



GOVERNMENT OF THE REPUBLIC OF SERBIA

**Negotiating Position of the Republic of Serbia for the Intergovernmental
Conference on Accession of the Republic of Serbia to the European Union**

For Chapter 30 - External relations

Belgrade, May 2017

I. Introductory statement

The Republic of Serbia accepts the European Union *acquis* covered by the Chapter 30 – External relations as in force on January 1st 2017 and will be in the position to implement it fully by the date of accession to the European Union.

The Republic of Serbia will implement any new EU *acquis*, namely *acquis* adopted after 1st 2017, under this chapter before its EU accession, in accordance with the results of the negotiations.

The Republic of Serbia does not request any specific derogations or transitional periods for the implementation of the EU *acquis* under this Chapter.

II. Legislative and institutional framework

II.a Common Commercial Policy

II.a.1 Legislative framework

Foreign Trade Regime

The Law on Foreign Trade Transactions ("Official Gazette of the Republic of Serbia", No. 36/09, 36/11- other law, 88/11 and 89/15 - other law), is the basic law that regulates foreign trade and implementation of trade policy measures. This law regulates the basic principles of foreign trade transactions, the conditions and procedures for the adoption of measures, as well as trade defense measures (anti-dumping, countervailing and safeguard measures).

The law is in compliance with the WTO rules and principles and EU regulations in this area.

Issuing and use of authorisations for import and export is regulated by the Law and by the Decree on conditions for the issuing, use and cancelation of authorisations for export, import and transit of goods and quotas allocation ("Official Gazette of the Republic of Serbia", No. 47/10) and provides the issuance of automatic and non-automatic authorisations (licenses). Automatic authorisations (licenses) have not been applied in Serbia so far.

This Decree is in compliance with the Regulation (EC) No 1061/2009 establishing common rules for exports, Regulation (EC) No 260/2009 on common rules for imports (Codified version) and Regulation (EC) No 717/2008 establishing a Community procedure for administering quantitative quotas (Codified version). Further alignment with the Regulation (EC) No 479/15 and Regulation (EC) No 478/2015 will be completed before the EU accession.

In accordance with the Law and Decree, the following Decisions are in force:

– The Decision on preferential import of cigarettes from European Union into the Republic of Serbia ("Official Gazette of the Republic of Serbia", No. 79/14) – that regulates specific terms for the quota allocation for import of cigarettes, originating from the European Union, to the Republic of Serbia, within the total annual tariff quota of 1625 tons. This Decision is in compliance with Article 11 of the Protocol amending Stabilization and Association Agreement between the Republic of Serbia, on the one side, and the European Communities and their Member States, on the other side, to take account of the accession of the Republic of Croatia to the European Union.

– The Decision on export of sugar into the countries of European Union ("Official Gazette of the Republic of Serbia", No. 60/10, 77/14, 18/15) is in compliance with Regulation No. 891/2009 on opening and providing for the administration of certain Community tariff quotas in the sugar sector, and the Protocol amending the Stabilization and Association Agreement between the Republic of Serbia, on one side, and the European Communities and their Member States, on the other side, to take account of the accession of the Republic of Croatia to the European Union.

– The Regulation on Detailed Conditions for Implementation of Anti-dumping Measures ("Official Gazette of the Republic of Serbia", No. 112/09) is in compliance with the Regulation (EC) No 1225/2009 on protection against dumped imports from countries not members of the European Community (repealing Regulation (EC) No 384/96 on protection against dumped imports from countries not members of the European Community). Further alignment with the Regulation (EC) No 1036/16 will be completed before the EU accession.

– The Regulation on Detailed Conditions for Implementation of Countervailing Measures ("Official Gazette of the Republic of Serbia", No. 112/09) is in compliance with Regulation (EC) No 597/2009 on protection against subsidized imports from countries not members of the European Community. Further alignment with the Regulation (EC) No 1037/16 will be completed before the EU accession.

– The Regulation on Detailed Conditions for Implementation of Safeguard Measures ("Official Gazette of the Republic of Serbia", No. 112/09) is in compliance with the Regulation (EC) No 260/2009 on the common rules for imports. Further alignment with the Regulation (EC) 478/15 will be completed before the EU accession.

World Trade Organization

The Republic of Serbia started the process of the WTO accession in February 2005 after WTO General Council approved the request for accession and established the Working Party on the accession of Serbia to the WTO. Thirteen meetings of the Working Party took place so far. The last one was held on 13 June 2013 in Geneva.

Bilateral negotiations are concluded with Japan, Norway, Honduras, Republic of Korea, European Union, Canada, Switzerland, Ecuador, China, El Salvador, Dominican Republic, Panama, United Mexican States and India.

Negotiations are still open with USA (goods - agricultural products), Brazil (goods - agricultural products), Ukraine (goods and services) and the Russian Federation (goods and services).

