywhere in the world. Responding to such things is the protection of democracy. He emphasized that today the same people were constantly campaigning against doctors from the crisis team, to whom politically incited extremists came under the windows, adding that they had organized a savage attack on the National Assembly last year, when journalists' associations stated that the organizers had committed more than twenty physical attacks on journalists.

EP Standing Rapporteur on Serbia and IPD co-facilitator Mr BILČIK emphasized that over past few weeks there had been several events confirming the WB's European perspective, such as the EC Annual Country Report, the Brdo Summit, and statements by EU High

Representative Borrell regarding the EU-WB cooperation. All this shows that the relations that had slowed down due to the pandemic are accelerating again. The EP was also active, especially in Serbia, where they participated in the Inter-Party Dialogue. At this point, it is necessary to see what can be done in the next few weeks in order to make progress in opening the clusters and to show that Serbia has a European perspective. He said that he was preparing to start working on a new report on Serbia, which would be completed after the elections expected to be held in spring. He pointed out that it was important that as many people as possible got vaccinated. He stated that he was a co-facilitator in the Inter-Party Dialogue together with MEP Ms T. Fajon, former MEPs Mr E. Kukan and Mr K. Fleckenstein, and that it had not been easy to agree on the measures with so many participants in the Dialogue. He said that the facilitators would come to Serbia in the following weeks to agree on the implementation of the endorsed measures in order to improve the electoral conditions. He hoped that the successful cooperation would continue. He wished success in important reforms, primarily in constitutional reforms, as well as in structural reforms in the field of economy, reforms of public institutions and the public sector.

MP Mr SORMAZ spoke about the situation and the reforms in the region, which need to become part of the EU as soon as possible. The only way for players other than the EU not to seek their place in the Western Balkans is for the entire Western Balkans, and Serbia in particular, to become EU members as a matter of urgency. An unstable Western Balkans region (unstable because it is outside the EU), contributes to generating instability in the whole of Europe. He thanked the Slovenian Presidency for their support with regard to the enlargement policy. He informed MEPs and MPs about the situation in relations with Pristina, adding that he had not been in favour of holding early parliamentary elections because the “boycotting” opposition did not listen to the advice of the EU and the USA to stand for the elections.

MEP Mr KOKALIS stressed the importance of maintaining the enlargement momentum. Serbia’s and the entire Western Balkans’ accession is of strategic importance for the EU. The new country report indicates that some steps have been taken, but progress is still needed in fundamental freedoms and rule of law, media freedom and the fight against corruption. It is important to continue with the reforms that will ensure an independent and responsible judiciary through constitutional reforms, in cooperation with the Venice Commission. These are issues in which there is no compromise. Also, there is a concern about air pollution, which is significantly higher than a few years ago. Lignite plants are a risk not only to the health of Serbian citizens, but also to the health of citizens of neighbouring EU countries. It is important to comply with the provisions of the Energy Community, including the Large Combustion Plants Directive (LCPD). Alignment with the EU acquis in the field of environment is one of the conditions for membership. Normalization of relations with neighbours as well as resolution of bilateral issues will determine the dynamics of negotiations..

Regarding visibility of and communication about the EU, Ms JOKSIMOVIĆ said that 57% of our citizens were in favour of joining the EU, and 43% of citizens knew that the EU was the largest economic donor, and 50% of citizens were familiar with the projects funded from the EU pre-accession funds. So there was some progress. Climate policy is currently very topical in Serbia, a lot is being done in this regard, but the energy crisis is affecting Europe, so it will take time to achieve the goals of the Green Agenda.

The first part of the meeting ended at 11.00 am. The meeting resumed at 01.45 pm. V. ORLIĆ, Head of the National Assembly delegation to the EU-Serbia SAPC, chaired the second part of the meeting.

