



РЕПУБЛИКА СРБИЈА
МИНИСТАРСТВО ЖИВОТНЕ СРЕДИНЕ,
РУДАРСТВА И ПРОСТОРНОГ ПЛАНИРАЊА

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National Environmental Approximation Strategy

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Strategic objective

- The overall strategic objective for Serbia is to attain EU membership
- In order to achieve the objective Serbia has to complete the approximation process of transposing, implementing and enforcing all the chapters of the EU *acquis*, including Chapter 27 on environment
- Chapter 27 represents approximately one third of the *acquis* and the bulk of the required investments

NEAS

- The Minister of Environment, Mining and Spatial Planning is politically responsible for this chapter and the Ministry has overall coordination role
- To guide the accession process in environmental sector, the National Environmental Approximation Strategy (NEAS) was adopted on 13th October 2011 by the Government of Serbia

Approximation planning hierarchy

- This NEAS represents the highest level within the approximation planning hierarchy
- The Sector Strategies are developed in line with needs for action in transposition, implementation and enforcement and infrastructure development in each sector
- The directive specific implementation plans correspond to operational plans in the hierarchy. They are being developed so that the tactical objectives for each sector can be achieved economically, efficiently and effectively

Sectoral strategies

- The NEAS is accompanied by seven sector strategies that provide more specific strategic direction in each of the respective environmental sectors:
 - Horizontal
 - Air Quality & Climate Change
 - Industrial Pollution & Noise
 - Water Management
 - Waste Management
 - Nature Protection & Forestry
 - Chemicals & GMOs.

Directive specific implementation plans

- DSIPs for following directives are being developed by the EAS project:
 1. UWW
 2. LANDFILLS
 3. INDUSTRIAL EMISSIONS
 4. NOISE
 5. EMISSIONS CEILINGS
 6. EMISSIONS TRADING
- To be completed prior to 30 April 2012
- DSIPs are expected to contain project level information and will serve as background for further investment and financing planning

DSIP on Urban Waste Water

- Will include:
 - A list of designated agglomerations
 - Description of existing service levels
 - Identification of investment needs
 - Expected O&M costs

Way forward

- Progress in three areas:
 - Transposition of the EU's environmental legislation into national legislation
 - Development of the administrative capacity to implement, monitor and enforce that legislation
 - Establishing the infrastructure required to comply with the legislation

Transposition and institutional development

- Whole *acquis* should be transposed on a short term basis (2011-2014)
- Reform of institutions shall be implemented until 2016
- MEMSP is taking the leading role for coordination of transposition and institutional development
- Cooperation among institutions is essential

Costs (1)

- The cost calculations have largely focused on the “Heavy Investment Directives”, which are:
 - Urban Waste Water
 - Drinking Water
 - Nitrates
 - Municipal Solid Waste which bundles the Landfill, Packaging, Waste Electrical and Electronic Equipment and Batteries Directives
 - Large Combustion Plants which includes both Thermal Power Plants and Heating Plants.

Costs (2)

- The highest cost will be in:
 - Water sector amounting to €5.6 billion
 - Waste sector with €2.8 billion
 - Industrial pollution and noise sector with €1.3 billion
- Accumulated Total Cost 10.584 BEUR (both investment and operational)
- Total costs estimated 1400 EUR/capita (average 1150 EUR/capita in previous enlargement)

Investment needs

Sector	Costs (MEUR)
Water	3505
Waste	555
Industrial pollution and noise	1101
Nature protection	56
Air quality and climate change	214
Chemicals and GMOs	59
TOTAL	5490

Affordability

- Charges shall be affordable on average
- In the case of domestic consumers a limit of 4% of average household income is taken as the upper limit of expenditure on total combined services (water and wastewater, including taxes and fees)
- In waste household expenditure is assumed at the 1.5% threshold

Supply of environmental financing

- Total burden could reach about 3% of GDP going to environment
- It is estimated that the annual total costs (i.e. administration, capital expenditure, and operation and maintenance) will exceed the funding that can be raised from user tariffs until 2024
- Until full cost recovery is achieved, cost recovery should at least cover operational costs
- **The funding gap after cost recovery must be covered by a mix of instruments, including local and external sources**

Closing funding gap

- Financing from Serbian public sector institutions
 - Central budget
 - Local Self-Government budgets
 - Other public sector institutions (SEPA, National Investment Plan (NIP))
 - SEPF
 - Water Directorate
 - Budgetary Fund of the Autonomous Province of Vojvodina for Water

Few examples of national sources

	2007	2008	2009	2010	2011
SEPF	15,55	23,13	22,41	50,22	140,43
Water Directorate	47,8	49,78	42,55	51,64	-
TOTAL	63,35	72,91	64,96	101,86	140,43