On the multilateral level, Serbia has harmonized its legislation with basic WTO principles and rules, with one outstanding issue remaining - the Law on GMO.

The accession process is coordinated by the Ministry of Trade, Tourism and Telecommunications. The Republic of Serbia will continue to consult with the European Commission during its WTO accession process in order to ensure that the EU commercial interests are taken into account.

General System of Preferences

The Republic of Serbia has not provided preferential treatment to any country within Generalized Scheme of Preferences (GSP). Serbia is currently a user of preferences for the exports to United States of America, Japan, Australia and the Customs Union Countries (Russian Federation, Belarus and Kazakhstan). Serbian Chamber of Commerce is issuing a Certificate of origin (FORM A) upon a written request from the exporter if the requirements for the use of the certificate are fulfilled in the preference giving country.

Textile

Agreement between the Republic of Serbia and the European Community on trade in textile products, signed in 2005, was in force until the entry into force of the Interim Trade Agreement, on 1st of February 2010, which inter alia includes trade in textile products.

Serbia does not apply any trade restrictions on imported textile products from non EU countries.

Steel

The Republic of Serbia does not apply trade restrictions on imports of steel and steel products.

Tariff quotas

Tariff quotas are presented in the Regulation on Harmonization of the Customs Tariff Nomenclature for 2017 („Official Gazette of the RS”, No. 97/16). Method used for management of tariff quotas in Serbia is „first come – first served”. Data about availability of tariff quotas are published on daily basis on the website of the Customs Administration of the RS – (www.carina.rs).

Quotas are allocated through licenses, or according to the criteria adapted to the type of goods (for example: the allocation of quotas for the import of cigarettes from the EU within the annual

tariff quota). The quota allocation is carried out by the ministry responsible for foreign trade, pursuant to the Law on Foreign Trade Transactions ("Official Gazette of the Republic of Serbia", No. 36/09, 36/11- other law, 88/11 and 89/15- other law), and regulations governing the allocation of specific tariff quotas, in accordance with the relevant EU regulations.

Autonomous tariff suspensions

Republic of Serbia is implementing autonomous tariff suspensions which provide for partial or complete reduction of custom tariffs on certain products for the defined time period. Legal basis for this is prescribed in Article 30, paragraph 3, point 6, of the Customs Law („Official Gazette”, No.18/10, 111/12, 29/15 and 108/16). Government prescribes conditions, procedure and manner of implementation of the measures, for the goods that are not produced in Serbia or not produced in sufficient quantities or do not correspond to the needs of the domestic industry and domestic market. Currently, the Decision on the Conditions and Manner of Reducing Customs Duties on Certain Goods and Exemption of Certain Goods from Customs Duties in 2017 („Official Gazette of the RS” No 105/16) is in force. Serbia is planning to continue the implementation of those measures until the day of the accession to the EU.

Export credits

Law on Serbian Export Credit and Insurance Agency (AOFI) (“Official Gazette of the Republic of Serbia” No. 61/2005 and 88/2010) is already mostly aligned with the EU acquis. In terms of direct and indirect business financing, as well as in guarantee operations, all the terms and conditions of the products that AOFI is offering to Serbian exporters are aligned with the market conditions, so no changes are necessary in this part. Amendments to the Law on AOFI, regarding the harmonization of terminology and definitions, especially those concerning the market and non-market risks, in the terms they are used by the EU, will be adopted until the day of the accession of the Republic of Serbia to the EU.

Serbian Export Credit and Insurance Agency j.s.c. is the official export credit agency of the Republic of Serbia, established in 2005, by a special Law on AOFI for the purpose of export promotion and development of foreign economic relations, with original capital of 25 million EUR. AOFI provides export credit insurance, direct and indirect financing and guarantees of Serbian export-oriented companies. Main goal of AOFI is to create strategic improvement of conditions for business operations for export oriented companies and overall promotion of export structure of the Republic of Serbia. AOFI operates under market conditions and under the principles of liquidity, safety and profitability consistently implementing measures for preservation of the real value of capital and measures for the protection against business risks. In terms of „state aid“ AOFI operates in line with the OECD Guidelines for export credit insurance, both for market and non-market risks.

Export control – Dual-Use Goods

The Law on the Export and Import of Dual Use Items (Official Gazette of RS, No 95/2013) prescribes the manner and conditions under which the exporting, importing and transit of dual-use items can be performed, as well as the provisions of brokering services and technical assistance related to dual-use items. The Law is completely harmonized with Council Regulation (EC) No 428/2009, except in the field of global and general authorizations. The Republic of Serbia will take note of the new proposal for recast the Council Regulation 428/2009, and it will be subject to further harmonization of national legislation, after changes are adopted by the EU.