4. Developments under negotiating Cluster 1 - Fundamentals, with a focus on Chapters 23 and 24, Judiciary, Fundamental Rights, Justice, Freedom and Security

SAPC Co-Chair Mr. ORLIĆ commented on the topic addressed in the first part of the meeting and stated that the EU was the major trading partner of the Republic of Serbia, pointing out that it was crucial that everybody understood the importance of implementing all the agreements reached with Priština, instead of their unilateral violation, which we had had the opportunity to see on many occasions. He gave as an example the arrest of an MP from the Serbian List Party who had been convicted for an opinion expressed, while the necessary principle applied for the composition of the Court of Appeal had not been respected. This example indicated not only a flagrant violation of the agreements reached, but also proved that the verbal delict had been introduced for the members of the Serbian communities. As far as regional cooperation is concerned, Serbia's contribution is clear, which can be seen by our providing everyone from our region with a possibility of vaccination.

MEP E. TOMAC said the EC believed Serbia had made a limited progress in implementing reforms in Chapter 23. There is a legal framework for the protection of human rights but the efficient implementation of the laws has not yet been aligned with European standards. He mentioned the ethnic minorities' rights, in particular, and he spoke about the Serbian citizens who are ethnic Romanians facing numerous challenges regarding their rights. He mentioned the dichotomy between the Vlachs and the Romanians, which in his view was artificial and was neither historically nor socially justified. The EC recognized that Vojvodina had good results regarding the minority rights but it was not the case in other parts of Serbia. The Romanian Orthodox Church is not recognized in these parts of the country. With the exception of Vojvodina, the number of broadcasts in Romanian language is limited in number, including education and textbooks in Romanian language. Furthermore, the Romanian minority is insufficiently represented in the public administration, except in Vojvodina. Serbia needs to align its legislation with the EU *acquis* in this field in order to enable the integration of Romanians into the society. He asked which measures would be taken to improve the rights of ethnic minorities in Serbia.

SAPC Co-Chair V. ORLIĆ answered that when talking about churches, this was about relations between the two churches, and regarding the position of the government, this relationship was absolutely fair, and it was assessed as being such by the EC. The achieved level of national minorities' rights in Serbia, in some parts, exceeds even the usual European standards. He explained the situation concerning the Vlachs national minority in the Eastern Serbia, adding that a natural threshold would be applied to members of national minorities who stand for elections as minority political parties. He also said that there was no census, and gave as an example of how ethnic minorities are treated in Serbia by recalling the measures adopted last year according to which ethnic minorities that enter the Parliament following elections enjoy 35% more votes when the distribution of seats is calculated.

MP Ms S. BOŽIĆ reacted to the statement made by Ms Tanja Fajon saying that attacks on journalists occurred on a daily basis, and, in her capacity as Chair of the Committee for Culture and Information, she strongly rejected these, in her view, malicious allegations spread for the purpose of daily-political campaign. She provided official data and statistics from independent journalists' associations to refute Ms. Fajon's statement.. These data in particular indicate that by the end of October 2021 one attack on journalists took place, and that it was a single-digit

number every year since the Serbian Progressive Party came to power. She pointed out that she believed in zero tolerance of violence against anyone, and especially against journalists, adding that there had been a three-digit number of attacks during the previous regime.

She mentioned some of the numerous results achieved by the Government of the Republic of Serbia concerning the progress in the field of media and the journalists' safety. She remarked that attacks occurred and that they were also on a daily basis, but those attacks were by tycoon media owned by Dragan Djilas and directed against President Vučić, and especially against his son and brother, who are not public or political figures. From the state's point of view, these media outlets have the equal rights and freedoms as other media outlets. She concluded that when somebody brought such behaviour to the attention of the public, it was not an attack on media, but it was about identifying a violation of basic human rights and democratic postulates and it was only highlighting an uncivilized behaviour which was not welcome in any country based on the European values.

