

Open Parliament Newsletter

**PARLIAMENTARY
INSIDER** 

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- ✓ **Open Parliament Analysis and Points of view**
Serbia is making progress, it is just that the EU cannot see it
The Serbian Parliament is hiding the name of the candidate for the Commissioner for the Protection of Equality
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● INTRODUCTORY REMARKS

A parliament without pluralism, a form without essence

Two and a half months passed from the announcement of the election results to the constitution of the Assembly without any events occurring in this representative body. Nonetheless, the autumn in the parliament was marked by activities and the adoption of important draft acts, the election of a new Speaker of the Assembly, the adoption of the budget for 2021 and the Code of Conduct for MPs. The newly formed 12th convocation, which functioned as the main board of one party during the first two months of work, marks the least pluralism since the beginning of multi-party system in Serbia. Parliament worked practically without opposition and all decisions and HR decisions were made, in most cases, on the proposal of a list "Aleksandar Vučić – For Our Children", even when parliamentary procedures allowed for a public dialogue on the proposed solutions.

During the autumn sessions, the MPs worked in the plenum **for 23 days**: they spent three days in the plenum in October, five during November, and 15 days in December. A total of **nine regular sessions, two special sessions and one Constitutional Session** were held. From the beginning of October to the end of December, the MPs **adopted 50 laws**. **One public hearing** was held, and MPs had the opportunity to ask questions to members of the Government on the last Thursday of the month only once – in November.

In October, MPs elected leadership of the 12th convocation and voted on a new **Law on Ministries** in order to introduce new portfolios and define the competencies of ministries. The new ruling coalition consists of **243 MPs** from the Serbian Progressive Party, the Socialist Party of Serbia and the Serbian Patriotic Alliance, while the opposition is represented by six MPs from the minority list United Valley – SDA Sandžak, made up of Albanians and Bosnians, and one independent MP.

After more than six months of delay, MPs elected the **Commissioner for the Protection of Equality** in a non-transparent and sudden procedure in November. Brankica Janković, the only proposed candidate for the position, was elected on the proposal of the parliamentary group "Aleksandar Vučić – For Our Children". The law on tax procedure, republic taxes, property tax and two customs laws, prepared by the Government, were adopted. None of 250 MPs had an objection, amendment or proposal in the form of amendments to these laws.

The ministers of the new Government of the Prime Minister Ana Brnabić came to the Assembly for the first time and personally answered MPs' questions. Eight MPs exercised this right. **Parliamentary questions** referred to the rights of national minorities, the coronavirus, the environment, but also the property of the brother of one of the opposition leaders, Dragan Đilas.

In November, for the first time, a number of ministers submitted reports on their work to the competent committees. This act was just a mere fulfilment of form without the true oversight over the work of the executive power, and we could see that in the example of the session of the Committee on Internal Affairs when MPs **thanked Minister Aleksandar Vulin for finding time to come** and when the chairman of the Committee for Environmental Protection **Ljubinko Rakonjac invited MPs not to talk much about the report on the work of the ministry**, but to make a proposal or, if they want, to congratulate Minister Irena Vujović on the election.

In December, the MPs adopted the **Budget for 2021** within the legal deadline. The discussion time was doubled, but it was mainly used to point out all the good economic decisions made in the previous year and to talk about how Serbia would show in the next year that it is the leader in the region with one of the best economies in Europe.

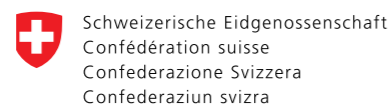
THE OPEN PARLIAMENT INITIATIVE

The Open Parliament Initiative has been monitoring the work of the Serbian Parliament every day since 2012. The Open Parliament collects and publishes data on the Parliament's work and results and deals with the analysis of various processes from the perspective of transparency, accountability and participation.

The main goal of the Open Parliament Initiative is to increase transparency and accountability of the work of the Parliament, to inform the citizens about the work of the Parliament and to establish regular communication between citizens and their elected representatives. Our work is based on the values contained in the international Declaration on Parliamentary Openness, and the Open Parliament took part in the development of this initiative.

Since January 2018, the Open Parliament team has increased the focus of this initiative's activities on democratism and accountability in the conduct of MPs and the work of the institution.

The Federal Foreign Office of the Federal Republic of Germany has been supporting the Open Parliament Initiative since August 2018, including drawing up the newsletter. The views expressed in the newsletter are the views of the Open Parliament team, but they do not necessarily reflect the views of the donor.



Swiss Agency for Development
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At a special session, the MPs spoke about **the reports of independent bodies and institutions**: the Ombudsman, the Commissioner for Information of Public Importance and Personal Data Protection, the Commissioner for the Protection of Equality and the State Audit Institution for 2019. After a one-day debate, the MPs adopted all the conclusions proposed by the competent committees on the basis of the report. There were no discussions within the Committee, the adopted conclusions were reduced to supporting statements.

The last two plenary sessions attracted the most public attention. At these sessions, the MPs discussed and adopted **the Code of Conduct for MPs** and the European Commission's Progress Report for 2020. During the discussion, the Code was presented as a mechanism for regulating the behaviour of future opposition MPs. The draft document was modified by the amendments of the Serbian Progressive Party MP Vladimir Orlić, in a way that every natural person can file a report for violating the Code and envisages the establishment of an Ethics Commission, which will have an advisory and educational role. The application and oversight of the application of the Code remain in the hands of the Administrative Committee, while the process of application of the Code in practice is debatable from the standpoint of international standards and good practice. It remains to be seen how the implementation will be controlled since the Committee will not act ex officio but on reports of violations of the Code, will not have the obligation to enclose explanations with passed decisions, will impose one of the two measures available, which do not instil confidence that they can actually improve the conduct of MPs. It is even foreseen that proceedings can be initiated against the complainant, if the Committee finds an intention to politically discredit a Member of Parliament.

While explaining why no new chapter in the European integration process was opened this year, in the discussion on the conclusions on **the European Commission's Progress Report**, the MPs concluded that the Republic of Serbia **had progressed too fast** and that the European Union aimed to slow it down. As pointed out by Aleksandra Tomić, an MP of the Serbian Progressive Party "our foreign direct investments amounted to a total of the entire Balkans on an annual level", so "it had to be equalised somewhere, so that the sensitivity to the rule of law would increase" as, according to her, the entire region was supposed to catch up. Representatives of the executive power, who attended the debate, did not point out in which areas the Republic of Serbia could make progress. We learnt from the Prime Minister Ana Brnabić words that "whether and when Serbia as such will become an EU member ultimately depends exclusively from the will and political readiness of the EU member states". At the end of the debate, the MPs acknowledged the recommendations regarding the rule of law, welcomed the Government's efforts on the European path, promised to organise an inter-party dialogue and continue the started reforms.

2020

Month in Parliament

OCTOBER

22.

The constitution of the Assembly, which began on August 3rd, continued only at the end of October with the election of the Speaker, Vice Speaker, Secretary General and Deputy Secretary General of the National Assembly. Four months after the election and 80 days after the confirmation of the parliamentary mandates, the leader of the Socialist Party of Serbia, Ivica Dačić, was elected Speaker of the National Assembly of the Republic of Serbia. Dačić's election was preceded by more than seven hours of debate in which coalition partners expressed expectations that the new leadership would restore the reputation of the Parliament, in which, for the first time since the renewal of multi-party system in Serbia, there has been almost no opposition. In the first week in his role of the Speaker of the Assembly, Dačić heralded future directions of cooperation having met twice with the Ambassador of Russia and once with the Ambassador of China, and announced the intensification of cooperation with their respective parliaments.

22.

On the same day, the MPs elected six vice presidents of the Assembly – Vladimir Orlić (Serbian Progressive Party), Stefan Krkobabić (Party of United Pensioners of Serbia), Radovan Tvrdišić (Serbian Patriotic Alliance), Marija Jevdić (United Serbia), Elvira Kovač (Alliance of Vojvodina Hungarians) and Muamer Zukorlić (Justice and Reconciliation Party). After many years, Dačić's close associate Veljko Odalović returned to the Assembly, and in the next year and a half, until the new elections, he will perform the work of the Secretary General of the Assembly. Srdan Smiljanić and Branko Marinković were appointed Deputy Secretaries General.

26.

At the first ordinary sitting of the autumn session, the MPs voted on the new Law on Ministries, in order to introduce new portfolios and define the competencies of the ministries. On that occasion, the amendment of the Serbian Progressive Party MP, Jelena Žarić Kovačev, was adopted: "the Ministry of Justice no longer has the obligation to publish the judgments of the European Court of Human Rights or to monitor their execution." The explanation states only that it is a matter of harmonisation with other laws, and the amendment was adopted by the Committee on Justice and in the plenum without discussing or specifying the institution that should have assumed that obligation.