Pursuant to Article 5 of the mentioned Law, the Government of the Republic of Serbia determines the national control list of dual-use items. In March 2016 the Government of the Republic of Serbia adopted Decision on the determining the national control list of dual-use items (Official Gazette of RS, No 29/2016) which is completely harmonized with Commission Delegated Regulation (EU) 2015/2420 from 12 October 2015 amending Council Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items.

Pursuant to the Law the following bylaws were adopted:

1. The Rulebook on the form and content requirements for an authorization, the authorization form, the form and content of the certificate and the certificate accompanying the export and import of dual-use goods (“Official Gazette Republic of Serbia”, No 9/14 and 55/14) Term “certificate” includes certificates regulated by this Rulebook - EUC (End User Certificate), IIC (International Import Certificate) and DVC (Delivery Verification Certificate).

2. The Rulebook on the form and content of the report on export, import, brokering activity and technical assistance of dual use items (“Official Gazette Republic of Serbia”, No 9/14 and 55/14). This Rulebook prescribes form and content of the report that companies id exporters, importers, brokers or technical assistance providers submit to the Ministry. In accordance with Article 26 of the Law on the Export and Import of Dual Use Items, the Government of the Republic of Serbia adopts Annual National Report on performed activities of exports, imports, brokering services and technical assistance provided in the field of armaments, military equipment and dual-use items. Annual Report for 2014 was adopted in April 2016 (Official Gazette of Republic of Serbia, No 42/16) and translated into English. The full text can be found at <http://www.seesac.org/Serbia-2/>.

The Republic of Serbia is a member of NSG (Nuclear Supplier’s Group) from 2013, and that was the first international control regime that Republic of Serbia has joined. The Republic of Serbia has applied for the membership to the Wassenaar Arrangement in 2009. Admission procedure is in its final stage. After applying for membership, Serbia has adopted two new laws in the field of export controls - Law on the Export and Import of Dual Use Items (Official Gazette of RS, No 95/2013) and Law on Export and Import of Arms and Military Equipment (Official Gazette of RS, No 107/2014). Moreover, during the last meeting with co-rapporteurs (in Belgrade, November 2015) it was concluded that Serbia has made progress in all segments and has

successfully implemented adopted laws. In February 2017, the Republic of Serbia has applied for the membership in Australia Group. The procedure of applying for membership in other international control regimes (MTCR, ZG), is not initiated yet, but it will be considered in a due time, notably when application to Australia Group reach its final phase.

Trade restrictions on goods which could be used for torture

Pursuant to Article 14 of the Law on Foreign Trade Transactions (“Official Gazette of the Republic of Serbia“, No. 36/09, 36/11-other law and 88/11) the Government of the Republic of Serbia adopted Regulation concerning the export and import of goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment (Official Gazette of RS, No. 110/14) which is completely harmonized with Regulation (EC) No 1236/2005. The Regulation contains lists of goods that could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment which is completely harmonized with the EU lists from July 2014 (Commission Implementing Regulation No. 775/2014).

The List of anaesthetics is subject to control based on the Decree on conditions for the issuing, use and cancelation of authorizations for export, import and transit of goods and quotas allocation ("Official Gazette of the Republic of Serbia", No. 32/15 and 105/15).

The Republic of Serbia takes note on the amendments done by Regulation (EU) No 2134/2016 and will harmonize its legislation with that Regulation before the EU accession.

II.a.2 Institutional framework

Ministry for Trade, Tourism and Telecommunications (MTTT) is the ministry in charge for foreign trade policy. **Department for Foreign Trade Regime and Multilateral and Regional Economic and Trade Cooperation** within MTTT, according to the Rulebook on internal organization and systematization, has 26¹ jobs positions, dealing with further competencies:

- establishing principles and strategies for foreign trade regime policy and their alignment with international regulations in this area, as well as instruments for protection of domestic market from excessive, subsidized imports and imports at dumping prices.

- foreign trade and improving the export-import controls in the area of arms, military equipment and dual-use goods in accordance with international obligations and standards as well as national-security, foreign policy and economic interest of the Republic of Serbia.

- foreign trade of goods which could be used for capital punishment, torture or other cruel, inhuman or degrading treatment or punishment.

- negotiations and conclusions of bilateral and multilateral trade agreements and bilateral investment treaties and their implementation, as well as coordination of Serbia’s WTO accession

¹ Currently 22 jobs positions are occupied

process, which includes monitoring and enforcement of obligations that will arise from membership in this organization.

- promotion and development of economic relations with the EU, EFTA and CEFTA through the implementation of the SAA in the area of trade, the Free Trade Agreement with EFTA and the Free Trade Agreement in South East Europe-CEFTA.

- monitoring and enforcement of obligations arising from membership in other economic organizations in the UN system and regional and sub-regional organizations, agreements and initiatives.