MEP Ms V. VON CRAMON-TAUBADEL pointed out that Serbia was progressing poorly on fundamentals and it was backsliding. She said that the European Commission, already in 2018, had established that Serbia was a captured state, in the hands of a small and clientelist circle. Problems are noticeable in all fundamental areas: the judiciary, the fight against organised crime, media, corruption, or war crime trials. She stated that she was not sure whether the public was adequately conversant with the referendum on constitutional amendments. She said that amending the Constitution was an opportunity for Serbia to demonstrate its European transformation, but the process was neither inclusive nor sufficiently transparent. She presented as an example reflecting, in her opinion, the lack of independent judiciary the fact that the Chairman of the Committee on the Judiciary, Public Administration and Local Self-Government of the National Assembly was also a member of the High Judiciary Council and a lawyer. Organizing public debates and cooperation with the civil society are democratic legacy, which need to be organized for all draft laws, and it is significant that all stakeholders are informed on the debates in advance and on the possibility of submitting amendments. She said that together with five colleagues from the EP she had sent a letter to the Minister of Interior of the Republic of Serbia regarding the draft law that would introduce the surveillance cameras in Belgrade, but that they had not received an answer. She added that there was a concern on the part of the EP about mass surveillance of the citizens of Belgrade and that she hoped that she would be provided with an answer by the Minister. She commended that the law had been withdrawn. She mentioned constant attacks on independent media outlets, campaigns against critics of the Government and ruling party, the pressure that Telekom is making on United Media Group. Finally, as for the freedom of expression and media, she underlined the need for concrete steps and not only partial progress.

SAPC Co-Chair V. ORLIĆ reiterated the information about attacks on the media that had been published by the Independent Journalists' Association of Serbia (NUNS), which had already been mentioned by Ms Božić, as well as the information provided by NUNS concerning the attacks on journalists during demonstrations which had been organized by the opposition in front of the National Assembly building in the previous year. He also provided an answer concerning the question of the Judiciary Committee Chair, stressing that by virtue of his office he was the member of the High Judiciary Council and that everything was in line with the laws and the Rules of Procedure of the National Assembly adopted by the previous government. He added that the process regarding the proposal for amending the Constitution had been conducted in a transparent and inclusive manner with the participation of the academia, professors, professional associations of judges and prosecutors, and political parties. All those

interested in this process had the opportunity to take part in it. Finally, he said that the Draft Law on the Police had been withdrawn from the procedure before it arrived in the National Assembly and that over 95% of media attacks were targeting the President A. Vučić and his family members.

MP M. RISTIČEVIĆ talked about the influence of EU-registered media on rule of law in the field of media in Serbia. He stressed that those media outlets that are not registered in Serbia but in the EU violate the Transfrontier Television Convention, the Law on Electronic Media, the Law on Advertising, as they illegally take over part of income of national media outlets, thus undermining their freedom, , which had an indirect impact on the observance of rule of law and the media freedom in Serbia.

MP V. MARINKOVIĆ discussed the topic of energy security. He said that Serbia was an energy secure country which should work together with the European Union towards finding ways to overcome the energy crisis. He pointed out that the supply with energy sources would be stable, which was important for citizens, the economy and new investments. He voiced his concern about the events which occurred in recent months in Kosovo and Metohija, adding that MEPs should react more seriously to these events and help solving the problems. He commended the Open Balkans initiative. In his opinion the statement that Serbia was a captured state was not true, which could be seen in the number of foreign investments, which would not be the case if there was so much corruption.

5. Economic development

SAPC Co-Chair Ms T. FAJON reiterated that economic development is one of key conditions for the EU accession. She welcomed Serbia's very resilient economy and fiscal stability, noticing also that Serbia's GDP growth was higher than that of some EU member states.. The EC Report states that Serbia has made some progress and that it is moderately prepared for functional labour economy, however, despite this, the needs in the labour market have not been fully met. She hailed the fact that the business environment was improved. She said that corruption, which was also one of the most burning issues, needed to be tackled by the Serbian Government. She pointed out the importance of empowering women, youth and vulnerable groups in the labour market. Serbia should respond to the challenge regarding the lack of labour force, especially due to the decline in the number of population and population ageing, together with mismatching of the skills required by the market and education.