28.

A few days before the expiration of the 90-day deadline, at a special sitting, MPs voted for the new Government of Serbia, headed by Ana Brnabić in her second term. The Government has 21 ministries and two ministers without portfolios, and as Brnabić said in the exposé, it will be a Government of continuity that will pursue everything that the current president of Serbia, Aleksandar Vučić, started in 2014. In her speech, the Prime Minister reiterated six priority areas previously announced by the President of Serbia, namely health care, the issue of Kosovo, the fight against crime, the economics, preserving independence and continuing reforms. She also spoke about the need for dialogue and mentioned that a society where differences are embraced and respected must be built and that everyone should fight against discrimination.

28.

During the debate on the election of the Government, the harmonious atmosphere of the ruling majority was interrupted by the unexpected speech of the president of the parliamentary group "United Valley – Party of Democratic Action of Sanžak", Šaip Kamberi, who assessed that it was sad for democracy that seven MPs were the only opposition in Serbia today. "Not even Slobodan Milošević was able to produce such a Parliament, but Mr. Vučić and Mr. Dačić proved to be more efficient than their political fathers," said Kamberi, emphasising that "Šiptars, Turks, Ustashas, NATO criminals are everyday jargon of the propaganda machinery", and added that "we came from the idea of serbianisation of Yugoslavia to 'Vučićisation' of Serbia".

6.

The Parliamentary Committee on Administrative, Budgetary, Mandate and Immunity Issues allowed twelve MPs and three parliamentary officials to perform double functions, and approved the costs of renting flats to MPs who do not want to travel or use hotel services. The Committee allowed the payment of the flat-related costs to the former Speaker of the Assembly Maja Gojković, who used this service in the previous convocation, without any discussion, from August 3rd, when the mandates were confirmed, until her election for Minister of Culture, although there were no sittings from August to October.

12.

At the second ordinary sitting of the autumn session, the Assembly supported another budget rebalance, which was proposed in order to mitigate the consequences of the Covid-19 pandemic and the continuation of investments in infrastructure. Although a deficit of 8.8 percent of GDP was projected, there was not much talk about it in the discussion. In his address, the Minister of Finance, Siniša Mali, pointed out the continuation of good investments, the construction of hospitals and the stability of the dinar.

12.

During the ten-hour debate, the MPs of the ruling majority showered the ministers and the president with praise. Serbian Progressive Party MP, Adam Šukalo, praised the Minister of Finance as "he had been sitting here for eight hours". "We all went out, we ate something, we went to the toilet. He is sitting here listening and diligently taking notes of all these discussions," said Šukalo. On the other hand, the leader of United Serbia, Dragan Marković Palma expressed dissatisfaction with the prices in the parliamentary restaurant because, according to him, "coffee could not cost seven dinars", as "the Assembly was not an association of social cases."

16.

The Minister of the Interior, Aleksandar Vulin, fulfilled his obligation and submitted a report to the Defence and Internal Affairs Committee on the work of the Ministry from July to September 2020. He praised the work of his predecessor and party fellow, Nebojša Stefanović and stated that the number of committed crimes had been reduced by 13.1 percent, that two murders from a criminal environment were solved, but that due to "destructive demonstrations in front of the Assembly" in July the incidence of violations of public order and peace increased.

16.

Members of the Defence and Internal Affairs Committee expressed concern that the Minister of the Interior would be put under great pressure due to the announced fight against the mafia. They said that his predecessor had also done an excellent job and had started a showdown with the mafia and drug dealers, and that they expected an even better situation in the future. They wished Vulin success in his work, congratulated him on leading the Ministry of Defence so far, thanked him for coming and asked him to continue coming to the Assembly. The chairman of the Committee, Aleksandar Marković, expressed a particularly cordial attitude towards the minister, announcing a break in his work, in order to personally see Minister Vulin out of the Assembly building.

24.

The agenda of the fourth sitting of the autumn session included 20 items on the agenda. None of the 250 MPs submitted an amendment to the first five laws on taxes and customs proposed by the Government. The laws were passed without changes, and there were no objections to the set of laws on loans with which the state additionally borrowed almost 600 million euros for the fight against Covid-19, but also for ensuring energy efficiency of buildings used by central government institutions and public purposes. All proposed HR solutions, including the fact that Brankica Janković, in her second term, will again be the Commissioner for the Protection of Equality, were adopted.

25.

At the same session, the MPs spoke outside the agenda, so the MP of the Serbian Progressive Party, Janko Langura, said that "in Serbia, Tanja Fajon is just a personal protector of the tycoon Dragan Đilas." "She works directly for his and only for his interests," Langura said. During her address to the plenum, the deputy president of the parliamentary group "Aleksandar Vučić – For Our Children" Sandra Božić said that "Every time someone threatened the children of Aleksandar Aleksandra Vučić, Dragan Đilas actually stood behind". No reprimand was issued to MPs for speaking outside the agenda, nor for hate speech.

26.

On the last Thursday of the month, the institute of asking parliamentary questions to members of the Government was organised. The ministers of the new Government of the Prime Minister Ana Brnabić came to the Assembly for the first time and personally answered the questions asked by the MPs. Eight MPs exercised their right, and the questions referred to the rights of national minorities, the coronavirus, the environment, but also the property of the brother of one of the opposition leaders, Dragan Đilas, with the addresses and the number of square meters of the alleged real estate. The MPs from their own parties asked these ministers questions that enabled them to present their work plans.

1.

Hate speech, characteristic of the 1990s, made a triumphant return at the fifth sitting of the autumn session during the discussion of the financial plans of independent bodies. The MPs from the list "Aleksandar Vučić – For Our Children" mentioned certain media, leaders of non-parliamentary parties, the president of the state, actors and other artists. "Because TV stations N1 and Nova S do not pay taxes on the territory of the Republic of Serbia. Therefore, they suck money from our citizens, prevent further progress through the construction of roads, hospitals, kindergartens. The owner of these televisions is the robber and tycoon Dragan Đilas," said the MP Milanka Jevtović Vukojičić.

2.

"I can only see that certain people are already racing and bidding on how many bullets in the back President Vučić will end up with", said the MP Đorđe Todorović. However, the greatest attention of the public was attracted by the address of MP Biljana Pantić Pilja: "Those independent media 'N1' and 'Nova S', anti-Serb media... There is not a bit of independence, and only one sentence can describe them – domestic traitor and foreign mercenary.", she said continuing the hate speech.

8.

The Budget Plan for 2021 was presented to the MPs by the Minister of Finance, Siniša Mali, at the sixth sitting of the autumn session. The Minister announced an average salary in the amount of 900 euros that would be reached by the end of 2025 and spoke about the smallest drop in GDP in 2020 compared to other countries, as well as about an increase in pensions in 2021. The day before, at the Committee meeting, the members of the Fiscal Council had expressed doubts that the budget was unrealistically planned and that salaries would not be able to grow faster than the growth of the economy, but those criticisms were vehemently rejected by the Committee members and the president of the Fiscal Council was characterised as a spokesman of the opposition.

9.

In the plenary hall, the ruling coalition MPs continuously praised the Minister of Finance: "Mr. Minister Mali, whatever they may say, for me, you have been the best Minister of Finance in the last 20 years, I do not have time to explain", said the Serbian Progressive Party MP Marko Atlagić. "This budget is good, this budget is realistic, it is stable, it represents continuity and, what is most important, it's what you've just said, it is maintaining citizens' standards of living." – is a part of the speech of Milorad Mijatović from the Social Democratic Party of Serbia. During the break of praise for the work of the Government, the President and the Minister, the deputies spoke about political opponents from the ranks of the non-parliamentary opposition.

15.

At the 13th session of the Administrative Committee, a working group was formed to draft a Code of Conduct for MPs. The president of the parliamentary group "Aleksandar Vučić – For Our Children", Aleksandar Martinović, was elected president of the working group. The working group consisted of seven deputies: Aleksandar Marković (AV – For Our Children), Snežana Paunović (Serbian Socialist Party), Branimir Jovanović (SDPS), Radovan Tvrdišić (SPAS), Elvira Kovač (Alliance of Vojvodina Hungarians), Selma Kučević (United Valley – Party of Democratic Action of Sandžak), Života Starčević (United Serbia).

15.