Within the Department there are following organizational units: 1 Assistant minister, 1 personal assistant; WTO Unit – 4 employees, EU and EFTA Unit – 4 employees, Unit for cooperation with CEFTA, International Economic Organizations and other Multilateral and Regional Organizations and Initiatives – 3 employees, Unit for Foreign Trade System and Trade Remedies – 4 employees and the Unit for International Agreements and Foreign Trade in Dual Use Goods – 9 employees.

Apart from the MTTT, there are also some other ministries and institutions that participate in the common commercial policy:

Ministry of Finance - Customs System and Policy Sector consists of two departments with the total of 13 civil servants (12 with a university degree), responsible for the preparation and harmonization of customs rules.

The Customs Administration (CAS) is a body within the Ministry of Finance. The CAS manages its scope of work through the head quarter and 15 regional authorities - customs offices. The CAS employs a total of 2,770 employees (2,443 for an indefinite time, 327 temporary).

Other ministries and institutions that participate in the implementation of trade policy are those responsible for:

- the technical regulations and industrial standards (Ministries responsible for the Economy, Energy, Construction, as well as the body responsible for Quality Infrastructure);
- trade policy for agricultural and food products (Ministry responsible for Agriculture) and
- sanitary and phytosanitary control (Ministry responsible for Agriculture and Ministry responsible for Health).

The Statistical Office is responsible for data processing. The Statistical Office is responsible for providing assistance and support to users of statistical data. The Statistical Office of the Republic of Serbia provides help for data users related to the methodology, classifications, and databases for foreign trade and provides answers to any questions from the field of international trade in

goods (ITGS). The Statistical Office of the Republic of Serbia is only authorized to publish ITGS data and has 6 employees in the department of External trade statistics. According to the current Rulebook on Job Descriptions 455 working positions are defined in the Statistical Office of the Republic of Serbia

AOFI – Serbian Export Credit and Insurance Agency currently employs 67 employees and there is no need for additional employment taking into the consideration that current capacities are on satisfactory level.

II.b Bilateral and Multilateral agreements with third countries

II.b.1 Legislative framework

Free Trade Agreements

Republic of Serbia is currently implementing following FTA with:

- **European Union** (the Stabilization and Association Agreement between the European Communities and their Member States, on the one part, and the Republic of Serbia, on the other part - "Official Gazette of RS - International Treaties", No. 83/2008 and 12/2014);

- **EFTA** (Agreement on Free Trade between the Republic of Serbia and the EFTA countries - "Official Gazette of RS - International Treaties", No. 6/2010 and 19/15);

- **CEFTA** (Agreement on amendment of and accession to the Agreement on Free Trade in Central Europe - CEFTA 2006 - "Official Gazette of RS - International Treaties", No. 88/2007 and 8/2011);

- **Turkey** (FTA between the Republic of Serbia and the Republic of "Official Gazette – International Agreements", No. 105/2009),

- with the EAEU countries: **Russia** (Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of Russian Federation on Free trade "Official Gazette - International Agreements", No. 1/2001 и and 8/2011), **Belarus** (FTA between the Government of the Republic of Serbia and the Government of the Republic of Belarus "Official Gazette - International Agreements", No.105/2009 и and 8/2011), **Kazakhstan** (FTA between the Government of the Republic of Serbia and the Government of the Republic of Kazakhstan - "Official Gazette - International Agreements", No. 11/2010).

A necessity to regulate trade regime with the EAEU in whole has appeared since Serbia doesn't have free trade regime with new EAEU member countries (Armenia and Kyrgyzstan). In this regard, two rounds of consultations with the Eurasian Economic Commission (EEC) have been held. The idea is to unify free trade regime through conclusion of a unique FTA between Serbia and EAEU countries and to keep the existing level of liberalization. At this moment, EEK is expecting to get guidelines for negotiations with Serbia.

In the previous period FTA negotiations with Ukraine were initiated.

Bilateral agreements on trade and/or economic cooperation

Serbia has signed 127 bilateral agreements on economic and/or trade cooperation, and most of these agreements were inherited from the period of SFRY, FRY and Serbia and Montenegro. From the 127 signed bilateral agreements on economic and/or trade cooperation, 105 bilateral agreements are with countries that are not EU members.

In the previous period, the conclusion of several agreements on economic and/or trade cooperation have been initiated - with Georgia, Qatar, Saudi Arabia and Argentina.

Bilateral Investment Treaties

Republic of Serbia has, so far, concluded 52 BIT's. Serbia has concluded 23 BIT's with EU countries, including Germany, France, Austria, Romania, Bulgaria, Czech Republic, Slovakia, Greece, Poland, Croatia, Italy, Hungary, the Netherlands, Slovenia, Spain, United Kingdom, Belgium, Lithuania, Finland, Cyprus, Malta, Denmark and Portugal.

