EUROPEAN
COMMISSION

Brussels, 4.11.2026
SWD(2026) 695 final

**COMMISSION STAFF WORKING DOCUMENT**

**Serbia 2026 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**

**2026 Communication on EU enlargement policy**

{COM(2026) 690 final} - {SWD(2026) 690 final} - {SWD(2026) 691 final} - {SWD(2026) 692 final} - {SWD(2026) 693 final} - {SWD(2026) 694 final} - {SWD(2026) 696 final} - {SWD(2026) 697 final} - {SWD(2026) 698 final} - {SWD(2026) 699 final} - {SWD(2026) 700 final}

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## 1. INTRODUCTION[1]

### 1.1. CONTEXT

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

EU membership remains the strategic goal of the Serbian government, which has set up a new operational team led by a Chief Negotiator to speed up progress on the technical criteria for membership. Meeting Serbia's objectives for EU accession negotiations requires strong political will, the implementation of necessary reforms, a whole-of-society approach, effective policy planning and coordination, along with sufficient human and financial resources for EU accession across all institutions involved. The anti-EU narrative evident not only in Serbian media outlets but also used by political office holders, including at highest levels, remains. As a matter of priority, the Serbian authorities should take much more responsibility for proactively and objectively communicating on Serbia's EU accession process and on the EU, and for countering disinformation and information manipulation.

The funeral of convicted war criminal Ratko Mladić that took place in September 2026 with official support and in presence of senior officials and military contributed to glorification of a convicted war criminal in a manner contradicting the values underpinning Serbia's path towards the European Union.

Mass student and public protests continued across the country over allegations of government corruption and the perceived lack of accountability and transparency, particularly in relation to the 2024 Novi Sad station canopy collapse. The incident and the aftermath have further deepened the polarisation of Serbian society.

Early parliamentary elections were held on 25 October 2026. According to preliminary results, the "Student List" which grew out of the mass students and citizens movement, obtained an absolute majority of mandates.

The EU-facilitated Dialogue on normalisation of relations between Kosovo and Serbia continued during the reporting period. Domestic political preoccupations on both sides hindered decisive steps towards implementing the 2023 Agreement on the Path to Normalisation and its implementation annex and thereby progressing on normalising their

[1] This report covers the period from 1 September 2025 to 1 September 2026. 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 line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

relations. Constructive engagement in the normalisation process is also a requirement under the Reform and Growth Facility for the Western Balkans. An EU-facilitated agreement on the Law on foreigners allowing workers and students in the Serbia-supported health and education services to apply for work and residence permits was agreed on 14 March 2026 within the short window between two elections.

Serbia has continued to engage in the Growth Plan for the Western Balkans. Under the Reform and Growth Facility, a performance-based EU instrument that supports the EU accession process, the country has submitted four payment requests.

The Commission's 2026 rule of law report[2] covered Serbia for the third time.

### 1.2. MAIN FINDINGS OF THE REPORT

## CLUSTER 1: THE FUNDAMENTALS OF THE ACCESSION PROCESS

### Democracy

Tangible improvements are needed in the way ***elections*** are conducted. It remains vital that outstanding recommendations by the Organisation for Security and Cooperation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR) and the Council of Europe bodies are fully implemented in a transparent and inclusive manner and well ahead of new elections. The adoption of six electoral laws in May, July, and August 2026 marked a step forward in this regard, however not all of ODIHR's key recommendations were implemented. The full implementation of those laws as well as further reforms are needed, in particular to prevent misuse of office, misuse of state resources, intimidation and pressure on voters, and to ensure the safety of media professionals. Serbia also needs to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, and taking into account European and international standards.

***Parliament***'s effectiveness and oversight functions remain hampered by the low frequency of parliamentary sessions, the lack of genuine political debate, and the absence of an annual work plan for Parliament. Public scrutiny and involvement in the legislative process are limited while parliamentary debates continue to be marked by tensions between the ruling coalition and the opposition. Parliamentary rules of procedure and the Parliament's code of conduct for punishing offences by parliamentarians need to be applied consistently.

As regards ***governance***, Serbia's political debate and decision-making continued to be *de facto* steered by the President in a manner not intended by the Constitution. Local government reform continues to advance slowly.

The institutions in charge of the ***EU integration*** process are in place. An operational team for EU accession was established in January 2026, replacing the previous coordination structure. A new chief negotiator was appointed in March 2026. The current deep societal polarisation and persistent anti-EU rhetoric run counter to the authorities' stated objective of EU accession. The authorities are not yet managing to communicate more proactively and objectively about the EU and Serbia's accession process.

***Civil society***, including human rights defenders, continued to operate in a restricted environment and have faced increasing pressure, smear campaigns and attacks, including

[2] 2026 Rule of Law Report (17 July 2026), SWD (2026) 929 final, Country Chapter on the rule of law situation in Serbia

from high-level officials. A police search of four civil society organisation (CSO) offices in February 2025 has so far resulted in no indictments and was widely perceived as an act of intimidation against civil society. There have been new reports of spyware attacks targeting human rights defenders, student activists and opposition politicians, and little judicial follow-up so far. Strategic lawsuits against public participation (SLAPPs) increasingly hindered the work of civil society actors. In this context, formal cooperation between CSOs and governmental working groups has not resumed, affecting the inclusiveness of the EU integration process.

### Public administration reform

Serbia is **moderately prepared** in the area of public administration reform. However, there was **backsliding** during the reporting period. While reforms on public investment management are ongoing, this was overshadowed by amendments to the government rules of procedure which lowered the standards for public consultations, while government decrees exempted European integration-related draft regulations and public policy documents from mandatory impact assessments. The excessive number of senior civil servant positions occupied in an acting capacity further increased. In April 2026, the Director of the Public Policy Secretariat was dismissed, without sound justification.

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

→ reduce the excessive and increasing number of senior civil servant positions occupied in an acting capacity and allocate sufficient resources to ensure effective, transparent and 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, and reconsider the exemption from impact assessments for European integration-related draft regulations and public policy documents;

→ continue public investment management reforms and 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

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** took place during the reporting period. While in August 2026, Serbia adopted amendments to the Law on Judicial Academy, implementing the recommendations of the Venice Commission, undue political pressure on the judiciary and the prosecution increased significantly with little to no follow-up from the relevant institutions. Concerns about prosecutorial autonomy persist. Although a case management system has been finalised for the prosecutors' offices, Serbia does not have a comprehensive court case management system. Moreover, while new judges have been appointed, overall, a considerable number of vacancies of judges and prosecutors remain to be filled, including the remaining pending appointments to the Constitutional Court. Serbia has yet to show genuine commitment to investigating and adjudicating war crimes cases, including by appointing a Chief Public Prosecutor for War Crimes.

In addition, in January 2026, the Parliament adopted legislative amendments on several laws governing the judiciary and prosecution by urgent procedure without a transparent and inclusive consultation process. According to an *ex-post* assessment in April 2026 by the

Venice Commission this constituted the removal of some of the safeguards designed to protect prosecutorial autonomy and judicial independence introduced through constitutional amendments in 2023. In May and June 2026, Serbia adopted subsequent legislative amendments and took other non-legislative measures, which the Venice Commission assessed as addressing a considerable part of its recommendations. Additional prosecutors were also seconded to the Prosecutor's Office for Organised Crime (POOC). Two Venice Commission recommendations remain partially implemented: the need for a structural reform to enhance the operational autonomy of the Special Department for Cybercrime and the need to carry out an analysis about the judicial and prosecutorial re-mapping.

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

→ fully implement the two outstanding Venice Commission recommendations on amendments to the laws governing the judiciary and the prosecution and appoint judges and prosecutors in line with the legal framework, in particular to fill the remaining 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 its Second Compliance Report of 18 August 2026, GRECO reported that Serbia had satisfactorily addressed only three of 24 recommendations under its fifth evaluation round. Implementing some of the GRECO and/or ODIHR recommendations, Serbia amended the laws on lobbying, corruption prevention, and political financing. However, the latter two did not address all ODIHR recommendations. Implementation of these laws will need to be closely monitored to assess their effectiveness. Overall, corruption is prevalent in many areas and remains an issue of concern. The widespread public protests prompted by the canopy collapse at Novi Sad railway station in 2024 continued, with demonstrators expressing concerns about corruption as well as the perceived lack of accountability and transparency in public infrastructure and construction projects. The corruption investigations launched following the canopy collapse at the Novi Sad railway station have yet to be completed. In June 2026, Serbia adopted a new 2026-2028 action plan for implementing the national anti-corruption strategy. Nevertheless, there is a need for stronger political will to tackle corruption effectively, establish a robust track record and put in place a strong criminal justice response, including action on high-level corruption. The role and mandate of the Prosecutor's Office for Organised Crime (POOC) is insufficiently regulated. Operational obstacles as well as attempts to unduly influence the POOC increased further during the reporting period. A majority of the activities of the previous anti-corruption action plan 2024-2026 have not been achieved, with most of them carried over to the new action plan. Also the specific anti-corruption measures from the action plan related to the most vulnerable sectors are still to be implemented to tackle corruption more effectively.

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

→ improve its track record on investigations, prosecutions and final convictions in high-level corruption cases, in particular the seizure and confiscation of criminal assets and systematic use of parallel financial investigations; strengthen the mandate of the Prosecutor's Office for Organised Crime to increase its effectiveness;

→ address all remaining GRECO recommendations, in particular from the fifth evaluation round; build a constructive relationship with the Anti-Corruption Council and systematically consult the Council on draft legislation;

→ start and ensure timely implementation of the 2026-2028 action plan, including by establishing an effective monitoring, evaluation and coordination mechanism to track progress and impact focusing on all relevant interim benchmarks and GRECO recommendations.

***Fundamental rights***

Although Serbia's institutional framework for upholding fundamental rights is broadly in place, the 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 protests and other sensitive cases. While protests have been allowed to take place, the safety of participants has not always been guaranteed. Moreover, several violent incidents against demonstrators and journalists have been recorded. To date, only a few perpetrators have been prosecuted. As regards reports of excessive use of force by the police during protests, cases are ongoing although none of the police officers charged have been convicted so far. In relation to the European Court of Human Rights' interim measure regarding the alleged use of a sonic weapon for crowd control at demonstrations in Belgrade in March 2025, the Belgrade Higher Public Prosecutor's Office stated in September 2026 that no sound cannon or LRAD device had been used. The announcement that individuals would be prosecuted for engaging in public debate on the alleged use of sonic weapons has had a chilling effect on freedom of expression and open debate in a democratic society.

While new action plans have been adopted in the areas of anti-discrimination, Roma inclusion, de-institutionalisation and national minorities, other Commission recommendations from last year have not been implemented and remain valid. In the coming year, Serbia should in particular:

→ amend the legal framework related to freedom of assembly and ensure its enforcement in line with European standards and case law, including interim measures;

→ demonstrate progress in addressing the recommendations of the Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishments (CPT) and ensure effective investigations of cases of police ill-treatment;

→ allocate sufficient resources and effectively implement action plans in the area of fundamental rights, notably personal data protection, anti-discrimination including rights of LGBTIQ+ persons and of people with minority racial or ethnic background, gender equality, violence against women, violence against children, rights of persons with disabilities, victims of crime, Roma[3] and other national minorities; actively counter hate offences and build up a track record of investigations and convictions.

***Freedom of expression and media freedom***

[3] 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.

Serbia is **between an early stage of preparation and having some level of preparation** in the area of freedom of expression. There was further **backsliding** during the reporting period, with the environment for journalists, media professionals and outlets continuing to deteriorate, media legislation remaining inconsistently implemented, and the media market becoming more concentrated. Concerns also grew about political and economic influence over media's editorial policy. Personnel changes in a media group following the announced change of ownership, and at the time of the electoral campaign, raise questions about pressure on the editorial independence of its media outlets. Cases of strategic lawsuits against public participation (SLAPP) persist, increasingly hindering the work of investigative media and CSOs. Since November 2024, there had been no Council of the Regulatory body for electronic media (REM). However, in July 2026, the process of electing a new REM Council was unblocked and the Council was established. The Council's chair and vice-chair were elected in September 2026. The new Council was unable to reach a decision on expanding the list of media outlets to be subject to more comprehensive and systematic monitoring of the electoral campaign, nor to rule on complaints regarding violations of media regulation during the campaign. In its statement of preliminary findings, the international election observation mission (IEOM) found that "overall, the REM failed to provide effective oversight and timely remedies for election-related violations, which contributed to the advantage of incumbency and was at odds with international standards and good practice." IEOM also found that "all monitored broadcasters failed to provide voters with the balanced and substantive information necessary to make an informed choice. The systematic imbalance in exposure and treatment undermined legally prescribed equal campaign opportunities."

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

→ implement media legislation in a way that respects both its letter and spirit, including on the independence of the media regulator, and amend it, through a transparent and inclusive process, to align with the European Media Freedom Act and related European standards;

→ strengthen the protection and safety of journalists, notably by ensuring that: (i) high-level officials stop verbal attacks on journalists and civil society representatives involving intimidation, stigmatisation and de-legitimisation; and (ii) swiftly follow up any threats, cases of physical and verbal violence or spyware attacks 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

Serbia is **between having some and a moderate level of preparation** in the field of justice, freedom and security and has made **limited progress** in this area. 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 Law on internal affairs remains to be amended to strengthen the operational autonomy of the police from the Ministry of the Interior during the pre-investigation and investigation phases. Serbia adopted a Law on weapons and ammunition, as well as a new strategy and action plan for the control of small arms and light weapons. There was no progress on visa alignment in 2025 and Serbia has visa-free arrangements with 12 countries on the EU's list of non-EU countries whose nationals require a visa to enter the EU. Serbia's granting of citizenship and, by extension, EU visa-free travel, to Russian nationals, continue to pose potential security risks to the EU.

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

→ amend the Law on internal affairs to make the police fully autonomous from the Ministry of the 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 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 due to Serbian passport holders benefiting from visa free travel to the EU; in particular refrain from granting citizenship under accelerated or simplified procedures to nationals of countries that pose illegal migration or security risks 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 to enter Serbia prevent secondary movements to the EU;

→ adopt new strategies and action plans to combat cybercrime and drugs and effectively implement the programme for the fight against trafficking in human beings in order to ensure support and protection for victims of trafficking, including by strengthening coordination between national and local-level institutions.

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

Serbia has **some level of preparation** and has made **limited progress** in the fight against serious and organised crime. Serbia notably adopted a new Law on preventing and combating trafficking in human beings and on protecting victims, in April 2026, as well as a Law on weapons and ammunition and amendments to the Criminal Code to effectively criminalise the trafficking of weapons, in July 2026. The authorities also continued to cooperate actively with the European Union Agency for Law Enforcement Training, Eurojust, Europol and Interpol, notably on drugs trafficking and the fight against organised crime groups. However, no steps were taken to phase out the role of the security services in investigations of serious and organised crime cases. Deterioration of cooperation between the Prosecutor's Office for Organised Crime and the police and the large-scale personnel changes within the police hindered investigations. The Law on the organisation and jurisdiction of state authorities in the suppression of organised crime, terrorism and corruption has not yet been amended, and the draft operational plan for financial investigations and for the seizure and confiscation of proceeds of criminal offences, as well as the Law on seizure and confiscation of the proceeds of crime remain to be adopted. Serbia has also not finalised the signature of the Memorandum of Cooperation with the European Public Prosecutor's Office and cooperation with Eurojust was disrupted by delays in renewing the secondment of a Serbian liaison prosecutor to Eurojust and in signing joint investigation team agreements.

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

→ further 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, effective use of financial investigations and special investigative measures, and systematic use of extended confiscation, while ensuring sufficient investigative and prosecutorial capacity and resources;

→ implement the amendments to the Criminal Code to effectively criminalise the trafficking of weapons, implement the new Law on weapons and ammunition, and step up the fight

against the storage, sale and ownership of illegal firearms;

→ 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

Serbia has a **good level of preparation** but has made **limited progress** in developing a functioning market economy. Economic growth slowed considerably in 2025 due to domestic political instability and global uncertainties affecting economic confidence, investment and exports, before rebounding in the first half of 2026. The current account deficit increased slightly in 2025 and was no longer covered by foreign direct investment (FDI) inflows, which halved compared to 2024. The 2025 budget deficit turned out lower than planned and monetary policy remained relatively tight, which helped inflation stay in the target band. The banking sector remained stable amid increased lending. Serbia continued to postpone the full application of certain fiscal rules and the reform of the public sector wage system faced further delays. Limited progress was made in improving budget transparency. State aid rules are not always applied to financial support for state-owned enterprises (SOEs) and large foreign investors. SOEs continue to have a disproportionately large influence on the economy. The business environment is burdened by excessive red tape, rule of law weaknesses, and public administration inefficiency and lack of transparency. The government interfered significantly in the retail market by introducing a margin cap for a wide variety of goods from 1 September 2025 until February 2026. While intended to benefit consumers by lowering inflation, the measure risked causing market distortions and harming the business environment.

Last year's recommendations were addressed to some extent but remain mostly valid. To improve the functioning of the market economy, Serbia should in particular:

→ keep an appropriately tight policy stance to maintain price stability amid the global energy price shock, including by containing current spending;

→ move forward with reforming of the public sector wage system;

→ strengthen SOE governance to reduce the associated fiscal risks, notably in the energy sector.

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

Serbia is **between having a moderate and a good level of preparation** and has made **limited progress** in coping with competitive pressure and market forces in the EU. The manufacturing and service sectors are well established, bolstered by close economic links with the EU. However, educational outcomes remain below the OECD average as highlighted in the 2025 Programme for International Student Assessment (PISA) and public funding for education and research is insufficient compared to the EU average. Infrastructure gaps are pronounced in certain areas, despite increased public investment. Digital transformation is progressing well. SMEs continue to encounter challenges, including an unfair competitive environment, when compared to large enterprises and foreign investors. Wage growth outperformed productivity growth, and the real exchange rate continued to appreciate, putting pressure on Serbia's cost competitiveness.

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

→ improve educational outcomes and skills, including by increasing enrolment rates, modernising vocational education and training, improving private sector consultation, and stepping up lifelong learning;

→ harmonise 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 and connectivity and continue diversifying sources of energy imports.

### Chapter 5: Public procurement

Serbia is **moderately prepared** in the area of public procurement. It made **no progress** in the reporting period.

The Commission's recommendations from last year were not implemented so remain 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 institutional 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

Serbia has **a good level of preparation** in the area of statistics. **Good progress** was made during the reporting period, with the adoption of the new Law on official statistics, and 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 largely implemented. In the coming year, Serbia should in particular:

→ continue to improve the compilation of macroeconomic statistics in line with the European System of Accounts (ESA 2010);

→ continue efforts to strengthen the administrative capacity of the Statistical Office of the Republic of Serbia (SORS) to produce statistics in accordance with the EU *acquis* and to meet other national needs.

### Chapter 32: Financial control

Serbia is **moderately prepared** in the area of financial control. **Limited progress** was made in the reporting period, notably by keeping up the implementation of the managerial accountability roadmap and by directing efforts on improving the consistency of the Public Internal Financial Control (PIFC)'s legal basis with the general legal framework.

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

→ strengthen risk management and the reporting of irregularities, notably by expanding the use of risk registers;

→ continue implementing the managerial accountability roadmap swiftly and effectively, especially by improving the delegation of decision-making authority;

→ establish an effective internal audit function in all central budget institutions.

## CLUSTER 2: INTERNAL MARKET

### Chapter 1: Free movement of goods

Serbia is **moderately prepared** in the area of free movement of goods. **Some progress** was made during the reporting period with the adoption of revised strategic documents under this chapter, and the adoption of implementing legislation that aims to align with the latest EU *acquis* on machinery.

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

→ continue implementing the revised strategic documents to ensure 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, machinery and accreditation.

### Chapter 2 - Freedom of movement for workers

Serbia is **moderately prepared** in the area of freedom of movement for workers. Serbia made **limited progress** by continuing preparations to join the European Employment Services (EURES) upon accession.

The Commission's recommendations from last year were implemented to a limited extent so 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 the IT infrastructure for the European Health Insurance Card (EHIC) and Electronic Exchange of Social Security Information (EESSI), as well as administrative capacities in view of joining the future EESSI Network;

→ continue preparations to join EURES upon accession;

→ start preparations for aligning national legislation with the EU *acquis* on free movement of workers, including access for EU citizens to the labour market and equal treatment of EU workers.

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

Serbia is **moderately prepared** in these areas. **Limited progress** was made, notably with the adoption of implementing legislation regulating the Point of Single Contact, in line with the Law on services, and adoption of implementing legislation on net cost calculation and accounting separation applied by the universal service provider, in line with the Postal Services Directive.

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

→ further align its horizontal Law on services with the EU Services Directive, continue harmonising sectoral laws with the horizontal law and EU *acquis*, and operationalise the Point of Single Contact online portal by providing information to service providers, including on all relevant administrative procedures;

→ continue aligning with the EU *acquis* on postal services and make progress on gradual postal market opening;

→ 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

Serbia has **between a moderate and a good level of preparation** in the area of free movement of capital. **Limited progress** was made during the reporting period, following the assessment of Serbia's anti-money laundering (AML) and countering financing terrorism (CFT) system in its latest Mutual Evaluation Report adopted by Moneyval in December 2025.

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

→ intensify efforts to further liberalise capital movements in line with the EU *acquis* and its obligations under the Stabilisation and Association Agreement (SAA), including by removing the remaining restrictions on capital movements and 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;

→ further align with the EU *acquis* on payments;

→ continue legislative alignment with the latest EU *acquis* and enhance effectiveness in monitoring, supervision, financial intelligence, investigation and reporting by building a track record in the field of AML/CFT.

### Chapter 6: Company law

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 so remain valid. In the coming year, Serbia should in particular:

→ further align its legislation with the EU *acquis* on company law and corporate governance, particularly by finalising and adopting the Law on takeover bids;

→ align its legislation with the EU *acquis* on cross-border conversions, mergers and divisions and on the use of digital tools and processes in company law;

→ further align its legislation with the EU *acquis* on company reporting, transparency and statutory audit.

### Chapter 7: Intellectual property law

Serbia has a **good level of preparation** in intellectual property rights (IPR). **Limited progress** was made in the reporting period, notably by the adoption of the Law on ratification of the Geneva Act of the Lisbon Agreement on appellations of origin and geographical indications.

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

→ align the copyright and related rights legislation with the EU directive on collective rights management, the EU directive on orphan works, and the EU directive 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

Serbia is **moderately prepared** in competition policy. In the reporting period, Serbia made **some progress,** notably with the adoption of a timebound action plan for the alignment of incompatible State aid schemes. Amendments to a number of State aid schemes, adopted in August 2026, aim at aligning with the EU *acquis*.

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

→ continue work on aligning the existing fiscal State aid schemes, where required, and on aligning the Law on multilateral interchange fees and special operating rules for card-based payment transactions with the EU *acquis* and with obligations under 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, continue implementing 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. **Limited progress** was made, notably by adopting amendments to the Law on alternative investment funds, intended to further align with the Alternative Investment Fund Managers Directive (AIFMD) and the European Long-term Investment Funds Regulation (ELTIF) and by bringing into operation the Bank Resolution Fund.

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 the Capital Requirements Regulation (CRR), Capital Requirements Directive (CRD) and the Bank Recovery and Resolution Directive (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 Directive and Regulation (MIFID II/MiFIR) and the Directive relating to undertakings for collective investment in transferable securities (UCITSD).

### Chapter 28: Consumer and health protection

Serbia is **moderately prepared** in consumer and health protection. **Limited progress** was made in aligning with the EU *acquis* on consumer protection, by adopting the Law on consumer protection and the Law on trade.

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:

→ continue to further align with the EU *acquis* on consumer protection and on general

product safety;

→ 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 medicines for human use and on veterinary medicinal products;

→ amend the Law on health records and documentation to ensure full compliance with EU data protection requirements and with the EU *acquis*.

## 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 during the reporting period, notably through the conclusion of the 5G spectrum auction, further digitalisation of public services, the adoption of legislation aiming to further align with the NIS2 Directive, the Gigabit Infrastructure Act, and the Open Data Directive and continued investment in AI infrastructure. However, serious concerns remain regarding the media sector. The election of the new Council of the Regulatory Authority for Electronic Media (REM) was unblocked in July 2026, after Serbia had remained without a functioning Council since November 2024, while the media market further concentrated.

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

→ fully align its electronic communications, digital trust and cybersecurity legislation with the EU regulatory framework, including the Gigabit Infrastructure Act, the European Digital Identity Framework (eIDAS 2.0), the NIS2 Directive, the Cyber Resilience Act and the EU AI Act;

→ ensure the full financial and operational independence of the Regulatory Authority for Electronic Communication and Postal Services (RATEL) in line with the EU *acquis*, including the European 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 Council of the Regulatory Authority for Electronic Media (REM), and further amend the media legislation to align with the European Media Freedom Act, through an inclusive and transparent process.

### Chapter 16: Taxation

Serbia has **between a moderate and a good level of preparation** in the area of taxation. It made **limited progress,** in particular following the entry into force of excise duties on natural gas used as propellant, the creation of a register of non-tax levies and the procurement of a commercial off-the-shelf solution for the tax administration. A follow-up strategy to the Tax Administration transformation programme has yet to be adopted.

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

→ adopt and implement a follow-up programme to the Tax Administration transformation programme, continue to implement the new integrated information system to support the tax administration's new business model, and urgently 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 the automatic exchange of financial account information and commit to a date when the first exchanges will take place.

## Chapter 17: Economic and monetary policy

Serbia has **between a moderate and a good level of preparation** and made **limited progress** in economic and monetary policy. Serbia has started to expand fiscal risk reporting and work is ongoing on amending the legislation on the National Bank of Serbia and the budget system law.

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

→ fully align the legislation on the National Bank of Serbia with the EU *acquis* to ensure its full independence

→ further align the Budget System Law with Directive 2011/85/EU.

## 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.

The Commission's recommendations from last year were not implemented so 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 youth, women and the long-term unemployed, and start rolling out the Youth Guarantee nationwide;

→ 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 avoid further delays in implementing the action plan for Chapter 19, including further alignment with the EU *acquis* in the area of non-discrimination and equality in employment and social policy;

→ adopt the increasingly 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 people at heightened risk of poverty, social exclusion or discrimination.

## Chapter 20: Enterprise and industrial policy

Serbia is **moderately prepared** on enterprise and industrial policy. **Limited progress** was made during the reporting period, notably by adopting seven pieces of secondary legislation to implement the Law on the governance of state-owned enterprises (SOEs) and by adopting – later than planned – the action plan 2026-2027 on the implementation of the industrial policy strategy.

The Commission's recommendations from last year were implemented to a limited extent so 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 the remaining implementing legislation to ensure proper implementation of the SOE Law;

→ conduct a mid-term impact evaluation of the industrial strategy and further increase resources for financial and technical support to small and medium-sized enterprises (SMEs).

### Chapter 25: Science and research

Serbia has **a good level of preparation** in science and research. **No progress** was made during the reporting period. Although alignment was achieved with the European Research Infrastructure Consortium Regulation, this was overshadowed by negative developments regarding the autonomy of research institutes and universities, including through the Decrees restricting the amount of time the academic staff can spend on research, which remained into force for most of the reporting period, changes in the management of research institutes, and irregularities regarding national funding of research and innovation schemes. These developments negatively affected the stability of the research and innovation ecosystems.

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

→ ensure the autonomy of research institutes and universities and guarantee respect for academic freedom and freedom of scientific research, in line with the principles of the European Research Area (ERA);

→ increase and guarantee the predictability of national funding schemes for research and innovation and ensure the autonomy of national science and innovation schemes and support mechanisms;

→ actively participate in the ERA Policy Agenda 2025-2027 and commit to ERA priorities and actions.

### Chapter 26: Education and culture

Serbia has **between a moderate and a good level of preparation** in education and culture. There was **backsliding** during the reporting period. While the policy and institutional framework remains in place and work continued in some areas, in particular on quality assurance in higher education, the governance of the sector further deteriorated, which adversely affected the delivery of quality education and the functioning of educational institutions. This included dismissals of staff, cases of disciplinary action and legal proceedings against teaching staff across all levels of education, as well as cases of restructuring educational institutions without inclusive consultations. International cooperation was also impacted, resulting in delays in the implementation of EU programmes. These measures extended to other levels of education and to the cultural sector, where dismissals, postponements or withdrawals of funding and concerns over the transparency of public grants affected freedom of artistic expression and the independence of cultural institutions. Taken together, this marked a further deterioration in respect for the fundamental academic values of the European Higher Education Area (EHEA) – academic freedom, institutional autonomy and the participation of students and staff in governance.

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 respect for fundamental academic values, such as academic freedom and institutional autonomy, in line with the principles of the EHEA; in particular address

concerns related to undue interference in the governance of the education sector and pressure on the education community, such as dismissals without sound justification, legal proceedings against teaching staff and measures that could impact the financial autonomy of education institutions;

→ increase the number of children enrolled in early childhood education and care, and ensure inclusion in particular of children from disadvantaged backgrounds;

→ ensure respect for freedom of artistic expression, and sufficient and transparent funding for cultural organisations on the basis of predictable and non-discriminatory criteria.

### Chapter 29: Customs union

Serbia has a **good level of preparation** in the area of the customs union. It made **some progress,** in particular by upgrading its national component of the New Computerised Transit System (NCTS) to Phase 6 and adopting amendments to existing implementing legislation with the aim of further aligning with the EU *acquis,* as well as further bringing into operation its new risk analysis IT system RMSa.

The Commission's recommendations from last year were partially implemented but 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;

→ continue work in aligning legislation, with respect to the revised Union Customs Code.

## CLUSTER 4: THE GREEN AGENDA AND SUSTAINABLE CONNECTIVITY

### Chapter 14: Transport policy

Serbia has a **good level of preparation** in this field. **Limited progress** was made in the reporting period, in particular by simplifying border crossing procedures with electronic data exchange, and by adopting road and rail sector legislation. In March 2026, Serbia's Civil Aviation Directorate introduced regulatory changes which, once enforced, will negatively affect the traffic rights for EU carriers flying to and from Serbia.

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

→ adopt the National Transport Strategy in line with the requirements of the new Trans-European Transport Network (TEN-T) Regulation; continue to systemically improve the maintenance system for road and rail infrastructure; continue to ensure implementation of the EU-Western Balkans Green Lanes; and continue to implement the 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; strengthen the legal, technical, administrative and institutional frameworks for preparing, implementing and operating transport infrastructure investment projects, including engaging fully independent supervision services in a timely manner;

→ on aviation ensure that any regulatory change regarding the traffic rights for EU carriers operating at Serbian airports is in line with the European Common Aviation Area (ECAA) agreement; on rail reform, continue aligning legislation with the fourth railway package

and adopt the new Law on railways; address bottlenecks hindering the efficiency and quality of railway services.

### Chapter 15: Energy

Serbia is **moderately prepared** in the area of energy. **Some progress** was made during the reporting period, including the full unbundling and final certification of *Transportgas Srbija* as Serbia's national gas Transmission System Operator, the establishment of the company *Gas Infrastruktura Novi Sad* as the new independent owner of Serbia's gas network, and progress in the transposition of the Electricity Integration Package.

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

→ Fully transpose the Electricity Integration Package, notably by implementing the recommendations from the verification process, and begin implementation, including determining net transmission capacities and allocating capacity on all cross-border interconnections, including on the bidding zone border between the Transmission System Operators (TSOs) EMS and KOSTT;

→ ensure effective, non-discriminatory and transparent third-party access to the entire gas network of the country, and certify the Banatski Dvor underground gas storage facility in accordance with the Gas Storage Regulation;

→ finalise and adopt the implementing legislation on the energy performance of buildings and establish a sustainable Just Transition funding mechanism to support the efficient implementation of the Just Transition Plan.

### Chapter 21: Trans-European networks

Serbia has **between a moderate and a good level of preparation** in the area of trans-European networks (TEN). **Limited progress** was made, notably by advancing the Trans-Balkan electricity corridor and by further developing railway infrastructure**.**

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

→ Finalise the procurement process and sign contracts for works and supervision for Section 3 of Rail Corridor X in a transparent and competitive process; prepare tender documents for Sections 1 and 2; accelerate the implementation of the Niš-Dimitrovgrad railway line, including the Niš railway bypass; complete and put the Niš-Brestovac railway section into operation;

→ transpose the revised TEN-E Regulation;

→ continue project preparations for section IV of the Trans-Balkan Electricity Corridor between Serbia, Bosnia and Herzegovina, and Montenegro; continue project preparations for the Projects of Mutual Interest with EU Member States.

### Chapter 27 - Environment and climate change

Serbia is **between having some and a moderate level of preparation** in the area of environment and climate change. **Some progress** was made by adopting the Environmental Protection Strategy, the adoption of the Law on Integrated Pollution Prevention and Control, two laws establishing a carbon tax for major industrial emitters and a border levy on carbon-intensive imported goods. Progress was also made by adopting implementing legislation, in particular in the area of horizontal legislation, air, chemicals, climate taxation, and by completing the first monitoring, reporting, verification and accreditation (MRVA) cycle for stationary installations.

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

→ continue implementing measures set out in (i) the action plan for administrative capacity development, (ii) the low-carbon development strategy, (iii) the National Energy and Climate Plan; (iv) the programme on air protection; and implement the extended producer responsibility (EPR) system for specific waste streams, in accordance with the polluter pays principle;

→ adopt legislation in line with the Environmental Crime Directive and the Environmental Liability Directive; amend the law on climate change and expand alignment with, and implementation of, the EU *acquis* on monitoring, reporting, verification and accreditation (MRVA) to the full scope of the EU Emissions Trading System (ETS); adopt new legislation on nature protection, water and drinking water, further aligning with the EU *acquis*;

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

## CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

### Chapter 11: Agriculture and rural development

Serbia has **some level of preparation** in agriculture and rural development. **Limited progress** was made towards alignment with the EU *acquis,* notably by adopting laws on organic production and unfair trading practices.

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

→ take measures to accelerate the implementation of IPARD III and avoid further losses of EU funds, notably by increasing capacity building, ensuring more efficient contracting and project implementation, and proposing 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 as well as wine and spirit drinks;

→ Establish the land parcel identification system (LPIS) on the entire territory of Serbia.

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

Serbia is **moderately prepared** in the area of food safety, veterinary and phytosanitary policy. **Limited progress** was made during the reporting period, with the adoption of two framework laws, namely the Law on official controls, which is only partially aligned with the EU *acquis* and the Law on seeds and planting material of agricultural and ornamental plants, which aims to further align with the EU *acquis*.

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:

→ continue adopting framework legislation on food safety, 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;

→ upgrade establishments producing food, feed and animal by-products to meet EU structural standards.

## Chapter 13 - Fisheries and aquaculture

Serbia is **moderately prepared** in the area of fisheries and aquaculture. **Limited progress** was made during the reporting period with the adoption of the Laws on organic production and official controls, which aim to further align with the EU *acquis* as part of the action plan under this chapter.

The Commission's recommendations from last year were implemented to a limited extent and remain largely valid:

→ continue and speed up implementation of 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 capacity issues 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

Serbia is **moderately prepared** in the area of regional policy and the coordination of structural instruments. It made **some progress**, notably by adopting the Law on cohesion policy.

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

→ put in place a national plan to promote regional development, address regional disparities, and build a resilient ecosystem involving all levels of government and relevant non-state bodies, in line with the partnership principle;

→ move forward with public administration reforms in a coordinated manner, implementing effectively the local-self-government component through the necessary financial and fiscal decentralisation;

→ address administrative capacity as a matter of urgency, strengthen capacity monitoring for the Reform and Growth Facility, and further strengthen the financial management and control systems for EU funds.

## Chapter 33: Financial and budgetary provisions

Serbia has **some level of preparation** in the area of financial and budgetary provisions. **Limited progress** was made over the reporting period, notably by drafting an action plan for meeting specific administrative conditions.

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

→ further 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 finalising and adopting an action plan with a timeline to meet the administrative conditions.

## CLUSTER 6: EXTERNAL RELATIONS

### Chapter 30: External relations

Serbia is **moderately prepared** in the area of external relations. There was **backsliding** as Serbia temporarily introduced new trade restrictions that were not in line with the Stabilisation and Association Agreement (SAA), disengaged from regional cooperation activities, blocking progress on Common Regional Market for the entire region, and continued its ongoing import license regime, which appears inconsistent with the SAA.

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

→ lift any existing trade restrictions and refrain from adopting new ones;

→ 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

→ implement the actions set out in the new common regional market action plan for 2025-2028 and all decisions adopted in the context of the Central European Free Trade Agreement (CEFTA) and avoid hindering the adoption of decisions and recommendations and delaying further progress on regional economic integration.

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

Serbia is **moderately prepared** in the field of foreign, security and defence policy. Overall, it made **no progress** over the reporting period, aligning only partially with the common foreign and security policy (CFSP). Serbia continued to resort to retroactive alignment. Serbia retroactively aligned with some Council decisions related to Russian individuals, Iran, and some EU Statements on Ukraine, which represents a positive change in terms of patterns of alignment. Nevertheless, some of Serbia's actions and statements went against key EU positions, especially on Russia and China. It is currently not aligning with the EU's restrictive measures against Russia, Belarus and Iran taken in the context of Russia's war of aggression against Ukraine. Combined with recurrent anti-EU narratives, this raised questions about Serbia's strategic orientation.

High-level and frequent bilateral contacts with Russia continued, including in the context of Serbia's continued dependence on Russian energy. Notwithstanding the fact that Serbia has not yet aligned with EU sanctions against Russia related to its war of aggression against Ukraine, Serbia is cooperating with the EU on countering sanctions circumvention and has provided substantial support to and intensified its cooperation with Ukraine, including through high-level exchanges. Serbia continues to contribute substantially to EU crisis management missions and operations under the Common Security and Defence Policy (CSDP).

During the reporting period, Serbia deepened its comprehensive strategic partnership with China. The procurement of supersonic air-to-surface precision strike missiles from China, which are mounted to Russian-produced fighter jets, deepened Serbia's strategic dependencies further and in a manner inconsistent with its commitment to the EU path.

The recommendations issued in 2025 were not implemented and remain valid. In the coming year, Serbia should in particular:

→ improve, as a matter of priority, its alignment with the EU common foreign and security policy (CFSP), including restrictive measures, and avoid actions and statements that go against EU 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. In particular, it should prevent Serbian territory and/or citizens being used by third countries to conduct hybrid operations, and ensure effective judicial follow-up;

→ 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, including through the acquisition of visa-free travel rights to the EU for nationals of Russia by granting them Serbian citizenship.

