

2018 Spotlight Report on Circular Economy in Serbia¹

1. Introductory remarks

The Circular Economy is currently a popular notion within the policy and business advocacy groups. While there is no single accepted definition of circular economy, it is generally understood as reduced demand for certain natural resources and materials that are derived from them. The resources usually emphasized are metallic and non-metallic minerals, fossil fuels, and various biotic resources (like forestry, fish and other biomass). At the recent stage, relatively little attention is given to other resources, such as water or land.

Circular economy action areas include production, consumption, waste management, secondary raw materials with innovations, investigation and monitoring. **Circular economy priority sectors** include plastics, food waste, critical raw materials, construction and demolition, biomass and bio-based products. There are three key approaches to promote resource efficiency: - extended producer responsibility systems; - green public procurement, and – business partnerships along the value chain.

In EU contest, the circular economy is currently part of the European Commission's agenda for jobs, growth and investment. The last three Annual Growth Surveys (2016, 2017 and 2018) acknowledge the political commitment of the European Commission to the transition to a circular economy, with a particular focus on investment. In March 2018, the Commission adopted its strategy on sustainable finance with the aims to reorient capital flows towards a more sustainable economy, In May 2018 new EU-wide rules are: -*adopted* on waste management and recycling, - *proposed* on single-use plastic products, and - *proposed* on water reuse.

2. Information related circular economy in Serbia

The EU's circular economy concept/initiative and resulting amendments to its waste-related directives **straighten the case for Serbia's economy to develop a circular economy framework as part of their EU accession process. Transition to circular economy will help Serbia (and region) to meet its international (and EU) commitments.**

Although conferences and workshops in Serbia are being held on circular economy topics from 2002 (the Workshop on Sustainable Consumption Opportunities, co organized by the Serbian ministry competent for environment and UNEP in March 2002 in Belgrade; and, among other,

¹ Prepared for the EU-funded project: ENV.Net Factoring the Environmental Portfolio for WB and Turkey in The EU Policy Agenda. Authors: Andjelka Mihajlov, Aleksandra Mladenovic and Filip Jovanovic, supported by EASD Team

Conference EnE16 “Environment to Europe” Belgrade, June 2016; Conference Circular Economy as a development opportunity for Serbia, Belgrade, November 2016, organized by the OSCE - Mission in Serbia, the German Agency for International Cooperation GIZ, Serbian Chamber of Commerce and the Ministry competent for Environmental Protection; ISWA World Congress 2016, Novi Sad “Circular Economy as an Opportunity to Improve Waste Management”), it is necessary to intensify work in this field.

Serbia plan to refer to circular economy principles in updated waste strategy (ongoing). It should be noted that circular economy issues in accession process are not only subject of Chapter 27 on Environment and Climate Change. It should be noted that the circular economy has strong synergies with the EU’s objectives on climate and energy and in supporting the EU’s commitments on sustainability. This spotlight report is restricted to the resource-use aspects of the circular economy (resource productivity, waste management, recycling, etc.) and only tackles other issues, such as the energy transition and climate change.

The mapping the “state of the art” of the Circular Economy in Serbia entails the identification of what is present (and if possible which are the main obstacles that may hamper the shift to the circular economy paradigm). In Serbia, the Serbian Environmental Protection Agency (SEPA) as well as the Statistical Office of the Republic of Serbia (SORS) calculate and publish indicators related to resource efficiency. Valuable data are available in EU Serbia Progress/Annual Reports. In addition, some relevant data are available in OECD report on Environmental Policy in South East Europe. It is evident that at the present time, **there are limited sources of reliable information and data** that provide such information. **The compilation on circular economy activities**, until now, in Serbia is presented in “Serbian National Profile 2018” prepared by Serbian Environmental Agency for EEA 2018 edition of the *More from Less report*² (EASD also contributed). There is information that GIZ IMPACT Serbia and the Serbian Chamber of Commerce initiated a project that aims to develop a *strategic document on circular economy in the field of waste management*³, together with the Ministry of Economy and the Ministry of Environmental Protection as the main stakeholders.

Not too much attention to circular economy in Serbia; however trend is growing. - Within the ENV.net 3 project research (performed by EASD and implemented by Ebart media archive, Belgrade) on nexus environmental issues-media in Serbia, bellow outreach data are obtained (until June 30, 2018):

Number of texts with term “circular economy” in written media in Serbia							
2011	2012	2013	2014	2015	2016	2017	2018 (half year)
0	2	3	5	18	20	21	18

In this spotlight report on Circular Economy in Serbia, we are structuring assessment by following the logic and structure of the circular economy action plan⁴:

² 2016 report available at <https://www.eea.europa.eu/publications/more-from-less>

³ Outreach text is not available until now.