Republic of Serbia has concluded 29 bilateral investment treaties (BIT's) with non-EU countries: Bosnia and Herzegovina, FYROM, Montenegro, Albania, Swiss Confederation, Russian Federation, Belarus, Ukraine, Turkey, China, India, Iraq, Kuwait, Israel, UAE, Kazakhstan, Azerbaijan, Indonesia, North Korea, Guinea, Zimbabwe, Ghana, Nigeria, Egypt, Libya, Algeria, Morocco, Cuba and Canada.

The major number of those treaties is inherited from the previous states whose successor was the Republic of Serbia (Yugoslavia, FRY and Serbia and Montenegro). Since May 2006, the Republic of Serbia has signed 11 BIT's with Denmark, Portugal, Montenegro, Malta, Azerbaijan, Kazakhstan, Indonesia, Algeria, UAE, Morocco and Canada.

The Government of the Republic of Serbia in 2014 adopted the Draft agreement on mutual encouragement and protection of investments, which is the basis for bilateral investment negotiations, which is fully in line with accepted standards and principles of the EU.

II.b.2 Institutional framework

The Ministry for Trade, Tourism and Telecommunications (MTTT), i.e. the Department for Foreign Trade Regime and Multilateral and Regional Economic and Trade Cooperation and the Department for Bilateral Economic Cooperation, in cooperation with other relevant institutions, are responsible for the negotiation and implementation of bilateral agreements on free trade, agreements on trade and economic cooperation as well as bilateral investment treaties. The Department for Foreign Trade Policy and Multilateral and Regional Economic and Trade Cooperation according to the Rulebook on internal organization and systematization has in total 26 jobs positions (covering both foreign trade policy and BITs) and in the Department for Bilateral Economic Cooperation - 28 jobs positions.

In order to strengthen the administrative capacities of MTTT, which is responsible for activities in the part of the common commercial policy, trainings are continuously organized. For the

implementation of measures and activities within the jurisdiction of the foreign economic relations following significant projects of foreign aid are being carried out:

- SECO – Technical assistance for Serbia’s WTO accession, granted by the Swiss Government, in cooperation with IDEAS center in Geneva as implementation agency of SECO – Swiss agency for cooperation. This project started in 2005 and is prolonged until March 2017;

- The EU project "Improvement of export controls in the region of Southeast Europe". Funds for this purpose are distributed through specially established Consortium (composed of representatives of France, Sweden and the United Kingdom) when it comes to the control of exports of dual-use goods, while the improvement of the system of control of arms and military equipment distributed through BAFA (German Agency for Export Control). The funds were used for different purposes, mainly educational and consisted in the deployment of European experts in some segments (improving legislation and its harmonization with EU legislation, the improvement of criminal sanctions, the elaboration of certain specific issues-such as export control, e.g. brokering, translating list of goods which are on the control regime, the organization of seminars for the economy in all countries in the region, etc.);

- A similar aid to countries in the region have been won from the US EXBS program (Program export control and security at the border - Export Control and Related Border Security) and UNDP - the Centre for the Control of Small Arms and Light Weapons Southeast Europe (SEESAC).

- Projects that started and will be undergoing during the next period, with aim to enhance cooperation among the CEFTA Parties, and in which representatives of Serbia are actively participating are: support for the negotiations on the liberalization of trade in services and the framework Agreement on trade facilitation (CEFTA Secretariat), improvement of regional cooperation and the establishment of a system for reporting on trade in services between the CEFTA Parties (CEFTA Secretariat, WTO and EUROSTAT), the preparation of the Report on investment in the CEFTA region (UNCTAD), the identification of the services sector suitable for mutual recognition of qualifications (Regional Cooperation Council), Review of Investment Policies for Southeast Europe (UNCTAD) and the removal of the most significant non-tariff barriers in the region (GIZ, UNCTAD, ITC).

II.c Development Policy

II.c.1 Legislative framework

The Republic of Serbia is a recipient of the EU’s and its Member States’ development aid. The Republic of Serbia currently has neither a defined legal framework for providing foreign development assistance nor allocated funds in the State Budget for these purposes. Moreover, Serbia has not thus far taken part in EU projects for delivering development, technical or financial aid to third countries. Development assistance is provided on an ad hoc basis.

II.c.2 Institutional framework

Within the existing legal framework of the Republic of Serbia, an institution responsible for coordinating activities on cooperation for development and humanitarian aid has not yet been formally established. However, it has been agreed in the inter-sectoral consultations that the Ministry of Foreign Affairs (MFA) will take on this responsibility.

The alignment in the context of the accession negotiations with the EU and meeting of requirements by Serbia in this area is already a responsibility of the MFA, which has established a Task Force consisting of two members from the Sector for the EU and one member from the Department of International Legal Affairs.