### 1.3. STATE OF PLAY OF THE ACCESSION NEGOTIATIONS

| Clusters | Chapters/areas | State of play |
|---|---|---|
| **1. Fundamentals**<br><br>*All chapters open* | 23 – Judiciary and fundamental rights | Opened July 2016 |
| | 24 – Justice, freedom and security | Opened July 2016 |
| | 5 – Public procurement | Opened December 2016 |
| | 18 – Statistics | Opened December 2018 |
| | 32 – Financial control | Opened December 2015 |
| | …Economic criteria | |
| | …Functioning of democratic institutions | |
| | …Public administration reform | |
| **2. Internal market**<br>*4 chapters open* | 1 – Free movement of goods | Serbia working on fulfilment of opening benchmarks |
| | 2 – Freedom of movement for workers | Draft EU Common Position in Council |
| | 3 – Right of establishment and freedom to establish services | Draft EU Common Position in Council |
| | 4 – Free movement of capital | Opened December 2019 |
| | 6 – Company law | Opened December 2017 |
| | 7 – Intellectual property rights | Opened June 2017 |
| | 8 – Competition | Serbia working on fulfilment of opening benchmarks |
| | 9 – Financial services | Opened June 2019 |
| | 28 – Consumer and health protection | Draft EU Common Position in Council |
| **3.Competitiveness and inclusive growth**<br><br>*5 chapters open* | 10 – Digital transformation and media | Draft EU Common Position in Council |
| | 16 – Taxation | Draft EU Common Position in Council |
| | 17 – Economic and monetary policy | Opened December 2018 |
| | 19 – Social policy and employment | Draft EU Common Position in Council |
| | 20 – Enterprise and industrial policy | Opened February 2017 |
| | 25 – Science and research | Opened December 2016 and provisionally closed |
| | 26 – Education and culture | Opened February 2017 and provisionally closed |
| | 29 – Customs union | Opened June 2017 |
| **4. Green agenda and sustainable connectivity**<br><br>*All chapters open* | 14 – Transport policy | Opened December 2021 |
| | 15 – Energy | Opened December 2021 |
| | 21 – Trans-European networks | Opened December 2021 |
| | 27 – Environment and climate Change | Opened December 2021 |

| | | |
|---|---|---|
| **5. Resources, agriculture and cohesion**<br><br>*2 chapters open* | 11 – Agriculture and rural development<br>12 – Food safety, veterinary and phytosanitary policy<br>13 – Fisheries and aquaculture<br>22 – Regional policy and coordination of structural instruments<br>33 – Financial and budgetary provisions | Opening Benchmarks Assessment Report in Council<br>Serbia working on fulfilment of opening benchmarks<br>Opened June 2018<br>Opening Benchmarks Assessment Report in Council<br><br>Opened June 2018 |
| **6. External relations**<br>*1 chapter open* | 30 – External relations<br>31 – Foreign, security and defence policy | Opened December 2017<br>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

### 2.1.1. Democracy

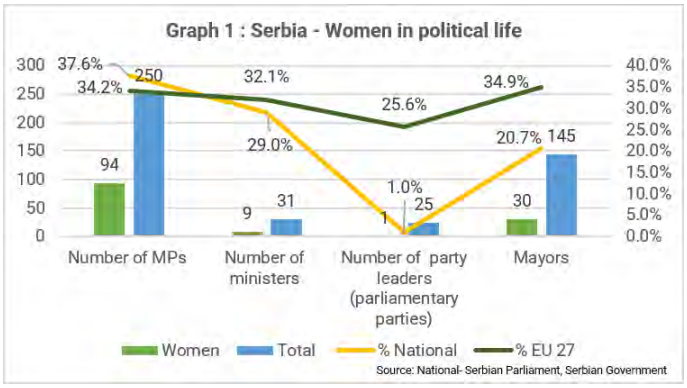
Sustained political polarisation at both national and local level continues to pose a challenge to the functioning of democratic institutions. Less frequent mass student and citizen protests continued across the country during the reporting period. There were cases of violent incidents and attacks against students, activists and peaceful protesters, with institutions such as the police failing to take follow-up action in most cases. There were also some violent incidents against pro-government gatherings. The police entered the Rectorate of the University of Novi Sad in September 2025 and remained on site for several weeks. In March 2026 following the death of a student, the police raided the premises of Belgrade University, including its Rectorate. In March 2026, on the day of partial local elections, the main office of an opposition party in Belgrade was raided. In several cases where activists, media workers and domestic election observers were attacked, the police were present but, according to local NGO observers, failed to react. There have been very few public reports of measures being taken against officers allegedly involved in cases of excessive use of force by the police. State officials continue to frame protests as being part of a foreign backed 'colour revolution', allegedly aimed at overthrowing the constitutional order of Serbia, without substantiating evidence. The announced interrogation and prosecution of individuals engaging in public debate on the alleged use of sonic weapons at the 15 March 2025 protest, despite an interim measure issued by the European Court of Human Rights in April 2025 in this respect, has had a chilling effect on freedom of expression and open debate.

**Elections**

The general framework regarding elections still requires further comprehensive reform and more efforts are needed to ensure alignment with all relevant EU *acquis* in this area, including Regulation (EU) 2024/900 on the transparency and targeting of political advertising, taking into account European and international democratic standards.

Several laws aiming to implement some of OSCE/ODIHR's recommendations were adopted throughout the reporting period. Following an amendment to the Law on the unified voter register which was adopted in November 2025, a Commission for auditing the voter register

was set up in February 2026. This Commission includes representatives of the ruling majority, parliamentary opposition and CSOs. The audit of the voters' register is still ongoing and was not fully performed before the October parliamentary elections. In addition, Serbia has taken forward work on the electoral framework. The Law on the election of the President, the Law on the election of members of parliament, the Law on local elections and the Law on the Constitutional Court were amended in May 2026 to implement OSCE/ODIHR recommendations, in particular those on mandatory training for members of the election administration, the deadline for the Constitutional Court to act in election-related disputes, and criteria for lists representing national minorities. Amendments to the Law on financing of political activities and to the Law on the fight against corruption were adopted in July and August 2026 respectively. Despite progress, several priority OSCE/ODIHR recommendations remain to be implemented, including on the separation of state and political parties, inclusive and comprehensive electoral reform, the completion of a meaningful audit of the voter register, greater oversight of election campaigns and their financing, measures to enable media freedom and independence especially in the context of electoral campaigns, and measures to prevent voter intimidation.




On 7 September 2026, upon proposal of the government, the President of Serbia dissolved the Parliament and called for early parliamentary elections which were held on 25 October 2026. The President resigned as president on 27 September. The former President Vučić then ran as the first candidate on the list of the ruling SNS party and for the post of Prime Minister. The elections were observed by an international election observation mission (IEOM), which included a full-scale OSCE/ODIHR Election Observation Mission deployed in September, the European Parliament, the Parliamentary Assembly of the Council of Europe and the OSCE Parliamentary Assembly. As per its preliminary findings and conclusions, "the 25 October early parliamentary elections saw active citizen engagement with high voter turnout and vigorous competition between two main contenders, but unfolded in an atmosphere of profound polarization, with the equality of campaign opportunities seriously compromised." The management of the election preparations was deemed as "overall efficient" and the assessment of all stages of the election day process in the vast majority of polling stations as "positive". However, according to IEOM elements, such as entrenched advantages enjoyed by the ruling party, including misuse of state resources, "pronounced bias in monitored media coverage in favour of the incumbent party, intimidation and pressure on voters, candidates, and civil society, as well as disruptions of campaign activities marred the electoral environment. Reported incidents of physical violence also raised serious concerns and some procedural shortcomings were noted." Widespread mistrust in the integrity of the voter register persisted.

Regular local elections in several municipalities also took place in November 2025 and March 2026. They were marked by irregularities, an uneven playing field, reports of violence, attacks on observers, journalists and representatives of political parties, and a failure by police to act. Pressure on female activists, including gender-based digital violence, increased in the run-up to local elections in some municipalities in March 2026. The CoE Congress of regional and local authorities' observers of the March elections noted that while procedures inside polling stations were largely in line with legal provisions, acts of violence and the threatening presence of unidentified and sometimes masked groups were

witnessed across municipalities. They also noted a deterioration in the campaigning environment, allegations of pressure on voters, misuse of public resources and an increased blurring of the line between the State, local authorities and the ruling party. The Constitutional Court has still not issued a decision on the opposition motions challenging the December 2023 early parliamentary and local elections.

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

**Parliament**

Parliament's effectiveness, autonomy and transparency still need to be strengthened. The effective exercise of parliamentary powers is constrained by parliamentary sessions often being called as late as legally possible, the absence of an annual work plan, and an agenda almost entirely driven by the government and the ruling party. The 2026 regular spring sitting started with a 45-day delay. Plenary and committee sessions continued to be marked by tensions and offensive behaviour, including from some ministers. Furthermore, the Code of Conduct was not applied consistently, with fines being mostly imposed on opposition MPs. At times, the Speaker has engaged in direct exchanges with the opposition and failed to provide impartial rulings in line with the procedural rules of the parliament.

Most laws adopted by Parliament originated from the government. Still, a number of problematic judicial laws was adopted on the motion of one ruling MP without prior public consultation or consultation of the European Commission. Furthermore, some important electoral laws were tabled by a ruling party MP, which had an impact on the transparency and inclusiveness of the legislative process. The practice of calling sessions at short notice and of amalgamating unrelated agenda items continued. The State budget was debated alongside 57 other items in December 2025 while the pre-election budget revision was considered alongside 58 separate items in August 2026. A no-confidence motion from February 2026 was placed on the agenda in July 2026, despite rules stipulating that it should have been debated at the next parliamentary session after it was tabled. Only one session for MP questions to the government was held in the course of 2026, despite clear rules for such sessions to be regularly held. The use of urgent procedure increased to 18% between September 2025 and September 2026.

**EU integration**

In January 2026, Serbia established an operational team for EU accession, replacing the previous broader coordination structures. In March 2026, the Head of Mission of the Republic of Serbia to the EU was appointed as chief negotiator and head of the operational team. While this served to consolidate the operational leadership, it blurred the division of responsibilities between the Minister for European Integration and the chief negotiator.

Under the new set up, technical work on legislative alignment and on planning accelerated although it is yet to be matched by genuine political commitment to meet all criteria for EU membership. The national programme for the adoption of the EU *acquis* (NPAA), last amended in August 2025, remains the central planning instrument, supported by quarterly and annual monitoring reports. However, implementation challenges persist and recent monitoring cycles show only a partial fulfilment of planned legislative measures. The new operational team has developed its own parallel planning for meeting the outstanding opening and interim benchmarks and for prioritising the legislative agenda.

The bodies set up by Serbia to support EU accession negotiations also oversee the implementation of the Reform and Growth Facility, with the Minister for European Integration assuming the role of the national coordinator of the Reform and Growth Facility (RGF).

The Ministry of European Integration still is the formal focal point for consultations and engagement with civil society, the business community, local self-government and other stakeholders. However, the practical allocation of responsibilities has yet to be clarified following the establishment of the operational team. 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, since the NCEU decided to suspend its participation in processes involving cooperation with political decision-makers in February 2025, engagement with civil society has been limited and inconsistent. While cooperation continues at a technical level, notably within the negotiation groups and in relation to the RGF Monitoring Committee and biannual trilateral RGF policy dialogue meetings, civil society continues to report a deteriorating environment, insufficient transparency and access to information, and limited influence on decision-making, with consultations perceived as procedural rather than meaningful.

As the Serbian government continues to declare EU membership a strategic goal, the national authorities must prioritise unambiguous, proactive communication about EU accession and implement EU-related reforms consistently and effectively.

**Governance**

Concerns persist that political debate and decision-making are *de facto* steered by the President in a way not intended under the Constitution. Following previous pardons granted in 2025, the announcement of the President in September 2026 of new pardons granted to 49 individuals raised further concerns in terms of lack of transparency and whether the applicable legal procedure was correctly followed. There were no changes in the composition of the government during the reporting period. In July 2026 the Parliament debated on and voted down a motion of no confidence that had been tabled by the opposition in February 2026.

Legal requirements for public debate were scaled back by way of an amendment to the government's rules of procedure in November 2025, while adequate conditions for genuine public participation were not always ensured. Some members of the government made inflammatory, insulting and potentially threatening statements against students and the student protest movement. Independent bodies must be allowed to act entirely without outside influence, and their recommendations must be followed up more thoroughly.

The Prosecutor for Organised Crime initiated a criminal case against the Minister for Culture on the grounds of 'irregularities during the process of removing cultural heritage status from the army's general staff building. The case is ongoing; the Minister did not invoke immunity from proceedings as a member of government.

In the area of local self-government, the Law on financing the autonomous province of Vojvodina has still not been adopted despite a constitutional requirement to do so. Local administrative capacity is limited, with significant disparities between municipalities. The programme to reform the local government system (2021-2025) was implemented to a moderate extent. The Commission for Financing Local Self-Governments has not met since 2022, in breach of its legal obligations.

**Civil society**

Civil society, including human rights defenders, has been subject to increased pressure and attacks, including from high-level officials, further impacting what already was a restricted civic space. Smear campaigns have been orchestrated by the tabloids and government-organised non-governmental organisations (GONGOs). The police search of four CSO offices in February 2025 has resulted in no indictments so far and was widely perceived as an act of intimidation against civil society. CSOs have not been informed of the outcome of

a request made in January 2025 by the Administration for the Prevention of Money Laundering for the confidential bank data of five CSO employees. There have been new reports of spyware attacks targeting human rights defenders, student activists and opposition politicians, but little judicial follow-up so far. Strategic lawsuits against public participation (SLAPPs) persist, increasingly hindering the work of civil society actors. In this overall context of civil society environment, formal cooperation with the authorities has not resumed, except for their participation as members of the RGF Monitoring Committee in a tripartite format with the European Commission. There was no notable progress in the implementation of Serbia's strategy and action plan for civil society. There have been no specific improvements in the transparency and fairness of public funding for CSOs. According to public data collected by investigative journalists, some public funds have been allocated to ghost organisations or GONGOs. For example, a case filed by CSOs back in 2023 on alleged corruption in public calls implemented by the Ministry of Demography and Family Care is still in the pre-investigative stage.

**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. The Committee reviews periodic activity reports by the civilian and military security agencies and by the Inspector-General of the Ministry of Defence. There have been reports that the civilian security agency (BIA) summoned students, activists and prosecutors for informative talks. The Law on access to state security files is still to be adopted.

### 2.1.2. Public administration reform

Strategic framework for public administration reform (PAR)

A comprehensive PAR strategy (2021-2030) is in place, however implementation remains inconsistent and needs to be improved. The new PAR action plan 2026-2030 was adopted in September 2026. Underlying reform programmes for 2026-2030 have not yet been adopted, with the exception of the Public Finance Management Reform Programme, which was adopted in May 2026. The 2025 PAR implementation report shows slow progress overall with 49% of measures and 51% of activities implemented. Monitoring reports are still being adopted too late to provide timely information to decision makers. PAR coordination mechanisms at political and administrative levels are formally in place, but their impact is limited due to the lack of clear ownership and political commitment. Financial sustainability remains an issue of concern due to reliance on donor funding.

Policy development and coordination

The regulatory framework for policy development and coordination has been weakened by the fact that quality assurance checks were further reduced, undermining evidence-based policymaking. In March 2026, implementing legislation was amended, exempting all European integration-related draft regulations and public policy documents from mandatory impact assessments – which is against EU standards on better regulation – and from the opinion of the Public Policy Secretariat. The streamlining of sectoral strategic frameworks remains slow, with only six out of 23 sectors optimised so far. The national development plan, due for adoption in 2020, is still not in place. The adoption rate of mid-term plans remains low (65% for the period 2026 – 2028 – as of September 2026), continuing to lag far behind the 2020 deadline set for central level institutions. Government decision-making transparency remains limited, with no publication of meeting agenda or minutes, only press releases providing partial information. Moreover, the strategic framework does not envisage any improvements. The share of published annual reports on the implementation of sectoral planning documents is still limited (around 60%, despite this being a legislative requirement).

The legal framework for **public consultations** has deteriorated. In November 2025, the government adopted amendments to its rules of procedure, lowering the standards applicable to public debate by introducing several exemptions which are not in line with primary legislation. Public consultations were carried out in 2025 on 51% of draft laws (down from 58% in 2024) and on 30% of draft regulations, with no systematic follow-up. There is still no central body in charge of oversight and quality control of public consultations. Use of the e-consultations platform, although mandatory, is insufficient. Only 32% of public consultations on legislation adopted by the government were performed using the platform while no more than 15% had their mandatory reports published on the platform *(see civil society under 2.1.1 Democracy)*.

Public financial management

Public financial management (PFM) is broadly in place but needs to be improved. As per the **strategic framework**, 72.7% of the activities of the 2021-2025 PFM reform programme were completed. The new PFM reform programme 2026-2030, adopted by the government in May 2026, is less dependent on donor funding but continues to lack ambition, notably with regard to budget planning, execution and public investment management. Despite a well-defined methodological framework, the link between strategic priorities and budget programmes remains inconsistent. Programme budgeting needs to be better integrated and implemented, in particular for central government. Gender-responsive budgeting and the green tagging methodology are continuing to find greater application.

A new public expenditure and financial accountability assessment (PEFA) and a Fiscal Transparency Evaluation were conducted in 2025. The latter assessed Serbia as advanced in fiscal reporting, forecasting and budgeting, while weaknesses were recorded in fiscal risk management. Macroeconomic and fiscal forecasting remain adequate. On **budget management**, budget revenue and expenditure are realistically forecast. Fiscal risks monitoring continues to improve, with risks identified in the medium-term fiscal strategy. However, the Ministry of Finance still does not publish a stand-alone and comprehensive fiscal risk statement. With full implementation of the general fiscal rules having been postponed, fiscal policy credibility may be undermined. The relatively large contingency budgetary reserve lacks sufficient accountability, as it continues to be used without a clear purpose and transparent reporting.

The financial autonomy of local self-government units remains highly dependent on intergovernmental transfers and has been affected by a decrease in the share of non-earmarked transfers and the lack of a standardised methodology for assessing their financial needs.

While the country has yet to develop a genuine single pipeline for capital investment management, reforms of **public investment management** are ongoing. Existing exemptions are being addressed with the gradual inclusion of projects of special importance in the standard procedure. However, public-private partnerships continue to be managed separately without transparent data on their total costs and obligations. While a Serbia 2030 strategy has been announced, there is no public development plan and no investment plan.

Limited progress was made in improving **budget transparency**. Both the 2025 and 2026 budgets were adopted in line with the budget calendar, but the qualitative assessment and debate among stakeholders should be substantially improved. A public hearing on the draft budget law was held a day before the start of the parliamentary debate and with limited public participation. A citizen's budget portal was introduced in October 2025, with a mechanism for the public to submit proposals and comments. Budget oversight by the legislature needs to improve. As noted in the Open Budget Survey 2025, a mid-year report has still to be produced and published. Budget execution reports contain basic information and do not analyse divergence from set targets. Inconsistencies in the accounting and

reporting framework need to be resolved *(See Chapter 17 – Economic and monetary policy)*.

Public service and human resources management

The regulatory framework of public service and human resources management (HRM) is satisfactory, but its effectiveness continues to be undermined by a lack of consistent enforcement. 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 public service and HRM legislation provides for **merit-based recruitment and dismissal procedures** but leaves too much discretion to the heads of institutions in setting up selection committees. In May 2026, the Director of the Public Policy Secretariat was dismissed without sound justification. Amendments to the Law on civil servants adopted in 2025 and early 2026 introduced positive regulatory changes with the potential to make public sector employment more attractive and recruitment procedures more efficient. A requirement to assess at least one functional competence was incorporated into the hiring procedure for fixed-term staff. Around 10% of all civil servants continue to be hired on a fixed-term basis without passing a competition as the adoption of a legal provision to that effect has been postponed once again until January 2027. Administrative bodies have limited autonomy to launch new recruitment procedures based on their staffing plans, due to recruitment restrictions under the Law on the budget system. The new HRM information system is not yet operational. HRM units continue to have limited capacity and do not play a strategic role. No progress was made on salary reform aimed at ensuring equal pay for equal work in the public administration. Serbia maintained an effective gender balance in the public administration, including in top managerial positions, with 49% women and 51% men.

The percentage of **senior civil servant** posts occupied in an acting capacity is excessively high and increased during the reporting period (72% as of September 2026 compared with 62% in September 2025), undermining merit-based and legally compliant appointment procedures and contributing to prolonged instability in senior management. Transparency in the appointment of candidates – as recommended by the High Civil Service Council – continues to be lacking, which is cause for serious concern. Moreover, most acting managers are not civil servants despite there being a legal provision to prevent such appointments. No credible steps have yet been taken or planned to address these issues.

The National Academy for Public Administration continued to improve the scope and quality of **training** at central and local levels. 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. No progress was made in addressing long-standing shortcomings in the organisation of the central state administration, oversight of subordinate bodies, or delegation of decision-making powers to lower management levels. The managerial accountability roadmap is being implemented slowly and with no formal mechanism to report on its implementation. According to the **Ombudsman**'s report for 2025, 61% of complaints were related to violations of economic, property and social rights *(see Chapter 23 - Fundamental rights)*. On **citizens' right to access public information**, the Commissioner for Information of Public Importance and Personal Data Protection resolved 16 602 complaints in 2025 (up from 15 282 in 2024) while 17 401 cases remained pending. The issue of legal professionals potentially abusing legal remedies remains to be addressed while not jeopardising the right to access information. The execution rate of Commissioner decisions was 79.8% (2024: 77.98%). On **citizens' right to administrative justice,** the establishment of a two-instance administrative justice system continues to be delayed. The Administrative Court received fewer cases and increased its

clearance rate in 2025, although the backlog and disposition time (the time a judicial system takes to resolve a case) remain high. The jurisdiction of the Court was extended again, meaning judges face high workload. **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, continued to improve. Further developments continued to be hampered by the fragmentation of responsibilities and mandates among institutions and the lack of a dedicated coordination system. Amendments to the Law on e-government were adopted in August 2026. Progress on key enablers continued to lead to improved e-services. The interoperability framework is in place. More databases were connected to the improved government service bus (an information system linking major databases). The number of municipal one-stop shops continued to increase, with improvements in physical accessibility, but there are still no quality standards for service provision. The legal framework for simplifying administrative procedures is in place. Work to simplify and digitalise administrative procedures continued with the roll-out of the e-paper programme. Serbia continued to improve the portal of the register of administrative procedures, which now includes more than 7 500 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

Some strategic documents are in place, but their implementation needs to be improved. The main strategic documents, namely the action plan for Chapter 23 and the 2020-2025 judicial development strategy, have expired. A new Judicial Development Strategy is under preparation but has not been adopted yet. No new action plan for Chapter 23 has been developed. Instead, an operational plan, only covering the adoption of legislation and strategic documents linked to Chapter 23 interim benchmarks, was adopted in June 2026. Once drawn up in line with EU standards and adopted, full implementation of these laws and strategies will be key, also to establish a strong track record in this field. Implementation of the human resources strategy and the information and communications technology (ICT) strategy – which were both evaluated alongside the now expired judicial development strategy – remains weak, in part due to a lack of coordination and adequate monitoring mechanisms.

Management bodies

Management bodies are in place although their independence and capacity need to be improved.

As with magistrates, members of the High Judicial Council (HJC) and High Prosecutorial Council (HPC) are required under the Law on the prevention of corruption to declare their assets and interests when taking office and must update these declarations regularly under the oversight of the Agency for the Prevention of Corruption.

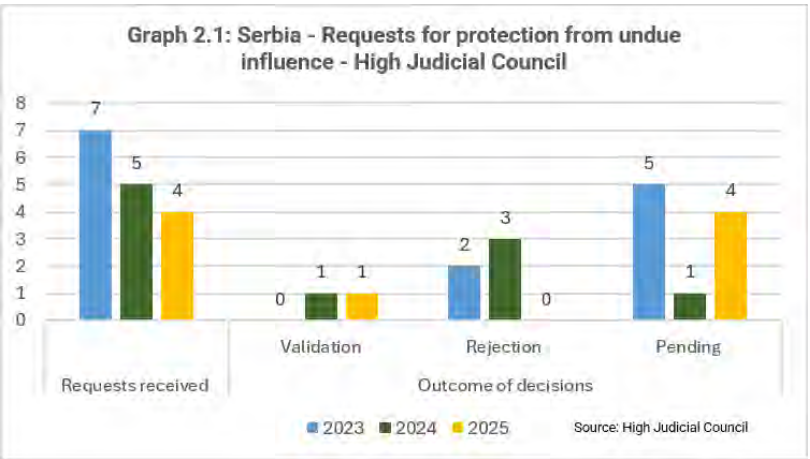
The blockade of the HPC exposed persistent weaknesses in its independence. Elections

were held in December 2025 to appoint magistrates to the HPC which were contested, delayed and subject to procedural challenges. Objections by unsuccessful candidates were upheld by the Constitutional Court which partially annulled the results. A re-run of the elections was held in February 2026, during which there were allegations of political interference. The new magistrates (five judges and five prosecutors) took up their positions on the HJC and HPC in April 2026. The HPC has still to elect a new President and Commissioner for Autonomy, which has so far not succeeded due to the lack of quorum required for the appointments (8 out of 11 HPC members).

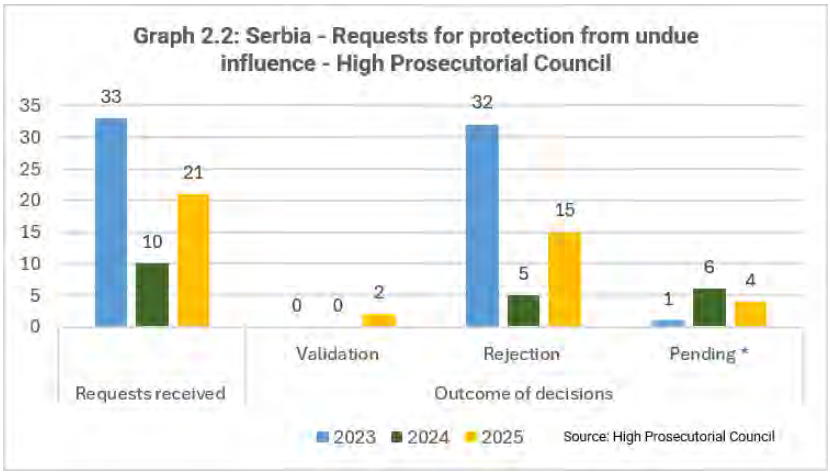
The capacity of the HJC and HPC needs to be improved. Specifically, the issue of undue influence, to which the HJC and HPC both remain exposed, needs to be addressed.

Independence and impartiality

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




In January 2026, Parliament amended five laws – based on a proposal by a Member of Parliament – under urgent procedure and without a transparent and inclusive consultation process, citing efficiency gains. In its ex-post opinion of April 2026, the Venice Commission identified several shortcomings which removed safeguards designed to protect prosecutorial autonomy and judicial independence introduced through the constitutional amendments in 2023. For instance, the 2026 legislative amendments transferred authority to verify the legality of prosecutorial instructions and workload from the HPC back to the prosecutorial hierarchy, thereby reducing prosecutorial autonomy, which the Venice Commission recommended reversing. The amendments also introduced renewable mandates for court presidents and chief public prosecutors instead of the previous single five-year mandate, established hierarchical subordination of the Special Department for Cybercrime to the Higher Public Prosecutor's Office in Belgrade and the replacement of some of the existing courts and prosecution offices by the creation of new ones. Furthermore, the amendments terminated at short notice the temporary assignments of all seconded prosecutors and shifted responsibility for secondments from the Supreme Public Prosecutor to the HPC. While the Venice Commission accepted the latter, it considered that the early termination of secondments without any compelling justification failed to respect the security of tenure of the affected prosecutors and recommended reinstating them.

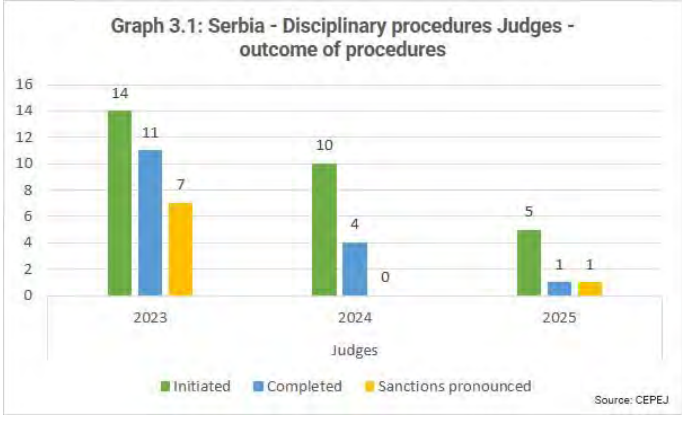


Subsequently, Serbia fully implemented the Venice Commission's recommendations that required immediate follow-up through adopting new legislative amendments and taking other non-legislative measures. Among the non-legislative measures, between March and June 2026, the High Prosecutorial Council (HPC) re-appointed all prosecutors seconded to the Prosecutors Office for Organised Crime (POOC) whose secondments had been terminated on 11 March 2026, fulfilling an additional Venice Commission recommendation. Moreover, in total, the HPC increased the capacity of the POOC by increasing the number of prosecutors in the POOC from 20 (before the legislative amendments) to 24 (of which 15 are seconded and 9 are permanent). In its follow up opinion in June 2026, the Venice Commission welcomed the measures taken by the authorities to strengthen the capacity of the POOC by assigning additional prosecutorial staff. The Venice Commission also acknowledged Serbia's efforts to address the outstanding aspects of the two recommendations which remain partially implemented at the present time (related to the need to increase the autonomy of the Special Department for Cybercrime and judicial and prosecution remapping, both of which require further work to be carried out in the coming months) and welcomed Serbia's commitment to implement them swiftly.

During the reporting period, political pressure on the judiciary and the prosecution service increased significantly, including in relation to the prosecution of high-profile cases, but was subject to little or no follow-up by relevant institutions. Government and public officials at the highest level, including the Members of Parliament and the President 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 outside the public domain raised concerns about leakage of information by institutions involved in criminal proceedings. Despite the rules of procedure of the HJC and HPC laying the foundation for reacting more effectively to cases of undue influence, the HJC and HPC both remained largely passive. Neither Parliament nor the government have so far acted on cases of undue influence. The Serbian institutions have yet to demonstrate a more active role.

As regards case management, cases are allocated electronically and at random to judges by means of specialised software. Software enabling cases to be automatically allocated to prosecutors has yet to be developed.

While there are legal safeguards regarding appointments and promotions of judges and prosectors as well as transfers without consent, the legislative amendments from January 2026 and subsequent termination of the mandates of seconded prosecutors have sparked debate over their effectiveness. The system of recruiting, transferring and promoting judges and prosecutors should be further revised to ensure that career progression is entirely merit-based.



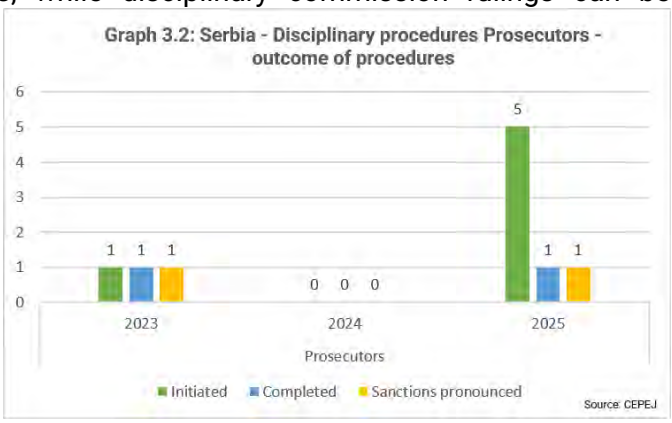

Accountability

The accountability and transparency of the judiciary need to be improved.

The Law on the prevention of corruption requires judges and prosecutors to declare their assets and interests when taking office and to update these declarations regularly under the oversight of the Agency for the Prevention of Corruption. Weaknesses persist in law and in practice regarding the verification and enforcement of asset declarations and conflicts of

interest (see: Anti-Corruption).

Codes of ethics are in place, as adopted by the ethics boards of the HJC and HPC. No independent inspection authority exists, while disciplinary commission rulings can be appealed by either the disciplinary prosecutor or the judge/prosecutor concerned, and can be further appealed to the HJC and the HPC, respectively.




In 2025, 156 disciplinary complaints were filed with the HPC, and one disciplinary measure was issued. In 2025, 448 disciplinary complaints were filed with the HJC at first instance and 8 proposals were forwarded to the disciplinary commission at second instance. The HJC issued 1 disciplinary measure.

Quality of justice

The quality of justice needs to be improved.

On 31 August 2026, Serbia amended the Law on the Judicial Academy as part of efforts to fully implement the 2023 constitutional amendments, while relevant implementing legislation has yet to be adopted. In its follow-up opinions of 15 June and 16 July 2026 on the Law on the Judicial Academy, the Venice Commission found that Serbia had implemented its recommendations of 9 December 2024. The amendments include designating the Judicial Academy the sole entry point into the judicial and prosecutorial professions and the replacement of the ex officio participation of the Minister for Justice in the Management Board of Academy with another member appointed by the government from among academia. The new law will be in force from 1 March 2027. The adoption of the final implementing legislation on the Court Rulebook, which is required in order to fully implement the 2023 constitutional amendments, remains pending.




In 2025, the Judicial Academy held 221 continuous training events. In 2026, the Academy updated its infrastructure by moving to new premises with updated IT and communication tools. Training programmes should be financially sustainable and aimed at increasing capacity, access and focus on practical skills and EU law training, drawing on support from the European Judicial Training Network.

Appellate courts continued their efforts to harmonise case law by signing a new joint-sessions agreement in February 2026, by holding trainings, a cross-department session with the Supreme Court and by expanding the case law database which, as of July 2026, contained 576 708 integral decisions and 75 830 anonymised decisions, now also expanded to decisions of the Anti-Corruption Departments of Higher Courts. The Supreme Court

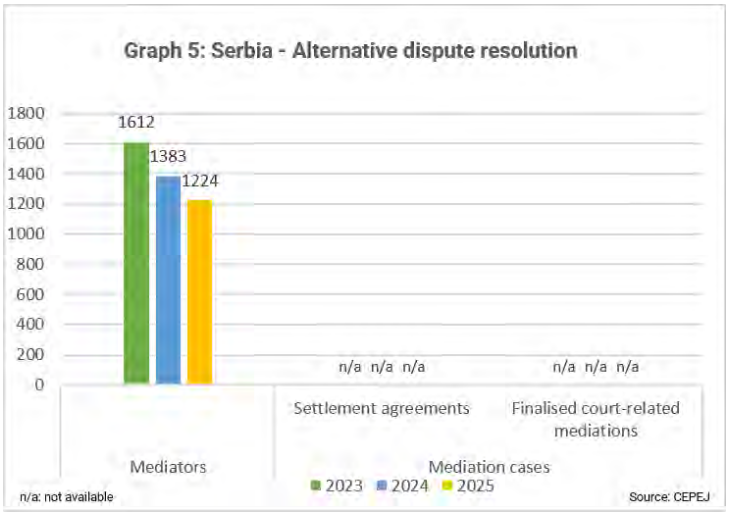
should contribute to ensuring the law is uniformly applied in practice. The Judicial Academy improved the functionality of the eCASE database and its access to ECtHR decisions.

Serbia does not have a comprehensive court case and document management system in place connecting court cases across courts and prosecutors' offices. A new case management system for prosecutors' offices has been finalised and is implemented in 10 offices, but its full operationalisation has been delayed since 2025 due to issues related to staffing, infrastructure and legislative framework, and is now expected by the end of 2027. Work on the comprehensive case management system for courts remains stalled and the Ministry of Justice should explore alternative solutions. Further work is required to digitalise the justice system. This includes making legislative changes to the Criminal Procedure Code and the Civil Procedure Code so that digital documentation is admissible as envisaged under the new systems. It also includes ensuring adequate staffing and financial resources and upgrading IT infrastructure including videoconferencing equipment for court hearings.

The HJC appointed 146 judges in 2025 (compared with 241 in 2024) and 211 judges in 2026, including the appointment of five judges to the Supreme Court in June 2026. As of September 2026, 2 775 judicial posts had been filled (compared with 2 719 in 2025) while 352 posts were vacant (down from 383 in 2025). A lack of judges, expert assistants and administrative staff has hindered the efficiency of the courts, especially those with the highest caseload.

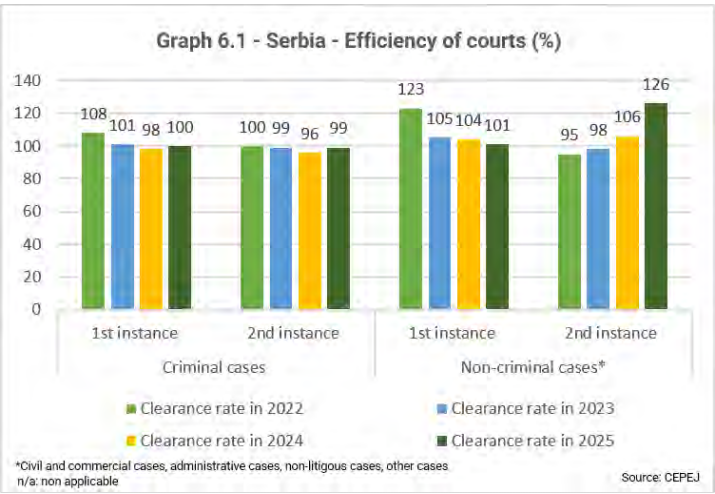
No public prosecutors have been elected since February 2025, with several public calls for application cancelled and appointments postponed or not completed. The primary reason for this was the lack of a quorum within the HPC and the occasional absence of the Minister for Justice or other members of the HPC, as well as appeals before the Constitutional Court regarding election decisions. 51 prosecutors have taken office following the rejection of these appeals by the Court). As of August 2026, 166 out of 899 public prosecutor posts were vacant (compared with 139 in May 2025) and 733 were filled. In addition, 62 out of 90 positions for chief public prosecutors were filled, of which 26 were acting.

The Constitutional Court continued to work with a partial bench despite the election of 10 new judges in December 2025, bringing the total number of judges to 12 out of the required 15. The Supreme Court failed to elect the remaining three judges despite candidates being jointly proposed by the HJC and HPC. No progress was made with reforming the Constitutional Court following the Venice Commission's recommendation to introduce qualified majority voting with a deadlock mechanism for the election of some judges by Parliament. In January 2026, a new president of the Constitutional Court was appointed, while also drawing criticism for public remarks suggesting that judges opposed to the current government should be dismissed.

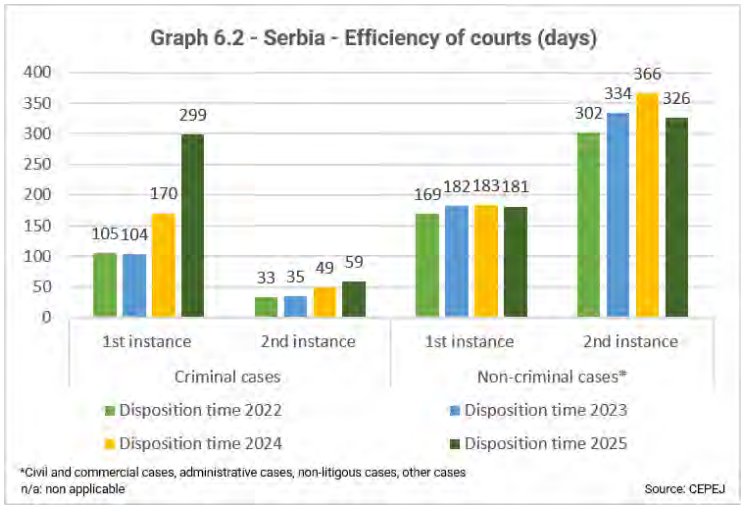



Efficiency

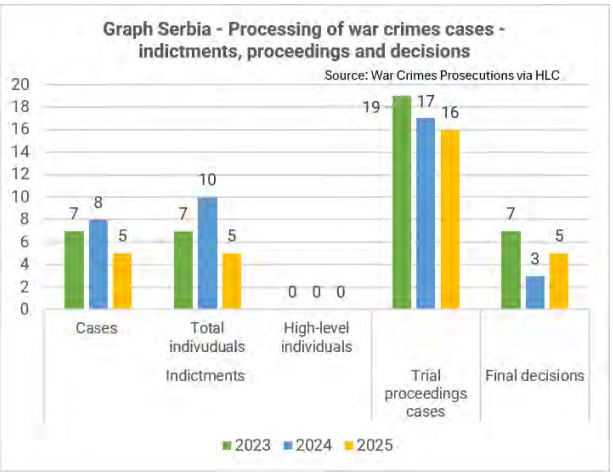
The efficiency of the justice system is limited.




Problems of unequal workload distribution among judges and prosecutors, negatively affecting their performance and access to justice, still need to be addressed. Efficiency in civil and commercial cases remained stable overall, but in criminal cases it deteriorated, with disposition times increasing in first and second instances. Efficiency remains a concern in administrative cases, where despite a reduction in incoming cases and improvements in the clearance rate and disposition times, the average disposition time nevertheless exceeds three years. The Supreme Court adopted a new Uniform Backlog Reduction Program 2026–2030, including measures to analyse 2021–2025 performance data, resolve past systemic failures, and implement efficient new case management strategies. The backlog of cases in the Constitutional Court decreased slightly (42 460 cases as of April 2026, down from 43 666 cases in 2024) but remained high overall. Of these cases, 99% are constitutional complaints related to human rights protection. Budget execution per inhabitant increased further but remained stable at 0.53% of GDP. The information system of the Constitutional Court is operational, but access to decisions should be simplified.

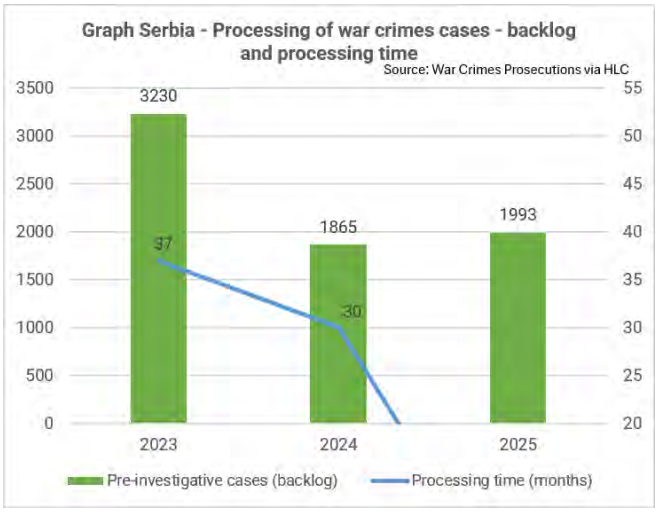



Domestic handling of war crime cases




Serbia has yet to show genuine commitment to investigating and adjudicating war crime cases. In 2025, the War Crimes Prosecutor's Office filed five indictments against five individuals, none concerning high-profile cases, while a further indictment has not yet been confirmed. One indictment stemmed from an investigation conducted more than 15 years ago; another was issued in *absentia,* and a further indictment resulted in a plea agreement. No cases were transferred from the regional judicial authorities or from the International Residual Mechanism for Criminal Tribunals (IRMCT). Five final decisions and eight first instance judgements were rendered against seventeen defendants. At the end of 2025, trials were ongoing in 24 cases.