The agreement with the Republic of Albania on crossing the border with an ID card was the main topic of the seventh sitting of the autumn session. Out of 20 items on the agenda, the Minister of the Interior, Aleksandar Vulin, initiated the topic "the Balkans to the Balkanians", saying that "only those who do not believe in the strength of Serbia, in the strength of the Serbian people, can be afraid of our opening and of faster flow of people and capital." Serbian Progressive Party MP Aleksandar Mirković understood this slogan as an invitation to investors, saying that "we have finally been given the opportunity to decide and apply together for all foreign investments in order to raise the quality of life in our countries to a higher level". In the part dedicated to voting, all items on the agenda were adopted.

PARLIAMENT IN NUMBERS

Statistical review of the work of the 12th Convocation by December 31st 2020.

18.

On December 17th, the Administrative Committee submitted the Draft Code of Conduct for MPs to the parliamentary procedure. At the next session, on December 22nd, the Draft Code was included in the agenda.

24.

In another 19 items on the agenda, the MPs adopted the Code of Conduct of MPs, nine laws and the same number of decisions electing court presidents, members and the president of the Republic Commission for the Protection of Rights in Public Procurement Procedures. The debate on the proposed Code of Conduct was used by many MPs as an opportunity to recall how their predecessors behaved. "Both the physical assault on the then Speaker of the Assembly, Ms. Maja Gojković, and the physical assault on the MPs, the physical assault on the Speaker of the then Administrative Committee, Aleksandar Martinović, at the session of the Administrative Committee, the physical assault on his colleague Marjan Rističević. Remember bringing stones to the National Assembly, remember bringing guitars.", was part of the address of the MP of the Serbian Progressive Party, Aleksandar Marković.

29.

At the last sitting of the autumn session, the MPs discussed the European Commission's Progress Report for 2020. Although it is stated in the conclusions, submitted by 15 MPs, that the Assembly acknowledges the recommendations from the Report, especially those related to the rule of law, it was said several times in the discussion that there were no essential objections and that the recommendations had already been fulfilled. "Whether and when Serbia as such will become a member of the European Union, after all, depends exclusively on the will and political readiness of the member states of the European Union," said the Prime Minister Ana Brnabić.

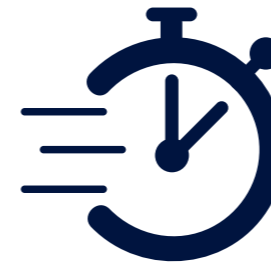
30.

There was also praise for the President of the Republic. Luka Kebara, an MP of the Serbian Progressive Party, emphasised that "the most important thing was that our citizens recognised that we were progressing in all fields, especially in the field of economics, security, health, economy, international relations and European integration, all thanks to President Aleksandar Vučić". Jelena Obradović, also an MP of the Serbian Progressive Party, pointed out that "through the responsible policy of President Aleksandar Vučić, Serbia had shown that it not only responsibly cared for its country, all its citizens, but that during the world's greatest economic crisis when all countries stagnated, when all countries disarranged, Serbia was able to work, build, create, grow and develop".



LEGISLATIVE ACTIVITY

- 25 days of legislative activity
- 50 adopted laws
- 98% of adopted laws were proposed by the Government



URGENT PROCEDURE

- 6% of all laws (including new laws, amendments to laws and ratifications of international agreements) were adopted under urgent procedure.
- 8.57% were adopted under urgent procedure, if we exclude the laws on the ratification of international agreements from the analysis and consider only new laws and amendments to laws



MOST IMPORTANT NOVELTIES:

- 243 out of 250 MPs belong to the ruling majority. The opposition is represented by seven MPs: six MPs belong to the parliamentary group the **United Valley – Party of Democratic Action of Sandžak**, while one MP is independent.
- The Code of Conduct for MPs, whose adoption was stalled since 2014, was adopted. The **Administrative Committee** will be monitoring the implementation of the Code. The quality of the adopted act is arguable having in mind the **implementation of the Code** and its compliance with international standards.
- The **European Commission's Progress Report for 2020** was discussed at the plenary session. One of the conclusions of the authorized committee, that was confirmed by the MPs, was that the Assembly will acknowledge the recommendations regarding the rule of law and functioning of the democratic institutions. During the plenary discussion on adopting the Conclusions on the European Commission's Progress Report, MPs did not consider the state of democracy, they rather praised progress of Serbia in reforms and criticised the European Union for not rewarding it.

PARLIAMENT'S SUPERVISORY ROLE:

- One session of the “Parliamentary Questions” was held in November.
- In November one public hearing was organized to discuss the bills on fiscalisation and digital assets.

MPs discussed, on the **Fifth sitting of the autumn session in December**, annual reports of independent bodies for 2019 of the Anti-Corruption Agency, Fiscal Council, Republic Commission for Protection of Rights in Public Procurement Procedures, Securities Commission and adopted conclusions.

On the **Second special sitting** in December, MPs have discussed annual reports and the conclusions on the reports of following institutions were passed: Ombudsman, Commissioner for Information of Public Importance and Personal Data Protection, Commissioner for the Protection of Equality and State Audit Commission.

We emphasize that the reports of independent bodies were rarely discussed in the plenum. The MPs did not consider them in the period of five years - from 2014 to 2018. This negative trend was reversed at the plenary sessions in 2019. The participation in working bodies is reserved exclusively for the representatives of the ruling majority. Since the beginning of the convocation, no opposition MP has chaired the committees.

The State Budget for 2021 was adopted in November 2020, as well as the **The Law on the Final Account of the Budget for 2019**.

In November, the Commissioner for the Protection of Equality, Brankica Janković, was elected in her second mandate. We underline that the first mandate of Brankica Janković expired in May 2020. Instead of electing a new Commissioner by the end of August at the latest, in compliance with the Law on the Prohibition of Discrimination, the election was postponed until November 2020. At that time, out of the public eye and overnight, the procedure was initiated and ended by the selection of the only candidate for this function. We highlight that proposing candidates for the Commissioner for the Protection of Equality is within the competence of the parliamentary groups.

At the seventh sitting of the autumn session, MPs have also elected **two members of the Council of the Regulatory Body for Electronic Media**. The vacancy in the REM Council was filled after six months when MPs elected Olivera Zekić again, whose mandate as a member of the Council expired in July 2020. At the same December sitting, Aleksandra Janković was elected for another member of the Council, as a candidate of the Church and religious communities.

● OPEN PARLIAMENT'S ANALYSIS AND POINTS OF VIEW

Serbia is making progress, it is just that the EU cannot see it

“Serbia remains on the European path, is making progress in all chapters, and this year it has not opened a single chapter because the European Union has changed its approach to enlargement”, these would be the wrapped up conclusions of the European Integration Committee session.

Members of the Committee considered the current situation in the process of negotiations between Serbia and the European Union, as well as the Report on Accession during the Finnish Presidency in the second half of 2019, which the Government submitted to the Assembly on March 13th this year.

The Minister for European Integration Jadranka Joksimović was the first in the new convocation to report to the MPs. The Minister spoke for almost 50 minutes, while five members of the committee spent about half an hour repeating that what Joksimović has already said, praising the Ministry, questioning and analysing the actions of the European Union, while there was not a single word of criticism or self-criticism, which speaks enough about the oversight role of the competent Committee.

Minister Joksimović explained that the consideration of the report for last year, when Finland held the EU presidency, was late due to the coronavirus epidemic. She pointed out that the European Commission recognised in its report that, objectively speaking, there were delays in certain areas, but that there was not enough talk about the fact that in the previous year, despite all the challenges, “Serbia has made progress in almost all negotiation chapters.”

“The EC report is often read politically and should be so, especially because it is in line with the new methodology of EU action, where the political criteria are strengthened and where this time members took part in compiling the report more than before, “ said Joksimović claiming that one could sense the attitude of members towards the enlargement policy in the Report, because, as she stated “there are so many EU members that are not in favour of enlargement that their criticisms and objections were reflected in the report on Serbia’s progress”.

She believes that the opening of 18 of 35 chapters in the last five years is not a weak effect, and that much has changed in the accession since the migrant crisis which began in 2015.

It is important that the polls have shown that the majority of Serbian citizens would vote for joining the EU, even though they see problems in the community and sometimes think that unfair conditions have been set for Serbia. The Minister reiterated that Serbia is still the “leading country” in the region and that it is ready to open chapters 2 – freedom of movement for workers, 3 – freedom of establishment and freedom to provide services, 14 – transport, 21 – trans-European networks and 27 – environmental protection and climate change.