For the time being, the Republic of Serbia grants its development assistance to foreign countries on an ad hoc basis, and the MFA and other state institutions currently do not have adequate organizational, personnel and technical capabilities to exercise their regular duties related to development policy. A concrete example of delivering development aid on an ad hoc basis is The World in Serbia Project in the field of education (providing scholarships to students studying in Serbia coming from developing countries which are members of the Non-Aligned Movement). The competent institution for this project is the Ministry of Education, Science and Technological Development, and it is being implemented in cooperation with the Bilateral Cooperation Sector of the MFA. In addition, in 2015, the Government of the Republic of Serbia allocated 5,000,000 € as development assistance to the Municipality of Srebrenica in Bosnia and Herzegovina; furthermore, it allocates 20,000 \$ annually for projects of the Organization of American States.

The European Integration Office within the Government of the Republic of Serbia is currently in charge of coordinating the reception and distribution of development assistance in the Republic of Serbia.

II.d Humanitarian Aid

II.d.1 Legislative framework

The field of humanitarian aid is regulated by the Law on Donations and Humanitarian Aid (Official Gazette of the Republic of Serbia, No. 53/2001 and 61/2001), and it applies only to the reception and distribution of humanitarian aid and donations in Serbia. As far as civil protection is concerned, the Law on Emergency Situations, adopted in 2009, with its amendments made in 2011 and 2012 (Official Gazette of the Republic of Serbia, No. 111/2009, 92/2011 and 93/2012), is currently in force. This Law regulates, inter alia, international cooperation and aid in the area of civil protection and search and rescue operations.

II.d.2 Institutional framework

As to humanitarian aid and civil protection, the competence is divided between the Ministry of Foreign Affairs and the Ministry of Interior or its Sector for Emergency Management.

The competent authority for the implementation of the Law on Emergency Situations is the Sector for Emergency Management within the Ministry of Interior. In accordance with the Decision No. 1313/2013 of the European Parliament and the Council of 17 December 2013 on an EU Civil Protection Mechanism, in May 2015 the Republic of Serbia became the 32nd Member State of the EU Civil Protection Mechanism, which has ensured a significantly higher alignment with the relevant EU legislation. However, the Republic of Serbia will have to participate more fully in EU humanitarian actions in line with the European Consensus on Humanitarian Aid and European Council Regulation No. 1257/96 /EC of 20 June 1996 concerning humanitarian aid. As a Member State of the EU Civil Protection Mechanism, Serbia takes part in the training and exercises organized by the CPM/EERC and in this way prepares its representatives to play the coordinating role in the reception and delivery of humanitarian aid for protection and rescue of population as well as preservation of assets in an emergency situations. Furthermore, through training and exercises, Serbia prepares its representatives and teams for cooperation and coordination with EU modules (rescue teams).

Administrative and operational capacities of the Republic of Serbia's Ministry of Interior Sector for Emergency Management comprise approximately 3 900 personnel, including the specialized fire and rescue units, which are the first to respond to emergencies. Such emergency first-response fire and rescue units number approximately 3 000 personnel (operative units and specialized teams).

III. Alignment of legal and institutional framework with the EU Acquis

III.a Common Commercial Policy

III.a.1 Legislative framework

Foreign Trade Regime

On the day of accession to the EU, Serbia will fully apply the common trade policy of the European Union. In this sense, Serbia will apply EU trade and customs regime for all goods and services. Serbia expects that European Commission will, in due time, open and complete negotiations regarding adaptation of the agreements concluded by the EU with third countries or international organizations and enable Serbia to fully apply those agreements, from the date of Serbia's accession to the EU. Serbia, also takes note that the Commission will do everything in its powers to timely and appropriately adapt such agreements, particularly their trade-provisions, to the EU accession of Serbia, but that a timely and full adaptation cannot be guaranteed since this also depends largely on the goodwill of the respective third countries.

Until the accession to the EU, Serbia will fully harmonize its national legislation in the field of exports of dual-use goods with the provisions of Regulation 428/2009. This refers to the creation of the legal possibilities for issuing global and general authorisations, as well as the abolition of controls on imports of dual-use goods. Amendments that shall provide the legal possibility for global and general authorisations will be adopted by the date of Serbian accession to the EU. The Republic of Serbia will take note of the new European Commission proposal COM (2016)616 of 28.09.2016. for recast the Council Regulation 428/2009, and it will be subject to further harmonization of our national legislation after changes are adopted by the EU.

The Republic of Serbia is not a signatory to the Kimberley Process. Upon EU membership, Serbia will apply and implement the legal framework of the EU (Council Regulation (EC) No 2368/2002 implementing the Kimberley Process certification scheme for international trade in rough diamonds - OJ L 358, 31.12.2002, including amendments of certain provisions, changes in the list of Participants in the KPCS, etc.).

Since foreign trade and customs regime for agricultural - food products is largely associated with the Negotiating Chapter 11 - Agriculture and rural development, detailed alignment of the legislative and institutional framework with the EU acquis in the area of trade policy for agricultural and food products will be provided in the Negotiating position for that chapter.