Serbia continued to avoid prosecuting high-ranking war crime suspects. Cases continue to be processed slowly and there is a backlog of over 1 800 cases, which remains a very serious concern. Serbia has yet to adopt a case categorisation plan. The High Prosecutorial Council has yet to appoint a successor to the acting Chief War Crimes Prosecutor, whose mandate ended in May 2025, with the decision-making process in deadlock. Several prosecutors dealing with war crimes reported to have been targeted by a smear campaign led by government media. Cooperation with the IRMCT and the War Crimes Prosecutor's Office has deteriorated. Cooperation with Bosnia and Herzegovina and with Croatia has not progressed. Moreover, the case of Vojislav Seselj, who was handed over to Serbia by the IRMCT in February 2024, has not moved forward. Serbia has yet to enforce the judgments of Bosnia and Herzegovina in the case of Novak Djukić, who resides in Serbia. The lack of information exchange and legal assistance between Kosovo and Serbia continue to hamper investigations, prosecution of cases and access to justice. The full use of EU-facilitated mutual legal assistance arrangements is essential for effective processing of war crime cases.




A number of Serbian political parties, politicians and media outlets continued to openly support and to provide public space for convicted war criminals and deny war crimes, including the Srebrenica genocide, without any repercussions. The funeral of convicted war criminal Ratko Mladić in Serbia with official support and in presence of senior officials and military have further intensified the public narratives of revisionism, genocide denial and glorification of war criminals, in contradiction with the values underpinning Serbia's path towards the European Union.

The sentencing policy in war crime cases continued to be inconsistent and not systematically aligned with criminal sanctions applicable to the gravity of the crimes. Serbia's judiciary has failed to provide financial compensation to the victims of war crimes, a matter which remains unresolved.

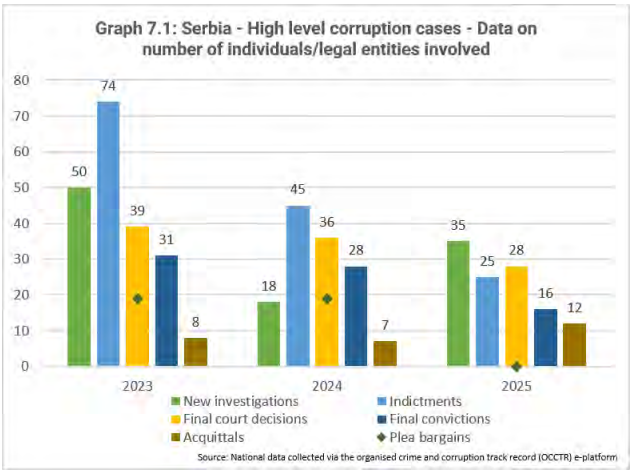
The undetermined status of missing persons who disappeared during the conflicts in the 1990s remains a key issue to be solved in the Western Balkans. Despite steady progress in the identification process, 9 540 persons (compared with 9 624 in 2025) are still missing since the conflicts. Further efforts are needed at bilateral and regional level through the missing persons group, established in 2018 under the Berlin Process to strengthen cooperation.

**Fight against corruption**

Track record

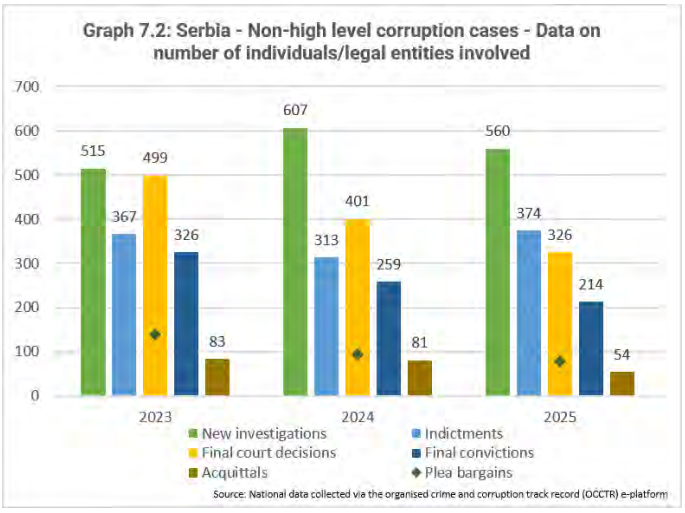
Serbia's track record in the fight against corruption deteriorated both in high-level cases and non-high-level cases.

Significant challenges persist, particularly in addressing high-level cases. The number of final convictions in high-level corruption cases in 2025 was again lower than in previous years. In 2025, the Prosecutor's Office for Organised Crime ordered more investigations against individuals than in 2024 but fewer than in 2023. Meanwhile, fewer indictments were issued than in previous years. Weaknesses in the investigation and prosecution of high-level corruption cases were not adequately addressed, in particular regarding the quality of evidence collection and presentation of evidence as well as the risk of politically motivated interference.




The corruption investigations launched following the canopy collapse at Novi Sad railway station are yet to be completed. The collapse and subsequent failure to make progress in the investigations continue to fuel the public's perceptions of a lack of accountability and transparency in government infrastructure and construction projects. The Prosecutor's Office for Organised Crime (POOC) reported a lack of cooperation from the police in presenting all evidence collected. The Task Force set up by the POOC for this investigation ceased its activities in September 2025 following the removal of 17 experienced members by the Ministry of the Interior on the grounds that a new job classification system had been adopted. This has delayed investigative activities and the filing of indictments. During this period, the Belgrade Higher Court lifted detention measures on some of the defendants as the applicable detention periods had expired. Another reason for the slow pace of the investigations was the initiation of parallel proceedings for the same case.

Regarding non-high-level corruption, the special departments for combating corruption in the offices of higher prosecutors and the prosecutors' offices of general jurisdiction launched fewer investigations in 2025 than in 2024. While the number of indictments rose slightly, the number of final court decisions and convictions was lower than in 2024 and 2023. This continuing downward trend raises concerns about the capacity to address mid and lower-level corruption effectively.




No significant judicial outcomes were reached in 2025 or 2026 following the anti-corruption campaign that took place in February-April 2025. Over 153 individuals were arrested during that period, although many were subsequently released. The campaign ultimately delivered limited results, having led to no systemic investigation, prosecutorial follow-up or final judicial outcomes.

In December 2025, Serbia submitted its compliance report on the implementation of the GRECO recommendations of the fifth evaluation round. In its second Compliance Report published on 18 August 2026, GRECO concluded that Serbia has satisfactorily implemented

3 of the 24 recommendations of GRECO's Fifth Round Evaluation Report. Of the outstanding 21 recommendations, 10 have been partly implemented and 11 have not been implemented. While this constitutes a step in the right direction, continued follow-up will be necessary to achieve progress on the remaining recommendations and their effective implementation in practice. Serbia should provide a report on the progress in implementing the outstanding recommendations to GRECO by 30 June 2027.

The perception among the public, experts and businesses is that the level of corruption in the public sector is high and has increased in the past year.

Legal framework

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

In July 2026, Serbia adopted amendments to the Law on Financing of Political Activities, taking into account some ODIHR recommendations. In August 2026, Serbia adopted amendments to the Law on Prevention of Corruption, taking into account a number of recommendations by GRECO and ODIHR, while several key recommendations remained unaddressed. Serbia also amended the Law on Lobbying in August 2026, taking into account the recommendations of GRECO. Their effective implementation will need to be closely monitored, including with a view to assessing the extent to which the recommendations have been effectively addressed in practice and whether further measures may be required. Implementation of the Law on free access to information of public importance needs to be improved. As part of these efforts, Serbia has prepared draft legal amendments to the Law, which, however, do not address all OECD/SIGMA and GRECO recommendations. The legal framework governing whistleblower protection has yet to be aligned with the EU *acquis*.

Regarding sectors highly vulnerable to corruption, there remains a high risk of corruption in the area of public procurement procedures. No further measures have been taken since the 2024 amendment to the Law on public procurement. Many contracts continue to be awarded outside the scope of standard public procurement legislation through project-specific special laws and intergovernmental agreements for large infrastructure projects containing provisions for exclusive access to particular bidding procedures. These are not in line with the EU *acquis*, and their wide use should be phased out *(see Chapter 5 – public procurement)*. Although the Criminal Code includes a specific offence for public procurement abuses, convictions are rare. It is important that all entities, in particular those with significant public expenditure, comply with the State Audit Institution's (SAI) recommendations. The authorities should encourage the proactive disclosure of contracts, procurement processes and oversight reports, and ensure the protection of whistleblowers to build public trust. Serbia should further reinforce the SAI's staffing, financial and technical resources for overseeing public spending.

The Law on the organisation and jurisdiction of state authorities in suppression of organised crime, terrorism and corruption does not regulate in sufficient detail the role and mandate of the POOC. The POOC's coordination role in relation to the special departments of offices of higher public prosecutors for the eradication of corruption should be clarified and strengthened to avoid cases of different specialised bodies leading uncoordinated proceedings in corruption investigations.

Strategic documents

An adequate national anti-corruption strategy for 2024-2028 and an accompanying action plan 2026-2028 are in place. However, the strategic framework is still only being implemented to a limited degree. The Agency for the Prevention of Corruption has analysed the implementation of the previous action plan for 2024-2025 and concluded that 56% of activities from that action plan were not fully implemented. According to the implementation

report, 80% of activities were carried over to the new action plan for 2026-2028 adopted in June 2026. A working body for coordinating monitoring activities related to the implementation of the strategy and action plan was established by way of a government decision in July 2026 but has yet to organise any meetings. To ensure the strategy and action plan are effectively implemented and monitored, adequate coordination will be needed from the newly established body to guarantee that the mechanism for tracking progress and impact is functioning and that the necessary budgetary resources are being used. The implementation of the previous action plan was hindered by a lack of such measures.

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.

The number of proceedings conducted by the Agency for the Prevention of Corruption for identifying violations of the Law on the prevention of corruption in the area of conflicts of interest has been falling consistently. In 2025, the Agency completed 176 such proceedings (compared with 202 in 2024, 264 in 2023 and 483 in 2022) and submitted 153 requests to start misdemeanour proceedings for failure to promptly submit asset declarations (compared with 131 in 2024, 143 in 2023 and 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 still need to be taken to increase the independence, impartiality and accountability of the Agency and the system for verifying declarations.

The fact that the Government neither systematically consults the Anti-Corruption Council on draft legislation nor implements its recommendations, remains a serious concern. No steps have been taken to increase the Anti-Corruption Council's budgetary resources or staffing.

The Prosecutor's Office for Organised Crime (POOC) continued to experience operational obstacles in processing and investigating complex organised crime and high-level corruption cases, as well as attempts of undue influence, which increased further during the reporting period. Following legislative amendments in January 2026, the secondments of 11 of its prosecutors ended on 11 March. Between March and June 2026, in line with the recommendation of the Venice Commission, the HPC reinstated all 11 prosecutors of the POOC whose secondments had previously been terminated and seconded an additional 4 prosecutors to the POOC. In total, the HPC increased the number of prosecutors from 20 (before the legislative amendments) to 24 (of which 15 are seconded and 9 are permanent), considerably enhancing the capacity of the POOC which now operates with 24 out of the required 25 prosecutors and a Chief Public Prosecutor for Organised Crime. In its follow up opinion of 16 June 2026, the Venice Commission welcomed the measures taken by the authorities to strengthen the capacity of the POOC by assigning additional prosecutorial staff. In May 2026, the government approved the workplace restructuring of the Ministry of the Interior, converting the former Anti-Corruption Department into the Anti-Corruption Service. This change should lead to an increase in the number of police officers specialised in combating corruption and financial crime, as well as an additional improvement in operational capabilities in this area. Despite this, cooperation between the POOC and the police has been deteriorating. The POOC also lacks adequate premises to accommodate new staff as plans to construct a new building to house the POOC are on hold as financing has not been secured.

The special departments in the higher prosecution offices have insufficient resources and should each have a financial forensic expert. No permanent forensic financial experts have yet been hired.

**Fundamental rights**

General framework

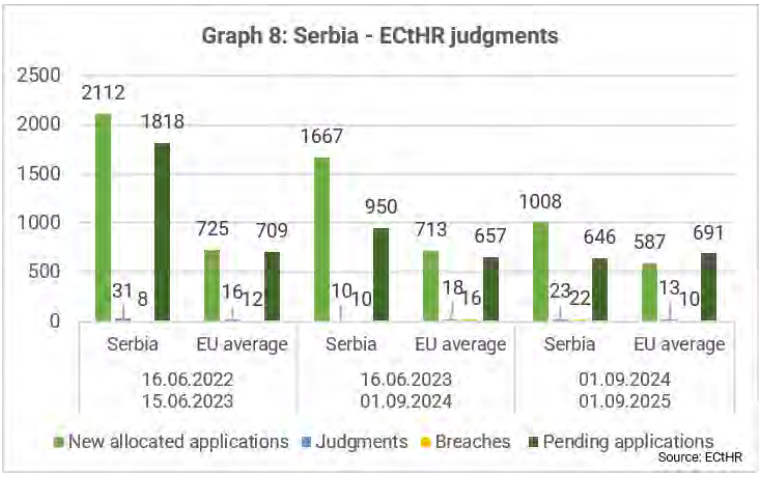
Although Serbia's institutional framework for upholding fundamental rights is broadly in place, the implementation of the framework needs to be improved as a matter of priority.

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 continues to benefit from its observer status at the Fundamental Rights Agency.

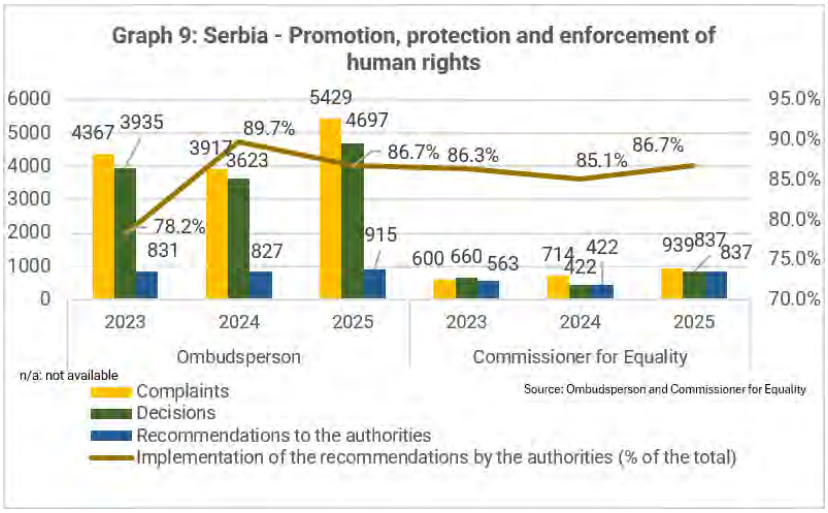
European Court of Human Rights

Cooperation with the European Court of Human Rights (ECtHR) and implementation of its judgments need to be improved. The Committee of Ministers of the Council of Europe ended its supervision of certain cases due to progress in addressing the excessive length of judicial proceedings. Currently, there are 17 cases under enhanced supervision by the Committee of Ministers (compared with 12 cases last year). During the reporting period, the ECtHR found breaches of the European Convention on Human Rights relating mainly to the right to liberty and security, protection of property, freedom of expression, the right to a fair trial and prohibition of torture. No action was taken to further regulate the role of Serbia's government agent before the ECtHR. The government agent needs to be entrusted with a coordinating role and given the authority to fulfil it.




Promotion, protection and enforcement of human rights

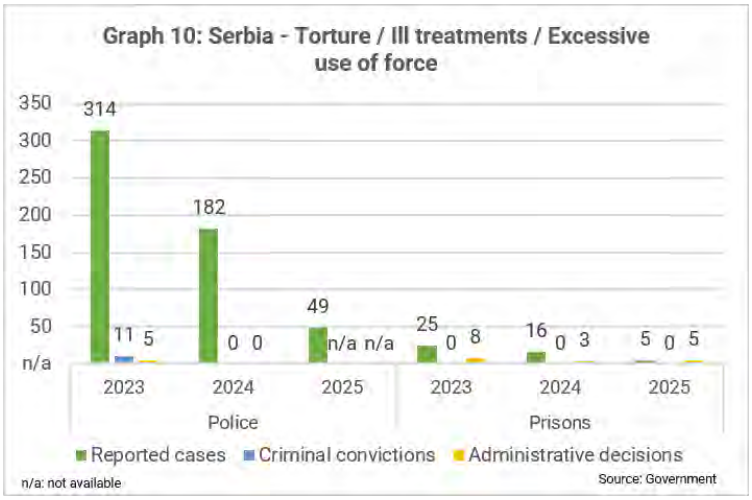
The institutional framework for the promotion, protection and enforcement of human rights needs to be improved. Public reaction by the Ombudsperson continues to be limited or slow in response to human rights violations, particularly in sensitive cases such as those related to protests and attacks on human rights defenders. Despite new recruitment, the Ombudsperson's Office continues to operate with fewer staff (72 at August 2026) than the target set in the action plan for Chapter 23, i.e. 106. The Ombudsperson currently does not have any deputies as required by law. In the Ombudsperson's report for 2025, a more formalised mechanism was presented for measuring the authorities' follow-up. While follow-up to



individual recommendations was reported to be at 86.7%, follow-up to general (systemic) recommendations – which require more time to address – was found to be fully implemented in 6% of cases, partially implemented in 54% of cases, not implemented in 36% of cases and could not be determined in 3.5% of cases. Parliament has yet to adopt conclusions on the 2025 Ombudsperson's report.

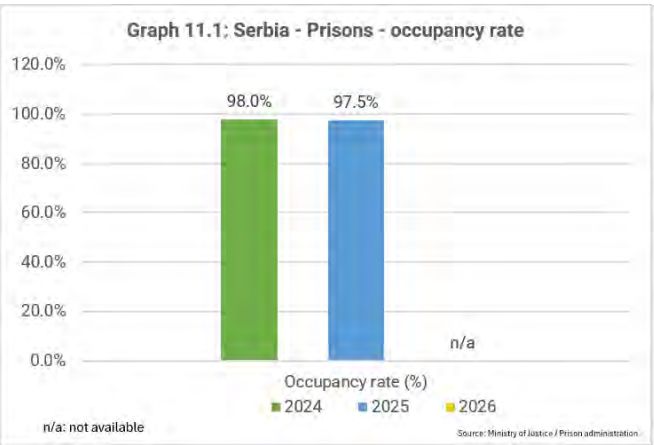
Prevention of torture and other forms of ill-treatment

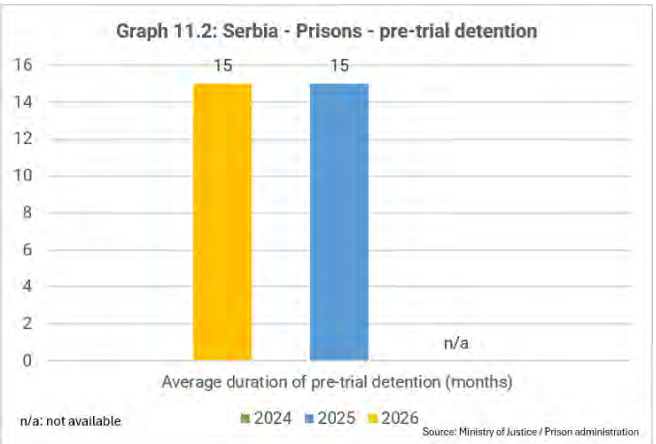
Serbia needs to further improve legal guarantees on the prevention of torture and other forms of ill-treatment. Investigations into allegations of ill-treatment remained largely ineffective, particularly regarding reports of excessive use of force by the police in the context of protests. Cooperation between the Ombudsperson and CSOs that are part of the National Preventive Mechanism against Torture needs to be improved. There has been no deputy Ombudsperson for this area since December 2024. 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, an area which remains under enhanced supervision by the Council of Europe's Committee of Ministers. Implementing legislation and adequate conditions are lacking to ensure accurate recording of police interviews using 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. In April 2026, the CPT published a report on two *ad hoc* visits to Serbia in 2024 which highlighted serious and long-standing concerns regarding the treatment, safety, and detention conditions of children and psychiatric patients held in juvenile-correctional or psychiatric facilities. 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 of the ECtHR.




Execution of criminal sanctions

The system for the execution of criminal sanctions (including probation) needs to be further improved, in line with the EU *acquis* and European standards. Improvements were made

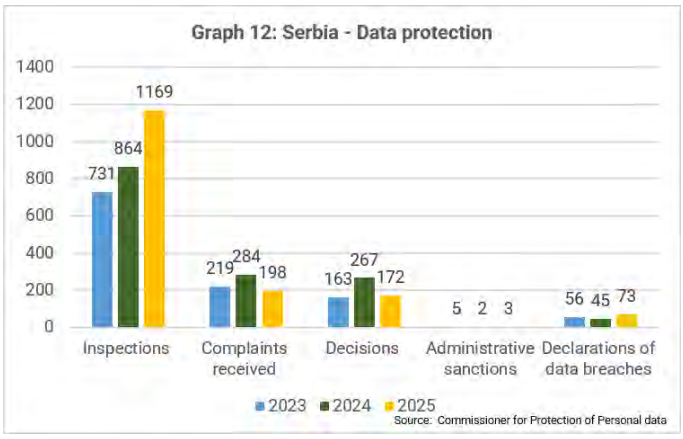


specifically in terms of infrastructure, treatment programmes and staff capacity building. Two pilot programmes on suicide prevention and women's empowerment were launched, as well as new treatment programmes for individual and group work with juvenile offenders. However, the uneven distribution between facilities means that many closed-type penitentiary institutions are still overcrowded. Probation, social and employment services lack sufficient resources. Moreover, the probation service is focused on control-oriented measures while rehabilitation measures remain marginal. Post-penal care is rarely provided.

Protection of personal data

The legal framework governing the protection of personal data (PDP) needs to be further aligned with the EU *acquis* – including the new European Artificial Intelligence Act – and to be coordinated with the drafting of the Law on data secrecy. It must also be adapted to address issues identified during enforcement such as low penalties and practical difficulties in implementation. The process of harmonising all other laws with the PDP Law continues to be plagued by delays. The Office of the Commissioner for Information of Public Importance and Personal Data Protection now has 129 employees (at July 2026), thereby fulfilling the target set in the action plan for Chapter 23. The mandate of the Commissioner expired on 26 July 2026, and the deputy Commissioner has been acting since then. The Parliament published the call for candidates on 13 July 2026 with delay as the law required it to do so by 27 January 2026 at the latest. A list of eligible candidates had not yet been established by the time Parliament was dissolved in September 2026. As regards biometric video surveillance in public spaces, an appropriate legal basis would need to be adopted and an assessment of proportionality and necessity carried out before deploying such technology. Investigative journalists however reported, based on public procurement data, that an increasing number of public institutions are procuring and using biometric cameras without such a legal basis. Regarding reports of spyware and mobile phone forensic products being used to unlawfully target journalists, human rights defenders, student activists and opposition politicians, new cases have been reported with little judicial follow-up so far. One case initiated in 2025 is still at the pre-investigation stage, meanwhile the Commissioner for Personal Data Protection and the Ombudsman have closed their cases. Surveillance of this kind produces a chilling effect and may lead to self-censorship. The personal data of CSOs, participants in student protests, judges and prosecutors continued to be disclosed to the tabloids without eliciting an appropriate reaction.




Freedom of thought, conscience and religion

Serbia provides adequate legal guarantees on freedom of thought, conscience and religion. Serbia continued to implement the Law on the restitution of heirless Jewish property. 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. In addition, amendments to that Law adopted in August 2026 enable churches and religious communities to establish higher education institutions and also introduced a specific legal framework for a university of the Serbian Orthodox Church providing for possible state co-ownership and public funding. Although the law formally upholds the equal legal status of all churches and religious communities, the specific arrangements for the Serbian Orthodox Church would need to be clarified as regards

questions of equal treatment and non-discrimination among religious communities.

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**Freedom of expression and media freedom**

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

Intimidation of journalists

Cases of physical attacks, threats, intimidation and hate speech against journalists have continued to rise, with the authorities failing to consistently condemn them. Local journalists and female journalists were among the worst affected by threats and attacks, in particular in the online space. Recurrent verbal attacks by high-level officials against journalists continued to have a chilling effect on freedom of expression, with 674 verbal attacks by officials reported by civil society in the last five months of 2025. One of the main media associations reported that attacks, threats and pressure against journalists had more than doubled in 2025 (427 cases compared with 168 in 2024), including 117 physical attacks and 174 threats. Several journalists have been relocated out of Serbia due to security reasons resulting from targeting campaigns. In 2025, the prosecution recorded the highest number of attacks against journalists since recording of media-related cases began. Only a few of the reported cases resulted in final convictions (four out of 140). Several serious attacks against journalists were reported in the context of the local elections in March 2026, but there was no adequate response by police or follow-up, despite video reports from the sites. A series of documentary-style videos broadcast on a number of media services, including TV channels broadcast on national frequencies, contributed to a smear campaign against journalists without being publicly condemned by the authorities. Strategic lawsuits against public participation (SLAPPs) persist, increasingly hindering the work of investigative media, with 15 complaints filed in 2025 against journalists, activists and other individuals in the database of the National Anti-SLAPP Working Group (a group comprising CSOs), compared with 7 complaints in 2024. Serbia will need to align with the EU Anti-SLAPP legal framework. No progress was made in prosecuting those implicated in the murders of three journalists in 1994, 1999 and 2001, one of which has already been barred by the statute of limitations. In the case of the murder of Slavko Ćuruvija, the Supreme Court ruled that the 2024 decision of the Belgrade Court of Appeal was reached despite significant violations of the provisions of criminal procedure. However, the final acquittal remains in force and no further steps have been taken by the Court of Appeal to establish the potential accountability of those involved. In a first-instance verdict, the Slavko Ćuruvija Foundation was found guilty in a defamation lawsuit and ordered to pay compensation to the three persons acquitted of Slavko Ćuruvija's murder.

Legislative environment

The appointment of a new Council of the Regulatory Authority for Electronic Media (REM), which had been pending since the previous Council's mandate expired in November 2024, was unblocked in July 2026. The overall delay and shortcomings with the former procedure had cast doubt over Serbia's commitment to safeguard the nomination process against political influence and to increase REM's independence. In June 2026, the Culture and Information Committee of the Parliament endorsed the proposal of an opposition MP to invite the 4 candidates who had resigned in late 2025 to return to the Council. The Committee also returned the REM statute and invited the new Council to draft a new statute. Finally, the Committee suspended the procedure for nominating a candidate to the REM Council on behalf of the national minority councils until after the elections for the new national minority councils in November 2026. Before the four elected candidates returned to the Council, they demanded additional legal clarity. This resulted in the National Assembly

adopting an authentic interpretation of the Law on electronic media in early July 2026 addressing their legal concerns, which in turn paved the way for their return to the Council and the first constitutive session of the new Council was held in July. The Council's chair and vice-chair were elected in September 2026. Although some members requested the inclusion of Informer TV due to the reach and previous track record of this cable channel, the new Council was unable to reach a decision on expanding the list of media outlets to be subject to more comprehensive and systematic monitoring of the electoral campaign. In addition, Telekom Srbija started broadcasting some cable channels through its terrestrial network without the required licences to do so, further increasing the audience of channels not covered by the REM's election campaign monitoring. The REM Council did also not succeed in reaching a decision on complaints regarding violations of media regulation during the electoral campaign. In its statement of preliminary findings, the international election observation mission found that "divisions within the Regulatory Authority for Electronic Media (REM) prevented effective oversight and timely remedies, leaving the overwhelming majority of complaints unresolved before election day, at odds with international standards and good practice." Prior to that, in the absence of a functioning REM Council, the audiovisual market had not had a regulatory authority to react to breaches of media legislation. The procedure for allocating a fifth frequency for national broadcasting, which was launched already in 2022, has yet to be completed. Several TV channels started broadcasting without a licence to do so, including on Telekom Srbija cable. Moreover, public officials appeared on some of those channels, and one of their publishers received public funding. A new media strategy has yet to be adopted following the expiry of the previous strategy in 2025.

Implementation of legislation/institutions

Serbia's media legislation, which was last amended in June 2025, is not being sufficiently enforced, including in relation to fairness of public funding and transparency of ownership structures. Media outlets in violation of the Serbian Journalists' Code of Ethics continued to receive public co-financing, although the Law on public information and media establishes media outlets' compliance with ethical standards as one of the criteria for receiving co-funding. Grants were allocated at national and local levels even where evaluation committee members did not adhere to the scoring grids set out in secondary legislation. Media associations continued to report irregularities, resulting in the largest allocations of funding going to media close to the authorities, and filed criminal charges against a local mayor for breaching legal criteria in allocation of public co-funding. Measures laid down in the previous media strategy to ensure fair and transparent allocation of state advertising have yet to be implemented. Partially or fully state-owned companies continue to advertise predominantly in media outlets which frequently breach the Code of Ethics. The media register does not reveal beneficial ownership for every media service since many owners are listed as subsidiary companies. Inspections conducted by the Ministry of Information and Telecommunications do not include monitoring of enforcement activities relating to the new provision on the adoption of internal ethical codes. In 2025, 43% of complaints made by journalists to the Commissioner for Information of Public Importance concerned the 'institutional silence' of public bodies, including on sensitive cases concerning environmental damage, capital projects, the use of public resources, legalisation of illegally constructed buildings and the co-financing of media projects. During the reporting period, Serbia did not take meaningful action to counter foreign information manipulation and interference. RT Balkan (Russia Today-Balkan) is still broadcasting in the Serbian language via the Telekom Srbija cable operator and under a licence previously issued by the REM Council in 2024.

Public service broadcaster

In the absence of a functioning REM Council, no new secondary legislation concerning the

operation of public broadcasters was adopted despite a legal requirement to do so by December 2025. The competent parliament committees have not yet launched the procedure to elect the new Programming Council of Radio Television Serbia (RTS) despite the legal deadline of December 2025 and launched it late for Radio Television Vojvodina (RTV). Subsequently the new position of Commissioner for the Protection of the Rights of Listeners, Viewers and Readers has not yet been filled. The mandates of most of the members of RTS Management Board have expired and, without a functioning REM Council in place, no new members could be appointed. The amendment to the Law on public broadcasting services of June 2025 has not ensured full financial independence of public broadcasters as State funding for RTV was again needed in 2026 to compensate for the low level of the licence fee. Concerns over issues of limited pluralism and biased reporting in favour of the government persisted. Data aggregated by a CSO showed that from March to September 2026, 96% of airtime during central news broadcasts by RTS was dedicated to the ruling majority, compared with 4% to opposition parties. In its statement of preliminary findings, the international election observation mission found that during electoral campaign period "contrary to its legal obligations and public-service mandate, RTS favoured "United Serbia" and singled out the "Student List" for negative treatment". In February 2026, a new Director-General of RTS was appointed on the basis of the previous Law on public broadcasting services, following a process criticised by some media associations as well as other candidates of the call citing irregularities and legal breaches; a court case is ongoing.

Economic factors

Political and economic influence on the media, including on editorial policy, is a source of increasing concern. Following the 2023 amendment to the Law on public information and media that allowed state-owned companies to be media owners, the media market has become more concentrated. Since a leaked phone conversation in August 2025 between the CEOs of a private media group and the majority state-owned Telekom Srbija regarding personnel changes at the former, concerns have increased about the exertion of political pressure on media outlets perceived as critical towards the authorities. In February 2026, new governance and editorial boards of the aforementioned private media group were announced, and the CEO of a subsidiary company and the director of its news channel were dismissed. In May, an agreement on the sale of this media group was announced and, in August, the announced new commercial owner appointed a new director of the publisher of these media in Serbia while required approvals were still pending. This was followed by further personnel changes among this company's media, criticised by part of their staff and by media associations as going against the editorial independence of these media, and raising questions of compliance with 'Commission Recommendation 2022/1634 on internal safeguards for editorial independence and ownership transparency in the media sector', notably safeguards to promote the participation of journalists in decision-making of media companies. Also in August, another commercial cable provider launched a pilot customer offer, which involved the removal of two cable channels perceived as critical towards the authorities. Several local media services, owned by the same few economic entities, were launched or acquired in municipalities, including some prior to partial local elections held in March 2026. The election observation mission of the Council of Europe Congress of Local and Regional Authorities reported that the state of local media has been adversely affected by concentration of ownership and self-censorship.

Internet

Internet provision functions without undue restrictions. However, social media accounts of independent media outlets and CSOs were targeted by coordinated bot attacks.

Freedom of artistic expression

The deep polarisation in the country has spilled over into the cultural and creative sectors,

with individuals being dismissed and funding withdrawn *(see also Chapter 26 – Education and culture).*

Professional organisations and working conditions

Journalists and other media professionals continue to work in difficult conditions, often without suitable work contracts and with unstable financing. Nearly a quarter of journalists were reported to be working on a freelance/contract basis, often without sick leave, paid holiday or social insurance. Journalists have been made redundant or faced disciplinary measures reportedly in retaliation for their personal social or political views.

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Freedom of assembly and association

While Serbia provides adequate legal guarantees with respect to freedom of association, the legal framework governing freedom of assembly needs to be further aligned with European standards. 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. Serbia also needs to comply with the case law of the ECtHR, notably *Serbian-Chinese Friendship Society FDH v. Serbia* of 2 June 2026, including the obligation to carry out a specific security assessment before deciding on a potential assembly ban, the obligation to ensure an effective domestic remedy, as well as the positive obligation to try to ensure the safety of all persons concerned.

Student and civic protests demanding accountability and more effective action against corruption are continuing, albeit less frequently. The Security Information Agency continued to hold 'informative talks' with protesters, which were perceived as a form of intimidation, and plainclothes police officers continued to arrest protesters, which sometimes made it difficult for protesters to identify who had arrested them. Overall, several hundred individuals were arrested, some of whom were detained or placed under house arrest on grounds including 'invoking a violent change to the constitutional order', though few of those cases have resulted in indictments. Violent incidents were recorded against demonstrators and journalists reporting on the protests, although only some of the perpetrators have been prosecuted so far and several others were previously pardoned from criminal prosecution by the President. In September 2026, the President announced further pardons of protesters and activists facing criminal charges as well as individuals convicted for violence against protesters. Those raised further concerns including in terms of a lack of transparency, and as to whether the applicable legal procedure was followed. Excessive use of force by the police during the protests, including against journalists and minors, has been reported, with prosecution cases either ongoing or dismissed. There have been reports of the police protecting pro-government groups while failing to respond to violence committed by the latter, allegedly involving individuals with a criminal background. In relation to the European Court of Human Rights' interim measure concerning the alleged use of a sonic weapon for crowd control at the demonstrations in Belgrade in March 2025, the Belgrade Higher Public Prosecutor's Office stated in September 2026 that no sound cannon or LRAD device had been used. The announcement that individuals would be prosecuted for engaging in public debate on the alleged use of sonic weapons has had a chilling effect on freedom of expression and open debate in a democratic society.

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 has continued with restitutions in kind of confiscated properties. The government has been issuing bonds where restitution in kind is not possible. Sufficient resources, including allocation of land, need to be secured to enable the process to be finalised.

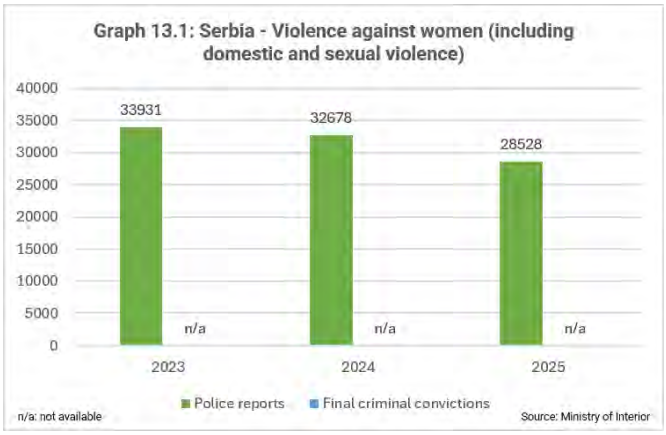
Non-discrimination

The legal framework governing non-discrimination needs to be further aligned with the EU *acquis* and European standards, including the Directives on standards for equality bodies. In February 2026, Serbia adopted a new action plan against discrimination for 2026-2027. A new Commissioner for the Protection of Equality was elected in December 2025, although several CSOs expressed concern over his political neutrality and independence. As of August 2026, the Office of the Commissioner had 45 employees out of 60 systematised posts. According to the Equality Commissioner's report for 2025, a large number of complaints had been made concerning discrimination on the grounds of age, health status, income level, disability, gender and nationality. In 2025, the Commissioner issued a total of 20 opinions on draft laws and other acts, including the Criminal Code, and submitted two special reports to Parliament related to discrimination against persons with disabilities and against women. The recommendation to adopt regulations enabling registration of same-sex partnerships was also reiterated.

Anti-racism and hate offences

The legal frameworks governing anti-racism and hate offences need to be aligned with the EU *acquis* and European standards, in particular with the provisions relating to the definition and punishment of hate offences based on racist and xenophobic motives. In May 2026, the UN Committee on the Elimination of Racial Discrimination expressed concern that incidents of racial discrimination, hate crimes and hate speech were being underreported in Serbia because of a lack of trust in law enforcement agencies among victims. Cases of incitement to violence or hatred continued to be reported specifically targeting human rights defenders, Roma, LGBTIQ+ persons and migrants. Serbia still does not compile centralised official data on hate crimes broken down by motive and traceable for the purposes of legal proceedings.

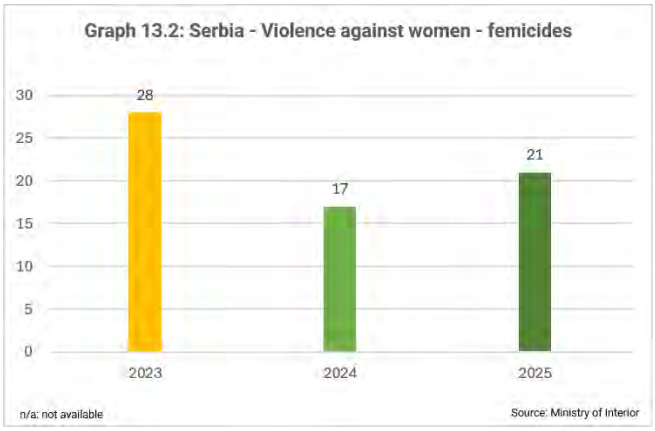
Gender equality




The legal framework governing gender equality and combating gender-based violence needs to be further aligned with the EU *acquis* and European standards, while implementation and enforcement remain insufficient in a context of gender backlash and of the suspension of related legislation due to a constitutional review since 2024. In August 2026, Serbia published the fourth Gender Equality Index based on data from 2022 and which amounted to 60.0 points (EU average, 63.4), compared with 58.0 in the third Index based on 2018 data. The Index showed the greatest progress in the domain of 'power', a slight increase in 'money', 'knowledge' and 'health', a negative change in 'work', while the domain of 'time' could not be tracked due to a lack of more recent data. A new action plan on gender equality needs to be adopted. More efforts are needed to strengthen gender mainstreaming, address gender stereotypes in textbooks and discriminatory narratives in public discourse and improve sex-disaggregated data. Women in vulnerable situations continued to experience multiple and intersecting forms of discrimination.

Violence against women and domestic violence remain widespread. Women continue to play a prominent role in protests and are disproportionately exposed to violence, intimidation and targeted attacks. Serbia needs to align with the Directive on combating violence against women and domestic violence and address GREVIO recommendations. The definitions of rape and sexual harassment in the Criminal Code need to be amended to comply with the Istanbul Convention.