As Germany will be presiding for two more months, Minister Joksimović believes that there is still a chance that Serbia will open a chapter at the intergovernmental conference. She also reiterated that the EU did not appreciate enough the fact that Serbia had a special ministry for European integration, but insisted on a chief negotiator, although the negotiating team had existed since 2014 and consisted of representatives of ministries and civil society.

Five MPs asked to take the floor: Dušica Stojković, Dubravka Filipovski, Vesna Marković, Vuk Mičetić and Predrag Rajić, all from the Serbian Progressive Party. They emphasised the successes of the Ministry and the Government, repeated that the stalemate was due to Covid-19 pandemic, analysed the fact that EU policy had changed due to the migrant crisis, praised the continuity in the Ministry that had existed

since 2017, and asked about projects and funds. There was not a word about unfulfilled goals and possible accountability, nor was there any mention of any criticism from the European Commission's report.

The Serbian Parliament is hiding the name of the candidate for the Commissioner for the Protection of Equality

The Open Parliament wishes to draw the public's attention to the fact that the National Assembly of the Republic of Serbia, by quietly convening a session of the Committee on Constitutional and Legislative Issues, without revealing the names of the candidates, plans to outline a proposal for a new Commissioner for Equality on Monday, November 23rd. Judging by the agenda of the upcoming session, which was published on the website of the Assembly, only one name will be presented before the Committee, at the proposal of an unknown number of parliamentary groups.

The Open Parliament wishes to remind that the position of the Commissioner for the Protection of Equality has been vacant for more than six months, since the mandate of Brankica Janković expired in May this year. Instead of electing a new Commissioner by the end of August at the latest, in accordance with the Law on the Prohibition of Discrimination, the election was first prevented by a several-month-long unreasonable postponement of the ruling majority to constitute the Assembly.

The procedure was then initiated overnight, without announcing the name of the candidate and the parliamentary group that proposed them, by which the Parliament closed the door to consultations and to the public's involvement in the debate on the decisions it makes. The non-transparent conduct of the Parliament in the process of electing a new Commissioner for the Protection of Equality casts a shadow of doubt on the integrity of the process. On the other hand, this is another in a series of negative examples of Parliament's attitude towards independent institutions, whose effective, professional and independent work should be one of the key pillars of the National Assembly in overseeing the executive branch.

We remind you that the Commissioner for the Protection of Equality has the role of preventing all forms of discrimination and to protect and promote the equal position of every individual in all areas of society.

Conclusions getting shorter and shorter

Judging by the proposal of the conclusion submitted to the Assembly, it seems that the Finance Committee has nothing to say about the Report of the Anti-Corruption Agency for 2019, as the contents have been drafted merely to be in compliance with the procedure. In the draft conclusion it prepared, the Committee did not address any recommendations for improvement in the field of the fight against corruption, and failed to commit the Government to activities that would improve the current situation.

Previously, the Committee considered the reports in 2014 and 2019, when it passed its remarks, both times, in as many as eight points of the conclusion.

Some of the recommendations in the conclusion of the competent committee from 2014 were related to strengthening the transparency of the work of state bodies, establishing the efficient system of protection of "whistle-blowers" and amending the Anti-Corruption Agency Act.

Somewhat milder recommendations were the subject of the Conclusion on the Agency's report for 2018. It was requested to specify the rules on the rights and obligations of officials and their responsibilities, to intensify cooperation with other state bodies and to provide conditions for the smooth and efficient work of the Agency. This time, the Committee failed to set a deadline for submitting reports on the implemented conclusions. While the 2014 conclusion ordered the Government to submit a report within six months, in 2018, the Assembly only invited the Government to submit reports regularly, which pertains to its regular obligation anyway.

It is arguable whether the fight against corruption in the last year has been so flawless that no member of the Committee has had any remark, suggestion or comment on the findings from the Agency's report. The conclusions of the Finance Committee boiled down to two points: "The report on the work has been accepted" and "This conclusion will be published in the Official Gazette".

The Open Parliament demands the withdrawal of the Code of Conduct for MPs from the parliamentary procedure

The Open Parliament demands the withdrawal of the draft Code of Conduct for MPs from the procedure because it threatens to become another means of settling scores with political dissidents, instead of an instrument that would strengthen parliamentary integrity, rule of law and citizens' trust. If such a text of the Code is adopted, it will not serve the fight against corruption and protection of the public interest.

An analysis of the current draft Code, carried out by the CRTA's Open Parliament initiative team, shows that there is a lack of compliance with international standards in comparison to the 2014 draft, as well as that key provisions that would contribute to the substantial implementation of the Code and change the MPs' behaviour have been omitted.

In relation to the draft from 2014, the one that has entered the parliamentary procedure now does not envisage that the Ethics Council, a body consisting of MPs from several committees and at least one representative of the opposition, be responsible for the implementation of the Code, but it is now proposed that the Administrative Committee be in charge of it. Moreover, the possibility is introduced that the complainant will be liable for a violation of the Code, if the Committee finds that the application is unfounded and aimed at political discrediting of another MP. The criteria for determining unfoundedness and intent to discredit a politician remain undefined, leaving room for discretionary interpretation and abuse in order to deal with political opponents. In the draft that is on the agenda from today on, the punishment in the form of a public apology made by an MP was excluded, as well as the obligation to inform the public about the decisions and penalties at the plenary session.

It remains unknown how this version of the Code lost exactly what were the standards of international organisations with which Serbia cooperates, such as the OSCE and the Council of Europe, and it is not known when and how the Working Group changed the draft from 2014 nor whom it consulted.

Analysis of the Code of Conduct for MPs

The Code of Conduct for MPs, the adoption of which was announced back in 2014, when the first version was drafted, entered the parliamentary procedure on December 17th, after an extremely short work on the new draft text carried out by the Working Group, formed on December 15th. The draft Code was submitted by the Assembly Administrative Committee, which is chaired by **the head of the parliamentary group “Aleksandar Vučić – For Our Children” Aleksandar Martinović**.¹ In the reasons for the adoption of the Code it is stated that there is a need for MPs to subordinate their work and behaviour to the law and the public interest and thus avoid undermining the reputation of the Parliament. According to this proposal, the **Administrative Committee will take care of the application of the Code**.

A Member of Parliament will be obliged to treat all citizens equally, without discrimination and to set a **model of ethical behaviour** by personal example. The Code additionally requires conscientious performance of function, decency and respect for other MPs, and what has proven to be the most important in practice, an MP “must not incite hatred and violence through speech”. MPs will be obliged to respect eight ethical values: truth, fairness, honesty, impartiality, accountability, integrity, openness and accessibility.

The draft Code, which the MPs debated for almost two days, was somewhat modified by amendments, which were adopted on the day of the vote. The MP of the Serbian Progressive Party, Vladimir Orlić, submitted eight amendments, which envisage the establishment of the **Ethics Commission** with an advisory-educational role, which will, among other things, serve for confidential advising of MPs on issues of conflict of interest. The Commission will be composed of external members, who are not MPs, with whom MPs can build a “relationship of trust”. The deadline for the establishment of the Commission has not yet been defined. The Commission will also be in charge of preparing another document – the Guide for the Implementation of the Code – and will organise and conduct trainings for MPs. Nonetheless, the amendments have not changed the essence – oversight of the **implementation of the Code remains the responsibility of the Administrative Committee**, instead of a body especially formed for that purpose, with many shortcomings and illogicalities in terms of effective implementation. On the other hand, the amendments also recognise that the Anti-Corruption Agency initiates and conducts a procedure in which it is decided whether there has been a violation in terms of the Law on Prevention of Corruption, i.e. the Agency is competent to decide on conflicts of interest and gifts. The **declaration of a private interest** of a Member of Parliament in connection with a law or other act that is discussed or decided in the Assembly shall be published on the website of the National Assembly. While this change can be treated as an attempt to respond to the GRECO consultation in the 2015 evaluation, the application of this mechanism in practice will not be easy. First and foremost, it is necessary to keep in mind that regulating the actions of the Anti-Corruption Agency, as an independent institution, through the parliamentary document, creates legal illogicality and does not produce an obligation for the Agency.

Nevertheless, the only significant progress made by the amendments is that modifications and supplements to this document enable **any natural or legal person to file a report with the Administrative Committee for cases of violation of the Code**, as oppose to uniquely

MPs, as originally proposed. However, it remains to be seen how this provision will be applied in practice, given the incompleteness and illogicality of the next provision, which allows the Committee to initiate proceedings against the complainant if it determines its intention to politically discredit a Member of Parliament. The incompleteness of the provision is reflected in the fact that it is not specified to which complainants it refers, as well as what are the criteria for recognising political discrediting. The illogicality arises in the fact that the Parliament cannot initiate proceedings against citizens and legal entities. In addition, the Code of Conduct does not specify the obligation, which was provided for the Ethics Council in 2014, to enclose its explanation with the passed decision.