World Trade Organization

At the multilateral level, Serbia has harmonized its regulations with the basic rules and principles of the WTO, with the exception of regulations relating to the trade of genetically modified organisms and products containing or derived from genetically modified organisms. Adoption of regulations governing this area will be dealt with in cooperation with the Ministry of Agriculture.

At the bilateral level, negotiations are still open with USA, Ukraine, Brazil and the Russian Federation. Pace and result of these negotiations, as well as their conclusion, do not depend on Serbia solely. Taking this into account, it is not possible to define the precise timeframe for the accession of Serbia to the WTO. Republic of Serbia aims to achieve membership in WTO before the EU accession.

Throughout the market access negotiations Serbia has been taking into account the EU level of commitments, both in goods and services.

General System of Preferences

On the day of accession Republic of Serbia will fully apply the EU scheme of the General System of Preferences.

Textile

The Republic of Serbia shall, by the date of accession, apply all legislation of the European Union relating to trade in textiles and textile products, including all European Union agreements on trade in textile products, which are signed or in force.

Steel and steel products

The Republic of Serbia shall, to the date of accession, apply all legislation of the European Union relating to trade in steel and steel products, including all European Union agreements on trade in steel, which are signed or are in force.

Export credits

Law on AOFI is already mostly aligned with the EU acquis, and further amendments to the Law will be adopted before the EU accession, in terms of harmonization with the EU terminology and definitions of market and non-market risks.

III.b Bilateral and Multilateral agreements with third countries

III.b.1 Legislative framework

Bilateral agreements with non-EU countries

Trade policy of the Republic of Serbia will be duly harmonized with the acquis, by abolishing or modifying the existing bilateral agreements on trade and/or economic cooperation and free trade agreements no later than by the date of the accession to the EU. Serbia will inform the European Commission about negotiations of potential new agreements, to ensure that proper termination be achieved on the day of the accession.

The Bilateral Investment Treaties contain an article which prescribes duration and termination of the agreements. The largest number of BIT's do not contain a termination clause (with third countries), but it will in compliance with EU standards be subject of negotiations and amendments during the process of EU accession. The Republic of Serbia will in due course submit all signed bilateral investment agreements to the European Commission for revision. On the date of accession to the EU Serbia will terminate BIT's with EU Member States and with third countries with which the EU already concluded bilateral investment agreements. On the jobs of negotiating and concluding BITs there are employed two civil servants in the unit.

From the moment of EU accession, the Republic of Serbia is ready to fully implement the provisions of the Regulation No 1219/2012. In accordance with common trade policy the future bilateral investments agreements will be negotiated and concluded with previous notification and approval of the European Commission. Serbia shall insert in BIT's, presently being negotiated, a clause that these agreements will be automatically terminated at EU accession and/or be brought automatically in full conformity with respective EU acquis in force.

III. a and III b.2 Institutional framework

Activities of the Department for Foreign Trade Regime and Multilateral and Regional Economic and Trade Cooperation and the Department for Bilateral Economic Cooperation are largely covered by systematized job positions according to the Rulebook on systematization, except for the unit dealing with dual use goods. Additional problem is understaffing because all jobs positions are not occupied with the employees. It is necessary to maintain existing capacity with further trainings and educational programs. Moreover, due to the scope of work of the Unit for International Agreements and Foreign Trade in Dual Use Goods, additional jobs should be provided taking into the consideration that current number of employees is not sufficient (9 persons). So, the number of civil servants engaged in issuing of authorisations for export of dual – use goods and authorisations for the export and import of arms and military equipment will be gradually increased.

For the period 2016-2020 Statistical Office of the Republic of Serbia planned successive increase of administrative staffs.

AOFI has a satisfactory organizational structure and administrative capacity.

In order to improve the competitiveness of Serbian companies and their readiness to adapt to the changes in the trade regime which will occur after Serbia join the EU, on December 30th 2015 a special project was launched. The project was called "Preparations for the Serbian business sector trade regime change", funded by "The Good governance Fund "(GGF), the UK Government. It was a short-term project that ended in April 2016, with the possibility of future extension, in order to support the process of negotiations in Chapter 30.

III.c Development Policy

III.c.1 Legal framework

Until the EU membership, the Republic of Serbia needs to establish legal and institutional framework for providing the development aid to third countries in line with the EU Acquis communautaire. Having in mind that in the field of development policy, national legislation is not directly aligned with the EU acquis, the Republic of Serbia will define its own development policy in accordance with the EU and UN policies and goals.

The Republic of Serbia will, until its full membership to the EU, put in place mechanisms for coordination of development policy and assistance. New Law on Ministries of the Government of the Republic of Serbia and/or the Law on Foreign Affairs will specify in greater detail the role of the Ministry of Foreign Affairs in the formulation and coordination of Serbia's development policy towards third countries. It is further planned to adopt a Law of Development Cooperation and Humanitarian Aid and corresponding by-laws.