The government adopted a decision extending until 2027 the implementation period for the strategy for preventing and combating gender-based violence against women and domestic violence. It also decided, without a public debate, to delete or modify some of the strategy's indicators. The accompanying action plan, legally due since 2021, has not yet been adopted. Reliable and sufficiently disaggregated data on all forms of gender-based violence and femicide remain lacking. Data collected by CSOs indicates an increase in the number of murdered women who had previously reported violence.




Specialist support services for victims of gender-based violence and domestic violence remain insufficient, underfunded and unevenly available, and are predominantly run by CSOs. The transparency and fairness of public funding need to be significantly improved to address allegations of bias in allocating funding to 'governmental non-governmental organisations' (GONGOs). Shelters lack staffing and adequate funding and the strict licensing requirements imposed on shelters place additional burdens on these services. Sexual violence referral centres are concentrated in Vojvodina, with none established in the rest of the country. Cooperation and systematic referral between the police and specialised support services remain insufficient, and women-led CSOs are not systematically involved in individual protection plans, as recommended by GREVIO. Victims' participation in drawing up such plans needs to be enforced. Equal access to protection and support services also needs to be ensured for women from marginalised groups, including women with disabilities, refugee and migrant women, and transgender women.

Rights of the child

The legal framework governing the rights of the child needs to be further aligned with the EU *acquis*, European and international standards, and enforcement needs to improve. Further efforts are needed to develop an effective integrated child protection system, in line with the European Commission Recommendation, including as regards referral mechanisms, multidisciplinary case management, workforce protocols, data, monitoring and complaints mechanisms. In July 2026, Serbia ratified the UN Convention on the Rights of the Child's (UNCRC) third optional protocol on a communication procedure. Serbia has yet to align its legislation on child-friendly justice with the EU *acquis* and international standards. Legislative amendments are also needed to strengthen the inclusion of child victims or witnesses of domestic violence in courts' individual protection plans, explicitly prohibit corporal punishment in the family and ban child marriage. No strategic document for the rights of the child is in place, while the adoption of a new strategy on violence against children has been pending since 2023. The Council on the rights of the child was re-established in April 2026 but needs to be supported by a technical body and a cross-sectoral group ensuring coordination, governance across the different levels of competence and equal access to child protection services.

Many children joined protests, which the authorities criticised despite the UNCRC provisions guaranteeing children the rights to freedom of assembly and expression. Some arrested children reported not having timely access to lawyers or their family, raising concerns as regards compliance with EU rules on procedural safeguards for children who are suspects or accused persons in criminal proceedings.

Disaggregated data collection on children at increased risk, including Roma children and children with disabilities, needs to be improved. Although relatively few children are currently in institutional care (under 100 children per 100 000 children), violations of children's rights in large-scale institutions remain a serious concern. Children with disabilities, who are vulnerable to multiple forms of exclusion and abuse, constitute the largest group of children in institutions. Serbia is not fully enforcing the legal ban on placing children under three years of age in residential care.

Persons with disabilities

The legal framework governing 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 as well as sectoral EU law laying down accessibility requirements. Further efforts are needed to improve and ensure accessibility for persons with disabilities.

In November 2025, after several years of delay, Serbia adopted an action plan regarding the implementation of the strategy for deinstitutionalisation for 2025-2026. Further efforts are needed to accelerate the transition from institutional care towards independent living and inclusion in the community, including through accessible, person-centred community-based support services. Women with disabilities in residential institutions continue to face gender-specific forms of violence.

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. Amendments to the Family Law to abolish the existing system of complete deprivation of legal capacity have yet to be adopted. Despite improvements introduced by the August 2026 amendments to the Law on the protection of persons with mental disorders, further revisions are needed to align with European and international standards on the rights of the child and of persons with disabilities, including previous CPT recommendations to Serbia.

LGBTIQ+ persons

The legal protection of the rights of LGBTIQ+ persons needs to be improved. LGBTIQ+ persons, in particular transgender persons and persons experiencing multiple and intersecting forms of discrimination, continue to face high levels of discrimination, hate speech, violence and abuse. Implementation of strategic measures to combat discrimination and protect the rights of LGBTIQ+ persons remains insufficient. Serbia does not provide for legal recognition and protection of same-sex couples, as required by relevant ECtHR case-law. The anti-discrimination action plan does not provide for the adoption of a law on same-sex partnerships or for regulating legal gender recognition, contrary to the previous strategy. Difficulties remain, especially in smaller municipalities, in enforcing the Law on birth registry which enables data on gender changes to be entered into the registry. Difficulties in obtaining diplomas reflecting the new names of persons who have undergone legal gender recognition also persist. The new Law on civil registry simplifies the procedure for recording legal gender changes but its relevant provisions will only apply three years after its entry into force.

The implementation of legislation combating hate crime, including on grounds of sexual orientation, remains inadequate. Violence and discrimination against LGBTIQ+ persons remain unreported due to lack of trust in institutions and fear of secondary victimisation. There is no official data on intersex persons who continue to lack adequate legal protection. Serbia has yet to address the European Commission against Racism and Intolerance (ECRI)'s recommendation to prohibit medically unnecessary interventions until intersex children are able to participate in decisions concerning their bodies on the basis of free and informed consent.

The pride event in Belgrade in September 2026 took place largely peacefully despite verbal confrontation by individuals opposing the march. This event was preceded by the pride caravan which was cancelled by police in some municipalities due to security concerns.

Procedural rights of suspects and accused persons and rights of victims of crime

Serbia has yet to align the Criminal Code and Criminal Procedure Code with the EU *acquis* on procedural rights of suspects and accused persons in criminal proceedings and the rights of victims of crime. Efforts are also needed to ensure full alignment with the Directive on compensation to crime victims. A new strategy and action plan for the rights of victims and witnesses of crime for 2026-2029 have yet to be adopted. A nationwide victim support service has yet to be established. Moreover, specific human and financial resources are needed to set up victim and witness support services in 10 high courts. Further investments are also needed to equip high courts with separate rooms and special equipment so that victims do not have to face perpetrators during proceedings. In addition, an effective referral mechanism has yet to be established. CSOs continue to provide the bulk of specialised victim support although they still lack sufficient and stable financing.

Regarding access to justice, there is a need for stronger financial support to be provided at state level, for local self-governments to have greater capacity to handle legal aid requests and for further attention to be paid to ensure women have access to justice in all cases of gender-based violence and discrimination. Although the analysis of the necessary amendments to the Law on free legal aid has been finalised, its adoption continues to be delayed.

Protection of minorities

Serbia's policy framework for the protection of persons belonging to minorities is now in place following the adoption of a new action plan in May 2026 which partially addresses the recommendations of the most recent Council of Europe report of February 2025 (Fifth Opinion). The Coordination Body for monitoring the implementation of the action plan was established in July 2026. Persons belonging to minorities continue to face discrimination. It remains vital to ensure that national minority councils are functioning properly and independently. These councils need increased administrative capacity, including in terms of human resources. The action plan for improvements in the representation of Albanians in institutions has not yet delivered measurable outcomes. Further efforts by both the Ministry of Human and Minority Rights and Social Dialogue and the Albanian National Minority Council are needed to re-establish dialogue and cooperation. The authorities need to address the concerns expressed in the Fifth Opinion regarding the procedure for the 'passivisation' of addresses. Trust and understanding of passivisation would benefit from reducing the potential for inconsistent application at local level, by improving methods of communication with affected individuals, and by increasing the clarity and effectiveness of the redress mechanisms. National minorities remain underrepresented in public administration and the judiciary. Work needs to continue to improve their representation in the police. The Ministry of Education allocated funding for the printing of new textbooks in minority languages; this work needs to be further intensified. Access to religious worship in minority languages has yet to be guaranteed throughout Serbia. There are still insufficient

public broadcasting services in minority languages, except among some local broadcasters in Vojvodina. Cases of hate speech against national minorities in the media and by some politicians have been reported.

Roma

Overall, the situation of Roma needs to be substantially improved and the gap with the rest of the population reduced in all relevant areas. Moreover, Roma people continue to face discrimination. An action plan for Roma inclusion was adopted in December 2025. 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 have been 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 continue to receive scholarships through affirmative measures. However, school dropout rates remain high, especially among 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 Council of Europe's Fifth Opinion 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.

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. In this context, Serbia will need to carry out an analysis of the alignment and implementation needs arising from the EU *acquis*, which will need to cover all policy areas affected, with alignment timely planned accordingly.

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

*The EU has common rules for borderand 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*.

However, capacity to fight serious and organised crime needs to be improved.

General framework

*Legal alignment, strategic and institutional frameworks*

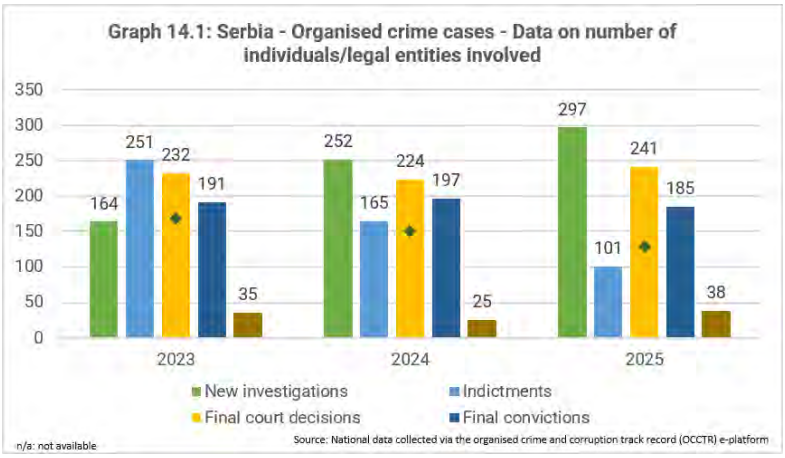
An operational plan, only covering the adoption of legislation and strategic documents linked to Chapter 24 interim benchmarks, was adopted in June 2026. Once drawn up in line with EU standards and adopted, full implementation of these laws and strategies will be key, also to establish a strong track record in this field. Serbia is yet to amend the Law on internal affairs to give the police greater operational autonomy with respect to the Ministry of the Interior during the pre-investigation and investigation phases and to address the recommendations of the Committee for the Prevention of Torture. The Law on seizure and confiscation of the proceeds of crime remains to be adopted to align the asset recovery legal framework with the EU *acquis*. Serbia still has to formally establish the Asset Recovery Office. Serbia is a

party to the Second Additional Protocol to the Convention on Cybercrime on Enhanced Cooperation and the Disclosure of Electronic Evidence. In 2026 Serbia adopted a High-Tech Crime Strategy and action plan, thus enhancing its capacity to fight cybercrime.

The Prosecutor's Office for Organised Crime (POOC) and the Special Department for Cybercrime still lack sufficient human, material and technical resources to carry out their tasks. Staffing of the Special Department for Cybercrime has been reduced to five prosecutors in addition to the head prosecutor, and seven prosecutorial assistants. As a result of amendments in January 2026 to the legislation governing the judiciary and the prosecution, including the Law on the organisation and competences of state authorities for the suppression of high-tech crime, the Special Prosecutor's Office for Cybercrime has become a department within the Higher Public Prosecution Office in Belgrade (now called the Special Department for Cybercrime). Since June 2026, the POOC has been operating with 24 out of the required 25 prosecutors. However, the January 2026 amendments, which terminated at short notice the temporary assignments of all seconded prosecutors as from March 2026, undermined the functioning of the POOC for several months, with a direct impact on ongoing investigations. The lack of appropriate premises to carry out POOC functions remains a concern.

Cooperation between the POOC and the police has deteriorated, with reports by the POOC of collected evidence not being shared and delays in following up requests, thereby hindering investigations. Large-scale personnel changes within the police resulted in experienced investigators being replaced, which slowed down several investigations, notably related to organised crime, money laundering and corruption. Serbia should adopt amendments to the Law on the organisation and jurisdiction of state authorities in suppression of organised crime, terrorism and corruption to improve the institutional set-up in the fight against organised crime, and revise its legislative framework to ensure that investigators are accountable solely to the prosecution during pre-investigations and investigations.

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 require a shared case/workflow management system, connecting all institutions and giving them access to a common database. Serbia should continue to work towards achieving a fully operational national criminal intelligence system.



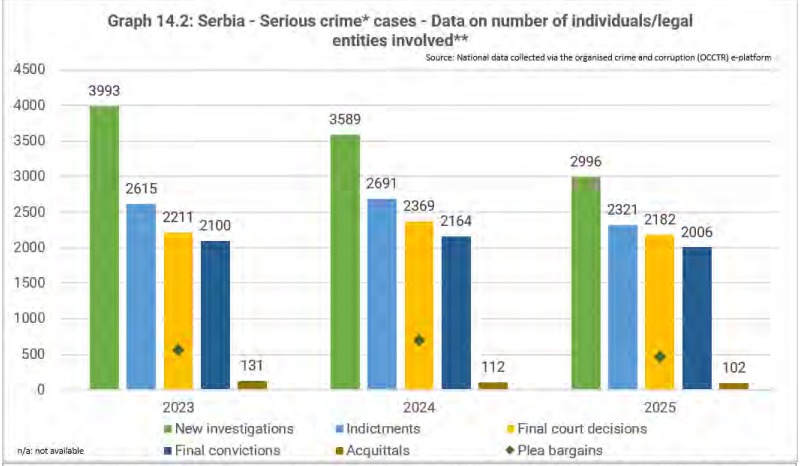

Serbia should phase out the role of the security services in investigations of serious and organised crime cases. Legislative changes should be made so that the activities of the BIA and the Military Security Agency are limited to national security threats only and no longer include involvement in criminal proceedings. The remits and regulations for criminal investigations and for security operations need to be clearly separated.

The 2026-2028 operational plan for financial investigations and for the seizure and confiscation of proceeds of criminal offences remains to be adopted. After adoption, its implementation, together with improved cooperation between the POOC and law enforcement agencies, should improve financial investigations and the identification, seizure and confiscation of proceeds of crime.

*Implementation and enforcement capacity*

Between 2024 and 2025, the total value of seized assets decreased by nearly 30% (although it was still significantly higher than between 2020-2023), while the total value of confiscated assets increased.

The POOC is consistently carrying out financial investigations, however its resources need to be increased to enable it to conduct investigations more proactively, including systematic tracking of money flows, as well as to identify more criminal assets, uncover illegal financial schemes, increase confiscation and gather circumstantial evidence of unexplained wealth. In 2025, the POOC initiated parallel financial investigations in relation to 147 defendants in cases of serious and organised crime.




The legal framework and the practice of using plea agreements needs to be balanced against the need to avoid any perception of impunity in serious and organised crime cases. Serbia should continue to increase the number of proactive investigations, based on intelligence-led policing, focusing on high-profile cases to dismantle high risk international criminal organisations.

*Law enforcement cooperation*

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. Serbia continued to actively participate in the European Multidisciplinary Platform Against Criminal Threats (EMPACT), taking part in 76 operational actions (up from 64 in 2023), including four as action co-leader in the 2024-2025 cycle. In the EMPACT 2026-2027 cycle, Serbia participates in 74 operational actions and has taken on for the first time the role of an action leader in one operational action under Online Fraud Schemes operational action plan. Serbia is also a co-leader in four operational actions: one under Cocaine, Cannabis and Heroin operational action plan, and three under Migrant Smuggling Migration operational action plan.

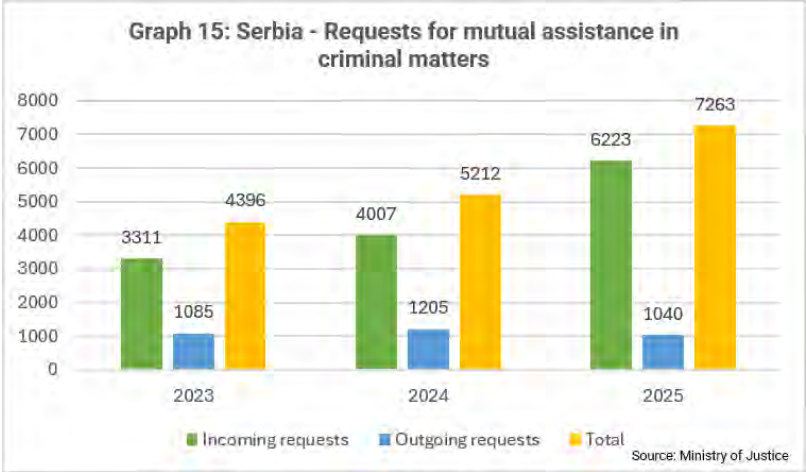
Serbia is encouraged to make full use of its access to CEPOL capacity-building activities. To establish a sustainable professional development, Serbia should adopt the sectoral competencies and integrate knowledge acquired through CEPOL capacity-building actions to its law enforcement training system.

Serbia needs to step up its efforts to implement the Directive on the obligation of carriers to communicate passenger data, and the Directive on the use of passenger name record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crime.

*Judicial cooperation in criminal matters*

Judicial cooperation in criminal matters remained broadly satisfactory in 2025. The legal framework governing judicial cooperation in criminal matters is partially aligned with the EU

*acquis*, to the extent that alignment is already possible. Alignment of the Criminal Code and Criminal Procedure Code with the EU *acquis* is pending. Serbia is a party to the relevant Council of Europe conventions and protocols on cooperation in criminal matters.




Administrative capacity needs to be increased to enable requests for mutual legal assistance to be executed more efficiently and to reduce processing times. In 2025, 3 091 requests were processed, with an average processing time of 470 days. In 2026, 1 598 requests were processed with an average processing time of 480 days. In October 2026, the absolute limitation period for enforcing the final prison sentence of former President of the State Union of Serbia and Montenegro expired, while repeated Montenegrin extradition request to Serbia remained unanswered.

Good cooperation between Eurojust and Serbia, through the Serbian Liaison Prosecutor, continued until March 2026, at which point the mandate of the Liaison Prosecutor expired, thus disrupting mutual legal assistance and participation in coordination meetings and joint investigative teams. However, in May 2026, the previous Liaison Prosecutor was appointed for a further six-year mandate. Between September 2025 and March 2026, Serbia was involved in 59 new cases at Eurojust, including 20 as the requesting country. Most cases were related to drug trafficking, organised crime and fraud. In 2025, Serbia participated in seven active joint investigation teams, while another five have been prepared, out of which four are pending sign-off by the Ministry of Justice. Serbia needs to address the delays in signing joint investigation teams' agreements. The Supreme Public Prosecution Office and the Ministry of Justice continued to actively cooperate with the European Judicial Network. A draft Memorandum of Cooperation between the European Public Prosecutor's Office (EPPO) and the Ministry of Justice remains to be signed. In 2025, the EPPO sent five requests for mutual legal assistance to the authorities of Serbia, and it had five active cases with links to Serbia at the end of the same year.

Limited progress was made in the use of the EU-facilitated Mutual Legal Assistance arrangements in civil matters with Kosovo. Cooperation remains insufficient, with only a very limited number of cases processed by Serbia.

Crime areas

*Investigation and criminalisation of money laundering*

Serbia was assessed under the sixth round of Moneyval mutual evaluations in 2025, and achieved substantial effectiveness in relation to money laundering investigations and prosecutions (immediate outcome 7) and asset recovery (immediate outcome 8). However, weaknesses were identified in relation to asset confiscation and provisional measures. Capacity to investigate and prosecute money laundering has increased, including for standalone money-laundering cases. However, the POOC and the prosecutors' offices of the Anti-Corruption Departments do not have an integrated approach in place, thus preventing money laundering offences being addressed efficiently. The permanent task force within the POOC for detecting and prosecuting members of organised crime groups who commit money laundering offences is no longer in operation and should be reinstated

by appointing law enforcement investigators. Cooperation between the Agency for the Prevention of Money Laundering and the POOC needs to be improved.

Efforts to fight money laundering and indictments by the POOC led to 11 individuals being convicted in 2025 (compared with eight in 2024). In 2025, 92 individuals were convicted (final decision) for money laundering in courts of general jurisdiction *(for anti-money laundering and countering the financing of terrorism, see also Chapter 4 – Free movement of capital)*.

*Cybercrime*

Further work is needed to align Serbian legislation with the Second Additional Protocol to the Council of Europe Budapest Convention on Cybercrime. The 2026-2030 Programme for Combating High-Tech Crime and the 2026-2028 Action Plan remains to be adopted.

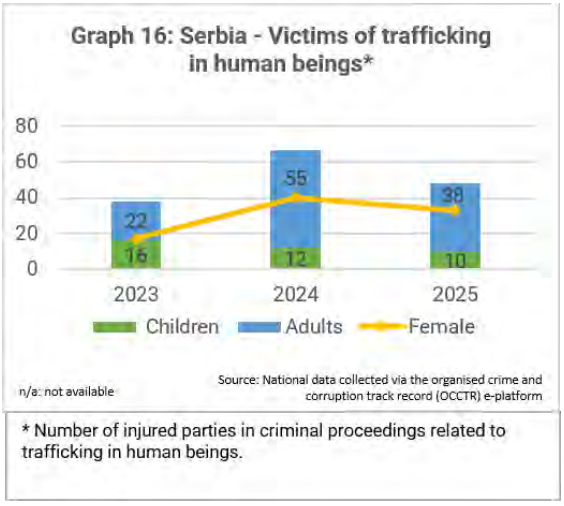
The Service for Combating High-Tech Crime in the police requires additional human resources, including to address the growing prevalence of cybercrime, while it is equipped to monitor and investigate darknet activities. Serbia has been participating actively in operations with Europol's Cybercrime Centre and Interpol's Global Complex for Innovation. Serbia's platform for reporting cyber-enabled criminal offences was launched in June 2026.

*Child sexual abuse*

Serbia still needs to address the Lanzarote Committee's recommendations on the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse. The legal framework governing child sexual abuse needs to be aligned with the Directive on combating the sexual abuse and sexual exploitation of children and child pornography. Amendments to the Criminal Code remain to be adopted to align with the EU *acquis*. Additional human resources are needed to effectively combat child sexual abuse.

*Trafficking in human beings*

In April 2026, Serbia adopted a new Law on preventing and combating trafficking in human beings and on protecting victims in order to align with the EU *acquis*. Serbia's legislative framework needs to be further aligned with the EU *acquis* in the field of trafficking in human beings, through amendments to the Criminal Code and the Criminal Procedure Code. Their implementation, along with the adoption of implementing legislation and the provision of adequate funding and operational resources to the relevant institutions, should improve the protection of victims of trafficking though a victim-centred approach. CSOs remain the primary providers of support in such cases but still lack sufficient and stable financing. Serbia is continuing to implement the 2024-2029 programme for the fight against human trafficking and its 2024-2026 action plan although neither has yet had any tangible impact. Coordination between national and local-level institutions should be strengthened to ensure that victims are properly identified, adequately protected, supported and not re-victimised.




Serbia should continue to improve its support for and protection of victims of trafficking in human beings, including by providing proper protection during trials. Moreover, it should continue to improve the investigation, prosecution and adjudication of trafficking cases, in particular those involving labour exploitation and third-country victims.

*Migrant smuggling*

Serbia has the capacity to investigate, prosecute and convict migrant smugglers but should continue strengthening this capacity, in particular to pursue organised criminal groups. Serbia continues to participate in the Global Alliance to Counter Migrant Smuggling and endorsed the Global Alliance Joint Declaration in December 2025. Serbia also participated in the second Senior Officials' Meeting of the Global Alliance in July 2026. Under the EMPACT framework, Serbia has engaged in operational actions against migrant smuggling, including data exchange, police training and collaboration with international organisations. In particular, Serbia is co-leader of 3 operational actions under the 2026-2027 operational action plan on migrant smuggling.

In 2025, Serbia launched new investigations into 136 migrant smuggling cases and filed indictments against 189 defendants, i.e. over 50% fewer than in 2024.

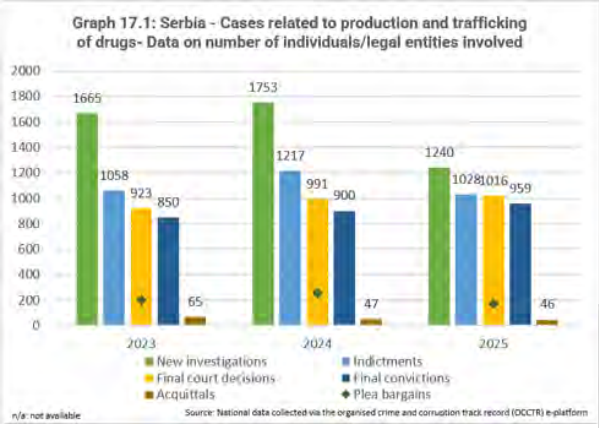
*Trafficking in firearms*

In December 2025, Serbia adopted the 2025-2030 programme for the control of small arms and light weapons, ammunition and explosives and the accompanying action plan for the period 2025-2027.

In July 2026, Serbia adopted a new Law on weapons and ammunition in order to align with the EU *acquis*. However, further efforts should be directed towards harmonising with the EU rules on deactivation. The Criminal Code was amended in July 2026 to effectively criminalise the trafficking of weapons, in line with the provisions of the UN Convention against Transnational Organised Crime and its Firearms Protocol, which should be applied to convictions for such crimes.

Positive steps have been taken to improve firearms stockpile management; however, Serbia must continue increasing the destruction of weapons. Similarly to 2024, Serbia seized 1 091 pieces of firearms, 35 796 pieces of ammunition and 8.1 kilograms of explosives in 2025. The Firearms Focal Point remains fully operational. However, the fact that it still lacks sufficient personnel to tackle firearms offences, crime and trafficking remains a cause for concern.

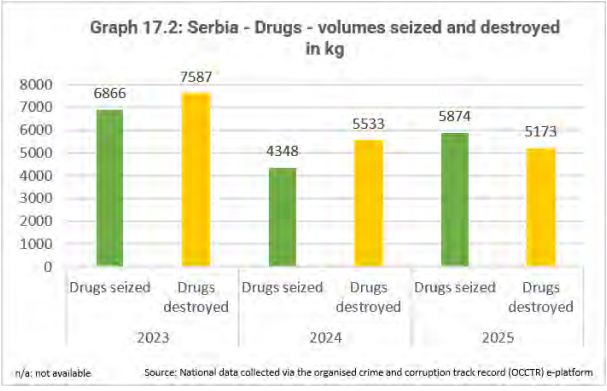
*Cooperation in the field of drugs*




The national drug strategy expired in 2021, and a new strategy is yet to be adopted. In July 2026, a new Operational plan on drug abuse prevention for the period 2026-2027 was adopted, as a transitional operational framework pending the preparation of the new strategic document on drug policy for the period 2028–2030, together with its

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

Serbia's legal framework for psychoactive substances has been in force since 2021. Legislative measures should be taken so that only samples of drugs are kept as material evidence for court proceedings.



accompanying Action Plan. This new strategic document should address the drug phenomenon in a balanced approach between health and security and be aligned with the relevant EU strategic framework on drugs. Serbia has a well-established national early warning system that continues to interface with the EU Drugs Agency (EUDA) with regard to psychoactive substances and related trends. The list of psychoactive controlled substances continues to be updated, and Serbia's National Drugs Observatory remains operational.

International cooperation remained strong throughout the reporting period, with two notable joint operations carried out with Germany and North Macedonia, respectively.

The Office for Combating Drugs of the Government of the Republic of Serbia collects data from its partners, including civil society organisations, which it regularly submits to the EUDA.

*Counterfeiting of the euro*

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

Serbia's central bank has formal cooperation agreements in place with the European Commission on coins and with the European Central Bank on banknotes. The National Bank of Serbia has been conducting technical analyses and providing specialised training for licensed entities that authenticate euro coins and process euro banknotes. Procedures are in place to deal with counterfeit money (see *Chapter 32 – financial control*).

**Counter-terrorism, prevention and resilience**

Fight against terrorism and prevention of radicalisation

*Legal alignment, strategic and institutional frameworks*

The legal framework for the fight against terrorism is largely aligned with the EU *acquis*. The legal framework for the countering of violent extremism is partially aligned with the EU *acquis*. Full compliance with the EU *acquis* on explosives precursors still needs be ensured.

Serbia did not make any further amendments to its legal framework governing the fight against terrorism and the prevention of radicalisation and violent extremism.

After its previous strategy expired in 2021, Serbia adopted the programme for countering terrorism and all forms of radicalisation and violent extremism for the period 2026-2030 together with its accompanying action plan for the period 2026-2027 in June 2026. The National Coordination Body for the Prevention and Combating of Terrorism has been in place, with a national coordinator, since July 2023.

*Implementation and enforcement capacity*

The fight against terrorism is broadly satisfactory.

The countering of violent extremism, in particular ethno-nationalism and violent right-wing extremism, needs to be improved.

In October 2025, Serbia signed the new Joint Action Plan (JAP) on Preventing and Countering of Terrorism and Violent Extremism for the Western Balkans. The roadmap for its implementation remains to be adopted.

The increasing presence of right-wing extremist content online, along with hateful content, disinformation, and new forms of online extremism, such as nihilistic extremism, remains a concern.

Serbia remains actively engaged in international counterterrorism cooperation through Europol and the Council of Europe, including as part of analysis projects by the European Counter Terrorism Centre, and data exchanges through the counter-terrorism SIENA.

Moneyval's December 2025 evaluation indicated the need to further improve the investigation, prosecution and punishment of terrorist financing cases and to protect non-profit organisations from terrorist financing abuse.

In 2025, there were two convictions for terrorism related offences and the Prosecutors' Office for Organised Crime filed two indictments. There were no indictment or final conviction for financing of terrorism.

Serbia is encouraged to apply the methodology developed with the support of the Counter Terrorism Support Network (CTSN) to prepare a domestic terrorism trend and situation report.

Critical infrastructure protection

*Legal alignment, strategic and institutional frameworks*

The legal framework for critical infrastructure protection and the resilience of critical entities is not aligned with the EU *acquis* and Serbia should take steps to align its legislation with the Directive on the resilience of critical entities.

*Implementation and enforcement capacity*

The protection of critical infrastructure and the resilience of critical entities need to be improved. Serbia should speed up the process of critical infrastructure identification. Furthermore, the identification of critical entities has yet to be completed for all relevant sectors, creating difficulties in terms of risk management and the planning of protective measures.

**Migration and asylum**

Legal and irregular migration and returns

The legal framework for the management of legal and irregular migration is partially aligned with the EU *acquis.* 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*. Further alignment and better implementation are needed to identify cases of illegal border crossing and people smuggling, ensure irregular migrants are registered efficiently, and to provide effective human rights monitoring mechanisms and access to free legal aid.

Serbia contributed to the management of mixed migration flows to the EU and actively cooperated with the EU, EU Member States and with its neighbours to implement the EU Action Plan on the Western Balkans. Progress has been made on several pillars of the EU Action Plan on the Western Balkans, particularly on border management, fighting migrant smuggling and returns. However, further efforts are needed, notably on processing asylum claims.

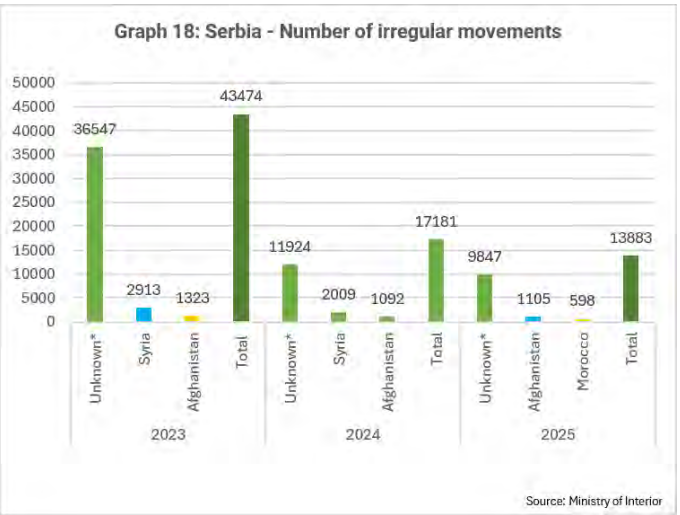
In 2025, Serbia continued to provide temporary protection to all people fleeing Russia's war of aggression against Ukraine, in line with the decision adopted in March 2024 to extend such temporary protection for as long as the reasons for granting it persist.

In terms of combating irregular migration, Serbia continued to prevent a large number of illegal border crossings. Serbia further improved its capacities for border management through the implementation of the integrated border management strategy (2022-2027). The corresponding action plan for the period 2025-2027 was adopted in December 2025, and the coordination body was established in August 2026.

As an observer in the European Migration Network (EMN), Serbia continued to be covered by

the asylum and migration overview of EMN member and observer countries.

*Implementation and enforcement capacity*




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

Overall, Serbia's reception capacity is adequate. A total of 9 757 irregular migrants were housed in reception centres and asylum centres. Due to a significant decline in occupancy following reduced migration flows (50% fewer migrants compared with the previous year), only three reception centres (out of twelve) remain in operation, mainly in the south of the country. A considerable number of people transited undetected through the country aided by violent smuggling groups. These groups continue to operate. The number of unaccompanied and separated children remained high, which is of particular concern (1 575 in 2025). On several occasions, apprehended migrants, including minors, had to be temporarily housed in police stations.

Serbia continued to step up police controls targeting migrants illegally present in the country. In 2025, there were 9 480 detected cases of individuals either residing illegally or attempting to illegally enter the country.

As concerns readmission with the EU, the EU-Serbia readmission agreement continued to be implemented. Cooperation on the readmission of third-country nationals who transit through Serbia remained limited. In February 2026, Serbia signed a Standard Operating Procedure with Belgium as part of the implementation of the EU-Serbia readmission agreement.

As concerns return of third country nationals to their countries of origin, in March 2026, Serbia ratified a readmission agreement with Kazakhstan as part of the implementation of the EU Action Plan on the Western Balkans. Efforts to establish cooperation on legal migration and readmission are ongoing with Bangladesh and Uzbekistan.

Serbia should take further measures to prevent secondary movements to the EU by third-country nationals legally residing in Serbia, including foreign workers. In total, 75 foreign nationals, the majority of whom were referred from detention centres for foreigners, were assisted in voluntarily returning to their countries of origin. Regarding forced returns conducted by land, in 2025, four third-country nationals were returned to border crossing points with neighbouring non-EU countries.

In October 2025, the government adopted a Regulation establishing the Programme for Support to the Voluntary Return of Foreigners for the period 2026–2029, which provides a legal basis for continuing and sustaining activities in the field of returns.

Asylum

While the legal framework on asylum is largely aligned with the EU *acquis* as it was in force until 12 June 2026, Serbia should focus on developing its national legal framework and operational capacities on migration and asylum to align with the Pact.

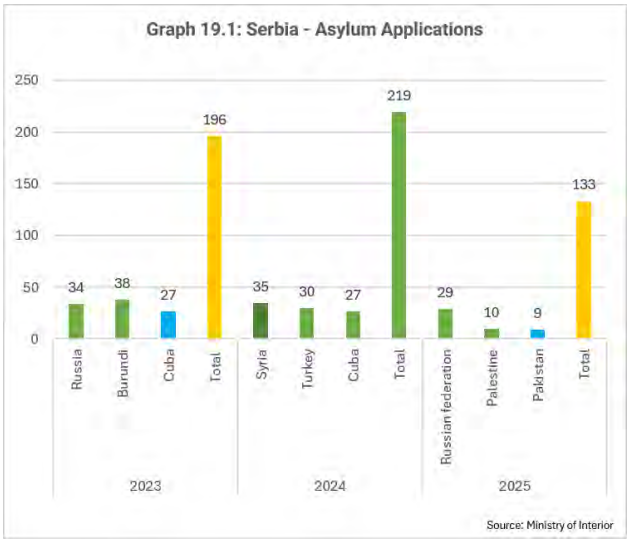
*Legal alignment, strategic and institutional frameworks*

Serbia's legal framework is largely aligned with the EU *acquis,* although its implementation

needs to be improved, including in relation to the quality of decision-making bodies, in order to ensure asylum claims are processed in a fair and timely manner. In July 2026, Serbia started reviewing the legal framework on asylum and temporary protection to further align it with the EU *acquis*, notably as regards effective access to the asylum procedure and the rights and obligations of applicants/people under international protection.

Serbia has the necessary institutions to manage asylum applications. The third roadmap for cooperation (2024-2026) with the European Union Agency for Asylum (EUAA) was endorsed together with its implementation plan in November 2025.

Serbia has an annual contingency plan (response plan) to respond to large influxes of migrants. In November 2025, with EU support, Serbia further enhanced its monitoring and response capacity, including by developing early warning indicators for migration crises and a standardised four-level escalation model.



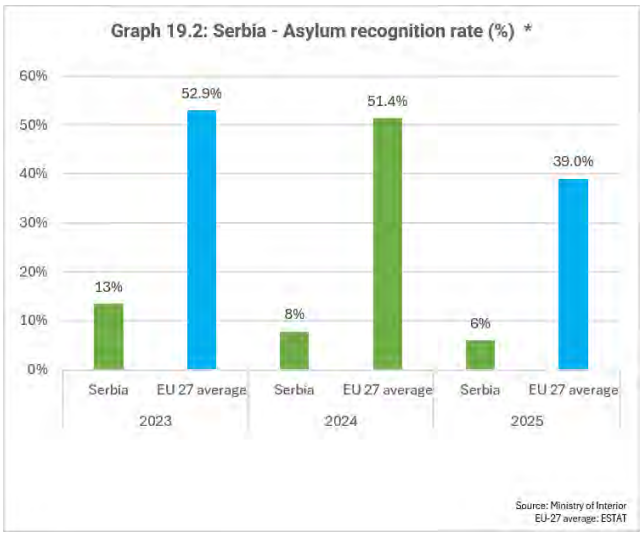

*Implementation and enforcement capacity*

In 2025, the number of applicants for international protection was lower than in previous years. Of the 626 individuals who expressed an intention to seek international protection (compared with 850 in 2024), only 132 filed an asylum application (compared with 219 in 2024).

The Asylum Office was fully staffed in 2025 and conducted 42% more interviews compared with the previous year (152 in 2025 compared with 107 in 2024). In turn, it was able to reduce the backlog and ensure a monthly presence at asylum centres.

The asylum recognition rate was very low. The absconding rate remained high, exceeding 50%. In 2025, only two applicants received refugee status, five received subsidiary protection while 122 had their asylum claims denied.

Further improvements are needed to ensure high-quality, merit-based asylum decisions, compliance with legal deadlines, and consistent access to interpretation, translation, and free legal aid. Although support is available to help with the integration of refugees, including healthcare and social protection, effective integration remains hindered by a lack of opportunities for skills development and insufficient access to cultural mediation, translation, and interpretation services. Integration of persons with disabilities needs to be prioritised with targeted support and access to social housing.




Serbia's cooperation with the EUAA remains strong. Although the third roadmap for cooperation (2024-2026) was only adopted by the government in November 2025, the EUAA continued to assist the Serbian authorities, mainly the Asylum Office and the Commissariat

for Refugees and Migration, throughout the year.

Due to reduced migration flows, only six asylum and reception centres remain in operation, while the other six centres have been temporarily closed. The occupancy rate of the reception centre for unaccompanied and separated children (UASC) run by the Commissariat for Refugees and Migration was very low. Crucial services at reception and asylum centres, such as psycho-social support, legal assistance, interpretation and cultural mediation, which are entirely dependent on civil society organisations, have been discontinued due to a lack of funding.

Visa policy

Serbia's visa policy is not fully aligned with EU policy, in particular the list of third countries whose nationals require a visa to enter the EU. No progress on visa alignment was made in 2025. Moreover, Serbia's still has visa-free arrangements with 12 countries on the EU's list of non-EU countries whose nationals require a visa to enter the EU: Armenia, Azerbaijan, Bahrain, Belarus, China, Indonesia, Jamaica, Kyrgyzstan, Kazakhstan, Russia, Suriname and Türkiye. In July 2026, a three-year plan was developed to align Serbia's overall visa policy with the EU *acquis* and remains to be adopted by the Government.

Serbia took steps to enhance screening measures for third-country nationals who do not require a visa, including more detailed verification of travel documents and a risk assessment. However, further improvement is needed particularly for arrivals from countries presenting heightened security or irregular migration risks.

According to Eurostat, 1 870 Serbian nationals applied for asylum in the EU-27 in 2025, a 42% decrease compared with 3 225 in 2024.

The acquisition of visa-free travel rights within the EU by Russian nationals who are granted Serbian citizenship continues to pose potential security risks to the EU. Serbia should put an end to the practice of granting citizenship under accelerated or simplified procedures to nationals of countries that pose illegal migration or security risks to the EU.

The Commission's Eighth Report under the Visa Suspension Mechanism concluded that Serbia had taken steps to address previous recommendations.