Compared to the draft Code from 2014, the adopted Code from 2020 contains several essential differences. The ethics commission, envisaged by the adopted act, will have an advisory and educational role. It differs from the Ethics Council planned in 2014, because with the adopted solution, its role does not comprise the oversight over the implementation of the Code. Instead, this responsibility is entrusted to the Administrative committee, which will not have the authority to monitor the observance of the Code by MPs ex officio, but will act exclusively on the complaints received. The Committee will not be obliged to attach an explanation to its decisions, which opens space for discretionary decision-making. In addition, **the scope of sanctions** in the adopted Code **has been reduced**. The draft Code from 2014 envisages sanctions in the form of non-public remonstrance, public remonstrance and public apology, as well as fines in the amount of up to three basic salaries of a full-time employed MP when an MP avoids to apologise publicly according to the pronounced measure. In the current Code, measures in case of violation are only a remonstrance and a public remonstrance. Another novelty in the adopted Code refers to the complainants who filed complaints for violating the Code, which we have already mentioned when discussing the expansion of the possibility for all natural and legal persons to file charges. As a matter of fact, in case that the Committee determines that the complainant’s allegations are unfounded, and that they were made for the purpose of **politically discrediting the MP**, proceedings will be initiated against the complainant for violating the Code. In practice, it can be used as a mechanism for discretionary rejection of applications or for deterrence from filing applications, as it is not defined how the complainant’s intention to politically discredit a Member of Parliament will be determined.

Furthermore, the submission of **anonymous complaints for violations of the Code is expressly prohibited**, and the Committee’s decision is final. In that sense, there is no other instance for MPs appeals against the Committee’s decisions on violations of the Code. The High Ethics Council, the establishment of which was planned in the 2014 draft Code, is not included in the newly adopted document.

¹ In accordance with the Rules of Procedure of the National Assembly.

● SELECTION OF LAW ABSTRACTS

LAW AMENDING THE LAW ON PROTECTION OF THE POPULATION FROM INFECTIOUS DISEASES

The Law was adopted on the proposal of the Government on November 12th 2020.

The latest amendments to the Law on the Protection of the Population from Infectious Diseases (the "Law"), adopted by urgent procedure, entered into force on November 13th, 2020, the day of their publication in the Official Gazette. The proposed amendments to the Law were adopted by the Government of Serbia on November 6th, 2020, while the National Assembly debated and voted on this proposal in one day, without any submitted amendments, so the proposal was adopted with 189 votes in favour, out of 192 MPs present. Also, no rapporteur of the competent working bodies of the National Assembly took the floor during the plenary discussion.

The baseline novelty in this moment is the article 5 of the Law which puts the COVID-19 disease caused by the virus SARS-COV-2 in the list of infectious diseases that can be prevented by immunisation.

The following is an overview of important amendments to the Law, in terms of the rights and obligations of citizens, penal provisions and the very application of the new provisions of the Law.

New terms introduced by amendments to the Law and their meaning

The law introduced several new terms, the most important being those related to measures to protect and prevent the spread of infectious diseases.

Personal protection

Personal protection measures imply the behaviour of individuals aimed at protecting themselves and others, their health and lives from a contagious disease (obligation to use protective equipment, respect certain behaviour indoors, at public gatherings, etc.). Specific personal protection measures and the manner of their application are prescribed by the Government (for example, personal protection measures are currently in force – it is mandatory to wear a protective mask while staying in public places indoors and this measure must be applied by all persons).

Home isolation

The measure of home isolation is the isolation of infected persons, with or without symptoms, that do not require hospitalisation, during the period of contagion, with the aim of preventing the spread of a contagious disease. This measure shall be ordered by a doctor of medicine specialist in infectious diseases or by another doctor of medicine in accordance with the order of the Minister, of which they shall inform the territorially competent epidemiologist.

The manner and the control of the application of the home isolation measure shall be prescribed by the Government.

Home quarantine

This measure restricts freedom of movement and monitors the health status of healthy persons who have been in contact, or are suspected to have been in contact, with persons infected with a contagious disease or of passengers in international traffic coming from countries with an unfavourable epidemiological situation. The measure can last at most up until the time of maximum incubation of a certain infectious disease.

The law states that this measure shall be determined by a decision of the sanitary inspector. The inspector shall inform the epidemiologist about the persons to whom the measure should be imposed. The specialist doctor shall also inform the person about the duration of the measures and the manner of their implementation. What is important is that the decision of the sanitary inspector shall also be considered a confirmation of the person's inability to work while this measure lasts, according to which the person in quarantine will be able to gain salary.

The manner and the control of the application of the home quarantine measure shall be prescribed by the Government.

Expanded circle of persons responsible for performing inspection supervision and their authorisations

The circle of those responsible for performing inspection supervision over the application of the Law has been expanded by the latest amendments and the issuing of a misdemeanour order has been included among the rights and duties of inspection bodies.

In addition to the sanitary inspectors who have so far performed supervision within the ministry, in the case of declaring an epidemic of greater epidemiological significance, the work of supervision shall be entrusted to local self-government units. Subsequently, they will be able to perform this supervision through the communal inspection and, in those units where it exists, through the communal police.

The powers granted to these bodies are the following:

Issuing of a misdemeanour order,

Filing charges to the competent authority for a committed criminal offense, i.e. a request to initiate misdemeanour proceedings,

Notifying the other body about the reasons for undertaking measures for which that body is competent.

Exceptionally, when there are reasons for urgency due to the imminent threat to human life and health, due to non-compliance with measures regarding the ban on gathering of people, these bodies may:

Order to vacate the premises/facility in which the prescribed measures were violated; and

Prohibit the performance of activities in the premises/facility until the competent authority shall have undertaken measures, i.e. for a maximum of 72 hours.

The local self-government unit, which will conduct supervision in this way, shall be obliged to ensure the implementation of the plan of joint supervision of the communal inspection and communal police, as well as to submit to the Ministry of Health weekly reports on the conducted supervision and measures taken.

Fines foreseen for non-compliance with the Law

Penal provisions have also been expanded so that fines amounting from 50,000 to 150,000 dinars have been envisaged for natural persons who: (i) do not report to the competent healthcare service at the border crossing, as well as if they do not report to the competent healthcare institution or the institute for public health at the place of residence (it refers to persons coming from countries where diseases that pose a threat to international public health have been identified or where there is an epidemic and a risk of contracting infectious diseases that can be introduced into the country), (ii) in accordance with the issued decision of the sanitary inspector, do not report to the competent healthcare institution or the institute for public health at the place of residence within 24 hours so that their health condition could be monitored (if they are placed under health supervision after entering the country) and (iii) refuse or do not comply with home quarantine measures.

A new Article 85a has been introduced into the Law, which envisages penalties for legal entities that do not ensure the application of personal protection measures in the amount of **300,000 dinars**, or **150,000 dinars** for entrepreneurs. The responsible person in the legal entity will be fined in the amount of **50,000 dinars** for this violation, and the person responsible for the direct application of measures in the amount of **30,000 dinars**.

The same article envisages a fine of **5,000 dinars** for all natural persons who do not adhere to the prescribed personal protection measures at the time of the declared epidemic.

Possibility of recommended or mandatory immunisation has been extended to “all other infectious diseases”

Another important change is the rather widely left possibility of determining the recommended or mandatory immunisation for all persons. Up until now, this was possible for the diseases (infections) listed in article 32 of the Law, while the latest amendments have been extended to all “other infectious diseases”. Such general immunisation is to be ordered by an act of the Minister, in accordance with the recommendations of the World Health Organisation, at the proposal of the Institute of Public Health and with the consent of the Republic Expert Commission for the Protection of the Population from Infectious Disease.

Possibility of restricting the freedom of movement of persons in collective accommodation

Among other changes, it is important to note that the Law now explicitly foresees the possibility of restricting the freedom of movement of persons in collective accommodation. It will be possible to introduce this measure by order of the competent minister for all types and all facilities of collective accommodation or only for those in which are placed persons at increased risk of developing severe forms of illness or death due to infection.

Obligation of medical examination upon entering Serbia from certain countries

Article 53, item 5 of the Law introduces the possibility of mandatory medical examination, laboratory examination or submission of a report on such examination upon entry into Serbia from certain countries.

