

# ENVIRONMENTAL REGULATIONS

## CURRENT SITUATION

In 2009, the Serbian Parliament enacted a great number of regulations concerning the environmental protection issues, in order to continue the harmonization process with the EU and adhere to its undertakings based on international conventions which have been ratified from 2004 onwards. The most important pieces of legislation concern the packaging and waste management, air protection, IPPC permits secondary regulation and many other environmental issues.

Most of the regulations have been enacted in May 2009 (in force as of late May). However, critical pieces of secondary regulations are still missing, for which reason the area lacks some legal scrutiny. Although companies with operations in EU should be acquainted with the main items in the regulatory framework, the authorities may lack institutional capacity to apply the law in full.

## POSITIVE DEVELOPMENTS

At the outset, it ought to be noted that great efforts by the Government and the Parliament have resulted in greater deal of legal certainty for the investors. The laws are generally harmonized with EU rules which will be welcomed by companies headquartered or with operations in developed EU countries.

The most important change introduced by the new Law on Waste Management is creating for the first time regulatory framework for the companies involved in waste management business, defining permitting issues and other legal requirements. Further, as for reuse, as well as recycling, the respective ministry plans to introduce in near future measures to stimulate the use and reuse of waste as a secondary raw material or in energy production.

The main reason for adoption of the Law on Air Protection was the implementation of Budapest commitments and implementation of rules on protection of ozone layer. CO<sub>2</sub> is defined as one of the gases that influence the greenhouse effect, climate change and contamination of the air. Respectively, Serbian government undertook obligation to implement measures to decrease and monitor CO<sub>2</sub> emission. This shall be accomplished by developing and performing technologies that may stop or decrease its emission, stimulating

the use of alternative sources of energy and energy efficiency and activities that may decrease existing amount of the CO<sub>2</sub> in the atmosphere. It is can also perform these measures in the scope of Clean Mechanism Development as laid down in the Kyoto Protocol.

Going into more specifics, the list of all plants for the operation of which an IPPC Permit shall be required, is already adopted. Regarding IPPC Permit, it is also determined for each respective industry measures to be undertaken and time periods for these. Also, the Program on Compliance of Industries with Environmental Laws (IPPC Program) is adopted and in force.

It should be noted that a legal entity or natural person planning to perform business activity that includes use of natural resources and goods is obliged to obtain approval on the project for protection and remediation of environment. Furthermore, the legal entity and natural person are obliged to perform the remediation in accordance with the projects for protection and remediation.

A legal entity that manages controls or ensures technical functionality of any facility that may cause contamination of air is also obliged to perform monitoring and keep evidence on such, to ensure continual measuring of the emissions, to keep evidence on such measuring and regularly inform competent authorities on the results of such measures. The measuring of emissions may be performed by the authorized certified agencies or polluter itself, in which case polluter obtains relevant permit and ISO 17025 certificate.

It should also be noted that the Environmental Protection Agency is incorporated as well as the cadastre of pollutants; national strategy for clean development mechanisms has been adopted; and finally, the basis for building a national system for marking with ecologic sign of all products, processes and services has been created.

## REMAINING ISSUES

- Certain laws enacted in 2009 are not fully operational in practice, due to delay in passing of the by-laws;
- Rulebooks adopted are still not fully implemented in practice and there are still more to be adopted;

- Economic and financial mechanisms and tax incentives for investments in environment protection (clean production, pollution decrease, energy efficiency, waste reduction, eco-innovations, etc.) have not been sufficiently developed yet;
- There is a lack of data on environmental status due to inefficient monitoring and reporting system;
- There is no regulation on monitoring and quality requirements for air;
- Local management capacities including municipal environmental inspectors are not fully developed, as there is lack of coordination;
- Initiation of procedures for issuance of IPPC Permits is not still possible in Serbia due to lack of administrative procedures and clear guidance from the competent ministry as well as high technical requirements to be satisfied in this regard. Even though the Law on IPPC is in place as of 2004, until so far no such permits have been issued in Serbia.

### FIC RECOMMENDATIONS

We recommend that the following legislation and regulation are adopted:

- By-laws on Waste Management;
- By-laws on Packaging and Packaging Waste;
- By-laws on Air Protection;
- Plan for decreasing the amount of waste.

Also, we encourage the adoption of

- National program for environment protection.

Furthermore we recommend:

- To consolidate regulatory framework through adoption of by-laws on environment protection information system, including the contents and monitoring procedures and reporting system;
- Support to local self governments for construction of regional landfills as well as recording, sanitation and recultivation of existing dumpsites;
- To accelerate building of infrastructure for environment protection – testing, analysis, broadening of network of authorized organizations, certification, specialized services for waste management, depositing hazardous waste, remediation of contaminated soil, etc;
- To clearly define, in close cooperation with the main stakeholders, the objectives of pollution decreasing and make quantitative targets as well as mid-term and long-term time limits for attaining these objectives;

- To reinforce the capacities of local governments for the purpose of preparing local action plans in the field of ecology;
- Emission regulations to be adopted and harmonized with the EU acquis;
- To support foundation of new and development of the existing enterprises engaged in production and/or services in environment protection sector, and to support foundation of new and development of the existing enterprises engaged in production of energy through alternative sources;
- To elaborate special regulatory and economic instruments as incentives for enterprises to apply regulations for environment protection;
- Engagement and training of local authorities staff for the purpose of issuance of the IPPC Permits and environmental impact assessment procedures.