Schengen governance and external borders

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

*Legal alignment, strategic and institutional frameworks*

Further efforts are needed to align with and implement the EU *acquis*.

Implementation of the Integrated Border Management Strategy (2022-2027) is underway, the corresponding new action plan 2025-2027 was approved in December 2025, and the coordination body was established in August 2026. Serbia has continued to align further with the Schengen *acquis* by implementing the Action Plan for the Accession of the Republic of Serbia to the Schengen Area 2023-2028.

*Implementation and enforcement capacity*

The implementation of the Integrated Border Management Strategy has been delayed and will require continued investment in technical and human resources, including infrastructure, to enable border controls to be carried out in line with Schengen requirements. Implementation of the strategy and action plan for Serbia's accession to the Schengen area is underway.

Based on the Police Cooperation Convention for Southeast Europe (PCC SEE), the Ministry of the Interior has cooperation arrangements in place with all neighbouring countries. Joint

patrols are being carried out with neighbouring countries, including Hungary, North Macedonia, Romania and Bosnia and Herzegovina.

The Serbian authorities enjoy well-established cooperation with the European Border and Coast Guard Agency (Frontex). As of September 2026, 167 standing corps officers are deployed at Serbia's borders with North Macedonia, Bosnia and Herzegovina, Hungary and Bulgaria and at Belgrade international airport, under the status agreement between the European Union and Serbia.

The Interim Common Crossing-Points (CCPs) between Kosovo and Serbia remain operational. Only two of the six permanent CCPs have been established (Merdarë/Merdare and Mutivodë/Mutivode), hosted by Kosovo. Serbia still needs to establish 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 a project in 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 efforts are still 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. The conditions of several CCPs remain a serious concern, with inadequate maintenance resulting in deteriorating infrastructure and potential health and safety risks for staff and travellers. Serbia needs to urgently ensure the proper maintenance and safe functioning of the CCP facilities for which it is responsible.

In 2025, Serbia implemented its anti-corruption preventive mechanism as part of the Integrated Border Management System through inspections carried out by the Border Police Directorate. As a result, 10 criminal charges were brought against officers of the border police for incidents involving corruption and four disciplinary proceedings were initiated.

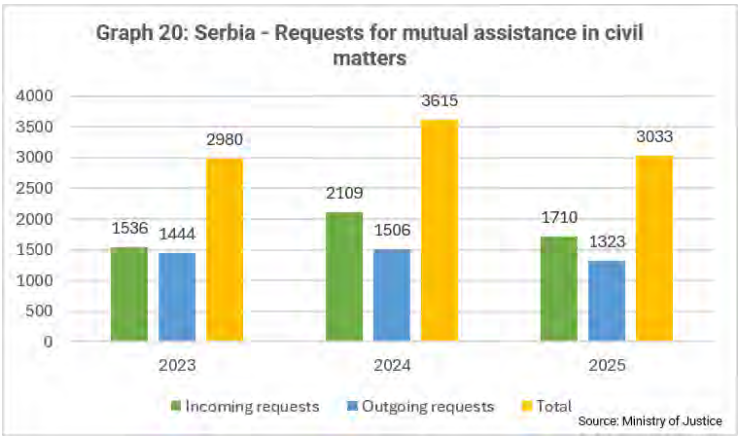
Several investments are underway to establish and bring into operation the EUROSUR national coordination centre, including investments in advanced surveillance systems. Inter-agency cooperation is satisfactory, notably between border police and customs at border crossing points. Further improvements are needed as regards information exchange, included enhanced access to databases and a secure information exchange system.

In June 2025, the Ministry of Internal Affairs and border management agencies developed a roadmap for achieving IT systems' interoperability with the European Union, including the Entry/Exit System (EES). The roadmap set out all legal, technical and procedural steps and conditions regarding the design, connection and implementation of the EES.

**Judicial cooperation in civil and commercial matters**

Judicial cooperation in civil and commercial matters is broadly satisfactory.

Serbia continued reporting on its implementation of the 2007 Hague Convention on Child Support, in force since February 2021. No progress was made on acceding to core instruments under the Hague Conference on Private International Law, namely the 2000 Hague Convention on the International Protection of Adults, the 2005 Hague Convention on Choice of Court and the 2019 Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters.



In 2025, 2 256 requests for mutual legal assistance were processed, with an average processing time of 460 days.

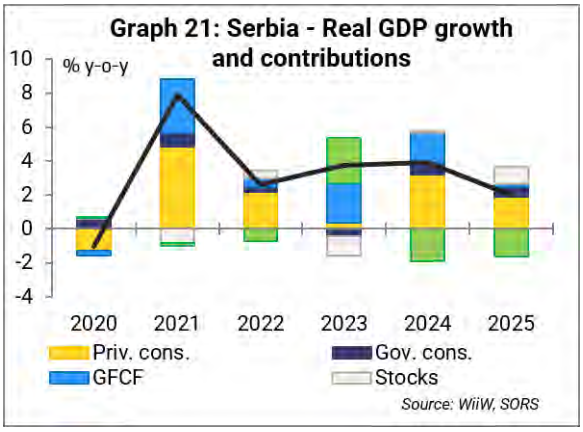
## 2.3. ECONOMIC CRITERIA[4]

| *Table:* **Serbia - Key economic figures** | **2017-22** average | **2023** | **2024** | **2025** |
|---|---|---|---|---|
| **GDP per capita** (% of EU-27 in PPS)[1)] | 43 | 48 | 52 | 52 |
| **Real GDP growth** | 3.6 | 3.7 | 3.9 | 2.0 |
| **Activity rate of the population aged 15-64** (%), total[1)2)] | 68.5 | 71.7 | 72.7 | 73.0 |
| *female* | *61.5* | *65.6* | *66.9* | *67.3* |
| *male* | *75.5* | *77.8* | *78.6* | *78.7* |
| **Unemployment rate of the population aged 15-64** (%), total[1)2)] | 11.5 | 9.7 | 8.9 | 9.0 |
| *female* | *12.2* | *10.2* | *9.1* | *9.2* |
| *male* | *11.0* | *9.3* | *8.8* | *8.7* |
| **Employment of the population aged 15-64** (annual growth %) | 0.8 | 0.2 | 1.4 | -0.7 |
| **Nominal wages** (annual growth %) | 8.6 | 14.7 | 14.4 | 11.6 |
| **Consumer price index** (annual growth %) | 4.1 | 12.1 | 4.6 | 3.8 |
| **Exchange rate against EUR** | 118.3 | 117.3 | 117.1 | 117.2 |
| **Current account balance** (% of GDP) | -5.2 | -2.4 | -4.5 | -4.9 |
| **Net foreign direct investment, FDI** (% of GDP) | 6.6 | 5.7 | 5.5 | 2.6 |
| **General government balance** (% of GDP) | -2.2 | -2.1 | -2.0 | -2.4 |
| **General government debt** (% of GDP) | 53.2 | 48.0 | 46.7 | 44.4 |

*Notes :*
*1) Eurostat*
*2) From Q1-2022, the Labour Force Survey is based on the results of the 2022 population census, restricting comparability with previous years data.*
*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, but its implementation of reforms has been inconsistent.** In December 2024, Serbia agreed a 36-month policy coordination instrument (PCI) with the International Monetary Fund (IMF) under which Serbia is committed to continuing to implement important reforms in the area of SOE governance, the public sector wage system, fiscal transparency, public investment management and energy sector reforms. The government's current fiscal strategy (2026-2028) sets a deficit target of 3.0% of GDP until 2027, falling to 2.5% in 2028, in

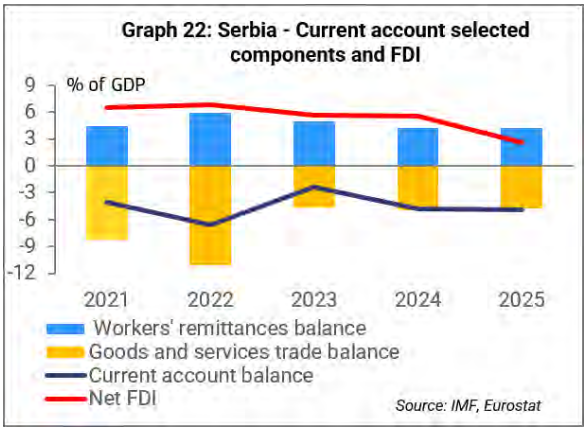
[4] Unless otherwise indicated, the data in this section are taken from the relevant national sources (the statistical office, Ministry of Finance and central bank).

agreement with the IMF. However, in August 2026, the government effectively raised the 2026 deficit target to 3.0-3.5% of GDP, including through granting immediate cash transfers to a wide range of population groups, in the run-up to national elections in October.

**Serbia has partially implemented the policy guidance set out in the conclusions of the May 2025 Economic and Financial Dialogue.** Serbia's budget deficit was lower than forecasted, while the central bank maintained an appropriate monetary policy stance. Progress was made in assessing the long-term sustainability of the pension system and in preparing a comprehensive tax expenditure review. Likewise, work continued on enhancing fiscal risk monitoring (especially related to SOEs, court decisions and potential natural disasters) and promoting greater use of the dinar. The central bank is implementing a credit registry to harmonise bank lending information. Ongoing reforms on public investment management aim at addressing the existing exemptions which allow major projects to bypass standard selection and screening procedures. The public sector wage system reform remains incomplete, while the total wage bill is in line with the fiscal rules.

Macroeconomic stability

**GDP growth slowed markedly from 3.9% in 2024 to 2% in 2025, but recovered in the first half of 2026 to 3.5%.** Growth in 2025 was well below the average of 3.4% between 2020 and 2024. The slowdown was driven by domestic political instability, sanctions against Serbia's only oil refinery, and global uncertainties concerning tariffs and trade, all of which affected consumer and business confidence, investment and exports. Nevertheless, consumer spending was still supported by fast wage growth and hikes in pensions and minimum wages, while inflation slowed. In the first half of 2026 GDP rebounded by 3.2% in Q1 and 3.8% in Q2, driven by private consumption and construction. The income gap with the EU average continued to narrow slightly in 2025, with GDP per capita, in purchasing power standards, 52% of the EU average, up from 48% in 2023.

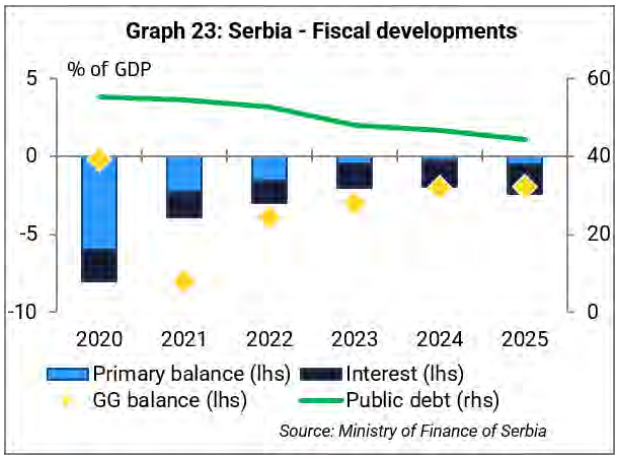



**The current account deficit remained elevated, rising from 4.7% of GDP in 2024 to 4.9% in 2025.** The higher deficit was caused mainly by a smaller surplus in services trade and a higher primary income deficit. However, in the first half of 2026, up until June, the current account deficit declined by 30%, compared to the same period one year earlier, amounting to 3.1% of GDP. This was notably due to strong exports of goods and services outpacing imports. Amidst domestic political turmoil and global trade uncertainties, investor sentiment weakened and net FDI inflows halved in 2025 compared to 2024, amounting to 2.4% of GDP, and staying at a similar level in the first half of 2026. At the end of 2025, the central bank's foreign exchange reserves were still relatively high at EUR 29 billion (32.7% of GDP), corresponding to 6.8 months' worth of imports. They were boosted partly by a surge in gold prices, bearing in mind that gold makes up 21.4% of Serbia's total foreign exchange reserves. At the end of Q2 2026, reserves edged down to 32.2% of GDP. External debt continued a decreasing trend to 57.7% of GDP in 2025, compared to an average of 62% between 2020 and 2024.

**Monetary policy remained relatively tight in 2025, which helped inflation remain within the central bank's target band (3±1.5%) in 2025, but price rises were temporarily suppressed by ad hoc government intervention in retail trade margins.** The central bank remained cautious, keeping the key policy rate stable at 5.75% since September 2024. Between September 2025 and February 2026, the government introduced a 20% margin cap on most

food items, household cleaning products and personal hygiene goods. While at odds with free market principles, this significant market intervention led to a marked reduction in inflation (from 4.7% in August 2025 to 2.9% in September 2025). Overall, average annual inflation was 3.8% in 2025, down from 4.7% in 2024. Inflation has remained relatively steady despite the global energy price shock. It rose only gradually from 2.6% in Q1 to 3.3% and 3.5% respectively in April and May, and was down to only 1.9% in July, helped by a good agricultural season and cuts to energy taxation. Amid a deteriorating external position, the stability of the dinar was maintained by the central bank taking regular action on the foreign exchange market, with net sales of EUR 580 million in 2025.

**General government deficit was lower than planned in 2025, at 2.4% of GDP, albeit up 0.4 pps on the previous year.** Even with weaker-than-expected GDP growth, the budget deficit was lower than the 3% target after revenue was sustained by solid growth in labour taxes, compensating for weaker consumption-related taxes. At the same time, expenditure was lower than planned, notably due to slower investment execution. The public debt-to-GDP ratio fell to 44.4% from 46.7% in 2024. In response to the global energy crisis stemming from the conflict in the Middle East, Serbia repeatedly lowered excise duties on fuel in a non-targeted manner, with implications for tax revenue. In addition, in August 2026, the government raised its projections for both revenues and expenditure, adding 0.5% of GDP to the deficit. This is estimated to push the overall 2026 deficit to 3.0-3.5% of GDP. Expenditure measures in the supplementary budget for 2026, include one-off transfers of nearly EUR 1 billion (1% of GDP) to households, as well as higher investment and defence spending, while some infrastructure projects have been scaled back.




**While the fiscal governance framework is generally well-designed, weaknesses remain in the transparency of public finances and implementation of the medium-term budget framework.** Serbia has recently expanded fiscal reporting. However, the budget still lacks detailed information on risks associated with public-private partnerships and public spending on state-owned enterprises. Fiscal reports are gradually incorporating the remaining extrabudgetary funds. The relatively large budgetary contingency reserve lacks sufficient accountability. The planned expansion of 'green' tagging to local government is a positive step. Efforts to strengthen the medium-term budget framework are continuing, however some technical features are still missing from the medium-term budget, including the indexing of medium-term projections to make them more realistic. Ultimately, medium-term planning needs to be fully implemented to allow for a more strategic approach to budget decisions. The Fiscal Council continued to monitor fiscal policies by producing independent reports and issuing recommendations, while the government's assessment and implementation of the Fiscal Council's recommendations was not systematic.

**The macroeconomic policy mix was generally appropriate in 2025, although Serbia's loosening of its fiscal stance in 2026 may compromise efforts to bring down inflation in the face of the ongoing energy price shock.** The decision to weaken fiscal targets seems pro-cyclical, given that relatively strong economic growth is anticipated in 2026-2027. To manage inflationary risks effectively, it is crucial to maintain fiscal discipline. Meanwhile, monetary policy has been appropriately tight, taking into account persistent domestic inflationary pressures.

Functioning of product markets

*Business environment*

**Despite progress in reducing regulatory and administrative burden on businesses, the business environment still has weaknesses affecting small and medium-sized enterprises (SMEs) in particular, while shortcomings related to the rule of law and corruption remain a concern.** The business environment is hampered by red tape, political interference, weaknesses in the rule of law and limited efficiency and transparency in public administration. SMEs are among the worst affected by this, while large companies, with significant transactional capacity, are less impacted. Businesses continue to be affected by a lack of transparency and predictability regarding the adoption of business-related legislation, including unexpected and non-transparent amendments to the legal framework, often with limited or no consultation, and reports of the burden of regulatory compliance being unevenly distributed. Despite the implementation of Single Euro Payments Area (SEPA) transactions and improvements to foreign transaction processing which have reduced processing times significantly, the Law on foreign exchange transactions continues to impose excessive administrative requirements on entities engaging in foreign exchange operations. Serbia ranked 116th out of 182 countries in the 2025 corruption perception index by Transparency International, registering its lowest score and ranking in two decades, behind all other Western Balkan countries. Efforts to reduce the size of the informal economy continued, although several factors contribute to its persistence: high taxes and social security contributions on low wages (which have been recently pushed up by rapid minimum wage increases), red tape, and shortcomings in addressing corruption. In addition, there is insufficient capacity in key inspection departments. A legal basis has been established for the creation of a register of non-tax levies; public bodies are currently in the process of entering these in the register. Further efforts are needed to improve the quality, independence and efficiency of the justice system.

*State influence on product markets*

**The state systematically intervened in product markets.** The margin cap, applied between September 2025 and February 2026, impinged on the ability of retailers and supply chains to operate freely, negatively influencing the business environment while failing to address underlying longer-term price pressures. In addition, weekly price caps continue to restrict market-based pricing in the fuel retail segment. Efforts to further align the legal framework for competition and State aid with the EU *acquis* continue, while the implementation of the framework still needs to be further aligned. The Commission for Protection of Competition (CPC) and the Commission for State Aid Control (CSAC) are legally independent bodies. However, the CSAC needs to prove its operational independence by building a credible track record of enforcement. State aid rules are not always implemented consistently due to strong political pressure to provide financial assistance to SOEs, large foreign investors and companies with state connections. Transparency over State aid schemes is often lacking, including in the 2026 budget. In addition, temporary and ad hoc trade restrictions continue to be introduced 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 transparency and fair competition.

*Privatisation and restructuring*

**The significant economic presence of state-owned enterprises continues to hinder competition and private sector growth.** In Serbia, SOEs operate in key sectors such as energy, transport, manufacturing, telecommunications and finance, employing a large share of the workforce. Their dominant presence affects resource allocation, competitiveness and public finances, and is also attributed to the country's poor record on investment, innovation,

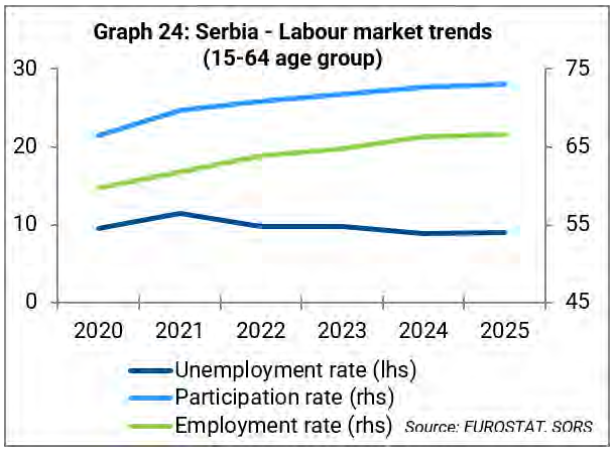
productivity, profitability and payment discipline, including instances of unpaid bills amongst SOEs. According to a recent OECD estimate[5], the net budgetary cost of SOEs was approximately 0.8% of GDP in 2023, primarily due to the largest energy-related SOEs. Efforts to improve SOE governance are ongoing, supported by the adoption of the 2021-2027 strategy on state ownership and management of SOEs and the introduction of the Law on SOE governance in September 2024, which was followed up by a number of related secondary laws intended to enhance the efficiency and transparency of SOEs. To mitigate SOE-linked fiscal risks, the government has somewhat reduced the number of new guarantees issued for SOE operations. While the legal basis is now largely in place, ongoing challenges include strengthening government oversight in practice, including as regards establishing independent internal audit bodies to enhance the transparency and quality of SOE governance, restructuring SOEs where necessary, addressing public procurement irregularities, and systematic disclosure and analysis of financial data.

Functioning of the financial market

**The banking sector remains stable.** The sector's capital adequacy was 19.5% as of Q1-2026, well above the 8% minimum set by the central bank. Sector-wide liquidity remains high. Profitability increased, with the return on assets remaining relatively high, easing from the historic peak of 3.1% in Q1-2025 to 2.5% in Q1-2026. The non-performing loan ratio fell to a record low of 2.1% in Q1-2026, down from 2.5% at the end of 2024. Bank lending growth has been on an upward trend since 2023, accelerating to 16.6% year-on-year in June 2026 (20% for households, 11.7% for businesses) amid eased credit standards. Bank financing remained the dominant form of lending, with non-banking financial institutions still underdeveloped. 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. During the reporting period, the central bank intervened in the consumer and mortgage loan market. Under the new Law on the protection of financial service consumers, which was enacted in 2025, differentiated interest rate caps may be applied on various loan types. The central bank also directed commercial banks, citing supervisory expectations, to offer reduced-interest loan options for low-income households, young people and pensioners. The authorities' goal is to increase access to finance, alleviate the burden of excessive interest rates on households, and encourage the uptake of fixed-rate loans given the relatively high loan margins in Serbia compared to neighbouring countries. However, these measures may interfere with market forces, thereby affecting mortgage and consumer credit rates while potentially creating moral hazard and exacerbating risks related to a rapid growth in loans.

Functioning of the labour market

**The labour market remained stable in 2025 and in the first half of 2026.** The employment rate remained unchanged at 66.8% of the working age population in Q2 2026 compared to a year earlier While the overall unemployment rate decreased notably by 1.3 pps. to 7.4% in Q2 2026, this was due to a drop in the activity rate of the population aged 15-64 by 1.1 pps. (to 72.1% by Q2 2026). The activity rate of women




[5] Public Finance Review: Fiscal Policy for High-Income Serbia, World Bank, 2025

(66.8%) remains significantly behind that of men (77.5%). Wage growth remained relatively high in 2025 and in the first half of 2026. Net salaries increased by 11.3% in nominal terms in January-May 2026, exceeding productivity growth. Salaries were also driven upwards by significant hikes in the monthly minimum wage (+13.7% in January 2025, +9.4% in October 2025 and +10.1% in January 2026, reaching around EUR 750 in gross terms). In August 2026 the government adopted a decision raising the minimum hourly wage by 9.2%, effective 1 January 2027. In September 2026, increases of 8% for public sector wages (12% in social protection) and 7.5% for pensions were announced, to take effect from 1 December 2026.The youth unemployment rate (15-24) has declined to 22% in Q2 2026, down from about 50% a decade ago and 22.8% a year ago. Emigration and brain drain is a long-standing problem which has a negative impact on the growth and skills level of the labour force. Access to skills corresponding to labour market needs remains a significant issue for companies in various sectors, with a third of businesses facing difficulties finding appropriate candidates and citing lack of skills, knowledge and experience as the main problem[6]. Labour shortages are a common obstacle to larger investments, partly eased by foreign labour inflows. Unemployment benefits and employment support programmes are underfunded compared with the EU average. The budget allocated to active labour market measures was reduced further in 2026, to below 0.1% of GDP. Undeclared work is a long-standing issue that has yet to be fully addressed. However, legislation on temporary agency employment (staff leasing) and seasonal work has gradually lowered the rate of people working in the informal economy, with informal employment down 0.6 pps in 2025.

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

Education and innovation

**Education and training are not of sufficient quality to meet labour market needs.** Public spending on education remained below the EU average at 3.46% of GDP in 2025 and the results of the 2025 Programme for International Student Assessment (PISA) show lower educational attainments than in the OECD and the 2022 PISA. The school-to-work transition in Serbia needs to be improved, as confirmed by a reduction in the employment rate of recent graduates (70.1% in 2025 compared with 73.1% in 2024). By contrast, the 'not in education, employment or training' (NEET) rate among people aged 15-29 is relatively low, at 15.1% in 2025. Efforts to modernise vocational education and training (VET) are ongoing but VET students continue to face uneven opportunities for practical workplace training. The government has taken action to diversify VET programmes and promote reskilling/upskilling. Participation rates in lifelong learning remain low, partly linked to insufficient funding and a limited offer. Investment in research remained low at 0.93% of GDP in 2024 (compared with an EU average of 2.24%). The share of private sector investment in R&D stagnated at 45% of total financing. Implementation of Serbia's Smart Specialisation Strategy and the Law on innovation activity is ongoing. New calls for start-up funding were launched in 2025 but the capacity of enterprises to engage in public innovation programmes remains limited.

Physical capital and quality of infrastructure

**Government investment is concentrated in road and rail infrastructure, while infrastructure gaps remain in particular in energy.** In 2025, Serbia's gross fixed capital formation remained relatively high at 22.8% of GDP. The economy attracted net FDI inflows of 2.6% of GDP in 2025, down considerably on the previous year's record levels. FDI inflows were highest in manufacturing (24.5%), construction (17.5%) and professional, scientific, and technical

[6] GIZ (2025). 'Employer Survey 2025: Results of the Employer Survey and Forecasts of Employment Needs for the Period 2025 - 2027', Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Belgrade.

activities (17.0%). Government investment remained robust at 7.0% of GDP in 2025. In autumn 2025, the government adopted a law aiming to address the high number of unregistered buildings and making all illegal buildings erected on public land state property *ex lege*. Following the start of its implementation, around 270 000 properties have been registered. Continuous monitoring of transport investment compliance with European standards remains a challenge. Energy infrastructure is largely outdated, and coal remains the main source of electricity. Regulatory and green transition reforms are progressing at a slow pace. Serbia remains highly dependent on Russia for gas, routinely agreeing short-term extensions to gas supply contracts, although steps have been taken to diversify import sources, notably by importing from Azerbaijan and the EU. Work is progressing on transport connectivity with neighbouring countries, albeit at a slower pace than initially planned. 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 has advanced at the government level, although progress has been less widespread among corporates and disparities remain. Cross-border and domestic digital connectivity remain solid in urban areas while rural connectivity has seen limited but tangible progress. The first 5G auction has been completed, with full roll-out pending. Digital government services are underpinned by a robust public digital backbone and a state data centre, helping to attract increased investment in AI and high-performance computing. Nevertheless, data ecosystems are still being developed and regulatory alignment with the EU still needs to be achieved.

Sectoral and enterprise structure

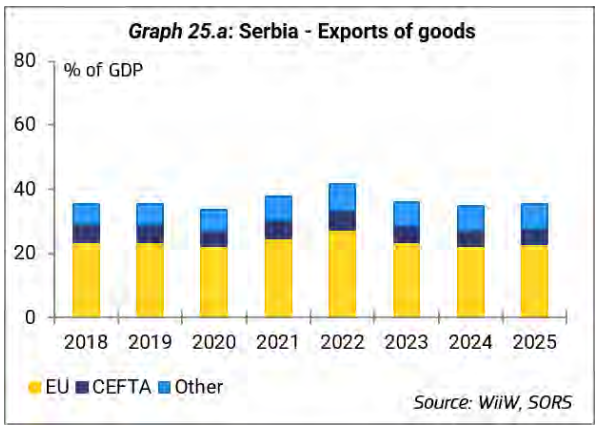
**Services dominate the economy while the contributions from industry and agriculture continue to decrease.** The services sector provides more than two thirds of economic value added. The industrial sector's contribution to GDP declined to 20.3% in 2025 (from 21.5% in 2024), continuing the sector's long-term downward trend. The agricultural sector's contribution to the economy fell further, to 3.5% of GDP (down from 3.7% in 2024), while the construction sector's contribution increased to 6.1% in 2025, driven by large-scale infrastructure projects (EXPO 2027 preparations, railway modernisation and energy investments). In 2024, 99.4% of all businesses were SMEs, employing 64.4% of the workforce outside of the financial sector and generating 58.9% of total turnover in the economy. They remain particularly active in construction, retail, housing and food services. However, two thirds of exports remain concentrated in larger foreign-owned companies. Serbia is continuing to implement programmes to support SMEs, including digitalisation initiatives, export promotion and access-to-finance schemes, although budget allocations remain modest and subject to ad hoc adjustments. Efforts should continue to improve the quality and frequency of consultations with SMEs in policymaking and programme design processes. Loans to SMEs represented around 67% of total corporate loans in 2025, although SME borrowing costs remained significantly higher than for large firms. Public credit guarantee schemes are underdeveloped, exacerbating collateral constraints. Large companies and foreign investors often benefit from direct government engagement and state subsidies, creating an uneven playing field.

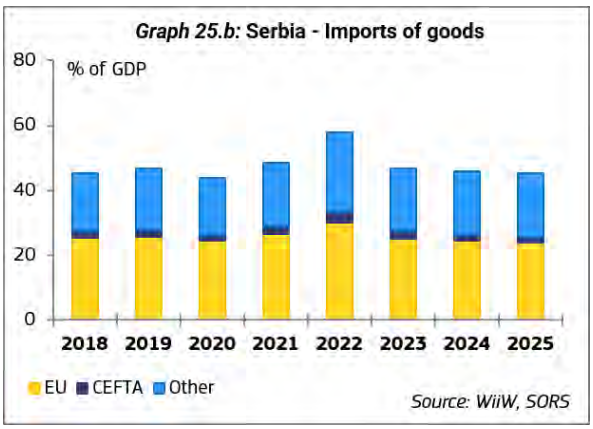
Economic integration with the EU and price competitiveness

**Economic integration with the EU remains deep and structurally anchored.** The EU continues to be Serbia's largest trade and investment partner, accounting for 58.2% of total trade in goods and 72.2% of FDI inflows in 2025. Serbia's other main trading partners in 2025 included China (11%), CEFTA countries (9%) and Türkiye (4.5%). Russia accounted for 2.7% of total trade flows in 2025. China continues to consolidate its position as Serbia's second-largest trading partner, driven primarily by Serbian imports of industrial goods and exports of copper ore. Despite continued efforts to facilitate trade, including through the digitalisation of customs procedures and initiatives such as the EU-Western Balkan Green

Lanes, persistent bottlenecks at border crossing points with EU Member States and non-tariff barriers continue to affect trade flows.

**The real effective exchange rate (REER) has steadily appreciated in recent years, pointing to a decline in Serbia's cost competitiveness.** The nominal dinar-euro exchange rate remained relatively stable in 2025, depreciating by 0.2% against the euro. The Consumer Price Index (CPI)-based REER appreciated by 2.4% in 2025, driven by persistent inflation differentials between Serbia and its main trading partners. However, the pace of appreciation was slower than in previous years. Meanwhile, the unit labour cost (ULC)-based REER, a key indicator of Serbia's external cost competitiveness, appreciated by 5.8% in 2025, after a 13.4% surge in 2024. Successive minimum wage hikes, which amounted to a cumulative increase of 37% over the course of 2025 and early 2026, with additional wage increases foreseen in December 2026, have compounded already strong wage growth, and are a cause of considerable concern in the Serbian business community with regard to the country's external competitiveness.




## 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 still needs to be amended to align with Directive 2014/23/EU on the award of concession contracts. In March 2026, Serbia adopted the 2026 action plan related to the 2024-2028 Programme for the development of the public procurement.

Serbia continued to circumvent its public procurement legislation 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 continue to exempt projects from the application of the Public Procurement Law (PPL) and persistently raise concerns over their compliance with the EU *acquis*. Serbia continued to introduce project-specific exemptions from the public procurement legislative framework, by expanding the scope of the Special law on Morava corridor to another highway section and by restricting competition for the pre-selection of suppliers involved in the Djerdap 3 pumped storage hydropower plant. Other special laws and decrees exempting projects from the PPL remain in place. Transparency of projects contracted under intergovernmental agreements improved but remains insufficient.

Implementation and enforcement capacity

In 2025, the **public procurement market** represented 8.98% of GDP (10.87% in 2024) and decreased by 11% in terms of total value of contracts. The total procurement market amounted to EUR 15 billion in 2025, with public procurement contracts following the PPL valued at EUR 7.95 billion. The total value of contracts exempted from the application of the PPL increased significantly from EUR 5.7 billion in 2024 to EUR 7.05 billion in 2025 (47% of the total value). A large part of the exempted procurement concerns transport projects, for which contracts are awarded directly without competitive procedures on the basis of intergovernmental agreements or *lex specialis*. Intergovernmental agreements were the most frequently used legal basis for the exemptions in terms of value (EUR 1.7 billion) and represented 24.57% of the exemptions reported in 2025 (EUR 1.2 billion and 21% in 2024).

The average number of bids per tender remained at 2.5. The share of tenders with only one submitted bid decreased to 47.05% in 2025 (50.75% in 2024). The share of contracts awarded on the basis of the price and quality criterion slightly increased to 10.38% in 2025 (9.78% in 2024). In 2025, 32 contracts for public-private partnerships were signed. Since 1 January 2026, the legal requirement to include mandatory environmental aspects has been extended to further goods and services.

The Public Procurement Portal has been updated twice with new functionalities, while a module on EXPO 2027 is also available.

Concerning the **capacity to manage public procurement processes**, the Public Procurement Office (PPO) remained slightly understaffed. The Commission for Public-Private Partnerships and Concessions has no permanent staff, while its administrative capacity needs to be strengthened. Trainings by the PPO for contracting authorities, economic operators and the judiciary continued.

Regarding **prevention of corruption**, the number of public procurement procedures monitored by the PPO remained stable at 835 in 2025 out of 46 792 procedures. The PPO referred 288 misdemeanours to relevant courts in 2025 (223 in 2024). In 2025, budget inspections inspected the execution of 150 public procurement contracts. In 2025, the SAI found 13.5% of audited procurement value showing irregularities, which raises concerns. The PPL needs to be applied more consistently to enhance competition, transparency and prevent conflicts of interest in public procurement, which remains prone to corruption.

Efficient remedy system

Legislation on the **right to legal remedy** is broadly in line with the EU *acquis*. The Republic Commission for Protection of Rights in Public Procurement Procedures solved 953 cases out of 974 requests in 2025 (812 received in 2024). The Administrative Court's implementation capacity needs to be increased, due to limited specialisation. Better coordination is needed between the PPO, the Commission and the Administrative Court.

## 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 the statistical law is aligned with the principles of the European Statistics Code of Practice. A new law on official statistics was adopted during the reporting period, which enhanced the professional independence of the Statistical Office of the Republic of Serbia (SORS) and

improved alignment with the amended Regulation (EC) No 223/2009 on European statistics. The National Coordination Board for statistics has been established. Access to administrative data sources has improved. The institutional framework is functional, but the administrative capacity of SORS needs to be further strengthened.

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

Regarding **macroeconomic statistics**, Serbia improved the completeness of the submitted ESA tables in the reporting period, but data gaps remain. Data for table 29 accurate-to-date pension entitlements (covering the year 2024) and data for table 11 general government expenditure by function (covering the period 2021-2024) were submitted to Eurostat for the first time, although consistency and plausibility require improvement. Serbia achieved a relatively good coverage of the excessive deficit procedure (EDP) notification tables, but further improvements in quality, coverage and timeliness are needed. Efforts should continue to ensure that government finance statistics (GFS) and excessive deficit procedure (EDP) statistics fully comply with ESA 2010 and that ESA tables and EDP notifications are aligned.

Serbia is largely aligned with the EU *acquis* on **business statistics**. Structural business statistics (SBS) data and metadata transmitted to Eurostat are of good quality. SORS also submits business demography (BD) data to Eurostat. However, full coverage and timeliness of both SBS and BD data submissions has yet to be achieved. In the area of short-term business statistics (STS), Serbia transmits fully compliant data, with the exception of service producer prices and the service production volume, where the initial data compilation has been established. Serbia should compile and submit to Eurostat of outward foreign affiliates statistics (outward FATS).

Serbia broadly complies with the EU *acquis* on **social statistics**. Further progress is needed to complete statistics on job vacancies. Demographic and international migration statistics are partly aligned with EU requirements. To reach full compliance, Serbia should increase efforts to regularly provide data on population by country of birth, by country of citizenship, on immigrants, emigrants and acquisition of citizenship by all requested breakdowns. SORS is in the phase of establishing asylum and managed migration statistics and started to transmit data on residence permits to Eurostat (from 2024 reference year) while statistics on asylum and enforcement of immigration legislation (EIL) are not yet transmitted to Eurostat.

Regarding **agricultural statistics**, Serbia is largely aligned with the EU *acquis* for crop production statistics, animal production statistics and fishery statistics. Serbia submits economic accounts for agriculture since 2025 with 2024 as the reference year but should still complete the transmission of mandatory elements and extend the time series. Data on pesticide statistics, fertiliser consumption, and gross nutrient balances are not yet transmitted to Eurostat.

In the area of **transport statistics**, Serbia is fully compliant with air transport statistics requirements. For inland waterway and rail transport statistics, Serbia transmits data to Eurostat; however, certain data gaps remain to be addressed. Further efforts are needed to implement the road freight transport survey. Serbia is highly compliant with the Eurostat/ITF/UNECE Common Questionnaire and with regional transport statistics requirements. Serbia is encouraged to conduct a passenger mobility survey.

**Energy statistics** are compiled and submitted to Eurostat on both an annual and monthly basis, covering all relevant energy sources. In the area of **environmental statistics,** Serbia is fully compliant for physical environmental accounts. However, monetary environmental

accounts are still in the phase of development and further effort is needed to achieve full completeness. Serbia should start to submit Ecosystem accounts to Eurostat.

## 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 (PIFC)

The legal, strategic and institutional **framework** is in place. The are currently no major contradictions between the PIFC legislation and the general legal framework. Efforts to ensure the coherence of these frameworks should continue. Weaknesses in performance management and lines of accountability between independent bodies and their parent institutions persist. The central harmonisation unit continued to focus on PIFC monitoring and development, provided trainings and disseminated methodological guidance.

**Internal control** standards, including risk management, must be integrated in the administrative culture and capacities to implement them have to increase at both central and local government level. 75% of public funds beneficiaries have adopted risk management strategies but only 64% have a risk register, although both practices are increasing. The framework for irregularity reporting for budget beneficiaries is in place but needs to be properly implemented. The work, scope and capacities of the centralised budget inspections have been strengthened.

The optimal number of key spending units needs to be reviewed to enhance policy-based budgeting, spending efficiency and institutional accountability. After earlier delays, the implementation of **managerial accountability** roadmap has intensified but needs to be closely monitored. Amendments to the Budget System Law adopted in August 2026 strengthen the link between internal financial control and managerial accountability. While analytical units are yet to be set up in all ministries and government agencies, the government adopted guidelines for their establishment in January 2026, and their piloting has started in three ministries.

The **internal audit** practice is broadly in line with international standards but quality assurance mechanisms should be improved. During the reporting period, 12 quality assessments were conducted, of which two used the peer-review method. Despite an increase of internal audit units across public institutions and in the number of internal auditors and of those certified, not all institutions required to establish an internal audit unit have done so. While 79% of ministries have a functional internal audit, only 56% of public enterprises have one. Many internal audit units do not have a sufficient number of auditors.

Despite an existing legal framework and mandate for relevant institutions, a public track record of financial control on public funds used for the organisation of EXPO 2027 has been very limited and fragmented. An effective and transparent financial oversight on the use of public funds for EXPO 2027 needs to be ensured and carefully monitored.

External audit

The constitutional and legal framework provides for the **independence** of the State Audit Institution (SAI) in line with international standards. Its Strategic Plan for the period 2024-2028 continues to be duly implemented. Its audit procedures are in line with international standards. Although SAI demonstrates sufficient **administrative capacity**, shortcomings in filling all systematised job positions remain a concern. The lack of appropriate premises and the continued focus on the detection of errors and filing of misdemeanour and economic offences against individuals adversely affects SAI's capacity to carry out its core audit

tasks. SAI's financial independence has continued to be respected during the 2026 budget approval procedure. The quality of audit work and relation with stakeholders is constantly improving and SAI has continuously focused on performance related audits along a positive trend. **Parliamentary scrutiny** should be improved. While the National Assembly adopts conclusions on SAI's annual report, the report is not discussed in plenary or in other committees, beyond the Committee on Finance. SAI's well-established post-audit process keeps ensuring a high rate of **implementation of recommendations**. 89% of its first priority and 74% of second and third-priority recommendations were implemented in 2025.

Protection of the EU's financial interests

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. Regarding the **anti-fraud strategy**, the 2024-2026 strategic plan for combating fraud and managing irregularities in handling financial resources of the EU in Serbia is being implemented. The administrative capacities of **anti-fraud coordination service** (AFCOS) should be strengthened.

Good **cooperation with the European Anti-Fraud Office** (OLAF) on investigations and with other departments of the European Commission on the follow-up to recommendations and reporting of irregularities should continue to further develop a solid track record. In 2025, 24 cases of irregularities were reported via the Irregularity Management System.

Protection of the euro against counterfeiting

A high degree of EU *acquis* alignment has been maintained. The National Bank of Serbia has formal cooperation agreements with the European Commission on coins and with the European Central Bank on banknotes. The National Bank of Serbia 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 a number of regional cooperation initiatives such as the Central European Free Trade Agreement (CEFTA), the Energy Community, the Transport Community, the South-East European Cooperation Process (SEECP) and the Regional Cooperation Council.