These funds are earmarked for environmental investments

Need for external support

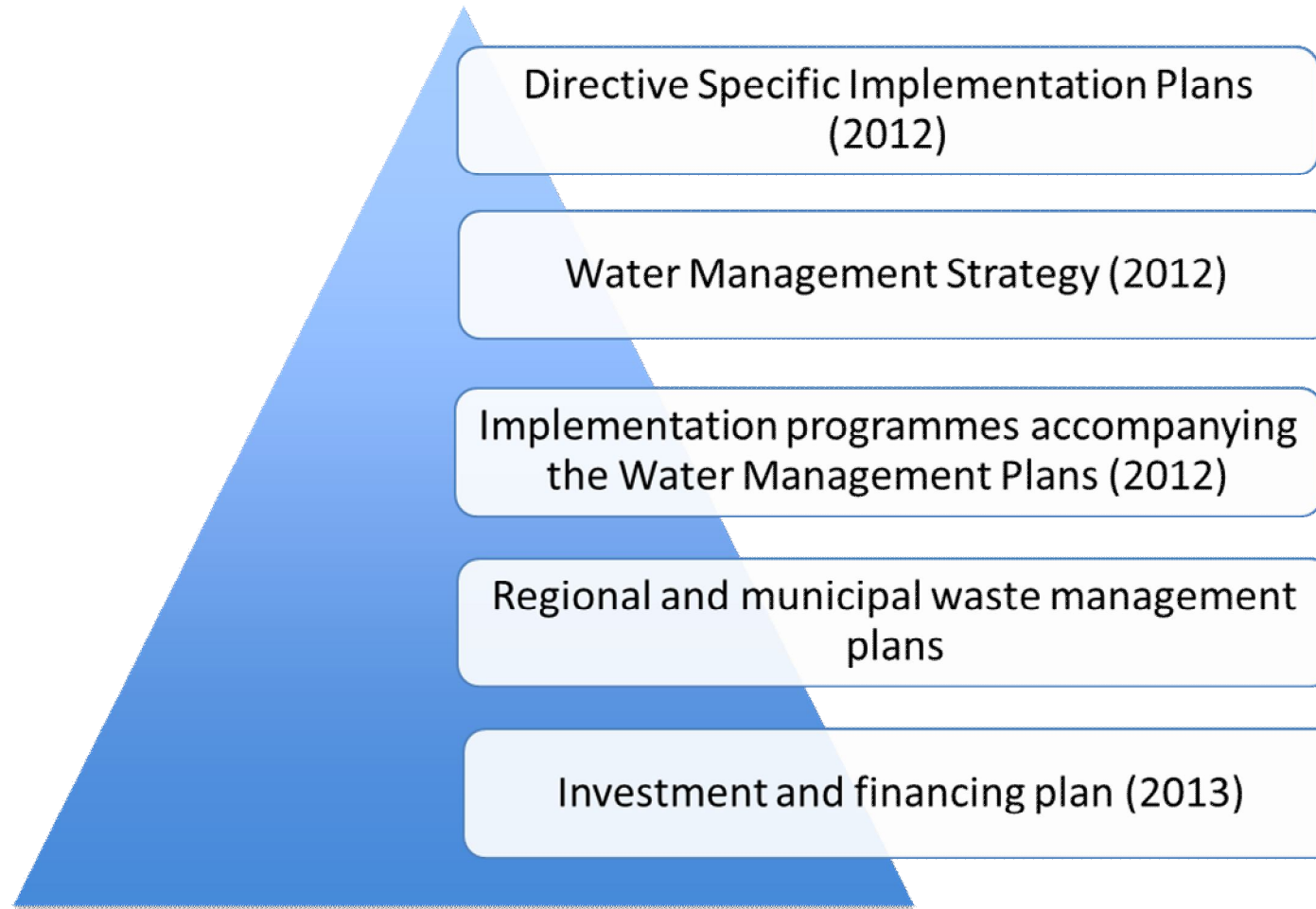
- The balance of funding that will need to be provided annually by the public sector is high, between €200 and €400 Million per annum until 2024
- Serbia will require external support for capital expenditure

Transitional periods for heavy investment directives

Tentative accession date of 1st January 2019 has been assumed by the NEAS purposes solely

Directive	Transitional period
Urban waste water	2030
Nitrates	2025
Waste (landfill + packaging + batteries + WEEE)	2024
Large combustion plants	2023

Planning. Next steps



Conclusions (1)

- EU accession issues are considered as highest priority and institutional and financial resources concentrated on this task
- Strong leadership for Chapter 27 Environment is established
- Planning process is well advanced and continues from general to more detailed activities producing more information for investment projects

Conclusions (2)

- Costs of approximation are high and requires concentration of all possible resources
- Systematic co-financing established from the Environmental Protection Fund for environmental infrastructure
- Donors funds considered as very important co-financing component in the EU accession process