Other amendments

Another interesting solution, which in a way accompanies the amendments to the Law, is the new paragraph of article 13 of the Law, which stipulates the obligation that persons identified as contacts, adhere to the measures and instructions prescribed by a doctor – specialist in epidemiology. According to such a legal solution, it will be possible, for example, that a certain person is not informed at all about the moment when their obligations were established. How the implementation of this solution and of other measures envisaged by the Law will be organised in practice remains to be defined in more details by the Government in by-laws. The professionals in the matter should prove the functionality of these legal solutions.

LAW ON AMENDMENTS TO THE PROPERTY TAX LAW

The law was adopted on the proposal of the Government on November 26th 2020.

Determination, collection and control of the inheritance tax and gift tax, and the tax on transfer of absolute rights will be under the competence of local self-government units as of January 1st, 2022.

The basic novelty brought by this law is the transfer of competencies for determining, collecting and controlling inheritance and gift taxes, as well as taxes on the transfer of absolute rights, from the Tax Administration to local self-government units. The application of these provisions of the law will commence on January 1st, 2022.

For land over 10 ares, each of the land holders is obliged to pay tax on their share, even when the individual part is inferior to 10 ares.

The law stipulates that the subject of taxation is the right of ownership on land with an area of over ten ares, i.e. the right to use construction land with an area of over ten ares. The amendments to the Law specify that when several persons (for example: co-owners) are subject to property tax on the land, each of these persons is liable to property tax in proportion to their share, including cases when the share of an individual taxpayer is inferior to ten ares.

Classification of auxiliary facilities into a special category of immovable property for the purpose of the tax base determining

The amendments to the law define that auxiliary facilities are independent facilities that are not used for housing or performing activities. These are auxiliary facilities that are not buildings (wells, swimming pools, tanks, cisterns, and the like), auxiliary buildings (street-level buildings and buildings the floor area of which is below the ground) that are used as residential or business facilities (boiler rooms, basements, sheds for storage of firewood, etc.), economic facilities, in accordance with the law governing planning and construction, as well as eaves of an area superior to 10 m² which are independent facilities.

The amendments to the law envisage that, for the purpose of the tax base determining, auxiliary facilities be classified in the same group of immovable property as garages.

It is envisaged that when determining the property tax for 2021, the average prices per square meter of garages and garage spaces in zones, published by November 30th, 2020, be applied to auxiliary facilities.

The law obliges property taxpayers who do not keep business records (for example: natural persons) to submit tax returns for the determination of property tax for real estate that is classified in a different group from the group in which they were classified for the purpose of determining the property tax for 2020, if it is not contained in the submitted tax return or in the data on the type of real estate that the notary public submits to the competent authority of the local self-government unit.

Introduction of tax liability based on digital property inheritance and gifts

The law regulating the field of digital property in Serbia has not yet been adopted. On October 13th, 2020, the Ministry of Finance published the Draft Law on Digital Assets, which defines digital assets as a digital record of value that can be digitally bought, sold, exchanged or transferred and that can be used as a medium of exchange or investment (excluding digital currency records that are legal tender and other financial assets regulated by other laws).

The amendment to the Property Tax Law will oblige the heirs and recipients of digital tokens and other types of digital property to pay inheritance or gift tax.

The heir of the first hereditary order, the spouse and the parent of the testator shall be exempted of the inheritance tax, while the gift recipient of the first hereditary order and the spouse of the donor shall be exempted of the gift tax.

When it comes to digital property, the subject of inheritance and/or gift shall be exempted from tax if it is inherited, i.e. received from the same person during one civil year according to each of these bases and the value thereof does not exceed 100.000 dinars.

Depreciation rate must be equal for the territory of the entire local government unit

The amendments to the law specify that, within its competence to determine the depreciation rate, which can be between 1% and 40%, the local self-government unit must apply the rate it has chosen for the entire territory of the local self-government unit.

Extension of tax exemption for facilities for primary agricultural production

The amendments to the law provide for a tax exemption for facilities intended and used exclusively for primary agricultural production for all taxpayers who do not keep business records, and not only for taxpayers of personal income tax on income from agriculture and forestry, as provided by the previous legal solution.

Registered residence at the address of the property as a basis for reduction of property tax on this particular property

The amendments to the law stipulate that the determined tax on a house or apartment where the taxpayer lives can be reduced by 50% only under the condition that it is the property in which their residence is registered, in accordance with the law governing the residence of citizens, while according to the current legal solution, it was sufficient for the taxpayer to live in the property that is subject to taxation.

Introduction of tax liability based on all property taxes for investment funds

The draft law also introduces a tax liability based on property taxes, inheritance and gift taxes and taxes on the transfer of absolute rights for open-end investment funds and alternative investment funds, which do not have the status of a legal entity and are registered in accordance with the law and on the same grounds as when the taxpayers of these taxes are legal and natural persons.

LAW ON THE CONFIRMATION OF THE LOAN AGREEMENT (SERBIA EMERGENCY COVID-19 RESPONSE PROJECT) BETWEEN THE REPUBLIC OF SERBIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The law was adopted on the proposal of the Government on November 26th 2020.

On May 29th, 2020, the Republic of Serbia signed the Loan Agreement with the International Bank for Reconstruction and Development for the Serbia Emergency COVID-19 Response Project. Within the competences of the National Assembly, that is, within the Constitutional and legal powers, and in order to implement the signed Agreement into the legal system of the Republic of Serbia, the ratification of this international agreement has been proposed.

The Agreement was signed on May 29th, 2020, and the deadline for entry into force is 180 days from the date of its signing, i.e. November 25th, 2020. This means that, if the National Assembly adopts the Law on the Confirmation (ratification) of this Agreement as its entry into force is foreseen after the expiration of 8 days from the date of its publishing in the Official Gazette of the Republic of Serbia, the deadline of 180 days will have been exceeded.

92 million euro loan for overcoming the crisis caused by Covid-19

This Agreement provides the Republic of Serbia with a loan for rapid support in the amount of 92,000,000.00 (ninety-two million) euros, in order to achieve two main goals: response to the threat posed by COVID-19 and strengthening the national health system in order to raise levels of readiness in Serbia.

a. a. 91,03 million euros will be used for Covid-19 crisis management

- case detection, infection confirmation, contact tracking, records, physical distancing measures, communication and health system strengthening.

- 91.03 million euros are planned for the realisation of this component of the agreement.

These activities are aimed at case detection, infection confirmation, contact tracking, records, reporting, physical distancing measures and communication and health system strengthening.

b. 0,92 million euros will be used for project coordination, monitoring and evaluation of prevention

0.92 million euros have been provided to strengthen the capacity of the Project Coordination Unit for coordination, monitoring and evaluation including, inter alia, support for monitoring and evaluation of prevention and preparedness, capacity building for clinical and public health research and joint learning within and between countries, training in participatory monitoring and

evaluation at all administrative levels, workshops for evaluation and development of an action plan for monitoring and evaluation and mapping of successful models.

Loan repayment will last 12 years

The financial terms have been agreed in accordance with the General Conditions of the International Bank for Reconstruction and Development, and the amount of loan of 92,000,000 euros represents the amount of 100,000,000 dollars converted into euros.

The Agreement stipulates that the funds from the loan can be withdrawn no later than 4 months after May 31st, 2022. After that, the loan repayment period begins, which will last 12 years, with the repayment of the principal twice a year, in June and December, of which the first instalment matures on June 15th, 2023, and the last on December 15th, 2031. The instalments to be paid from June 15th, 2023 to June 15th, 2031 have been set at 5.56% of the principal, which amounts to 5,115,200 euros, and the last instalment due on December 15th, 2031 will be calculated in the amount of 5.48% of the principal, i.e. it will amount to 5,041,600 euros.

Interest on the loan will be accrued at the reference rate increased by a fixed margin of 0.5%

In order to repay the loan, the Republic of Serbia will pay interest semi-annually (on June 15th and December 15th each year), for each interest period at the Reference Rate for the loan currency (six-month EURIBOR) increased by a fixed margin of 0.50%, with the possibility of different types of conversion, if it is assessed that it is more favourable from the point of view of public debt management.

Under this agreement, the fee for non-withdrawn funds is 0.25% annually. From the date of calculation of the fee for non-withdrawn funds until the first year from the beginning of the calculation of the fee, it will amount to 0%.

The Republic of Serbia will pay a one-time access fee of 0.25% of the total principal from the loan funds, which amounts to EUR 230,000 (two hundred and thirty thousand).