Serbia did not participate in the sixth **EU-Western Balkans Summit** held in December 2025 in Brussels but attended the EU-Western Balkans Summit held in June 2026 in Tivat as well as the European Political Community Summit in May 2026 in Yerevan.

Serbia has actively engaged in the regional dimension of the Growth Plan for the Western Balkans, 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 adopted the CRM action plan 2025 -2028 and is contributing to its implementation.

Serbia has so far ratified four of the five regional mobility agreements. The fifth mobility agreement on access to higher education and admission to studies in the Western Balkans

is still to be ratified.

The appointment of a new Director and commitment from the parties gave impetus to the work of CEFTA: substantial advancements have made on specific areas, including on the Green Lanes, recognition of qualified trust services, recognition of advanced electronic signatures and advances electronic seals, the establishment of the Advisory Body for Customs Cooperation and the adoption of the Risk Management Strategy 2025–2028.

Following the death of the convicted war criminal Ratko Mladić who served a life sentence for the Srebrenica genocide and other international crimes, his funeral involved presence of senior officials and elements of state support in terms of logistics and security as well as military honours. The President of the European Council, the President of the European Commission and the EU High Representative for Foreign and Security Policy issued statements highlighting that glorification of war criminals contradicts the values underpinning Serbia's path towards the European Union.

As a signatory to the **Dayton/Paris Peace Agreement**, Serbia respects Bosnia and Herzegovina's sovereignty and territorial integrity and is developing and publicly promoting special relations with the *Republika Srpska* entity. In March 2026, the fourth parliamentary forum between Serbia and the *Republika Srpska* was held in Belgrade and in September 2026 the Serbian Speaker addressed the ceremonial session of the parliament of the *Republika Srpska* entity which debated the perspectives of the forum. In April 2026, the Serbian President hosted a meeting of the defence and army leadership, together with the leadership of the *Republika Srpska*, including politician Milorad Dodik, who was convicted by the Court of Bosnia and Herzegovina, a decision that Serbia does not recognise.

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**, preparations to draw up a Law on missing persons resumed after several delays, but the law has not been finalised. Serbia continued to cooperate with the International Commission on Missing Persons (ICMP) 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 and dialogue with the families of the missing, together with Montenegro and Kosovo, under the auspices of the ICMP. No formal meetings of the bilateral working groups with Croatia and Montenegro have taken place since January 2023 and April 2025, respectively. The remains of several victims were handed over by the Bosnia and Herzegovina authorities to the Serbian authorities in October 2025 and July 2026.

The ICRC plays an important role in addressing the issue of missing persons, as a neutral intermediary chairing the Working Group on Persons Unaccounted for in Connection with the Events in Kosovo and its sub-fora, in an effort to maintain dialogue and promote operational cooperation between the parties. Following a session of the Working Group in June 2025, technical discussions in the framework of the ICRC Sub-Working Group on Forensic Issues and the Analysis Team took place in September and November 2025. In the framework of the Working Group, five joint field assessments/excavations (two under Kosovan jurisdiction and three under Serbian jurisdiction) were conducted in 2025 with ICRC facilitation. While preparations for excavations in Kozlje (Novi Pazar) have been suspended since November 2025, the Belgrade delegation took preliminary steps to prepare field assessments of a potential gravesite location near the Perucac lake in August 2026. The session of the Sub-Working Group on Forensic Issues planned for January 2026 was postponed.

Overall, Kosovo-Serbia cooperation within the ICRC-facilitated Working Group continued to face significant challenges, with progress constrained by difficulties in the parties' engagement and by the sensitive political context surrounding the file. An inaugural session of the Joint Commission on missing persons, held within the framework of the EU-facilitated Dialogue, took place in January 2026, with its first technical meeting taking place on 22 April 2026.

Overall, Serbia has remained committed to maintaining good **bilateral relations** with other EU candidate countries and neighbouring EU Member States.

Relations with ***Albania*** remained good overall. In February 2026, the Serbian President and the Albanian Prime Minister co-signed an op-ed calling for accelerated integration into the EU, focusing on the common market and the Schengen area without a right of veto on decision-making. Serbia and Albania agreed on the opening of a General Consulate of Albania in Bujanovac and a General Consulate of Serbia in Shkodër. In April 2026, the Serbian and Albanian Foreign Ministers held a bilateral meeting. Albania requested the opening of a General Consulate in Bujanovac. At the same time, Serbian representatives continued to publicly voice their very strong opposition to the signing of a joint declaration on cooperation in security and defence matters between Albania, Albania and Kosovo. The Serbian President's statements mentioning the potential future change of the course of the Ibar river in August 2026 led to sharp exchanges with the Albanian Prime Minister.

Developments around the death of Ratko Mladić put the overall good bilateral relations with ***Bosnia and Herzegovina*** under strain. In February 2026, bilateral political consultations between the two Ministries of Foreign Affairs took place in Belgrade. Senior Serbian officials attended the unconstitutional celebrations of the *Republika Srpska* entity on 9 January. Milorad Dodik continued to be received frequently and at a high level in Serbia, where the authorities publicly declare not to recognise Dodik's criminal conviction by the Court of Bosnia and Herzegovina, leading to mutual accusations. In August 2026, the Serbian President visited the *Republika Srpska* entity and communities with a majority Serb population in the Federation entity. 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 line.

Relations with ***Montenegro*** have been generally stable, despite regular mutual accusations, especially around the time of the 20th anniversary of Montenegro's independence in May 2026, when the Serbian President delivered several statements which questioned the legitimacy of the country's independence. Serbia regularly expressed support for Serb politicians in Montenegro, including during the protests in Botun in December 2025. Debates remain over the status of Serbs and the Serbian language, the role the Serbian Orthodox Church and alleged Serbian meddling in Montenegro's affairs, including in the media landscape. In June 2026, the Serbian President attended the EU-Western Balkans Summit hosted by Montenegro in Tivat. The day before the summit, the Montenegrin authorities denied entry to a group of 87 male Serbians who had arrived in Montenegro on a charter flight, citing security concerns. Serbia introduced temporary restrictions at bilateral border crossings as a response, although those were quickly lifted.

Relations with ***North Macedonia*** are good. In October 2025, the Prime Minister of Serbia visited Skopje and several meetings were held at Ministerial level. A five-year memorandum of cooperation to improve communications between institutions and the private sector and coordinate economic policies, including infrastructure projects were signed. The Prime Minister of Serbia visited met with the Prime Minister of North Macedonia again in July 2026. In December 2025, the Minister for Energy, Mining and Mineral Resources of North Macedonia visited Belgrade and discussed the gas interconnector with her Serbian

counterpart. A programme on Cooperation in Culture (2026-2030) was signed in January 2026.

Relations with ***Türkiye*** are good. In February 2026, the Serbian President visited Türkiye where he was received by the Minister for Foreign Affairs, and in April 2026, the Serbian Prime Minister and Foreign Minister met with the Turkish President on the sidelines of the Antalya Diplomacy Forum.

Relations with ***Ukraine*** have continued to improve, although Serbia has not signed up to EU sanctions against Russia. Serbia continued to provide financial, energy-related and humanitarian assistance to Ukraine. In November 2025, the Speaker of the Serbian Parliament made an official visit to Kyiv, and the same month represented Serbia at the 4th Parliamentary Summit of the Crimea International Platform in Stockholm, attending in person for the first time. In April 2026 a delegation from the Ukrainian Parliament visited Serbia and met with representatives of the Serbian Parliament. In November 2025, the Speaker of the Serbian Parliament In May 2026, the Serbian and Ukrainian Presidents held a phone call, the Ukrainian Deputy Prime Minister visited Belgrade and a Memorandum of Understanding on cooperation in the field of European integration was signed the same month by the two countries. The Serbian President participated in the Ukraine–Southeast Europe Summit in Kyiv in July 2026 and the Speaker of the Serbian Parliament co-hosted with the Ukrainian Speaker the inaugural conference of the Speakers of Parliaments of candidate countries for membership of the EU in Belgrade. The Ukrainian President visited Serbia in August 2026, it was the first visit of the Ukrainian President to Serbia since Russia's invasion of Ukraine in 2022. The Serbian President participated in the Carpathian Initiative Summit in Ukraine in September 2026.

Relations with the ***Republic of Moldova*** are good overall. In June 2026, the Serbian Prime Minister meet his Moldovan counterpart on the sidelines of the South-East European Cooperation Process Summit in Sofia. In October 2025, Serbia confirmed that three Russian nationals had been at a camp near the western town of Loznica, where the Serbian authorities had previously detained two persons for allegedly training between 150 and 170 Moldovan and Romanian nationals to interfere in Moldovan elections and incite unrest.

Relations with ***Georgia*** are good. In December 2025, the President of Georgia visited Belgrade with a delegation of ministers. Trade relations remain underdeveloped, although Georgia and Serbia have announced the start of negotiations on a free trade agreement. President Vučić made his first official visit to Georgia in June 2026.

Relations with ***Romania***, ***Bulgaria*** and ***Hungary*** are good overall.

Relations with ***Croatia*** continued to be marked by ad hoc antagonistic public exchanges. Serbian officials continued to publicly voice their very strong opposition to the declaration on cooperation in security and defence matters signed by Croatia, Albania and Kosovo and the signing of a bilateral agreement on expanding military cooperation between Croatia and Slovenia. Following comments by the Serbian President alluding to interference by another country in the March 2026 local elections in Serbia, the Croatian President cancelled a summit under the Brdo-Brijuni Process planned for May 2026. In June 2026, the two Ministers for Foreign Affairs met on the sidelines of an event marking the Day of the Croatian Community in Serbia. Following the launch of the EU Entry Exit System, in May 2026, Croatia amended its Law on Foreigners and announced the issuing of a national visa in order to facilitate cross-border mobility for professional drivers from third countries, including from Serbia.

## 4. NORMALISATION OF RELATIONS BETWEEN SERBIA AND KOSOVO

The EU-facilitated Dialogue on the normalisation of relations between Serbia and Kosovo, while heavily impacted by domestic political developments, continued during the reporting period with regular meetings at chief negotiator and technical levels in bilateral and trilateral formats. While some progress was achieved, implementation of outstanding Dialogue commitments remained limited, compounded by unilateral actions and rhetoric not conducive to normalisation. In April 2026, Kosovo appointed Ambassador Agron Bajrami as its chief negotiator replacing former Deputy Prime Minister Besnik Bislimi. High Representative/ Vice President Kaja Kallas continues to stand ready to hold a high-level Dialogue meeting once the situation allows.

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 (2023 Ohrid Agreement), as well as all past Dialogue agreements, in line with their official recommitments in September and October 2024, without delays or preconditions. This includes self-management arrangements for the Kosovo Serb community. Kosovo is expected to start the process leading to their establishment, while Serbia is expected in parallel to initiate the recognition of Kosovo's documents, symbols and institutions. Neither Party has made sufficient progress. The 2023 Ohrid Agreement is valid and legally binding on the Parties, and any formalities, including those related to its adoption or "formalisation", should not impede implementation. Normalisation and implementation of Dialogue commitments remain essential conditions on the European path of both Parties, and both risk losing important opportunities in the absence of progress.

During the reporting period, the situation in the north of Kosovo remained calm but fragile. Actions and rhetoric not conducive to normalisation increased. Kosovo repeatedly took actions contrary to its Dialogue obligations, or actions undermining the normalisation process. These included police and administrative actions targeting Serbia-supported structures and services, arrests of Kosovo Serbs, and the rejection of the withdrawn resignations of Kosovo Serb judges and prosecutors, undermining their reintegration. The EU expressed deep concern on 21 July and 28 August, including over the recurrent lack of coordination by Kosovo and the negative impact on local communities and their access to basic public and social services. Serbia, for its part, repeatedly acted contrary to its obligations under the 2023 Ohrid Agreement, including by lobbying against Kosovo's membership in international organisations, notably the Council of Europe and Interpol. These actions and recurrent inflammatory rhetoric by Serbian officials, continue to undermine normalisation. Serbia has not taken any significant step to ensure accountability for the violent attack by armed Kosovo Serb assailants against Kosovo Police on 24 September 2023 in Banjska/Banjskë.

As regards the implementation of Dialogue agreements:

- **Justice and reintegration:** The withdrawal of Kosovo Serbs from Kosovo institutions in November 2022 violated Serbia's Dialogue obligations under the April 2013 "First agreement of principles governing the normalisation of relations" (2013 Brussels Agreement) and dismantled core achievements of the 2015 Justice Agreement. Since November 2022, the EU has consistently called on Belgrade to support the reintegration of Kosovo Serbs into Kosovo institutions and on Pristina to enable it. The EU therefore welcomed participation of Kosovo Serbs in all 2025/2026 electoral processes in Kosovo, including the taking of office of the newly elected Kosovo Serb mayors in the four northern municipalities in December 2025. In line with the EU's call for Serbia to take the first step, on 15 July 2026, Kosovo Serb judges, prosecutors and support staff withdrew the resignations they had submitted 3.5 years earlier. This represented an important first step towards reversing the consequences of the 2022 withdrawal and opened a pathway for the reintegration of Kosovo Serb judicial

personnel. However, subsequent decisions by the Kosovo Prosecutorial Council (KPC), Kosovo Judicial Council (KJC) and the Acting President to accept the withdrawn resignations prevented it from moving forward. These decisions are inconsistent with the objectives and commitments of the 2015 Justice AgreementKosovo has not enabled reintegration of Kosovo Serb judicial personnel.

- **Association/Community of Serb-Majority Municipalities:** There has been no further progress towards establishing the Association/Community, as laid down in the 2013 Brussels Agreement and the August 2015 Agreement on the general principles and main elements for establishing the Association/Community. Kosovo is expected to start the process, in line with its Dialogue obligations, including under the 2023 Ohrid Agreement. Both Parties are expected to engage constructively without further delay. The status of Serbia-supported structures and services in Kosovo needs to be addressed fully in line with Dialogue agreements and Kosovo law, not through uncoordinated measures. The EU insists on structured consultations with representatives of the Kosovo Serb community to ensure their meaningful involvement. The process should proceed in close cooperation with the EU Special Representative for the Dialogue.

- **Austerlitz Bridge:** Works on the Austerlitz Bridge in Mitrovica, including additional assessments and consultations, have been completed. The EU position remains that the bridge should be opened. While the technical conditions have been met, effective coordination and meaningful consultations between the municipalities concerned and central-level institutions need to improve for the bridge to serve all communities. The EU took note of KFOR's change of posture.

- **Energy:** Implementation of the 2013 and 2015 Energy Agreements and the 2022 Energy Roadmap continued. The Serbian transmission system operator EMS has yet to determine net transmission capacities at the interconnection with Kosovo, preventing cross-border capacities from being allocated to market participants. This adversely affects security of supply and competition and raises power import prices. Serbia needs to address this longstanding issue, including by fulfilling its obligations under the Energy Community Treaty.

- **Technical Dialogue Agreements:** Implementation of several technical Dialogue agreements (2011 - 2012) remains incomplete. Both Parties need to continue implementing the Arrangements on regional representation and cooperation, which enable Kosovo's participation in regional forums. Neither Party should block regional forums over bilateral disputes. Implementation of the agreements on cadastre and acceptance of university diplomas remains pending due to non-implementation by Serbia. Serbia also has yet to address relocated Serbian administrative customs structures with Kosovo denomination operating from within Serbia.

- **Integrated Border/Boundary Management (IBM):** The Interim Common Crossing-Points (CCPs) between Kosovo and Serbia remain operational, but implementation is incomplete. Only two of six permanent CCPs have been established (Merdarë/Merdare and Mutivodë/Mutivode). Serbia has yet to establish those hosted by its side (Jarinje/Rudnica, Končulj/Dheu i Bardhë and Depce/Muçibabë) and needs to engage constructively to enable construction of the third CCP hosted by Kosovo in the north (Tabavije/Bërnjak-Tabalije/Brnjak). Serbia also needs to close illegal roads and bypasses and allow the resumption of EU-facilitated joint IBM meetings at all levels (local, regional and central). Limited progress was made on maintenance deficiencies at the interim CCPs hosted by Serbia, but substantial shortcomings, including health and safety concerns, remain. The full operationalisation of the freight scanner at Merdarë/Merdare during summer 2026 facilitated the movement of Serbian goods and significantly reduced waiting times. However, restrictions on Serbian goods through other CCPs remain. Kosovo needs to ensure

free movement of goods through all designated CCPs, in line with its Dialogue commitments.

- **Freedom of movement:** The EU welcomes the overall satisfactory implementation of the 14 March 2026 agreement on the implementation of the Law on foreigners and the avenues opened to register civil status facts in the Kosovo system using Serbia-issued documents. Kosovo is encouraged to find a long-term solution ensuring an effective registration process for all those living, working or studying in Kosovo to obtain the necessary documentation.

- **Telecommunications:** There was no progress in resolving outstanding issues under the Telecom Agreements. Both Parties need to fully respect the agreements, resolve cross-border frequency interference between Serbian and Kosovo mobile operators, and ensure adequate postal service quality for all communities.

- **Mutual legal assistance:** Limited progress was made following the Serbian government's decision to take steps towards resuming MLA after a prolonged interruption by Belgrade. Serbian courts have resumed using MLA channels in a very limited number of cases. Further efforts are needed to ensure effective, consistent and timely use of MLA, including on outstanding requests from Kosovo.

- **Official visits:** Both Parties continued to fall short of fully implementing the Arrangements for official visits, with announced visits rejected by both. The EU welcomes that two visits by the Serbian Orthodox Patriarch to Kosovo, including for Orthodox Easter, and a visit by Kosovo's caretaker Minister for Culture and Tourism to Presevo Valley took place without incidents. However, Kosovo and Serbia need to allow visits by their respective chief negotiator, other government officials and religious authorities when announced and conducted in line with the Arrangements. This was not the case for the majority of announced visits. Official visitors are expected to refrain from divisive statements or behaviour.

- **Missing Persons:** The EU welcomes the first meeting of the Joint Commission on Missing Persons, held in January 2026, to advance the implementation of the political Declaration on Missing Persons adopted in May 2023, followed by a technical meeting on access to archives in April. This constituted progress in operationalising the 2023 Declaration, although further cooperation is required. The Parties are encouraged to refrain from politicisation of this humanitarian issue and improve cooperation.

Overall, Kosovo and Serbia continued to participate in the EU-facilitated Dialogue, but engagement has not translated into sufficient implementation of their respective obligations. Aside from missing persons, neither Party has made noticeable progress on the 2023 Ohrid Agreement. While progress was achieved on missing persons, mutual legal assistance and freedom of movement, implementation of several key agreements remains incomplete and some previous Dialogue achievements have been undermined. Both Parties need to demonstrate greater commitment to their respective obligations, refrain from unilateral actions and rhetoric detrimental to normalisation, and engage constructively to resolve outstanding issues.

## 5. RESILIENCE, SECURITY, DEFENCE

Serbia remains central to the stability and security of the Western Balkans. Serbia's cooperation with the EU continued in several areas, including through contributions to EU CSDP missions and operations. However, important challenges remain, notably as regards Serbia's strategic orientation as an EU candidate country.

Serbia's unresolved relations with Kosovo represent one of the most serious challenges to regional stability and security, which is the subject of the EU-facilitated Dialogue on the

normalisation of relations between Serbia and Kosovo.

Democratic resilience

Serbia has been facing a deep political and societal polarisation and low level of trust in the conduct of elections. While the mass student and civic protests were largely permitted, some actions by the authorities in relation to the protests, including instance of excessive use of force, lack of follow-up to cases of violence, as well as targeting of activists by state representatives and tabloids, the framing of protests as a foreign-backed coloured revolution, measures eroding academic freedom and a difficult environment in which the civil society operates, exposed weaknesses with regard to the country's democratic culture, and its system of checks and balances.

There are persistent challenges as regards establishing an enabling environment for free and independent media, countering foreign information manipulation and interference (FIMI), including disinformation and lack of political will to address those issues. TV stations holding national broadcasting frequencies remain the primary sources of information manipulation and disinformation, also targeting the EU. The same media outlets are also the primary recipients of public co-funding of media content, and their ownership structures are closely intertwined with State-owned companies. The Serbian territory and/or citizens continued being used by third countries, such as Russian Federation, to conduct hybrid operations and there continue to be reports of cooperation between Serbian security and intelligence service and the Russian security and intelligence apparatus. Russia's state-owned RT Balkans operates on state operator Telekom Srbija, but its reach has so far been limited compared to domestically produced pro-Kremlin media. Its presence, as well as that of Sputnik Serbia nonetheless reflect a permissive environment for Kremlin-aligned narratives. The concentration of editorial and financial power in the hands of a few media actors hostile to democratic norms, combined with an absence of effective FIMI countermeasures, undermines both the integrity of the information space and Serbia's EU accession process.

Economic security and resilience

From the perspective of the EU's economic security framework, Serbia is a key partner interconnected with several European value chains. The EU has remained Serbia's largest trading partner, and investor. Serbia has a key role to play in the diversification of regional supply chains, particularly in sectors like industrial production, transport infrastructure and energy. The presence of significant investments from third countries, including China, in key sectors such as mining, steel production, infrastructure and high tech, expose Serbia's dependency on imported technology and on foreign capital. Serbia's continued dependence on Russian energy imports, particularly of natural gas, and Russian ownership stakes in Serbia's critical infrastructure further expose critical energy dependency and makes the country prone to Russian leverage and impact of international sanctions against Russia. Such dependencies underline the importance of diversification of energy sources and routes, enhanced energy efficiency, and strengthened governance of critical infrastructure to reduce vulnerability to external shocks and potential economic coercion.

Defence and defence industrial dimension

Serbia inherited a substantial defence industry from former Yugoslavia, regaining a prominent position in the region and on the world market. The predominantly state-owned defence industry counts around 200 companies with 20 000 employees and is the largest in the Western Balkans. The state-owned Yugoimport – SDPR specialised in manufacturing and trading of defence equipment (armoured vehicles, artillery systems, drones) and ammunition represents the core of Serbia's defence industry. Development of new defence capabilities is supported by domestic sources. At the same time, Serbia is entering in

defence industry partnerships with other non-EU countries, such as China and Israel.

Due to its insufficient level of alignment with the EU's CFSP, Serbia does not receive assistance under the European Peace Facility. Following allegations in June 2025 by the Russian foreign intelligence agency that Serbia was selling artillery ammunition to Ukraine through intermediaries, a moratorium on all exports of arms and ammunition was declared by the Serbian National Security Council, citing national security and economic interests. Serbia's military spending has increased in the past years to USD 2.7 billion in 2025. While significant military procurement has been agreed with suppliers from EU Member States, Serbia's military cooperation with China has increased over the past year. China is Serbia's largest defence equipment supplier, accounting for 61% of Serbia's total arms imports between 2021 and 2025, followed by France (12%) and Russia (7%).

In the framework of the **European Defence Fund (EDF)** and the **European Defence Industrial Programme (EDIP)**, entities established in the EU or in an associated country and subject to control by Serbia or by a Serbian entity could only be eligible for funding if guarantees provided by the EU Member State or associated country of establishment are made available to the Commission. So far this has not materialised.

Civil protection and disaster resilience

Serbia has continued improving its resilience through enhancing its civil protection system and has capacity to provide important cross-border assistance. Serbia continues close cooperation with the EU through the Union Civil Protection Mechanism (UCPM), it has both provided and received assistance under the mechanism during the reporting period.

## 6. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP

### CLUSTER 2: INTERNAL MARKET

### 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 has adopted its revised strategic documents to implement EU *acquis* in this chapter. Serbia should speed up implementation of these strategic documents. Serbia has applied for an Agreement on Conformity Assessment and Acceptance (ACAA) with the EU, covering low voltage equipment, electromagnetic compatibility, machinery, and personal protective equipment and the relevant assessment processes are ongoing.

Non-harmonised area

Serbia should continue to 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. The quality infrastructure institutions still require additional budget and human resources. On **standardisation**, the national legislation is highly aligned with the relevant EU *acquis,* and Serbia has aligned with 99% of European harmonised standards (EN). Serbian legislation remains partly aligned with the EU *acquis* on **accreditation**.

The number of **conformity assessment** bodies in Serbia decreased to 787 during the reporting period, down from 918 during the prior reporting period. 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 **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. During the reporting period, 4003 market surveillance inspections were carried out, leading to 444 corrective fines and two restrictive measures, and 208 cases were sent to court.

Harmonised area: sectoral legislation

Serbia adopted implementing legislation on machinery, which aims to align with the latest EU *acquis* on machinery. Serbia needs to further align with the EU **new and global approach product *acquis*,** including with the EU *acquis* on radio equipment**.**

There was no progress on the EU **old approach product *acquis*.** The alignment and capacity to implement the EU *acquis* on vehicle homologation remains insufficient and requires strengthening.

On **procedural matters**, in 2026 Serbia adopted and published an updated national control list of weapons partly aligned with the EU.

### Chapter 2 - Freedom of movement for workers

*Nationals 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 worker nationals of that Member State.*

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 2025, a total of 1 190 work permits were issued 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 with the preparations for joining the European Employment Services Network (**EURES**) upon accession, including on IT infrastructure, roadmap and legislative alignment.

Regarding the **coordination of social security systems**, no new bilateral agreements were concluded over the reporting period but there are ongoing negotiations with the Netherlands and Portugal. Although specific activities in the area of Electronic Data Exchange are being developed and continued, 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,* notably the Law on services

needs to be aligned with the EU Services Directive. The implementing legislation regulating the Point of Single Contact (PSC) has been adopted in April 2026 and preparatory works to operationalise the PSC portal are ongoing, in line with the Law on services. Sectoral legislation remains to be aligned with the EU Services Directive and 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, and partly with the Third Postal Services Directive and the Regulation on cross-border parcel delivery services. A reserved area to the universal service provider is maintained. The national regulatory authority is legally separate and operationally independent from postal operators and remains sufficiently staffed to monitor and ensure compliance with the postal sector rules. In April 2026, the regulatory body adopted secondary legislation on the financing of the universal service net cost calculation and compensation and cost accounting system. A new Strategy for the Development of Postal Services and an action plan for its implementation in 2026-2030 have been adopted in February 2026.

In the field of **mutual recognition of professional qualifications**, national legislation is broadly aligned with the EU *acquis*. Serbia is yet to fully align with the Professional Qualifications Directive, and the Proportionality Test Directive as well as to further harmonise relevant sectoral legislation. Certain regulated professions still have nationality requirement for access. A list of 50 regulated professions is pending adoption but does not contain all seven sectoral professions which benefit from automatic recognition under the EU 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**, there were no substantial changes in terms of liberalisation of capital movements during the reporting period. Certain restrictions on capital movements remain, notably on short-term foreign credit and deposit operations, on transactions with financial derivatives, as well as with regard to the Insurance Law and the Law on voluntary pension funds. Preparations are ongoing to align with Solvency II and with the Occupational Pension Funds Directives. Administrative burden for entities engaging in foreign exchange operations remain significant. EU citizens do not have equal treatment regarding the acquisition of real estate and agricultural land, which is not compliant with the EU *acquis* and Serbia's obligations under the SAA.

On **payments**, Serbia should continue its efforts to align with the EU *acquis* in the area of payment services, including with the Cross-Border Payments Regulation and with the Payment Services Directive. 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*). Following Serbia's entry into the geographical scope of the Single Euro Payments Area (SEPA) in 2025, 18 payment service providers started processing SEPA credit transfers in May 2026, offering faster cross-border Euro transactions and reducing fees for companies and citizens.

On the **fight against money laundering and terrorism financing** (AML/CFT), the legal framework is broadly aligned with the current EU *acquis* but there were no legislative developments in the reporting period. Serbia should continue efforts to align with and implement the latest EU *acquis*, including in the area of beneficial ownership.

MONEYVAL's 6$^{th}$ round of mutual evaluation report on Serbia, adopted in December 2025, indicated that Serbia has improved its understanding of risks, supported by regular national

risk assessments and coordinated policy planning. However, shortcomings were reported in the overall effectiveness of the system, including on beneficial ownership, implementation of preventive measures in the non-financial sector, addressing corruption and proactive measures on asset tracing and recovery *(also see Chapter 24 – justice, freedom and security)*. Serbia is revising its strategic operational plan 2025-2029 in light of MONEYVAL's recommendations.

The capacity and operational independence of competent authorities, including the Administration for Prevention of Money Laundering (APML), need to be further strengthened. In 2025, 2 572 suspicious transactions were reported to the APML and by mid-August 2026, 1 676 suspicious transactions had been reported. In 2025, the APML recorded a large number of suspicious activity reports filed by public notaries related to the authentication of loan agreements.

### 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*. A new Law on the takeover of joint-stock companies, along with the implementing legislation, and amendments to the Law on companies are under preparation, aiming to achieve full alignment with the EU *acquis*. Serbia needs to align further with the directives on the use of digital tools and process, 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 (BRIS) upon EU accession. Serbia should also complete alignment with the corporate sustainability due diligence Directive, as amended by the Omnibus I Directive.

Regarding **company reporting and statutory audit**, 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 of the EU *acquis*. Drafting of a new draft Law on accounting and a new draft Law on auditing- has progressed but these are yet to be adopted. Serbia should continue efforts to fully align with the EU *acquis* on accounting, auditing and transparency.

### Chapter 7 - Intellectual property law

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

The Law on **copyright and related rights** remains to be further aligned with the EU *acquis*, in particular with Directive 2014/26/EU on collective rights management, Directive 2012/28/EU on orphan works and Directive (EU) 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*. Serbia acceded to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications in June 2026, with its entry into force starting in October 2026. The Intellectual Property Office is relatively well staffed and efficient in registering trademarks. In 2025, it received 2 648 applications for trademark protection and 92 for industrial designs (respectively 2 600 and 273 in 2024). Registration of trademarks increased from 1 935 in 2024 to 2 246 trademarks in 2025, while registration of industrial designs decreased from 273 to 68. In 2025, there were 1 222 validated European patents, compared with 1 304 in 2025, while 29 national patents were granted (21 in 2024).

On **enforcement**, the amount of counterfeit and pirated goods confiscated and destroyed by the Market Inspectorate dropped from 1 215 425 in 2024 to 366 368 in 2025, while the number of items detained by the customs administration increased from 103 894 in 2024 to 798 071 in 2025. The Coordination Body for the Protection of IPR convened seven times during the reporting period. 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 electronic platform for information exchange among IPR enforcement institutions was finalised but still needs to become fully operational. 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 in the Treaty on the Functioning of the European Union (TFEU) and related provisions of the Stabilisation and Association Agreement (SAA) but needs to be fully aligned with EU guidelines and communications. Progress was made on three block exemption regulations, which were adopted in March 2026. Work is ongoing with respect to amending and 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. However, it remains to be seen how the CPC's financial independence, resources and ability to conduct its competition enforcement responsibilities will be impacted by the introduction of new responsibilities under the Law on Unfair Trading Practices, adopted in April 2026. The level of fines decreased to around EUR 0.18 million in 2025, from over EUR 0.5 million in 2024. Work should focus 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 adequate. Consulting the CPC on all relevant legislation should continue and its opinions should be systematically taken into account. The CPC should continue to step up its 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*, two new decrees were adopted in September 2025, and April 2026, one decree was amended in October 2025, one new rulebook was adopted in February 2026, and four sets of guidelines were adopted in May and June. Six State aid schemes, including four fiscal aid schemes established by the laws on corporate income tax, personal income tax, compulsory social insurance and free zones, were amended and adopted in August with the aim of aligning with the EU *acquis*. Additional implementing legislation needs to be further aligned. A timebound action plan for alignment of incompatible schemes, based on the finalised inventory submitted in 2025, was adopted in June 2026. Furthermore, the regional aid map in line with the obligations of the SAA still has to be drafted.

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

CSAC's **enforcement capacity** should be further strengthened, with particular focus on staffing.

The **implementation** of the Law on State aid control needs to be 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 the CSAC. All State aid grantors, including municipalities, must notify State aid *ex ante*. CSAC's annual reports on State aid granted should be adopted by the government in a timely manner. Advocacy activities among aid-granting authorities should continue, as there is a systemic lack of awareness on State aid rules.

On **liberalisation,** the decree on public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest was amended in October 2025. 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**, Serbia has a good level of alignment with the previous versions of the Capital Requirements Regulation and the Capital Requirements Directive (CRR II /CRD V). Work needs to continue to align with the latest versions (CRR III/CRD VI). The regulatory package for the interest rate risk in the banking book is applied fully as of January 2026. Regarding bank resolution, the resolution reporting framework was established, and the Bank Resolution Fund operationalised in line with the amended Law on banks adopted in March 2025. However, full alignment with the revised version of the Bank Recovery and Resolution Directive (BRRD) is yet to be achieved. 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**, Serbia should continue efforts to align with the EU *acquis*. Preparations for alignment with the Solvency II Directive are ongoing, while a new law on compulsory traffic insurance is yet to be adopted. Serbia has yet to align with 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.

On **securities markets and investment services**, amendments to the Law on alternative investment funds adopted in December 2025, aiming to further align with the Alternative Investment Fund Managers Directive (AIFMD) and the European Long-term Investment Funds Regulation (ELTIF). Further work is needed to fully align with the EU *acquis* in relation to the Directive and the Regulation on markets in financial instruments (MIFID II/MIFIR) and the Directive on undertakings for collective investment in transferable securities (UCITS).

On **sustainable and digital finance**, starting from 1 January 2026, financial institutions are required to report ICT related incidents to the National Bank of Serbia. There were no developments on sustainable 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 was further aligned with the EU consumer protection framework with the adoption of the Law on consumer protection and the Law on trade. While Serbia is largely aligned with the EU consumer protection framework, full alignment remains to be ensured. The financing model of Consumer Protection Organisations remains to be addressed, as organisations have not yet received their financial allocations. On *product safety related issues*, Serbia needs to further align its legislation with the EU *acquis,* notably through the adoption of a Law on general product safety. In addition, market surveillance capacities need to be strengthened *(see also Chapter 1).*

On *non-safety related issues,* the number of alternative dispute resolution (ADR) bodies decreased to 39, and the number of solved cases in ADRs proceedings amounted to 3551 in 2025. The issue of financial stability of ADRs remains unresolved. In its capacity as an ADR body in charge of financial institutions, during the reporting period the National Bank of Serbia (NBS) resolved 3296 complaints related to banks, as well as 4629 complaints related to relevant financial and payment service providers, including insurance companies.

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 implementing legislation to improve the organisation of emergency services. Serbia joined the EU4Health programme in January 2026. Appropriate funding is needed to ensure implementation of the national programme on sexual and reproductive health. 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. The deadline for combined health warnings on packaging was postponed. 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 **medicines for human use** or **veterinary medicinal products**, or on **health technology assessment**. There was no further progress on **medical devices**. 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. In August 2026, Serbia adopted amendments to the Law on the protection of persons with mental disorders *(see also fundamental rights under Chapter 23)*. On cancer screenings, over 100 000 mammography examinations have been completed since September 2025 as part of efforts to increase breast cancer screening coverage to 70%.

On **health inequalities** and **disabilities**, an eHealth digital platform providing online access to healthcare services is operational. However, the registration process involves in-person steps that limit accessibility for persons with disabilities, older persons and those in remote areas.

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. The Law on healthcare also needs to be amended to address gaps in provisions on conflict of interest and gift regulation in publicly owned healthcare institutions.

## CLUSTER 3: COMPETITIVENESS AND INCLUSIVE GROWTH

### 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 the **overall strategy**, Serbia took steps to advance its digital transformation through public investment in digital infrastructure, digital government services, and information security. Serbia continued to participate in the European Digital Innovation Hubs network, the Digital Europe Programme and the EuroHPC Joint Undertaking, as well as regional initiatives such as the EU Digital Agenda for the Western Balkans and EU4Digital.

Regarding **electronic communications**, the Law on electronic communication needs to be further aligned with the European Electronic Communications Code. The full operational and financial independence of the Regulatory Agency for Electronic Communications and Postal Services also remains to be ensured through stronger legal safeguards, while its administrative capacity also remains to be improved. The 112 European emergency number calling system remains to be fully implemented according to EU standards. Serbia aims to align with the Gigabit Infrastructure Act through the adoption of the Law on measures to reduce the cost of deploying very high-capacity electronic communications networks. Serbia concluded the 5G spectrum auction and issued licences to the three operators to begin commercial roll-out. While current coverage remains concentrated in urban areas, the licence conditions include obligations to accelerate network deployment to reach national coverage. Serbia needs to fully implement the EU 5G Cybersecurity Toolbox, including by assessing suppliers' risk profiles and putting in place appropriate restrictions and/or exclusions for high-risk suppliers. There were no developments regarding competitive safeguards, while concentration in the cable operators' market further increased. Serbia has taken steps to align its legislation with the EU roaming *acquis,* including with the EU Roam Like at Home (RLAH) framework, as a step towards possible participation in the EU Roam

Like at Home area and accelerated integration into the EU digital market.

Regarding **digital services**, Serbia introduced additional e-government services on the government service information portal. Serbia still needs to align with the Digital Services Act and Digital Markets Act. Serbia aims to further align with the EU's Open Data Directive on the reuse of public sector information with the adoption of the Law on e-government. However, full alignment remains pending. In relation to the protection of minors online, a Safer Internet Centre was established in Serbia.

On **digital trust and cybersecurity**, Serbia adopted the Law on information security, which further aligned with the NIS2 Directive. Serbia should further align with the European Digital Identity Framework, while preparations are ongoing for the roll-out of an interoperable national digital wallet and cross-border validation of trust services. Serbia has advanced work for the inclusion in the EU third country trusted list scheme for the validation of electronic signatures with the adoption of secondary legislation. Serbia also needs to align with the Cyber Resilience Act. Technical and institutional capacities were strengthened through the establishment of a dedicated information security department.

On **media**, in July 2026, the process of election of the new REM Council was unblocked with the return of the four REM Council members who had previously resigned, while the election of the ninth member was suspended until after the elections for the new national minority councils in November 2026. (*See also on freedom of expression and media freedom in chapter 23)* Prior to that, electronic media had been without a functioning regulatory body since November 2024. Several electronic media launched channels without a licence, some of which are transmitted by state-owned Telekom Serbia. In addition, the media market concentration further increased. A major private media group was impacted by the announcement of new governance and editorial boards, followed by the dismissals of the CEO of a subsidiary company, the director of its news channel, and an announced change in ownership. Serbia has yet to adopt a new Law on advertising to further align with the EU *acquis*. The procedure for allocating the fifth national broadcasting frequency, launched in 2022, remains pending.

On **artificial intelligence (AI),** Serbia should align with the EU AI Act and develop the necessary governance and enforcement structures. Serbia continued upgrading its national AI supercomputing platform as part of its 2025-2030 AI Strategy and was selected to host an AI Factory Antenna under the EuroHPC Joint Undertaking.

## 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. Serbia has committed to greater transparency by preparing a first tax expenditure report, which initial findings show that value added tax (VAT) represents the largest fiscal cost.

Regarding **indirect taxation**, the legislative framework remains partially aligned with the EU *acquis.* The Law on VAT was amended in December 2025 and introduced periodic invoices for water, electricity, natural gas, heating and cooling supplied to final consumers. The start of the implementation of preliminary tax returns for VAT was postponed to January 2027. The Law on excise duties has yet to be fully aligned with the EU *acquis.* In the context of the escalation in the Middle East and the related increase of global oil prices, Serbia initially reduced excise duties on oil by 25% in April 2026, then increased it, while always keeping the duties above the EU minima. However, amendments to the Law on Excise adopted in August 2026 now allow the government to reduce excise duties on petroleum products by more than 20%. Natural gas is taxed when used as propellant since 1 January 2026, while it

remains untaxed when used 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 e-excise system for cigarettes and non-burning tobacco.

Regarding **direct taxation**, the legislative framework is partially aligned with the EU *acquis*.

Some progress was achieved on non-tax levies through the creation of a unified register, established through the amendments to the Law on register of administrative procedures, adopted in December 2025. All relevant public bodies are in the process of registering all non-tax levies. The Law on Republic Administrative Fees was amended to introduce e-payments for public fees and charges as of 1 January 2026.

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. Efforts are ongoing to align with the minimum global corporate income tax. Serbia is yet to implement automatic exchange of financial account information and no commitment for first exchanges was provided.