In this context, a Task Force has been formed in the MFA to deal with the activities undertaken in the framework of Chapter 30 – Subchapter: Development policy and humanitarian aid until the time a body in charge of this area is formally defined and a special organizational unit formed within the MFA. At the next stage, in the first half of 2017, an inter-sectoral Working Group will be set up and tasked with drafting the Law of Development Cooperation and Humanitarian Aid. The Law of Development Cooperation and Humanitarian Aid will be consistent with the practices and commitments of the EU Member States, and based on: the revised European Consensus on Development (2017); the Cotonou Agreement, multiannual financial framework 2014-2020 and post-Cotonou; Regulation No. 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period of 2014-2020; Communication from the Commission to the Council and the European Parliament on translating the Monterrey Consensus into practice: EU contributions, and common EU policy-level commitments on development aid, arising from the 2030 Agenda - the Sustainable Development Goals and Addis Ababa Agenda for Action; the Paris Declaration (2005), Accra Agenda for Action (2008), Busan Partnership for Effective Development Cooperation (2011), EU Agenda for Change (2012), and reporting to OECD/DAC and IATI standards (This list of commitments is not exhaustive and further relevant EU policies and commitments may be included). This Law should be adopted before the end of 2018, and the preparation of relevant by-laws will be realized immediately after that.

The establishment of Serbia's development policy system and the methodology to assess its effects will follow the key principles of EU development policy and the OECD/DAC ODA methodology. Once Serbia joins the EU, the Ministry of Foreign Affairs will initiate activities aimed at coordinating the provision of development and humanitarian aid by Serbia to third countries. By that time, funding from the budget of Serbia will be brought in line with the document to be drafted on the basis of the Law of Development Cooperation and Humanitarian Aid. This document will include the methodology and guidelines for the provision of development assistance, offered to the extent permitted by the economic and financial situation in Serbia.

III.c.2 Institutional framework

During the accession process Serbia will promote and strengthen its institutional framework and administrative capacities for the successful implementation of Serbia's development assistance policies. In this context, the establishment of a special organizational unit in the MFA is envisaged. This unit needs to be adequately staffed and trained. Trainings should include specialized courses on European Commission operational, administrative and financial regulations which concern development/DEVCO. Also considered useful are trainings on Policy dialogue, Joint Programming, development effectiveness, and policies relevant to the 2030 Agenda and the UNFCCC Paris Agreement (2015). The work of this unit will concentrate on duly monitoring, planning and coordinating cooperation for development and humanitarian aid. The establishment of the said organizational unit will be time-linked to the progress of Serbia in

the EU integration process, at the earliest in 2018, by defining appropriate positions within the MFA Rulebook Concerning Internal Structure and Job Classification. Initially, i.e. in the period prior to Serbia's joining the EU, it will work to put in place coordination mechanisms with other state authorities and the civil sector, collecting and updating statistical information, public awareness raising, etc. By the time Serbia becomes an EU Member State, this unit will be fully equipped to perform its duties in this area, whereas the process of properly organizing and enabling it for implementing the Serbia's development policy goals will require assistance from the EU institutions and Member States provided through seminars, workshops and personnel training.

III.d Humanitarian Aid

III.d.1 Legal framework

The Law of Development Cooperation and Humanitarian Aid, to be adopted by the end of 2018, will be harmonized with Council Regulation (EC) No. 1257/96 of 20 June 1996 concerning humanitarian aid. Serbia conducts its humanitarian interventions in coordination with the EU, in particular the European Commission's Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO).

The field of seeking assistance and search and rescue operations will be defined in more detail both through the new Law of Development Cooperation and Humanitarian Aid and the new Law on Disaster Risk Reduction and Emergency Management, to be adopted by the end of 2018.

III.d.2 Institutional framework

The Law on Development Cooperation and Humanitarian Aid will define the competences of the Ministry of Foreign Affairs and of the Sector for Emergency Management of the Ministry of the Interior, in this area. The Law will specify in greater detail the kinds of humanitarian aid and accordingly stipulate the institutions to be in charge of receiving and providing various kinds of assistance. In addition to state institutions, pursuant to the Law on the Red Cross of Serbia (Official Gazette of the RS 107/2005), a prominent role in the process of receiving and distributing humanitarian assistance is played by the Red Cross of Serbia.

IV. Acceptance of the EU Acquis

The Republic of Serbia accepts the European Union Acquis covered by the Chapter 30 – External relations and will be in the position to implement it fully by the time of accession to EU membership, as it stands on January 1st 2017.

The Republic of Serbia will have implemented any outstanding acquis, namely the acquis adopted after the submission of this negotiation position, by the date of accession, subject to the outcome of the negotiations under this Chapter.

The Republic of Serbia does not request specific adaptations under this Chapter.