Serbia has committed to achieve goals with the help of the nhia and the institute of public health

With this agreement, the Republic of Serbia undertook to realise the agreed goals with the help of the National Health Insurance Administration and the Institute of Public Health of Serbia in planning, executing and monitoring the selected activities.

LAW ON CONFIRMATION OF THE FRAMEWORK LOAN AGREEMENT LD 2053 (2020) BETWEEN THE COUNCIL OF EUROPE DEVELOPMENT BANK AND THE REPUBLIC OF SERBIA, FOR FINANCING THE PUBLIC SECTOR – SUPPORT TO THE EFFORTS OF THE REPUBLIC OF SERBIA TO MITIGATE THE COVID-19 PANDEMIC

The law was adopted on the proposal of the Government on November 26th 2020.

In addition to the signed Loan Agreement signed by the Republic of Serbia on May 29th, 2020 with the International Bank for Reconstruction and Development within the “Serbia Emergency COVID-19 Response Project”, the Bill on Confirmation of the Framework will be on the agenda. The Loan Agreement was signed between the Council of Europe Development Bank and the Republic of Serbia, intended to finance the public sector – support to the efforts of the Republic of Serbia to mitigate the COVID-19 pandemic, in Belgrade on May 27th, 2020 and in Paris on May 19th, 2020.

200 million euro loan for overcoming the crisis caused by Covid-19

In order to best respond to the situation caused by the COVID-19 virus, the state has increased the scope of procurement of medical supplies and equipment, primarily protective equipment, masks, gloves, disinfectants, respirators, ventilators, etc. It was necessary to start equipping temporary hospitals for the reception of patients, constructing and renovating laboratories and hospitals so that the health system of the Republic of Serbia would be able to better cope with this pandemic.

In order to enable additional borrowing, two decrees were passed regulating the borrowing of the Republic of Serbia due to the consequences of the coronavirus pandemic and on the basis of which borrowing from the Council of Europe Development Bank was approved for a loan to finance public sector health support, in the amount of EUR 200,000,000.

Purpose

Health sector financing: sanitary material, protective equipment, medical and other equipment, tests, protective equipment for suppliers.

The aim of this loan is to provide support to the budget of the Republic of Serbia because these funds will cover extraordinary operating costs of health services and procurement of equipment and consumables needed to resolve the emergency situation caused by COVID-19 in the Republic of Serbia.

The said Framework Loan Agreement will provide support to the health sector to cover the increased costs of procurement of medical supplies, personal protective equipment, medical and other equipment and consumables, reagents, coronavirus tests, protective masks for employees of companies providing necessary goods or services, consumables for addressing health emergencies, all with the aim of fighting the coronavirus. It will also finance the purchase of pharmaceutical and medical products, as well as the improvement of protective measures in hospitals, including protective clothing, masks, gloves and equipment.

The final beneficiaries of the loan are the citizens of the Republic of Serbia, and in particular persons infected with COVID-19, primarily those over 65 years of age with chronic diseases, who require medical assistance, as well as exposed medical personnel.

Medical waste management in all health centers

With this Agreement, the Republic of Serbia has committed, inter alia, to ensure that in all health centres, as well as in the newly repurposed areas, there will be a medical waste management plan with accompanying documentation.

Funds will be available in 2020 and 2021, with a 15-year repayment term

The loan funds, amounting to 200 million euros, will be available and approved to the Republic of Serbia in the fiscal years 2020 and 2021 with a maturity of up to 15 years, including a five-year grace period, while the interest rate will be determined separately for each instalment in accordance with the applicable conditions on the international financial market at the time of its withdrawal.

The deadline for the availability of loan funds is December 31st, 2021.

LAW ON THE CONFIRMATION OF THE FRAMEWORK LOAN AGREEMENT LD 2026 (2019) BETWEEN THE COUNCIL OF EUROPE DEVELOPMENT BANK AND THE REPUBLIC OF SERBIA FOR THE PROGRAMME LOAN – WATER SUPPLY AND WASTE WATER TREATMENT FACILITIES

The law was adopted on the proposal of the Government on November 26th 2020.

The Framework Loan Agreement was signed between the Council of Europe Development Bank and the Republic of Serbia for the Programme Loan – Water supply and waste water treatment facilities amounting to 200,000,000 euros, in order to finance a part of the investment programme that will be implemented in the Republic of Serbia in the period from September 1st, 2020 to June 30th, 2026, in order to reduce water pollution and increase resilience to climate change in the water supply and sewerage services sector in the Republic of Serbia.

The reason for proposing the Bill on the Confirmation of the Framework Agreement for the Programme Loan – Water supply and wastewater treatment facilities are the provisions of the Constitution of the Republic of Serbia, which stipulate that the National Assembly ratifies international agreements when the law stipulates the obligation to ratify them, as well as the provisions of the law which prescribe the obligation of the National Assembly to ratify international agreements which create financial obligations for the Republic of Serbia.

200 million euro loan for wastewater treatment and more efficient water supply

The Budget Law of the Republic of Serbia for 2020 approved borrowing from the Council of Europe Development Bank for the implementation of the Environmental Infrastructure Improvement Project in the amount of up to EUR 500,000,000, which includes this Programme Loan - Water supply and wastewater treatment facilities amounting to 200,000,000 euros.

The aim of the Programme is to finance priority investments in Serbia in the water sector, primarily in the subsectors of water supply and wastewater treatment. The signatories estimate that close to two million people in about 60 municipalities across the country will directly benefit from this Programme. The Programme consists of two components.

The total value of the programme is 300 million

This agreement provides 65% of the funds, while the rest is provided by the European Investment Bank (14% of the loan and 3% of the donation), IPA fund (14% of the donation) and local government budgets (4%).

The total value of the Programme is estimated at 300 million euros, and will be financed as follows: up to 200 million euros or 67% of the total value of the Programme will be provided by the Bank's loan funds through this Framework Agreement, 40 million euros, or 14% of the total value of the Programme is a loan from the European Investment Bank, 10 million euros or 3% of the total value of the Programme will be financed from a grant from the European Investment Bank, through the Economic Resilience Initiative, 40 million euros or 14% of the total value of the Programme will be provided from an IPA grant, while the remaining 10 million euros or 4% of the total value of the Programme will be provided from the budget of local governments.

The Programme should contribute to the quantity and quality of water resources by reducing wastewater pollution and increasing water supply efficiency. Wastewater treatment will reduce the population's exposure to water-borne diseases and protect current economic activities related to water resources, which are affected by the continuous deterioration of water quality. The Programme will subsequently improve the general environment, and should also bring concrete benefits based on improved environmental protection and improved utilities, which would directly reduce the general pollution of surface and groundwater, preserve water resources, as well as biodiversity and ecosystems that depend on these surface waters.

The priority of the project is the refurbishment of water supply networks in about 60 municipalities

The focus of the water supply component is on the renewal of water supply networks with the implementation of priority measures in about 60 municipalities.

This component has been designed as a priority grant programme for municipalities. All municipalities have been invited to participate and finance priority measures to improve their water supply networks through the Public Investment Management Office (PIMO), which will be in charge of overall management in order to ensure investment eligibility and documentation quality.

New wastewater treatment facilities will be built in selected municipalities

The wastewater component refers to the construction of new wastewater treatment plants in selected municipalities, as well as the remediation and possible expansion of the sewerage network.

For this component, the Ministry of Environmental Protection (MoEP) has developed an indicative investment programme that includes priority infrastructure for the wastewater sector and initial cost estimates for preparation, construction, monitoring, contingencies and institutional support. For this component, the MoEP will be responsible for project preparation and implementation in cooperation with the PIMO. The PIMO will be responsible for procurement activities, including calls for tenders, contracting, financial management (accounting and payments), evaluation, supervision and control, in accordance with the agreement between the MoEP and the PIMO.

Maximum repayment period is 20 years

The maximum loan repayment period offered by the Bank is up to 20 years, including a grace period of up to 5 years (suspension of loan principal repayment), which is specified when withdrawing each loan instalment. The deadline for the availability of loan funds is December 31st, 2026.

LAW ON AMENDMENTS TO THE LAW ON ESTABLISHING THE PUBLIC INTEREST AND SPECIAL PROCEDURES FOR EXPROPRIATION AND ISSUANCE OF A BUILDING PERMIT FOR THE IMPLEMENTATION OF THE “BELGRADE WATERFRONT” PROJECT

The law was adopted on the proposal of the Government on December 17th 2020.