She hailed the permanent high level of trade with the EU and the fact that Serbia was still attractive for foreign direct investments, which had resulted in creating new job opportunities for Serbian citizens. She reminded that the EU was Serbia's leading trade partner, investor and donor and therefore it was important to make this fact recognized and increase the visibility of EU-funded projects in order to create trust among Serbian citizens in the EU and its institutions. Candidate countries, including Serbia as well, are expected to align their trade policy with the EU policy and with the international trade agreements as of the day of their accession to the EU at the latest. This also applies to the agreement between Serbia and the Eurasian Economic Union.

MP A. TOMIĆ pointed out that Serbia had achieved very good economic results in comparison with the macroeconomic indicators of Central and Eastern Europe. The results are irrefutable and exact. The EC 2020 country report for Serbia stated that during 2020 economic stability was maintained (with the decline of 0.9%), and that at present Serbia had fast recovery and

high growth rates. The IMF has recently adopted the economic growth rate amounting to 6.5% of GDP in 2021, and Serbia aims to complete the year with over 7% of GDP. The public debt share is 58.2% of GDP, deficit is reduced to 4.9% and projected to 6.9% of GDP. Up to the moment, Serbia has attracted 3 billion EUR of foreign direct investment and there has been 3% employment increase as compared to 2020. Income growth in 2021 was 8.5%, and inflation was 3.7%. By rebalance, Serbia achieved a record level of public investment in infrastructure amounting to 7.8% of GDP, and in healthcare, education, culture and sport as well. The laws relating to clusters 3 and 4 were adopted and aligned with finances, as the part of the plan “Serbia 2025” and in line with transportation, digital and energy transition. Serbia released green state bonds as a means for the implementation of the Green Agenda. Good coordination between monetary and fiscal policy of Serbia show results, which are in the first place in the interest of all citizens.

MP Mr Đ. MILIĆEVIĆ talked about economic development and underlined that by economic reforms we were trying to implement European standards in all spheres of life in Serbia. The results of the reforms should contribute to Serbia’s transformation into a modern and ordered state, but they should also contribute to the welfare of all citizens of Serbia. The European Union is Serbia’s most important trade and investment partner and thereby one of the major factors of economic stability in the country. In the year full of challenges and temptations Serbia succeeded to achieve economic and financial stability by pursuing a responsible policy. Statistical parameters show that pandemic has had lower economic effects on Serbia than on other European countries.

MEP Mr F. BOGOVIĆ said that the Serbian economy had achieved good results, the crisis caused by pandemic had hit the Serbian economy to a smaller extent than the economies of some EU countries. He stressed that EU had played very important role in it, having in mind that the EU was Serbia’s first trading partner and foreign investor. In the upcoming period, it would be necessary to continue economic reforms related to green and digital transformation. IPA funds and other EU financial instruments would help these reforms. In his opinion, only a strong economy could stop brain drain which did not happen in the WB only, but in other East European countries which were EU Member States.

MP Mr V. ARSIĆ said that present economic results were the consequence of the measures undertaken by the Serbian Government during 2020. He underlined that the Government of Serbia provided good healthcare during pandemic. He concluded that Serbia was ready to provide energy stability and smooth operation of economy. At the end, he added that the majority of investors to Serbia come from the European Union, and that it was a fact that they would not have invested in the country without rule of law, human rights and freedoms in place.

6. Adoption of recommendations

SAPC Co-Chair Mr V. ORLIĆ put to vote the text of the Declaration and Recommendations as amended, including amendments that had been previously adopted by both delegations. The NARS delegation voted unanimously in favour, the EP delegation voted in favour with one abstention. Co-Chairman V. ORLIĆ concluded by saying that the final text of the Declaration and Recommendations was adopted.

7. Any other business

No other issues were raised during the meeting.

8. Date and place of the next SAPC meeting

SAPC Co-Chair, ORLIĆ said that a proposal was made to hold the next meeting on 16-17 February 2022 in Strasbourg. Both Co-Chairs expressed the hope that the pandemic situation would allow the next meeting to be held in person.

The meeting closed at 15.30.

These minutes were prepared by the NARS Secretariat to the EU-Serbia SAPC in consultation with the Secretariat of the EP Delegation to the EU-Serbia SAPC of the European Parliament.