Regarding **operational capacity and digitalisation**, the institutional framework requires strengthening, as well as the capacities of the tax administration, particularly on enforcement. While competitions have been organised, the tax administration's capacities continue to decrease with 3 320 permanent employees and 665 temporary in mid-2026 down from 3 305 permanent and 863 temporary in mid-2025. A follow-up programme to the Tax Administration Transformation Programme, which ended in 2025, has yet to be adopted. The tax administration has adopted an integrity plan, an internal anti-corruption act, as well as an operational plan for preventing corruption. The tax administration's commercial-off-the-shelf IT solution was procured in December 2025 and the implementation of a first phase has started for VAT, excise and non-life insurance. Further efforts are needed to meet the requirement for the exchange of information on VAT (VIES system) and Excise Movement and Control System (EMCS).

### 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*. Work is ongoing to ensure the full functional, institutional, personal, and financial independence of the National Bank of Serbia (NBS), including through preparation of amendments to the Law on the NBS and the Law on public property.

Regarding **economic policy**, the legal framework is partially aligned with the EU *acquis*. Numerical fiscal rules are in place, and an independent Fiscal Council is operational, providing relevant assessments. Improvements to budgetary transparency need to continue, including in relation to fiscal risks and tax expenditures and public participation. Budget oversight by the legislature needs to be improved. Strengthening the analysis of the long-term sustainability of public finances and private-public partnerships (PPPs) should continue. 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 three-year expenditure perspective, transparency, and accounting and statistical reporting. 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 and regular reporting (see *public financial management*).

The government submitted its 2026-2028 **Economic Reform Programme** (ERP) on 9 January 2026. 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 2025 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, 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 remained well below the target of the Chapter 19 action plan, despite a slight increase in the reporting period. 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 migrant workers. Although the US Customs imposed in December 2025 a withhold release order on tyre manufacturer Linglong due to allegations of forced labour, Serbia's labour inspections on the production side had not detected forced labour. Another withhold release order was imposed in June 2026. The Law on inspection oversight still does not fully comply with the International Labour Organisation (ILO)'s Convention.

In the area of **health and safety at work**, the legislation of 2023 remains partially aligned with the EU *acquis*. The implementation of provisions related to storing occupational and health records, testing electrical protection installations and safe work at height were postponed to January 2027. Serbia continued to align its secondary legislation with the EU *acquis*. In 2025, labour inspectors carried out 1 021 inspections regarding fatal, serious with fatal outcome, serious, collective and minor injuries at work. The number of reported workplace fatalities decreased slightly in 2025 (49 cases, from 59 in 2024) while the number of recorded serious injuries remained stable (910).

**Social dialogue**, and the involvement of social partners in policy developments relevant to them, remain weak. The Law on Strike needs to be amended without further delay as the current law of 1996 is outdated and not in line with ILO standards. No new sectoral collective bargaining agreements were signed. Some complaints brought up to ILO about infringements to the freedom of association remain open. The capacity of social partners will need to be strengthened, and full use should be made of the findings of the project carried out by the ILO.

On **employment policy**, budget allocations for active labour market policies decreased by 10% in 2026 and remain well below 0.1% of GDP. The 2024-2026 employment action plan's target of 0.2% of GDP by 2026 was not achieved. The job seekers to public employment advisers ratio remains very high (570). A Youth Guarantee pilot scheme has been implemented in three employment offices since January 2024. At the pilot stage, the scheme has not yet contributed significantly to reducing youth unemployment (23.4% in 2025 for the 15-24 population) and NEET rate (15.1% in 2025 among youth aged 15-29) *(see also Chapter 26 – Education and culture).*

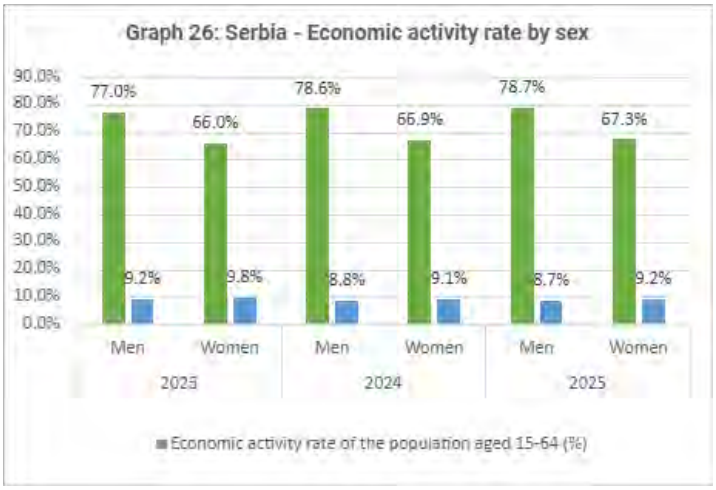
Regarding labour force participation and unemployment rate, *see the statistical annex and the section on the functioning of the labour market under 2.3 Economic criteria*.

In the area of **social protection and inclusion**, in 2025, according to the latest survey on income and living conditions (SILC), the at-risk-of-poverty or social exclusion rate amounted

to 23.2%, compared to 24.3% in 2024. Public expenditure on social protection and budget transfers as a share of GDP remain low. Serbia still 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 people at heightened risk of poverty, social exclusion or discrimination, as well as the recommendations of the Commissioner for the Protection of Equality to issue instructions to centres for social work to eliminate ambiguities in the application of the Social Card Register. 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 increasingly delayed. The recommendation of 2022 of the UN Committee on Economic, Social and Cultural Rights to remove discriminatory conditions in the Law on financial support to family with children have yet to be addressed. Means-tested social assistance programmes do not sufficiently reach people living in poverty, 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.

With regard to the de-institutionalisation process for children and adults with disabilities, the Commission's Guidance on independent living for persons with disabilities aiming at facilitating de-institutionalisation and independent living needs to be taken into account. Under the new Law on Parents-Caregivers and Caregivers adopted in July 2026, a parent-caregiver of children with developmental disabilities is entitled to a monthly allowance, with the payment of applicable taxes and contributions, thereby securing rights related to pension, disability and health insurance. Preparatory activities are ongoing as regards the European Child Guarantee; a working group to develop an Action Plan needs to be established by the Government.

In the field of **non-discrimination in employment and social policy**, Serbia still needs to proceed with alignment 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 **equality between 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 11.5 percentage points higher and their activity rate is 12.1 percentage points higher than those for women. The gender pay gap is 14.5%. The gender equality law remained suspended by the Constitutional Court, which means that the legal obligation for employers to report on gender equality in the workplace, including on the principle of equal pay for equal work, also remained suspended. The gender pension gap was 4 % in 2025, down from 7.9 % in 2024, among persons aged 65-74. 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 with limited administrative and financial capacity.

As regards preparations for the **European Social Fund,** Serbia adopted the law on cohesion policy in April 2026, creating the legal and institutional framework for managing EU cohesion funds after accession *(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).*

The institutional and policy framework with regard to **industrial policy and competitiveness,** is largely in place. Serbia's strategy for industrial development 2021-2030 continues to be implemented. The publication of the implementation report for 2025 was delayed. Serbia adopted the 2026-2027 action plan in June 2026, delaying implementation. Stakeholder consultation in drafting this action plan was limited. Serbia should conduct a mid-term impact evaluation of the industrial strategy, with reference to relevant indicators.

Serbia's approach of using budgetary subsidies for newly created jobs, as an incentive for foreign direct investments (FDI) is inconsistent with its industrial policy goal of prioritising 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 2024 SOE Law. Full implementation of the Law is dependent on 13 pieces of implementing legislation, of which one remains to be adopted. During the reporting period, Serbia made little progress on its privatisation and restructuring process of over 500 SOEs, given 41 companies remain to be privatised, as in the previous reporting period.

Serbia's SME development strategy for 2023-2027 is being implemented. Serbia has yet to adopt an action plan covering 2026-2027, and has yet to provide an implementation report for 2025.

To improve the **business environment**, Serbia should continue efforts to ensure all relevant legislation is subject to timely, inclusive and comprehensive public consultations, including through effective communication of the e-consultation portal. Serbia should continue its efforts to address the mismatch between workforce skill and labour-market demand, including through systematic public-private consultation.

Serbia draws on a range of **enterprise and industrial policy instruments**, including grants, subsidies, tax exemptions and guarantee schemes. The budget for measures supporting SMEs and entrepreneurship continues to grow, but remains modest. Serbia participates in the SME Pillar of the Single Market Programme and is a member of the Enterprise Europe Network. Serbia takes part in the Single Market Highway initiative, which represents a new framework for bilateral industrial cooperation between the EU and the Western Balkan countries. The first EU–Serbia Single Market Highway workshop, focusing on the machinery sector, took place in April 2026. On combating late payments in commercial transactions, Serbia's legislation is largely aligned with the EU *acquis*. However, Serbia is still not aligned

with the 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 and tourism *(see also Chapters 10 on Digital transformation and media, 14 on Transport, 15 on Energy and 26 on Education and culture*). In April 2026, Serbia adopted its Strategy for the Management of Mineral and Other Geological Resources until 2040. 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 are scientific excellence and solid investment in research and innovation.*

On **research and innovation policy**, Serbia adopted a new Strategy of Science, Technological Development and Innovation 2026-2030 and its action plan for 2026-2028. The Law on science and research was amended in December 2025 to align with the European Research Infrastructure Consortium Regulation.

The Decrees restricting the amount of time the academic staff can spend on research activities amended in March 2025 remained in place until end of July 2026 and undermined the institutional autonomy of academic institutions, freedom of scientific research, and eligibility of Serbian researchers to apply to certain European Research Council grants for most of the reporting period. Pressure on higher education institutions and academic staff also intensified *(see Chapter 26 – education and culture).*

The national level of investment in research remains low at 0.93% of GDP in 2024. Private sector research and innovation expenditure was stable at 45% in 2025. Serbia is in the sixth year of implementing its Smart Specialisation Strategy but has yet to adopt a second action plan for the period 2026-2027.

The main government financial instruments for support to research and innovation are in place, with the yearly budget allocated to the Science Fund of EUR 11 million and to the Innovation Fund of EUR 15.4 million. The Innovation Fund's *Katapult* programme has been recognised as the 48$^{th}$ leading European start-up hub in February by the *Financial Times*. However, some of the public calls for grants of both funds were either not finalised for more than a year (2024 IDEAS programme of the Science Fund) or cancelled after evaluation (*Katalitik* programme of the Innovation Fund), which affect the credibility of these institutions and funding security for researchers.

The decisions of central and local authorities to dismiss board members of two major research institutions in the summer of 2025 were legally challenged. In one case, a dismissed director of a research institute which is a major recipient of Horizon Europe grants, was reinstated by the court in October 2025, only to resign in May 2026, due to pressures from the research institute's Management Board. Subsequently, a new acting director was appointed but also dismissed at the end of August 2026.

The number of validated European patents remain modest. Further integration into the new European Innovation Ecosystems and activities of the European Innovation Council is strongly encouraged.

Serbia is an Emerging Innovator in the European innovation scoreboard, with performance of 60.4% of the EU average in 2026 which is above the average of the emerging innovators group. The performance gap with the EU is nonetheless increasing. Relative weaknesses are design applications, labour productivity and venture capital expenditures.

Researchers from Serbia participated in all the actions of the European Cooperation in Science and Technology (COST). Serbia is also successfully participating in Eureka.

Serbia is associated to the Research and Innovation Framework Programme Horizon Europe. In the reporting period, 72 grants with Serbian participation were signed with a total EU contribution for Serbia of EUR 24.45 million.

The Serbian Artificial Intelligence Factory Antenna was launched in May 2026 and aims to become a national hub for AI development, supporting the full lifecycle of AI innovation.

### 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, but their implementation deteriorated during the reporting period. The level of public spending on education was modest in 2025, around 3.46% of GDP, which is below the EU average of 4.7% of GDP (2023). Underinvestment in certain sectors constrains the administrative and delivery capacity of the system. The implementation of the 2030 education strategy and its action plan is delayed. There is vulnerability to undue interference and corruption in the sector, particularly in higher education, which materialised during the reporting period through untransparent decisions on appointments, dismissals and restructuring of institutions. Serbia's National Education Council and the National Council for Higher Education have not been operational since February 2026, due to the authorities not reappointing new members. The student population continues to decrease due to negative demographic trends and emigration.

The coverage of children with early childhood education and care (ECEC) for age 6 months to 6.5 years and mandatory ECEC for children aged between 5.5 and 6.5 years old is stable at 62.5% in 2025 (62.8% in 2024) and 96.2% in 2025 (same in 2024) respectively. Continued efforts are needed to increase participation and equitable access for the most disadvantaged children, including Roma children and children with disabilities.

The rate of early school leavers dropped to 5.1% in 2025 (6.2% in 2024). Revised curricula for the first grades of all three cycles of pre-university education were adopted but will only apply as of the 2027/2028 school year.

In December 2025, Serbia adopted amendments to the Law on textbooks which give exclusive rights to a public publisher for producing textbooks for subjects of geography and history in primary and secondary education as of 2027/2028 school year. This reduces pluralism, may impact the quality of education and politicise the curriculum.

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. Additional dismissals across all levels of education occurred during the reporting period, including at the beginning of the 2026/2027 school year, deepening the trend previously reported. The Commissioner for the Protection of Equality issued opinions on dismissals and suspensions of teachers found to be made on the basis of discrimination and recommended their reinstatement. A significant number of disciplinary proceedings were initiated against teachers in primary and secondary education in connection with the suspension of education delivery the previous year in relation to students protests and blockades.

Concerning **international assessments**, Serbia took part in the Programme for International Student Assessment (PISA) 2025 and the Progress in International Reading Literacy Study

(PIRLS) 2026. According to PISA 2025 results, 57% of Serbian students attained at least basic proficiency (Level 2 or higher) in science, 47% in mathematics and 52% in reading. These results remain below the OECD average and lower than in PISA 2022 in all fields. Serbia also piloted studies of TIMMS 2027 and ICCS 2027 testing. Serbia should commit sufficient funding and human resources for sustained participation in international assessments. The OECD Teaching and Learning International Survey (TALIS) 2024 survey indicated that teachers in Serbia report the lowest satisfaction with their profession in the region. These findings come in a context of teacher shortages and a significant number of teachers with temporary contracts.

Serbia should continue to modernise the curricula to improve vocational education and training (VET) relevance and further develop the national work-based learning model for VET. A framework for monitoring and evaluation of dual education is yet to be fully integrated in quality assurance processes. A decree establishing training centres for lifelong learning was adopted in September 2026. The employment rate of VET graduates (aged 20-34) has slightly decreased to 65.5% in 2025 (67.3% in 2024). Serbia is a member of the European Alliance for Apprenticeships since 2017. Preparations for the introduction of final examinations in secondary education, which has been postponed three times and should apply as of the 2028/2029 school year, are significantly delayed due to persistent constraints in administrative capacities and in financial planning.

Serbia is a member of the European Higher Education Area (Bologna process). In June 2026, Serbia ratified the fifth mobility Agreement on Access to Higher Education and Admission to Higher Studies in the Western Balkans. The delivery of higher education, discontinued last year, resumed gradually in late 2025 according to a new calendar to mitigate the impact of missed classes. The previously reduced salaries of teaching staff and material costs for higher education were gradually compensated. As of 1 January 2026, higher education institutions have been included in the SPIRI public accounting system, which has prompted concerns that this reduces their financial autonomy.

Academic freedom and institutional autonomy of higher education institutions have further eroded during the reporting period. Pressure intensified on academic staff especially those involved in the protests and blockades, including through dismissals, disciplinary and criminal proceedings and smear campaigns. Two high-level state officials made threatening comments about students in April 2026, which were not followed by corrective actions. In March 2026, following the death of a student, the criminal police raided the University of Belgrade. Concerns were raised about the proportionality and politicisation of the search on campus, which led to seizure of documentation related to the students' movement.

Furthermore, several changes in the governance and structure of universities have taken place between November 2025 and May 2026. In November 2025, at the University of Niš, authorities dismantled three departments of the Faculty of Philosophy to establish the Faculty of Serbian Studies, without the prior opinion of the management bodies of relevant higher education institutions as mandatory per the Law on higher education. This raises questions as to the legality of the decision and creates legal uncertainty on its accreditation. This case has resulted in ongoing legal proceedings. In April 2026, Serbia and Russia signed a memorandum of understanding in the field of higher education, despite Russia's suspension of participation in EHEA. In May 2026, a memorandum of understanding was signed with the Serbian Orthodox Church to establish the Saint Sava University. Amendments to the Law on Churches and Religious Communities were adopted in August 2026, authorising the Serbian Orthodox Church to establish a higher education institution of special social relevance under more favourable conditions. Announced reforms of higher education needs to be transparent, discussed inclusively with all relevant stakeholders and to comply with the Law on Higher Education.

On quality assurance in higher education, the National Accreditation Body has yet to submit an application for renewed membership in the European Association for Quality Assurance in Higher Education (ENQA) after its suspension in 2020. In January 2026, five by-laws were adopted, linking qualification standards with quality assurance procedures, and further regulating accreditation of higher education institutions, short study programmes and micro-credentials. The attainment of tertiary level qualifications for people aged 25-34 remained stable at 37.1% in 2025 (37.2% in 2024), still significantly below the 2030 EU target of 45%.

Although Serbia has a comprehensive adult learning framework and would benefit from having a stand-alone strategy, lifelong learning participation remains low at 5.2% in 2025 (5.5% in 2024). The lack of opportunities for reskilling and upskilling remains a structural barrier to employment and should be addressed. Work on the recognition of informal and non-formal training is progressing slowly.

Measures to reduce drop-out rates and improve inclusion of minorities need to continue. Quota for the enrolment of Roma students and students with disabilities in higher education increased from 1% to 1.5% in the 2026/2027 school year, however their enrolment remains limited. The number of students supported by individual education plans continued to increase. Children with intellectual disabilities still do not have access to teaching assistants. The issue of children in residential institutions who are not in education needs to be addressed. Thirteen resource centres for students with disabilities were set up and four schools were given the status of model schools for inclusive education. Mechanisms for prevention of, and protection against violence and discrimination need to be fully implemented, and their monitoring strengthened.

Serbia's digital education transformation is ongoing through the development of infrastructure, curricula and teacher digital pedagogical competencies. However, such efforts are still not yielding the expected learning outcomes. The education management information system is still not fully developed and utilised. Persistent data discrepancies limit evidence-based policymaking and reform monitoring.

Serbia has been participating in the Erasmus+ programme as an associated country since 2019. In 2025, Serbian organisations took part in 866 Erasmus+ projects worth EUR 22.5 million, of which 302 projects as project coordinators. Due to challenges in the governance and national administrative constraints linked to the opening of bank accounts for individual projects, delays in the implementation of some of the Erasmus+ programmes were recorded.

Regarding **youth,** Serbia is implementing the youth strategy and the Youth Guarantee action plan. The 2026-2028 youth strategy action plan was adopted in July 2026. The revised legislation on youth, volunteering and traineeship has yet to be adopted. The National Youth Council has not been re-constituted since April 2025. Despite increased efforts, youth policy and support mechanisms remain unevenly developed at local level. Operational and governance standards should be set and adequate budgetary allocations should be committed to ensure quality and sustainable local youth spaces and services.

On **sports**, the Strategy for the Development of Sports by 2035 was adopted. Serbia is participating in the fourth 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 yet to adopt an overarching cultural development strategy. Serbia fully participates in the 2021-2027 Creative Europe Programme and cultural operators achieved significant results in all three strands of the Creative Europe programme. Serbia continues to implement the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

The operating environment of the cultural and creative sectors deteriorated during the

reporting period. The widespread polarisation in the country has also affected the cultural and creative sectors, including through dismissals, financial inspections and lawsuits against cultural institutions and their staff. Many traditional cultural operators have faced funding withdrawals. Concerns have been raised on the transparency and predictability of public grants and undue interference affecting freedom of artistic expression and independence of cultural institutions, also creating a risk of self-censorship. Following a government decision in November 2024 revoking the protected cultural heritage status of the General Staff Building, Serbia adopted a special law facilitating the redevelopment of the site in November 2025 and removing its regime of heritage protection. While the project has stalled, the Minister of Culture and other officials were indicted on grounds of abuse of office and document forgery, in the context of the removal of the protected statute. Such developments point to serious shortcomings in the administration of heritage protection.

### 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 November 2025, Serbia further amended its Regulation on customs relief, while in February 2026, Regulation on customs procedures and customs formalities was amended with a view to further aligning with the *acquis*. Serbia is a party to the Common Transit Convention and to the Pan-Euro-Mediterranean Convention on rules of origin and applies the revised rules in trade with the EU since end of 2021. Serbia regularly harmonises its customs tariff nomenclature with the EU combined nomenclature, including for 2026. Serbia has an authorised economic operator programme and has issued a total of 72 certificates for authorised economic operators. Full alignment with the EU *acquis* is still needed concerning free zones. Fees are still charged to allow lorries to enter certain customs terminals to discharge customs obligations, which is not in line with Serbia's obligations under the Stabilisation and Association Agreement (SAA).

In terms of the **administrative and operational capacity**, during the reporting period, the customs administration adopted a new action plan (2025-2027) for implementing the integrated border management strategy (2022-2027), a new business strategy (2025-2029) and a new IT strategy and implementation plan (2025-2029). For 236 announced vacancies, 214 new staff members were hired. Work is ongoing to fill the remaining vacant positions. Development of the Integrated Tariff Management System (ITMS) software has begun. The customs administration successfully launched the New Computerised Transit System (NCTS – Phase 6) with an opt-in approach, in May 2026. The customs laboratory remains underequipped, and the risk management system must be further strengthened. To fully align on security aspects, Serbia should consistently carry out pre-arrival/pre-departure risk-based analysis, in line with the Union Customs Code. In 2025, total revenues collected by the customs administration increased by 5.5% 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, 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, particularly 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

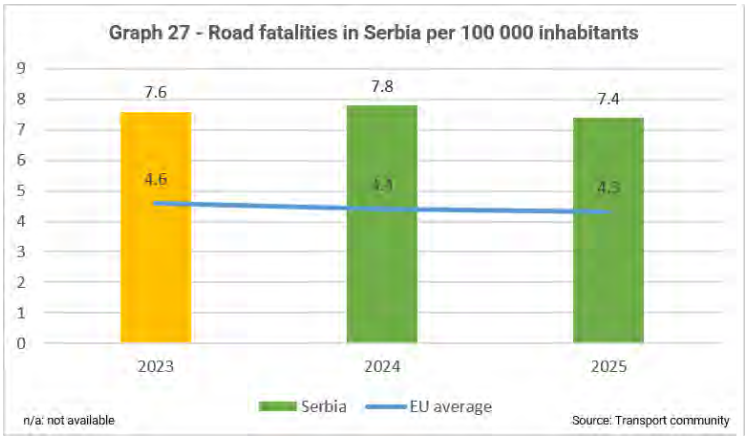
This cluster covers: transport (Chapter 14); energy (Chapter 15); trans-European networks (Chapter 21); and environment and climate change (Chapter 27).

### 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. The strategy is now significantly overdue (previous one expired in 2015). 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), focusing 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, but the independence of agencies responsible for road maintenance and construction needs to be ensured. Road maintenance and its financing should ensure the sustainability of investments in road infrastructure, performance-based maintenance practices to be systematically applied on road priority sections, and adherence to the 'user pays' principle. In March 2026, the customs authorities of Bulgaria and Serbia signed a memorandum of understanding on the electronic exchange of customs data, taking the implementation of the EU-Western Balkans Green Lanes initiative forward. The Road Safety Strategy for 2023-2030 and its three-year action plan should continue to be implemented, including through a 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. There should be full alignment with social and market rules in the field of road transport. The issuance of second-generation SMART cards (G2V2) began in March 2026.




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. Serbia should improve maintenance practices of railway infrastructure to provide an adequate balance between infrastructure capacity and safety standards, as well as to ensure sustainability of investments in infrastructure modernisation. Alignment with the fourth railway package should continue, including through the adoption of a new Law on railways. Formal adoption of 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. In April 2026, the Assembly adopted the Law on amendments to the law on transport of dangerous goods, as well as the Law on investigation of accidents in air, rail and water transport.

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, but 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 continued efforts in recognising certificates in inland waterways, including the connection to the European Crew Data Base, by adopting the Rulebook on Titles of Crew Members of Inland Navigation Vessels. Investments in the improvement of inland waterway navigation should provide tangible results, including the EU funded sunken vessels removal project from the Danube in the Prahovo area.

On **aviation**, Serbia maintains a good level of alignment with the EU *acquis*. 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. In March 2026, Serbia's Civil Aviation Directorate introduced regulatory changes which would negatively impact the traffic rights for EU air carriers flying to and from Serbia and, in the Commission's view, be incompatible with Serbia's obligations under the European Common Aviation Area (ECAA) Agreement. In September 2026, the implementation of the changes was postponed to March 2027. Montenegro's reform to establish a national air navigation service provider (ANSP), in accordance with Regulation (EU) 2024/2803, is expected to have implications for the current joint Serbia and Montenegro Air Traffic Services (SMATSA) arrangement.

**Multimodal transport** policy should focus on improving the operational connectivity of various transport modes. Administrative capacity for multimodal transport needs to be further strengthened. 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 maintained a high level of alignment with the EU *acquis* on emergency oil stocks and continued to strengthen its mandatory stockholding system (51 days of average daily net imports).

Serbia should further align with Regulation (EU) 2019/941 on risk-preparedness in the electricity sector and align with Regulation (EU) 2024/1366 establishing a network code on sector-specific rules for cybersecurity aspects of cross-border electricity flows. Adoption of the Electricity Risk Preparedness Plan is still pending.

Implementation of the Gas Storage Regulation is pending. In September 2026, the current gas supply contract with Russia was extended by three months until 31 December 2026. Serbia should reduce its gas dependence on Russia and address the issue of Russian majority control over its gas and oil industry. NIS, Serbia's main oil company and sole refinery operator, remains subject to US sanctions related to its Russian majority ownership and continues to operate under a temporary US licence, currently valid until 30 October 2026, adding uncertainty to domestic markets.

Regarding **internal energy markets**, Serbia successfully finalised the unbundling of the national gas Transmission System Operator in line with the EU *acquis*. The Law on gas was adopted in December 2025 and a new gas transmission infrastructure owner, Gas Infrastruktura, was established. The Energy Regulatory Authority (AERS) granted the final certificate to the TSO Transportgas Srbija in March 2026. It is important to ensure the TSO is operationally and financially independent, and that Gas Infrastruktura has the administrative capacity to carry out its activity. Transportgas Srbija joined the Regional Booking Platform (RBP) in March 2026 and offered capacities on 7 July 2026 for five gas years in advance at the relevant interconnection points. The certification of the Banatski Dvor underground gas storage facility is still pending.

Serbia made progress towards electricity market integration by adopting laws aiming at transposing the Electricity Integration Package, which should be fully transposed and implemented, a requirement for market coupling. Regarding regional cooperation, Serbia's Transmission System Operator EMS has still not allocated capacity for electricity trading on all cross-border interconnections, including on the bidding zone border with Kosovo.

The regulatory framework for the market-based purchase of reserves, that includes aggregators, has been implemented in January 2026. The retail market is largely liberalised, however public intervention in price setting is still prevalent. Furthermore, the guaranteed supplier is appointed by law, rather than through a market-based process.

Regarding **renewable energy** (RE), Serbia made progress in integrating RE capacities into its electricity grid, with approximately 1 300 MW connected by mid-2026. The country still needs to conduct the third auction for solar and wind power plants, as set out in the 2023–2025 Auction Plan. The uptake of renewable energy in sectors such as district heating, industry, and transport remains limited.

Serbia needs to improve its regulatory framework and permitting process, establish a fully operational single contact point for renewable energy projects, define renewable acceleration areas, and introduce a national traceability system for renewable fuels. Additionally, Serbia should prioritize the introduction of advanced biofuels and Renewable Fuels of Non-Biological Origin to support the transition to a low-carbon economy. Moreover, Serbia needs to revise its legislation for Renewable Energy Communities (RECs) addressing unclear definitions, inconsistencies in legal framework, and lack of practical implementation.

On **energy efficiency**, Serbia should introduce a calculation methodology for the energy performance of buildings, a national nearly zero-energy buildings standard, and effective financing mechanisms for energy efficiency projects.

Regarding **energy labelling and ecodesign**, Serbia has continued to align with the EU *acquis* by adopting relevant rulebooks for energy-related products. However, effective enforcement of eco-design and energy labelling requirements remains limited.

In terms of **governance**, Serbia has adopted the Program for the implementation of the Energy Strategy for the period 2026-2028 and initiated the next National Energy and Climate Plan (NECP) cycle covering the period from 2030-2040. Following the adoption of the Just Transition plan in June 2025, Serbia should now focus on establishing a sustainable funding mechanism to support its implementation and ensure acceleration of coal phase-out.

As regards **nuclear energy, nuclear safety, radioactive waste management and radiation protection**, Serbia's legislation is only partially in line with the Euratom *acquis*. In February 2026, an Interministerial Working Group was established to coordinate activities related to the possible development of the nuclear program. In March 2026, Serbia adopted the Preliminary technical study on nuclear energy application in the Republic of Serbia. 'Nuclear Facilities of Serbia' submitted a request for a licence for decommissioning two old storage facilities and for obtaining an operational licence for the Waste Processing Facility. In June

2026, the Serbian Parliament 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 to fulfil its future obligations, also considering 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 sectors 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 additionally postponed until the end of 2026. 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**, the investment pipeline continues to grow, albeit at a slow pace. The legal, technical, administrative, and institutional frameworks relevant for the preparation and implementation of investment projects need to be thoroughly reassessed to tackle ineffective use of resources. Specifically, works related to the modernisation of the Niš–Dimitrovgrad railway and the Niš railway bypass are progressing at a very slow pace, due to insufficiently thorough project planning. Tenders for the selection of contractors (both works and corresponding supervision services) on Sections 3 of Rail Corridor X have been launched. Preparatory activities related to Sections 1 and 2 should be accelerated and completed. A multisectoral working group was established to accelerate preparatory works on Rail Corridor X. 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 the Stalać–Djunis sub-section have not yet started, despite the signing of the contract. The timely availability of qualified, independent supervising engineers is recognised as a critical issue, as it has often not been adequately planned in previous projects.

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, in coordination with neighbouring countries.

Alignment with the revised TEN-E Regulation is delayed. Serbia should transpose it into its national legislation, with the aim of accelerating 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**. During the reporting period, there was some progress in developing Serbia's regional electricity connections in line with the Central and South-Eastern Europe Energy Connectivity (CESEC) action plan on electricity and renewable energy, and the Projects of Energy

Community Interest. The construction of Section 3 of the Trans-Balkan 400 kV electricity corridor (Obrenovac - Bajina Basta) continued, while the tender documentation for Section 4 from Bajina Bašta to Montenegro and Bosnia and Herzegovina has been prepared and evaluation is ongoing. The interconnection between Subotica (RS) and Sándorfalva (HU) ("Pannonian Corridor") and between Bobov Dol (BG) and Leskovac 2 (RS) ("Central Balkan Corridor") received the status of Project of Mutual Interest (PMI).

### Chapter 27 - Environment and climate change

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

Environment

The Environmental Protection Strategy was successfully adopted in August 2026, establishing the strategic framework for environmental protection until 2033. However, coordination should be improved as the environmental sector competencies are scattered across several Ministries and local self-governments. Better enforcement of the environmental legislation is needed, as well as enhanced environmental inspections and effective sanctions for polluters.

On **horizontal legislation**, the alignment of the legislative framework with the EU *acquis* is high but further adoption of implementing legislation is necessary for its completion. Three by-laws linked to legislation on environmental impact assessment (EIA) and two rulebooks linked to the legislation on strategic environmental assessment (SEA) were adopted. Serbia should work towards better implementation of horizontal legislation, improving the public consultation process, judicial efficiency, building capacities to strengthen environmental inspections and ensuring more effective sanctions for polluters. The implementation of the principles of the Aarhus Convention, namely the right of citizens to information, participation, and access to justice in environmental matters, remains a concern (see also *Public Administration Reform*).

Alignment with the Environmental Liability Directive and the Environmental Crime Directive and their implementation need to be improved.

On **air quality**, there is a high level of alignment with the EU *acquis*. Some implementing legislation was adopted, including a Regulation on the list of air quality categories by zones and agglomerations and a Regulation on the air quality control programme within the State network. Serbia has also begun implementing the new European air quality index. Three new air quality plans were approved in the reporting period. Progress was made on requirements and standards in reducing emissions of volatile organic compounds through the adoption of a new rulebook. However, the reporting on the annual air quality is delayed, affecting the necessary timely actions to respond to the reported pollution.

On **waste management**, Serbia has a good level of alignment with the EU *acquis*, however some gaps in enforcement of waste legislation, investment and awareness-raising remain. The waste management report of the Republic of Serbia is published with delays. Despite a municipal solid waste collection rate of almost 90%, landfilling remains the dominant disposal method. Serbia recycles only about 17% of its collected municipal waste, while energy recovery efforts have recently begun. Amendments to the Law on waste management were adopted in December 2025. However, further changes are needed to address outstanding legal gaps including the introduction of revised municipal waste recycling targets and provisions and targets for specific waste streams. Further measures are needed to ensure the implementation of extended producer responsibility (EPR) in accordance with the polluters pays principle. Uncertainty over fees for recyclers of specific

waste streams threaten their effective management and put at risk the entire system for managing certain types of recycling waste. Landfilling remains the dominant waste disposal in Serbia, with many non-compliant landfills and dumpsites. In 2025 there were 2 217 landfill fires, representing a new record. Serbia should intensify efforts to close them and further align legislation with the Landfill Directive to address regulatory gaps, particularly in landfill operation rules, waste acceptance criteria, reporting requirements and calculation methodologies. Good progress was made with the adoption of the programme for the development of the circular economy for the period 2026-2030. A new Rulebook on medical waste management and a new Regulation on lists of waste for transboundary movement were also adopted.

On **water quality,** alignment with the EU *acquis* remains partial. Losses in the water supply system, as well the low uptake of wastewater treatment remain a concern. Serbia should further improve its infrastructure, strengthen its administrative capacity in monitoring, enforcement, and interinstitutional coordination, and proceed with the adoption of the new Water Law and the Law on drinking water, in line with the EU *acquis*.

On **nature protection,** alignment with the EU *acquis* remains partial, with the adoption of the new Law on nature protection still pending. In the reporting period, a new Programme for Nature Protection for 2026–2031 was adopted and five new protected areas were designated. The Law on placing timber and timber products on the market was adopted. There are concerns that amendments to the Law on Planning and Construction could allow the repurposing of fire-damaged forest land for public-interest projects. Serbia should adopt a new Law on nature protection, a comprehensive action plan for illegal killing of birds and intensify efforts to identify and pre-designate sites for inclusion in the Natura 2000 network. Institutional and administrative capacity at the national and local levels remains weak.

On **industrial pollution and risk management**, alignment with the EU *acquis* remains partial. Good progress was made with the adoption of the new Law on Integrated Pollution Prevention and Control, and in the area of industrial safety. Serbia adopted four new rulebooks to further align with the SEVESO III Directive, as well as the Industrial Safety Programme for the period 2026-2035. Serbia should urgently expand enforcement capacity, increase the issuance of integrated permits for major industrial installations and penalise installations operating without or with an outdated integrated environmental permit.

On **chemicals,** Serbia has a high level of alignment with the EU *acquis*. During the reporting period, nine pieces of implementing legislation were adopted.

On **noise,** Serbia is partially aligned with the EU *acquis* and should adopt the three prepared implementing laws under the Law on environmental noise protection.

On **civil protection**, Serbia actively contributes to and participates in the Union Civil Protection Mechanism (UCPM). During the reporting period, Serbia provided important energy equipment and medical supplies to Ukraine and contributed to wildfire response operations in France and Spain by deploying firefighting response teams. Additionally, Serbia activated the UCPM in August 2026 in response to deteriorating wildfires and received civil protection assistance by four EU Member States. Serbia is encouraged to adopt a new disaster risk reduction strategy and the new Law on disaster risk reduction and emergency management. The Disaster Risk Register, in line with the EU INSPIRE Directive and the EU initiative to enhance data interoperability, continues to be regularly updated. Serbia should put in place the trans-European Services for Telematics between Administrations (TESTA) as a prerequisite for connecting to the full version of the Common Emergency Communication and Information System (CECIS).

Climate change

Serbia has between some and moderate preparedness in the area of **climate change. Good**

**progress** was made during the reporting period, however last year's recommendations were only partially implemented. Serbia continues to advance its work on carbon pricing, in particular on implementation of monitoring, reporting, verification and accreditation (MRVA) *acquis* concerning stationary installations. It has successfully completed a first cycle of monitoring, reporting and verification of installation level emissions in 2026, in alignment with the EU requirements and timelines. In 2026, out of 97 operators with GHG permit, 70 submitted their verified annual emission reports (AERs), while 19 submitted unverified AERs and are expected to submit their verification reports. The greenhouse gas (GHG) registry is operational and four new permits were issued in 2025.

In December 2025, Serbia adopted two climate taxation laws, establishing a carbon tax for major industrial emitters and a border levy on carbon-intensive imported goods. In July 2026, Serbia adopted further implementing legislation enabling the collection of tax revenue in 2027 for the calendar year 2026. While progress on carbon pricing marks an important step forward, Serbia should expand its legislative alignment and implementation to cover the full EU Emission Trading System (ETS) scope, including aviation, shipping and ETS2 sectors (buildings, road transport and small industry). Serbia should continue working towards closer alignment with the EU carbon pricing by progressively aligning the sectoral coverage and carbon price of its domestic measures with that of the EU. Moreover, Serbia should establish a dedicated fund or effective mechanism to ensure that revenues directly support further decarbonisation.

Serbia should also set a coal phase-out date in line with its Green Agenda commitments for climate neutrality by 2050 and update its climate Law and low-carbon development strategy to align with the EU's 2050 climate neutrality target. Serbia still needs to fully align with EU *acquis* on fluorinated greenhouse gases, ozone-depleting substances, vehicles and road transport, carbon capture and storage, and emissions from the Land Use, Land-Use Change, and Forestry (LULUCF) sector.

## CLUSTER 5: RESOURCES, AGRICULTURE AND COHESION

### Chapter 11 - Agriculture and rural development

*The EU's common agricultural policy supports farmers and contributes to ensuring Europe's food security. It helps tackling 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 needs to speed up implementation of the revised action plan for the transposition, implementation, and enforcement of the *acquis* in this area. Policy design in the area of direct payments needs to align with the *acquis*. Serbia adopted a new strategy for agriculture and rural development covering the period 2026-2034.

Work to establish an integrated administration and control system (IACS) has started with the delivery of equipment and trainings, proceeding with the work on rolling out the land parcel identification system (LPIS) all over the country Serbia needs to ensure sufficient human resources to implement the LPIS and further develop other elements of IACS. The farm sustainability data network (FSDN) needs to be developed, sample size must be increased, and the collection of data must be extended to include environmental and social indicators.

In the area of **agricultural markets** - **common market organisation**, Serbia adopted legislation aligning with the EU *acquis* on unfair trading practices. The Law on wine remains

to be adopted.

On **rural development**, the delayed ex-post evaluation of the IPARD II programme still needs to be completed. The implementation of the IPARD III programme has been very slow, leading already to a loss of 8.5% of the funds. Serbia should urgently make all efforts to contract and disburse IPARD III funds and significantly accelerate the entrustment of 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.

Progress regarding alignment with the EU *acquis* was recorded in the sector of **organic farming**, with the adoption of the Law on organic production.

On the **fight against corruption**, the national authorities 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 aligned with the EU *acquis*, while the institutional framework and capacities still remain to be considerably strengthened in order to effectively implement the aligned legislation.

In the area of **general food safety**, Serbia has yet to adopt a strategy and action plan for alignment with the EU *acquis*. Serbia adopted the Law on official controls, which is only partially aligned with the *acquis*, and the Law on seeds and planting material of agricultural and ornamental plants which aims to further align with the EU *acquis*.

Although work on preparation of the framework legislation has advanced, substantial further efforts are needed in order to complete the alignment of all sixteen framework laws regulating this chapter.

Serbia has yet to align with the EU legislation with regard to limiting import bans only to the regions affected by animal disease outbreaks and avoid imposing undue trade restrictions affecting EU Member States. Further efforts remain necessary to improve the digital exchange of documents with food operators to reduce import costs ultimately borne by consumers.

On **veterinary policy**, severe capacity issues at the Veterinary Directorate continued affecting its daily operations, which remains a major challenge. In June 2026, Serbia was added to the list of third countries which can derogate from the rabies antibody titration test requirement when moving dogs, cats or ferrets to the EU Legislation on animal welfare is not yet aligned with the EU *acquis*.