Lack of legal grounds for expropriation

According to the provisions of the Law on Expropriation of the Republic of Serbia, there is no possibility of establishing the public interest in the expropriation of real estate for the construction of privately owned business and residential buildings.

As a matter of fact, expropriation can be performed for the needs of the Republic of Serbia, autonomous province, city, city of Belgrade, municipality, public funds, public enterprises, companies established by public enterprises, as well as for the needs of companies with majority state capital established by the Republic of Serbia, autonomous province, city, city of Belgrade, or municipality, unless otherwise provided by the Law.

Public interest under special law

In order to implement the “Belgrade Waterfront” project, the National Assembly of the Republic of Serbia adopted the lex specialis on April 9th, 2015 – the Law on Establishing the Public Interest and Special Procedures for Expropriation and Issuance of a Building Permit for the Realisation of the “Belgrade Waterfront” project.

Expropriation of immovable property by emergency procedure

This Law prescribes and establishes the existence of public interest for the expropriation of real estate, in order to build a business and residential complex “Belgrade Waterfront”, with accompanying infrastructure, which provides a legal basis for the expropriation of these properties. The law entered into force on the day following its adoption.

Deadline for submission of expropriation proposals expired

The Law on Establishing the Public Interest and Special Procedures for Expropriation and Issuance of a Building Permit for the Realisation of the “Belgrade Waterfront” project sets a deadline for submitting proposals, and that deadline expired on April 14th, 2020.

For that reason, the Bill on amendments to the Law on Establishing the Public Interest and Special Procedures for Expropriation and Issuance of a Building Permit for the Realisation of the “Belgrade

Waterfront” project extended the deadline for submitting proposals for expropriation from five to seven years from the date of its entry into force.

Impossibility of amending the law due to the pandemic

In the explanation of the Bill, as the reason for changing the prescribed deadline after its expiration, it is stated that due to the outbreak of the COVID-19 virus pandemic and the introduction of the state of emergency, there were no conditions for an earlier change.

Ministry of finance as a drafting authority of the law

The Bill on Amendments and Extension of the Deadline for Submission of Proposals for Expropriation, on behalf of the authorised proposer – the Government of the Republic of Serbia, was drafted by the Ministry of Finance of the Republic of Serbia

The ministry of finance decides in the event of rejection of the proposal for expropriation

In the procedure upon the submitted proposal for expropriation, the Ministry of Finance decides on the appeal against the conclusion on the rejection of the proposal for expropriation.

Amendments to the law by urgent procedure

It is proposed that this Law enters into force on the day following the day of its publication in the “Official Gazette of the Republic of Serbia”, since there are especially justified reasons for that, and they are reflected in the necessity of continuing the expropriation of the immovable property.

No additional financial resources from the Budget are foreseen for the implementation of the Law.

LAW ON AMENDMENTS TO THE LAW ON MANDATORY SOCIAL SECURITY CONTRIBUTIONS

The law was adopted on the proposal of the Government on December 17th 2020.

The main content of the proposed amendments to the Law on Contributions for Mandatory Social Insurance refers to extending the period of application of existing benefits for employment of new persons and specifying the category of employer who is entitled to use benefits based on employment of qualified newly engaged employees.

The proposed legal solution gives private sector employers another fiscal incentive in order to invest in jobs and employ more people.

Extension of the period of application of existing exemptions for employment of new persons

It is proposed that the employer – legal entity, entrepreneur, lump sum entrepreneur or agriculturist entrepreneur, who hires a new person is entitled to a refund, in 2021, of a part of the paid contri-

butions for mandatory social insurance, at the expense of the employee and at the expense of the employer, based on salary for the newly employed person paid until December 31st, 2020.

The employer does not have to be entered in the register of the competent authority

The legal wording is changed so that the employer – a newly established company that performs innovative activities in the sense of the law governing corporate income tax, can exercise the right to exemption from paying contributions at the expense of the employee and the employer based on the earnings of the founders who are employed in that company.

The note 'legal' or 'natural entity' is deleted when specifying the employer

According to the proposed changes, the employer is the one – who at any time in the period from January 1st, 2020 to December 31st, 2022 concludes an employment agreement with a qualified new employee in accordance with the law governing employment and who declared the said qualified new employee to the mandatory social insurance in the Central register of the mandatory social insurance.

Categories of the employer who is entitled to use the exemptions on the basis of employment of a qualified newly employed person

In the sense of this article, an employer is a legal entity, entrepreneur, lump sum entrepreneur, agriculturist entrepreneur, representative office, subsidiary of a foreign legal entity or a natural person.

Effect of proposed solutions about 6 billion dinars gross loss of budget revenue

It is expected that the exemptions proposed by this Law, the duration of which has been extended by this Bill, will have an impact to the Budget of the Republic of Serbia in the amount of about 6 billion dinars of gross loss of income, which is considered justified given the effects in terms of employment incentives.

Enforcement

It is proposed that this Law enter into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of Serbia", and be applied from January 1st, 2021.

LAW ON AMENDMENTS TO THE LAW ON PUBLIC PROPERTY

The law was adopted on the proposal of the Government on December 17th 2020.

The reasons for the adoption of the Law on Amendments to the Law on Public Property are said to serve to eliminate the shortcomings observed in the previous application of the Law on Public Property.

Limited validity of the real estate market value appraisal

The proponents noticed that the market values of real estate had been changing rapidly in recent years, so it was necessary to limit to two years the validity of the real estate market value appraisal performed by the tax or other competent authority or licensed appraiser. The effect strived for would be to enable the monitoring of trends in price changes in the real estate market by constantly updating real estate appraisals.

Autonomous provinces, local self-government units, public enterprises, capital companies and their subsidiaries were late for submitting requests for registration

The current provisions of the Law on Public Property stipulates that autonomous provinces, local self-government units, public companies, capital companies and their subsidiaries can submit requests for registration of property rights on real estate until December 31st, 2020.

Bearing in mind that until this date, a large number of the mentioned entities have not submitted requests for registration of property rights in the public records on real estate and rights pertaining thereto, as a result of which, they would lose that right after the stated deadline. As a reason for the expiration of the deadline, the proponent stated that in the previous period there were difficult working conditions of these entities caused by the outbreak of the COVID 19 virus pandemic, and the declaration of the state of emergency in the Republic of Serbia on March 15th, 2020.

Extension of the deadline for submitting a request for registration of property does not happen for the first time

Amendments to the law extend the deadline for submitting a belated request for registration of public property rights of the autonomous province and local self-government unit, i.e. property rights of a public company and capital company for another year, until December 31st, 2021.

As a matter of fact, despite the fact that the stated deadline was extended several times, the autonomous province, local self-government units, public companies, capital companies and their subsidiaries, for objective and subjective reasons, did not conduct the procedure of registration of property rights on real estate they use, so it is necessary to extend this deadline in order to allow these entities to submit a subsequent request by December 31st, 2021.

Registration of property rights with confirmation of the restitution agency that return to the previous owner is not possible

The amendment to the decision was proposed according to which the authority in charge of registration may allow the registration of public property of the autonomous province and local self-government unit even when no confirmation has been submitted by the Restitution Agency stating that no request has been submitted for the real estate in accordance with the Law on Restitution of Confiscated Property and on Compensation, provided that from the submitted request and submitted documentation it can be unequivocally established that the return of the real estate in kind to the previous owner, i.e. the legal successor is excluded by the law governing the return of confiscated property and compensation.

The new solution stipulates that the authority in charge of registration will allow the registration of public property of the autonomous province and local self-government unit in a situation when one of the documents has not been submitted, if the request is accompanied by a certificate from the Agency for Restitution stating that the return of the real estate in question in kind to the previous

owner, i.e. the legal successor is not possible under the Law on Restitution of Confiscated Property and on Compensation.

Compulsory consultation was not carried out

The proponent stated that during the drafting of the Law, he took into account and applied the Decree on the methodology of public policy management, analysis of the effects of public policies and regulations and the content of individual public policy documents.

This Regulation prescribes the obligation to conduct consultations during the development of public policy and drafting of public policy documents, as well as during the drafting of regulations, whereas their purpose is to collect data from stakeholders and target groups necessary for conducting impact analysis, in order to define optimal public policy measures, i.e. solutions in regulations.

Proponents of public policy documents, i.e. drafting authorities, are obliged to consult with representatives of all target groups and other stakeholders identified in accordance with article 11 of this Regulation, using an appropriate consultation technique, during the drafting of that document, i.e. law, i.e. during the ex-ante impact analysis.

In this case, however, this consultation was left out.

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O vama se radi.