The procedure for the issuance of import certificates for meat and dairy products by the Veterinary Directorate remains a challenge and continues to represent a potential trade barrier as it reportedly lacks transparency and/or is based on discretionary practices. Serbia still needs to meet some requirements for the start of exports of fresh eggs and fresh poultry, as well as pork meat to the EU.

Regarding **placing on the market of food, feed, and animal by-products,** no visible progress could be verified when it comes to the process of upgrading food establishments to EU

standards. With regards to animal by-products, further work is still needed to reach an overall alignment with the EU *acquis*.

On **food safety rules** and **specific rules for feed,** Serbia has to urgently address structural problems in relation to the competitiveness of its dairy sector, including by adopting and implementing a plan to align its milk quality standards with the EU *acquis*.

In the area of **phytosanitary policy**, Serbia has yet to implement the system for control and calibration of application devices for plant protection products. Serious capacity issues remain at the Plant Health Directorate, notably in its policy and inspection departments.

On the marketing of seed and other plant reproductive material, further alignment of the national legislation with the EU *acquis* on plant reproductive material (PRM) and forest reproductive material (FRM) is needed. This should be accompanied by the development of the necessary institutional framework and administrative capacities to establish and enforce effective certification systems for PRM and FRM.

On **genetically modified organisms,** no progress was achieved**.** Alignment in this area remains essential to advance negotiations on World Trade Organisation membership and remains a prerequisite for opening this chapter.

On **anti-corruption,** Serbia should ensure that the procedures on audit within the Ministry will be aligned with the EU *acquis* as soon as possible.

### 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.*

Serbia still needs to fully develop its institutional framework to address the relevant parts of the EU *acquis* under this chapter. The legal framework remains to be fully aligned with the EU *acquis*. Serbia should speed up the implementation of the action plan to achieve full compliance with the EU *acquis* by the time of accession and ensure the recruitment of additional staff.

On **resource and fleet management**, the EU *acquis* applicable to Serbia includes provisions on the European eel. While the system for **inspection and controls** is generally in place, further improvements remain necessary, including for the coordination between relevant state bodies. Serbia adopted the law on official controls, which aims to also align with the *acquis* under this chapter. Serbia should improve controls in the area of fisheries, including by recruiting and training more staff for market measures, enhancing inspection capabilities, and advancing data collection and aquaculture management. The rulebook on catch certification and full alignment of the legal framework on illegal, unreported and unregulated (IUU) fishing should be implemented as a matter of priority, and relevant systems and capacities should be developed.

In the area of **structural actions**, the sector is eligible for support under IPARD. However, those opportunities are not adequately used as only a limited number of contracts have been awarded so far. Legislation on **market policy** remains to be aligned with the EU *acquis*.

In the area of **aquaculture**, Serbia should prioritise the adoption of a strategic plan to facilitate the development of this economic activity and further align with the EU *acquis*. Serbia adopted the law on organic production, which aims to align also with the EU *acquis* under this chapter.

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

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

*Regional policy is the EU's main investment policy aiming at reducing economic, social, and territorial disparities between regions and promoting balanced development across the Union. It is implemented through 'shared management' between the Commission and EU Member States. The implementation of cohesion policy programmes requires appropriate administrative structures and capacity on programme and project level, the establishment of systems of sound financial management and control, and the fulfilment of other EU acquis elements such as environmental or public procurement legislation.*

On **legislative framework**, Serbia adopted in April 2026 the Law on cohesion policy, establishing a stable formal basis for transitioning towards the structural instruments. The implementing legislation remains to be adopted. The adoption of a national development plan for reducing regional and local disparities remains outstanding, with limited progress since 2023. Decisions affecting regional development, including major growth-enhancing investments, are taken centrally in fragmented and opportunistic manner lacking coherent, systemic and partner-inclusive approach (*see also Chapters 5, 8, 15, 17, 19 and 27*). Serbia still needs to enhance fiscal decentralisation, the political and organisational autonomy and the competencies of the local authorities to enable local actors plan and implement policies closely aligned with the territorial needs and development priorities. No further progress has been made as regards the adoption of local development plans based on the partnership principle. Compliance with enabling conditions is monitored on regular basis.

The **institutional framework** for cohesion policy is functional, with regular meetings, mostly at central level, to coordinate activities related to regional policy, including the Chapter 22 action plan. By contrast, the system for regional development planning remains fragmented with responsibilities scattered among several ministries and insufficient integration of the regional development agencies and local development offices into policymaking.

The **administrative capacity** is marked by a stable administrative framework but is increasingly affected by the absence of a staff retention policy, delays in recruitment and an inconsistent approach to skills development. These challenges require urgent attention to avoid significant decommitment of EU funds.

Serbia needs to enhance the implementation of the Reform Agenda under the Reform and Growth Facility and strengthen the **programming** under the two IPA III operational programmes, where persistent shortfall in project identification and preparation remains a concern. Unless additional projects are identified and implementation is accelerated, there is a significant risk of losing substantial EU funds. Serbia would benefit from a single investment planning approach that aligns the operational programmes, the Western Balkans Investment Framework and other sources of public investment into a coherent and transparent framework. The ownership and accountability of the managing authorities should be strengthened along with the partnership principle. Systemic signing of agreements with end beneficiaries is needed to ensure an effective management and use of EU funds.

Serbia should build more systemically on its participation in Interreg programmes, including six cross-border programmes and two transnational programmes, as well as in the EU Strategy for the Adriatic and Ionian Region and the EU Strategy for the Danube Region - by translating successful regional experiences into national regional development policies and investments. The potential of using the European Groupings of Territorial Cooperation remains untapped. As tools for integrated territorial governance, they could support a shift from project-based cooperation to more strategic territorial development, particularly in regions bordering the EU.

The **monitoring and evaluation** system for cost-based IPA funds is well established and

effective, supported by an operational monitoring framework and management information system. However, the monitoring of the performance-based instruments, such as the Reform and Growth Facility, requires further improvements in the process and documentation management, definition of responsibilities and management controls. Serbia has established effective monitoring committees under all EU funding instruments.

Although the **financial management, control, and audit** systems are well established, their effectiveness is significantly constrained by low staffing levels across all bodies. With the launch of the two operational programmes significantly increasing the workload, the risks of delays in contracting, significant errors and operational weaknesses have increased. The Audit Authority performs effectively, in line with the international audit standards, and covers both Instrument for Pre-Accession (including operational programmes) and the Reform and Growth Facility. However, the internal audit function remains weak due to limited institutional coverage (40% of the institutions managing EU funds have not yet established internal audit units), and shortages of certified and qualified internal auditors, with potentially negative implications for the protection of the EU's financial interests.

As regards the **fight against corruption and fraud with EU funds,** Serbia still has to adopt provisions to enable full access to information by the European Commission, the European Anti-Fraud Office (OLAF), and the European Court of Auditors and the European Public Prosecutor's Office as well as to ensure an appropriate irregularity management framework for the Reform and Growth Facility. The competencies and capacities of the Department for combating irregularities and fraud with European Union funds (AFCOS) needs to be strengthened as a matter of urgency (*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 good 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*. Reporting remains 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 distinguish between the two different accounts for collected or secured debts (A account) and for uncollected/unsecured debts or secured but appealed debts (B account). Serbia should continue its efforts in implementing a new accounting system, which will enable reporting in accordance with the EU methodology.

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 (SUT), published for the first time in 2019. Serbia should reflect the EU simplification for calculating VAT Own Resources in its finalised action plan.

On **gross national income (GNI) resource**, progress is ongoing under Chapter 18.

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

The measures for reporting laid down in Articles 3, 6a and 12 of the European Parliament and Council Directive 94/62/EC (Packaging and Packaging Waste Directive), and Articles 3 and 11a of Directive 2008/98/EC of the European Parliament and of the Council (Waste Framework Directive) (*see Chapter 27 (Environment)*) should continue to apply. The administrative capacities for the own resource based on non-recycled plastic packaging waste should be improved.

## CLUSTER 6: EXTERNAL RELATIONS

### 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 an amended law on trade in genetically modified organisms, and on the completion of market access negotiations with a limited number of WTO members. 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 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 implement the CRM action plan for 2025-2028 and decisions adopted in the context of CEFTA.

Serbia has a tendency to introduce ad hoc trade restrictive measures against the spirit of the Stabilisation and Association Agreement (SAA). Serbia introduced temporary tariff quotas on imports of certain types of cement and steel products effective as of 1 January 2026, for a period of six months, and in April 2026, extended the measure by an additional six months until December 2026. In March 2026, Serbia introduced an export ban on oil and oil derivatives that was repeatedly extended, with current validity until the end of October 2026. The export ban on arms and military equipment introduced in June 2025 remains in place. Conditions for imports are systematically deteriorating, specifically for 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, as well as delays in the issuance of import licences for dairy and meat products by the veterinary inspection. Serbia's import license regime was registered as a trade barrier on the Access2Markets database. 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's 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.

Serbia regularly adopts a national control list of **dual-use goods** aimed at full alignment with the latest Commission delegated acts. The latest list was adopted in July 2026 with the aim of aligning with the latest Commission Delegated Regulation 2025/2003. 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

the screening of FDI.

Serbia continues to negotiate **bilateral agreements with third countries**. Negotiations on a Free Trade Agreement (FTA) with South Korea were completed, pending signature of the agreement. Serbia has announced plans for a FTA with Israel, Georgia, Ukraine and Uzbekistan. All the FTAs that Serbia negotiates must ensure compatibility with the EU *acquis* and include a sunset clause, guaranteeing that Serbia will terminate 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 52 Bilateral Investment Treaties (BITs) in force, of which 21 are with EU Member States. Two new BITs with Uzbekistan and with Japan entered into force in June and July 2026, respectively. Serbia signed a BIT with Angola in June 2026, that has not yet entered into force. 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 for effective management of trade policy is in place. However, the administrative capacity should be strengthened concerning trade with the EU, related to completing the WTO accession and to effectively collecting and analysing market statistics.

The regulatory framework for international cooperation in **development policy and humanitarian aid** remains to be developed. 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 issues continued. Serbia participated in the EU-Western Balkans meetings of Political Directors in Sarajevo in October 2025, in Brussels in April 2026 and in Kruje in October 2026, as well as in the informal meetings of the Foreign Ministers in Brussels in November 2025 and in May 2026. Serbia's President chose not to take part in the EU-Western Balkans Summit in Brussels in December 2025 but did attend the Summit in Tivat in June 2026.

In the area of the **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's CFSP. Serbia's alignment with Council decisions on sanctions remains low. As of 1 September 2026, Serbia's CFSP alignment rate was at 63% (compared to 67% in 2025). Serbia continues to resort to retroactive alignment.

Serbia has not aligned with the EU's **restrictive measures** against Russia and Belarus taken in the context of Russia's war of aggression against Ukraine. It continues to operate flights to Russia – Saint Petersburg and Moscow, as well as Kazan and Nizhny Novgorod since mid-May this year – and host pro-Kremlin news channels. Close cooperation and exchange of information between the EU and national authorities is ongoing at technical level against sanctions circumvention and Serbia should maintain the existing good level of cooperation. The practice of granting visa-free travel rights to the EU to some nationals of Russia by granting them Serbian citizenship, in many cases under special fast track procedure, remains a matter of high concern.

Serbia continued to engage actively in the UN and other **international organisations**. Serbia's alignment with EU positions has decreased from 44% to 36% at the United Nations' General Assembly. It has applied for formal membership in the UN Committee on the Peaceful Uses of Outer Space (COPUOS). Serbia, which is a party to the Rome Statute of the International

Criminal Court, does not have a bilateral immunity agreement granting exemptions from the jurisdiction of the International Criminal Court and it complies with the EU positions on the integrity of the Rome Statute together with related EU guiding principles on bilateral immunity agreements. Serbia implemented its third action plan for the Implementation of UN Security Council Resolution 1325 on Women, Peace and Security for the period 2024-2026; however without explicitly referring to women CSOs or to women facing multiple and intersecting forms of discrimination. Serbia also contributed to four UN peacekeeping missions and maintained its cooperation with NATO, including holding the first-ever Serbia-NATO joint military exercise in May 2026.

Serbia continued to develop intense relations and strategic partnerships with a vast number of countries worldwide. High-level and frequent bilateral contacts with **Russia** continued, coupled with anti-Western and anti-EU narratives on an alleged '*colour revolution*', often amplified in pro-Kremlin and local media, raising questions about Serbia's strategic direction. The Serbian President had telephone conversations with the Russian President, the Russian Ambassador was regularly received at the most senior levels and frequent close contacts and ministerial visits took place from and to Moscow and Saint-Petersburg. In April 2026, Serbia and Russia signed several cooperation documents on the margins of the meeting of the intergovernmental trade and economic commission. In June 2026, ministerial-level talks in Saint Petersburg reaffirmed Belgrade's readiness to strengthen its bilateral cooperation with Russia on energy and other areas of mutual interest. In August 2026, Russian-Serbian consultations on arms control, disarmament and non-proliferation, but also on security cooperation and fight against international terrorism took place at the level of Deputy Foreign Ministers in Moscow. During the wildfires in summer 2026, Serbia sought and obtained Russian assistance before activating the EU Civil Protection Mechanism.

At the same time, Serbia intensified its relations with **Ukraine**, as reflected in high-level contacts between the Serbian President and the President of Ukraine, including President Vučić's visit to Kyiv in July 2026 and President Zelenskyy's visit to Belgrade in August 2026, as well as the visit of the Serbian Parliament Speaker to Ukraine in November 2025, and a visit of Ukraine's Deputy Prime Minister to Belgrade in May 2026. A Memorandum of Understanding on cooperation in the field of European integration between Serbia and Ukraine was signed in May 2026. President Vucic participated in the summit of the Carpathian Initiative in September 2026. While Serbia supports the sovereignty and territorial integrity of Ukraine; its actions and voting patterns in international fora have not reflected this commitment. In December 2025, Serbia was absent from the UN General Assembly vote demanding Russia to ensure the safe return of forcibly transferred or deported Ukrainian children and leaves the room when Ukraine-related matters are put to vote by Russia's proxies at UNESCO. Serbia is also absent from several Human Rights Council items, carefully balancing its alignment with also supporting Russian initiatives at the same time. In February 2026, Serbia abstained, for the second year in a row, on the EU-supported UN General Assembly Resolution 'Support for a lasting peace in Ukraine'. Serbia also indicated it would not support the establishment of a Special Tribunal for the Crime of Aggression against Ukraine. Serbia continued providing humanitarian and financial assistance to Ukraine, including significant amounts of energy equipment and medical supplies. In April 2026, the two countries signed a protocol of intentions on provision of training on demining.

Serbia maintained frequent high-level contacts with **China**, strengthening its comprehensive strategic partnership, including in the military domain. The Serbian President met the Chinese President as part of his four-day state visit in May 2026 during which two joint statements, 23 cooperation agreements and a memorandum of understanding between the ruling Serbian Progressive Party (SNS) and the Chinese Communist Party were signed. During the visit, which was overall tainted with anti-Western narratives and occasional

criticism of the EU stance on China, Serbia reiterated its support to Beijing on several issues, such as human rights, the situation in Hong Kong, Tibet, Xinjiang and the status of Taiwan, a stance that goes against EU positions. Serbia is the first and only European country to procure supersonic air-to-surface precision strike missiles from China, integrated into Russia-produced fighter aircrafts and creating strategic dependencies which are inconsistent with Serbia's EU path.

Serbia continued supporting EU measures on **conflict prevention** and 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 a party to most international treaties and conventions. It has been implementing its 2023-2025 strategy and action plan for the fight against the 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 illegal possession, misuse and trafficking of small arms and light weapons and their ammunition. The Programme (2025-2030) and action plan (2025-2027) for the control of small arms and light weapons were adopted in December 2025. Serbia should consider ratifying Protocol V on Explosive Remnants of War to the Convention on Certain Conventional Weapons.

Serbia participates in the Nuclear Suppliers Group, but not yet in other multilateral export control regimes. Serbia last updated its National Control List of Arms and Military Equipment in July 2026, alongside its National Control List of Dual-Purpose Goods. After Serbia suspended the export of arms and military equipment produced in Serbia and made it subject to approval of the National Security Council in June 2025, partial exports to a selective number of countries resumed during the reporting period.

Serbia has a transparent reporting system on its **strategic export controls**, in line with the Arms Trade Treaty and other international obligations, but allegations of corruption in its arms trade continue and need to be investigated in order to establish whether the national measures to prevent diversion of arms and ammunition are adequate and effective. Serbia is a party to the Arms Trade Treaty and further measures to prevent diversion of arms and ammunition should be developed to support compliance. Serbia is yet to systematically align with EU statements in multilateral non-proliferation, disarmament and arms control fora. In general, Serbia aligned with the EU on technical issues, but not on political issues (e.g. Russia, Ukraine, China, Iran, DPRK). Occasionally it supported positions which were opposed to those of the EU, by consistently voting in favour of the UNGA resolution "Promoting International Cooperation on Peaceful Uses in the Context of International Security.".

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 (EUTM Somalia, EUTM RCA and EUTM Mozambique) and to EUNAVFOR Atalanta in the Western Indian Ocean and in the Red Sea. The institutional framework enabling Serbia's participation in military crisis management is in place, but Serbia still needs to put in place relevant legislation to implement the 2023 law on the 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 significantly to cooperation in military medicine through the Balkan Medical Task Force. Serbia participates in training activities of the European Security and Defence College (ESDC).

On **hybrid threats**, no progress has been made on foreign information manipulation and

interference (FIMI), including disinformation. TV stations with national broadcasting frequencies that support the public authorities' narratives remain primary sources of information manipulation and disinformation targeting the EU. This issue remains a matter of serious concern and requires urgent follow-up. There have been worrying reports about Serbian citizens involved in Russian hybrid operations, including subversive activities in some EU Member States and candidate countries in recent years. As a consequence, a number of persons were detained and brought to justice by Serbian authorities in September 2025. In cases concerning incidents in France and Germany, court decisions were issued, while investigations are still ongoing as regards developments related to elections in Moldova. Regarding cyber diplomacy, Serbia has actively engaged in the negotiations of the new UN Global Mechanism on Information and Communications Technologies in the Context of International Security, 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 ad hoc trade restrictions, 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 most 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. Stabilisation and Association committee and 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 5 May 2026. A joint EU-Serbia Working group on energy was set up in October 2025 and has met 5 times since.

**Economic integration with the EU remains deep and structurally anchored.** The EU continues to be Serbia's largest trade and investment partner, accounting for 58.2% of total trade in goods and 72.2% of FDI inflows in 2025. Serbia's other main trading partners in 2025 included China (11%), CEFTA countries (9%) and Türkiye (4.5%). Russia accounted for 2.7% of total trade flows in 2025. China continues to consolidate its position as Serbia's second-largest trading partner, driven primarily by Serbian imports of industrial goods and exports of copper ore. Despite continued efforts to facilitate trade, including through the digitalisation of customs procedures and initiatives such as the EU-Western Balkan Green Lanes, persistent bottlenecks at border crossing points with EU Member States and non-tariff barriers continue to affect trade flows.

Serbia's pattern of alignment with the **EU's common foreign and security policy** 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. In October 2026, further regional EPF measure in support of Balkan Medical Task Force (EUR 10 million) was adopted.

**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 2025 eighth report under the visa suspension mechanism concluded that Serbia continues to meet the visa liberalisation requirements. However, the European Commission recommended that Serbia refrain from granting citizenship under accelerated or simplified procedures to nationals of countries that pose

illegal migration or security risks to the EU.

Under the **Instrument for Pre-accession Assistance 2021 – 2027** (**IPA)**[7] the EU funding for Serbia reached EUR 1 014.4 million. The implementation of the IPA 2025-27 package (EUR 139.4 million), covering areas of fundamental reforms, good governance, local development, and *acquis* alignment, started along with the implementation of the two operational programmes (EUR 340 million) for the period 2024-2027 on (i) environment and energy, and on (ii) employment, skills, and social inclusion. Furthermore, EUR 288 million in EU support are provided for the rural development programme, IPARD III.

This set of programmes is complemented by significant funding under the 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 two transnational programmes - the EU Strategy for the Adriatic and Ionian Region and the EU Strategy for the Danube Region. 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; human capital development; and fundamentals / rule of law. Disbursement of EU support are conditional on compliance with the preconditions – including in terms of democratic and rule of law standards as well as, 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. As of September 2026, the European Commission has released EUR 167.6 million to Serbia, including EUR 111 million in pre-financing.

Serbia participates in a number of EU programmes: Horizon Europe, Erasmus+, Creative Europe, the Digital Europe Programme, the Citizens, Equality, Rights and Values Programme, the Single Market Programme, the European Social Fund Plus / EaSI strand, the Customs Programme, the Fiscalis Programme, the Union Civil Protection Mechanism, EU4Health and cooperation with the EU Fundamental Rights Agency. Serbia also participates in European cooperation frameworks such as COST and EUREKA. In addition, Serbia participates in several broader EU-supported initiatives and networks, including the European Digital Innovation Hubs network, the EU Digital Agenda for the Western Balkans, EU4Digital, WiFi4WB, the Connective Europe Facility and the EuroHPC Joint Undertaking.

To improve public administration reform and policy alignment, Serbia also participates as an observer in two pilot projects under the Technical Support Instrument, including on green budgeting and on improving labour market relevance.

[7] Official Journal L 330, 20.9.2021.

## ANNEX II – STATISTICAL ANNEX

**STATISTICAL DATA (as of 14/09/2026)**

**Serbia**

| **Basic data** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Population (thousand) | | 7 182 i | 6 872 i | 6 797 i | 6 641 i | 6 605 i | 6 568 i |
| Total area of the country (km²) | | 77 593 iw | 77 593 iw | 77 538 iw | 77 538 iw | 77 538 iw | 77 538 iw |

| **National accounts** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Gross domestic product (GDP) (million national currency) | | 4 296 737 | 6 576 024 | 7 460 139 | 8 817 909 p | 9 748 259 p | 10 392 687 e |
| Gross domestic product (GDP) (million euro) | | 37 978 | 55 931 | 63 513 | 75 205 p | 83 258 p | 88 673 e |
| GDP per capita (euro) | | 5 300 | 8 180 | 9 530 | 11 350 p | 12 640 p | 13 540 e |
| GDP per capita (in purchasing power standards (PPS) | | 11 005 | 14 930 | 16 139 | 18 600 p | 20 593 p | 21 590 e |
| GDP per capita (in PPS), relative to the EU average (EU-27 = 100) | | 41.9 | 44.9 | 44.7 | 48.5 p | 51.5 p | 51.8 e |
| Real GDP growth rate: change on previous year of GDP volume (%) | | 0.5 | 7.9 | 2.7 | 3.7 p | 3.9 p | 2.0 e |
| Employment growth (national accounts data), relative to the previous year (%) | | - 2 | 1 | 0 | 0 | 0 | 0 |
| Labour productivity growth: growth in GDP (in volume) per person employed, relative to the previous year (%) | | 3 | 7 | 3 | 4 p | 4 p | 2 e |
| Unit labour cost growth, relative to the previous year (%) | | 3 | 2 | 10 | 10 p | 10 p | 10 e |
| Nominal unit labour cost index based on persons (3 year % change) | | 23.4 | 16.3 | 22.4 | 23.5 p | 33.0 p | 32.8 e |
| Labour productivity per person employed: GDP (in PPS) per person employed relative to EU average (EU-27 = 100) | | 41 | 43 | 42 | 46 p | 49 p | 49 e |
| **Gross value added by main sectors** | | | | | | | |
| Agriculture, forestry and fisheries (%) | | 7.4 | 6.2 | 6.3 | 4.4 p | 3.7 p | 3.8 e |
| Industry (%) | | 29.6 | 22.9 | 24.1 | 22.0 p | 21.2 p | 20.7 e |
| Construction (%) | | 3.1 | 6.2 | 5.6 | 5.9 p | 5.9 p | 5.4 e |
| Services (%) | | 59.9 i | 64.7 i | 64.0 i | 67.8 pi | 69.1 pi | 70.1 i |
| Final consumption expenditure, as a share of GDP (%) | | 90.8 | 82.7 | 84.1 | 79.7 p | 79.5 p | 80.9 e |
| Gross fixed capital formation, as a share of GDP (%) | | 16.4 | 23.1 | 23.9 | 23.4 p | 23.8 p | 22.8 e |
| Exports of goods and services, relative to GDP (%) | | 38.2 | 52.3 | 60.7 | 55.1 p | 53.6 p | 54.3 e |
| Imports of goods and services, relative to GDP (%) | | 46.1 | 60.0 | 71.2 | 59.4 p | 58.1 p | 58.6 e |
| Gross fixed capital formation by the general government sector, as a percentage of GDP (%) | | : | : | : | : | : | : |

| **Business** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Industrial production volume index (2015 = 100) | | 85.6 | 99.8 | 101.9 | 104.8 | 107.7 | 108.9 |
| Number of active enterprises (number) | | : | 213 095 b | 205 316 | 210 715 | 214 349 | : |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Birth rate: number of enterprise births in the reference period (t) divided by the number of enterprises active in t (%) | | : | 11.1 | 11.5 | 12.5 | : | : |
| Death rate: number of enterprise deaths in the reference period (t) divided by the number of enterprises active in t (%) | | : | 5.9 | 13.6 | 9.9 | : | : |
| People employed in SMEs as a share of all persons employed (within the non-financial business economy) (%) | | : | 89.7 b | 90.2 | 90.1 | 90.1 | : |
| Value added by SMEs (in the non-financial business economy) (EUR million) | | : | 16 050 bi | 19 476 i | 21 895 i | 24 285 i | : |
| Total value added (in the non-financial business economy) (EUR million) | | : | 29 297 b | 35 231 | 40 593 | 45 583 | : |

| **Inflation rate and house prices** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Consumer price index (CPI), change relative to the previous year (%) | | 7.7 d | 4.0 d | 11.7 d | 12.1 d | 4.8 d | 4.1 d |

| **Balance of payments** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Balance of payments: current account total (million euro) | | - 2 099.0 | - 2 296.0 | - 4 139.0 | - 1 804.0 | - 3 787.0 | - 4 302.0 |
| Balance of payments current account: trade balance (million euro) | | - 4 160.0 | - 5 923.0 | - 9 352.0 | - 6 629.0 | - 6 771.0 | - 6 481.0 |
| Balance of payments current account: net services (million euro) | | 312.0 | 1 399.0 | 2 315.0 | 3 103.0 | 2 819.0 | 2 322.0 |
| Balance of payments current account: net balance for primary income (million euro) | | - 1 419.0 | - 2 059.0 | - 3 013.0 | - 3 915.0 | - 5 215.0 | - 5 574.0 |
| Balance of payments current account: net balance for secondary income (million euro) | | 3 165.0 | 4 287.0 | 5 913.0 | 5 638.0 | 5 382.0 | 5 437.0 |
| Net balance for primary and secondary income: of which government transfers (million euro) | | 41.0 | 294.0 | 553.0 | 341.0 | 280.0 | 119.0 |
| *3 year backward moving average of the current account balance relative to GDP (%) | | - 8.6 | - 5.0 | - 4.9 | - 4.3 | - 4.5 | - 3.9 |
| *Five year change in share of world exports of goods and services (%) | | : | 30.6 | 33.1 | 43.2 | 40.1 | 36.7 |
| Net balance (inward - outward) of foreign direct investment (FDI) (million euro) | | 1 298.1 w | 3 656.9 w | 4 328.2 w | 4 261.6 w | 4 602.5 w | 2 278.2 w |
| Foreign direct investment (FDI) abroad (million euro) | | 249.7 w | 229.1 w | 104.2 w | 302.8 w | 628.4 w | 1 198.8 w |
| of which FDI of the reporting economy in the EU-27 countries (million euro) | | : | - 43.0 | - 38.0 | 117.0 | 326.0 | : |
| Foreign direct investment (FDI) in the reporting economy (million euro) | | 1 547.9 w | 3 886.0 w | 4 432.5 w | 4 564.4 w | 5 230.9 w | 3 476.9 w |
| of which FDI of the EU-27 countries in the reporting economy (million euro) | | : | 1 758.0 | 1 392.0 | 2 240.0 | 2 047.0 | : |
| *Net international investment position, relative to GDP (%) | | : | - 79.2 | - 77.6 | - 65.0 | - 61.2 | - 60.0 |
| Year on year rate of change in gross inflow of remittances (in national currency) from migrant workers (%) | | : | : | : | : | : | : |

| **Public finance** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| 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 (%) | | : | : | : | : | : | : |

| **Financial indicators** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Gross external debt of the whole economy, relative to GDP (%) | 1) | 67.5 iw | 64.8 iw | 65.5 iw | 58.7 piw | 58.6 piw | : |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Gross external debt of the whole economy, relative to total exports (%) | | 183.9 w | 125.8 w | 109.5 w | 107.7 w | 110.1 w | 107.1 w |
| Money supply: M1 (banknotes, coins, overnight deposits, million euro) | 2) | 3 386.8 w | 11 915.9 w | 12 237.3 w | 14 948.1 w | 17 419.0 w | 18 584.3 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 (%) | | 7.04 w | 0.23 w | 4.00 w | 5.23 w | 4.45 w | 4.42 w |
| Euro exchange rates: average of period (1 euro = … national currency) | | 113.137 | 117.573 | 117.459 | 117.251 | 117.085 | 117.203 |
| 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) | | 696.0 | 2 620.0 | 2 919.0 | 5 104.0 | 2 834.0 | - 1 549.0 |

| **External trade in goods** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Value of imports: all goods, all partners (million euro) | | 13 345 | 27 332 | 36 739 | 35 217 | 38 103 | 40 063 |
| Value of exports: all goods, all partners (million euro) | | 10 413 | 21 053 | 26 354 | 27 039 | 28 944 | 31 404 |
| Trade balance: all goods, all partners (million euro) | | - 2 933 | - 6 279 | - 10 386 | - 8 178 | - 9 159 | - 8 659 |
| Terms of trade (export price index / import price index * 100) (number) | | 98.5 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 (%) | | 62.6 iw | 65.8 iw | 66.0 iw | 65.7 iw | 64.4 iw | : |
| Share of imports from EU-27 countries in value of total imports (%) | | 54.3 iw | 53.9 iw | 51.9 iw | 53.6 iw | 53.1 iw | : |

| **Demography** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Crude rate of natural change of population (natural growth rate): number of births minus deaths (per thousand inhabitants) | | - 4.8 | - 10.9 | - 6.9 | - 5.4 | - 5.7 | - 5.5 |
| Infant mortality rate deaths of children under one year of age (per thousand live births) | | 6.3 | 4.7 | 4.0 | 4.7 | 4.6 | : |
| Life expectancy at birth: male (years) | | 72.6 | 70.0 | 72.7 b | 73.8 b | 73.9 b | : |
| Life expectancy at birth: female (years) | | 77.9 | 75.7 | 77.9 b | 78.6 b | 78.5 b | : |

| **Labour market** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Economic activity rate for persons aged 20–64: proportion of the population aged 20–64 that is economically active (%) | | 66.1 | 74.5 b | 75.9 | 76.8 | 78.0 | 78.4 |
| Employment rate for persons aged 20–64: proportion of the population aged 20–64 that are in employment (%) | | 51.3 | 66.2 b | 68.8 | 69.6 | 71.3 | 71.6 |
| Male employment rate for persons aged 20–64 (%) | | 59.6 | 73.6 b | 75.8 | 75.9 | 77.2 | 77.3 |
| Female employment rate for persons aged 20–64 (%) | | 43.2 | 58.9 b | 61.8 | 63.4 | 65.5 | 65.8 |
| Employment rate for persons aged 55–64: proportion of the population aged 55–64 that are in employment (%) | | 34.3 | 50.3 b | 53.6 | 56.7 | 58.7 | 60.0 |
| **Employment by main sectors** | | | | | | | |
| Agriculture, forestry and fisheries (%) | | 21.3 i | 14.2 bi | 13.9 i | 13.1 i | 12.8 i | 12.0 i |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Industry (%) | | 21.1 i | 23.6 bi | 23.8 i | 23.5 i | 23.0 i | 22.9 i |
| Construction (%) | | 4.7 i | 6.0 bi | 5.9 i | 5.9 i | 6.0 i | 5.7 i |
| Services (%) | | 52.8 i | 56.2 bi | 56.4 i | 57.4 i | 58.2 i | 59.4 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 (%) | | 22.3 | 11.2 b | 9.6 | 9.5 | 8.6 | 8.7 |
| Male unemployment rate (%) | | 21.1 | 10.3 b | 9.1 | 9.1 | 8.4 | 8.4 |
| Female unemployment rate (%) | | 23.9 | 12.2 b | 10.1 | 9.9 | 8.9 | 9.1 |
| Youth unemployment rate: proportion of the labour force aged 15–24 that is unemployed (%) | | 49.4 | 26.0 b | 24.3 | 25.0 | 23.0 | 23.4 |
| Long-term unemployment rate: proportion of the labour force that has been unemployed for 12 months or more (%) | | 15.6 | 5.0 | 3.9 | 3.8 | 3.4 | 3.5 |
| Unemployment rate for persons (aged 25–64) having completed at most lower secondary education (ISCED levels 0-2) (%) | | 21.2 | 14.6 b | 12.9 | 13.3 | 12.7 | 13.6 |
| Unemployment rate for persons (aged 25–64) having completed tertiary education (ISCED levels 5-8) (%) | | 17.2 | 8.3 b | 5.9 | 6.4 | 6.2 | 5.8 |

| **Social cohesion** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Average nominal monthly wages and salaries (national currency) | 3) | 60 708 w | 90 784 w | 103 316 w | 118 599 w | 135 403 w | 151 086 w |
| Index of real wages and salaries (index of nominal wages and salaries divided by the inflation index) (2016 = 100) | | 80 w | 107 w | 123 w | 140 w | 158 w | 178 pw |
| Gini coefficient | | : | 33 | 33 | 32 | 32 | 32 |
| Poverty gap | | 36.6 | 29.8 | 25.7 | 28.6 | 29.1 | 30.7 |

| **Standard of living** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Number of passenger cars relative to population size (number per thousand population) | | : | 329.0 | 352.0 | 362.0 | 377.0 | 394.0 |

| **Infrastructure** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Density of railway network (lines in operation per thousand km²) | | 49.2 iw | 43.4 iw | 43.6 iw | 43.6 iw | 43.6 iw | 43.6 iw |
| Length of motorways (kilometres) | | 607 | 928 | 941 | 963 | 999 | : |

| **Education, Innovation and Research** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8) | | 25.4 | 35.3 b | 36.1 | 38.2 | 40.0 | 39.1 |
| Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), males | | 20.3 | 27.8 b | 30.7 | 29.8 | 32.3 | 31.6 |
| Percentage of persons aged 30-34 with a tertiary education level (ISCED 2011 levels 5 to 8), females | | 30.5 | 42.9 b | 41.6 | 46.9 | 48.0 | 46.8 |
| Participation in early childhood education (children aged 3 and over) | | 63.1 | 67.5 | 69.2 | 71.6 b | 79.5 bd | : |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Participation in early childhood education (children aged 3 and over), males | | 63.0 | 67.3 | 69.2 | 71.4 b | 79.2 bd | : |
| Participation in early childhood education (children aged 3 and over), females | | 63.1 | 67.7 | 69.3 | 71.8 b | 79.8 bd | : |
| Low achieving 15-year-olds in reading (%) | | : | : | 36.4 | : | : | : |
| Low achieving 15-year-olds in mathematics (%) | | : | : | 43.1 | : | : | : |
| Low achieving 15-year-olds in science (%) | | : | : | 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 | | 8.9 | 7.7 b | 5.7 | 5.8 | 6.2 | 5.1 |
| 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 | | 8.2 | 8.7 b | 6.5 | 5.8 | 6.8 | 5.2 |
| 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 | | 9.7 | 6.6 b | 5.0 | 5.9 | 5.7 | 5.0 |
| Proportion of persons aged 25-64 having participated in education and training (last 4 weeks) | | 3.9 | 4.8 b | 5.1 | 6.1 | 5.5 | 5.2 |
| Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), men | | 3.4 | 4.2 b | 4.4 | 5.5 | 4.9 | 4.6 |
| Proportion of persons aged 25-64 having participated in education and training (last 4 weeks), women | | 4.5 | 5.3 b | 5.7 | 6.7 | 6.1 | 5.7 |
| Exposure of vocational education and training (VET) graduates to work-based learning (% of population aged 20-34) | | : | 17.1 b | 17.2 | 21.4 | 21.0 | 18.9 |
| Share of individuals having at least basic digital skills (% of population aged 16-74) | | : | 41.3 | : | 33.6 | : | 42.0 |
| Share of individuals having at least basic digital skills (% of population aged 16-74), males | | : | 43.9 | : | 35.5 | : | 42.3 |
| Share of individuals having at least basic digital skills (% of population aged 16-74), females | | : | 38.8 | : | 31.8 | : | 41.8 |
| Public expenditure on education relative to GDP (%) | | : | : | 3.0 p | : | : | : |
| Gross domestic expenditure on R&D relative to GDP (%) | | 0.66 | 0.95 | 0.92 | 0.88 | 0.93 | : |
| Government budget appropriations or outlays on R&D (GBAORD), as a percentage of GDP (%) | | 0.36 | 0.40 | 0.37 | 0.36 | 0.40 | 0.41 |
| Percentage of households who have internet access at home (%) | | : | 81.5 | 83.2 | 85.4 | 88.9 | 90.1 |

| **Environment** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Index of greenhouse gas emissions, $CO_2$ equivalent (1990 = 100) | | 76.2 w | 74.1 w | 75.1 w | 74.6 w | : | : |
| Energy intensity of the economy (kg of oil equivalent per 1 000 euro GDP at 2015 constant prices) | | 399.5 | 353.3 | 348.0 | 325.9 | 313.4 | : |
| Electricity generated from renewable sources relative to gross electricity consumption (%) | | 28.0 | 29.9 | 30.1 | 31.7 | 32.1 | : |
| Road share of inland freight transport (based on tonne-km) (%) | | 40.4 w | 62.0 w | 62.5 w | 66.1 w | 70.9 w | : |

| **Energy** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Primary production of all energy products (thousand TOE) | | 11 371 | 10 179 | 9 617 | 9 508 | 9 315 | : |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Primary production of crude oil (thousand TOE) | | 1 277 | 894 | 881 | 886 | 867 | : |
| Primary production of solid fuels (thousand TOE) | | 7 671 | 6 282 | 5 979 | 5 504 | 5 423 | : |
| Primary production of gas (thousand TOE) | | 423 | 288 | 261 | 251 | 236 | : |
| Net imports of all energy products (thousand TOE) | | 3 602 i | 5 652 i | 7 381 i | 6 699 i | 6 511 i | : |
| Gross inland energy consumption (thousand TOE) | | 14 940 | 16 231 | 16 428 | 15 966 | 15 956 | : |
| Gross electricity generation (GWh) | | 39 877 | 38 236 | 35 510 | 40 028 | 37 489 | : |

| **Agriculture** | Note | 2013 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|
| Agricultural output volume index (at producer prices) (2015 = 100) | | 99.6 w | 110.2 w | 101.4 w | 104.9 w | 99.0 w | : |
| Utilised agricultural area (thousand hectares) | | 3 510.2 | 3 506.1 | 3 488.8 | 3 396.3 | 3 336.8 | : |
| Livestock numbers: live bovine animals (thousand heads, end of period) | | 913.0 | 860.0 | 799.8 | 725.4 | 698.6 | 698.9 |
| Livestock numbers: live swine (thousand heads, end of period) | | 3 144.0 | 2 868.0 | 2 667.0 | 2 141.0 | 2 349.2 | 2 404.0 |
| Livestock numbers: live sheep and live goats (thousand heads, end of period) | | 1 841.0 i | 1 890.0 i | 1 912.5 i | 1 863.9 i | 1 878.5 i | 1 791.6 i |
| Raw milk available on farms (thousand tonnes) | | : | 1 563.5 | 1 512.1 | 1 416.8 | 1 378.9 | : |
| Harvested crop production: cereals (including rice) (thousand tonnes) | | 9 091.1 | 10 236.4 | 8 012.9 | 10 809.3 | 8 700.0 | : |
| Harvested crop production: sugar beet (thousand tonnes) | | 3 180.0 | 2 048.2 | 1 667.1 | 2 040.6 | 1 922.9 | 1 806.4 |
| Harvested crop production: vegetables (thousand tonnes) | | 1 033.3 | 795.7 | 815.8 | 704.7 | 855.6 | 927.4 |

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

: = not available
b = break in time series
d = definition differs
e = estimated
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

Footnotes:

1) Official external debt of the Republic of Serbia.
2) 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.
3) Wages and salaries paid to employees of legal entities and of unincorporated enterprises. 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.