⁴ COM(2018)29 final

No	Name	Relevance	EU levers (examples)	Initial systematization /mapping of key documents ⁵ in relation to the circular economy in Serbia
Production and consumption				
1	EU self-sufficiency for raw materials	The circular economy should help to address the supply risks for raw materials, in particular critical raw materials.	Raw Materials Initiative; Resource Efficiency Roadmap	-National Strategy of Sustainable Use of Natural Resources and Goods, 2012-2022 ⁶ -Industrial Development policy and strategy 2011-2020 -Waste Management Strategy 2010-2019 ⁷ Spatial Plan for the Republic of Serbia 2010 – 2020 -Strategy for Agriculture and Rural Development for the period 2014-2024. -National Program for Environmental Protection, adopted in 2010 for a 10-year period until 2019 ⁸
2	Green public procurement*	Public procurement accounts for a large share of consumption and can drive the circular economy.	Public Procurement Strategy; EU support schemes and voluntary criteria for green public procurement	-NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS-Third Revision, 2018 -Strategy for Implementing the Convention on Access to Information, Public Participation in Decision-making, and Access to Justice in Environmental Matters – Aarhus Convention. -Public Procurement Act (2015)
3a-c	Waste generation	In a circular economy waste generation is minimised.	Waste Framework Directive; directives on specific waste streams; Strategy for Plastics	-NATIONAL ENVIRONMENTAL APPROXIMATION STRATEGY FOR THE REPUBLIC OF SERBIA , 2011 -Fiscal Strategy for 2017 (with Projections for 2018 and 2019)

⁵ Documents under expiration, i.e. covering period until 2018: -Strategy for the Development of Public Procurement Procedure in the Republic of Serbia for 2014-2018

⁶ (Covers mineral resources, RES, forests and their resources, protected areas, biodiversity, landscape diversity, fish, water and land resources). The Strategy should be implemented through plans and programs for each of the natural resources, to be adopted by the Government, and therefore no quantified targets.

⁷ (In 2015, the Strategy was amended by the national targets in compliance with the targets fixed in the Framework EU Directive on waste, EU Directive on landfills, and EU Directive on packaging and packaging waste. The targets are related to the recycling of municipal waste, diversion of biodegradable waste from landfills and recycling of packaging waste (paper, PET, glass, metal and wood) as well as disposal of waste on compliant landfills.)

⁸ (Action Plan for Implementation of the National Environmental Protection Program prepared in 2014)

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4	Food waste*	Discarding food has negative environmental, climate and economic impacts.	General Food Law Regulation; Waste Framework Directive; various initiatives (e.g. Platform on Food Losses and Food Waste)	-Economic Reform Programme (ERP) 2017-2019 -Strategy for Biological Diversity in the Republic of Serbia for 2010-2019 - Water Management Strategy of the Republic of Serbia for the period 2016 – 2034
Waste management				
5a-b	Overall recycling rates	Increasing recycling is part of the transition to a circular economy.	Waste Framework Directive	-National Strategy of Sustainable Use of Natural Resources and Goods, 2012-2022 -Waste Management Strategy 2010-2019 -NATIONAL PROGRAMME FOR THE ADOPTION OF THE ACQUIS-Third Revision, 2018 - Spatial Plan for the Republic of Serbia 2010 – 2020
6a-f	Recycling rates for specific waste streams	This reflects the progress in recycling key waste streams.	Waste Framework Directive; Landfill Directive; directives on specific waste streams	
Secondary raw materials				
7a-b	Contribution of recycled materials to raw materials demand	In a circular economy, secondary raw materials are commonly used to make new products.	Waste Framework Directive; Eco-design Directive; EU Ecolabel; REACH; initiative on the interface between chemicals, products and waste policies; Strategy for Plastics; quality standards for secondary raw materials	-National Strategy of Sustainable Use of Natural Resources and Goods, 2012-2022 -Industrial Development policy and strategy 2011-2020, the Republic of Serbia -Waste Management Strategy 2010-2019 - Rulebook on the eco-label , 2016 (describe the detailed terms and conditions, criteria and procedure for awarding the right to use eco-label, elements, appearance and manner of use of eco-label for products and services)

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8	Trade in recyclable raw materials	Trade in recyclables reflects the importance of the internal market and global participation in the circular economy.	Internal Market policy; Waste Shipment Regulation; Trade policy	
Competitiveness and innovation				
9a-c	Private investments, jobs and gross value added	This reflects the contribution of the circular economy to the creation of jobs and growth.	Investment Plan for Europe; Structural and Investment Funds; InnovFin; Circular Economy Finance Support Platform; Sustainable Finance Strategy; Green Employment Initiative; New Skills Agenda for Europe; Internal Market policy	<p>Good signal in Serbia is number of ISO 14001 certificates (almost 1200 in 2016).</p> <ul style="list-style-type: none"> -National Strategy of Sustainable Use of Natural Resources and Goods, 2012-2022 -Economic Reform Programme (ERP) 2017-2019 -Strategy for Support to the Development of Small and Mediumsized Enterprises, Entrepreneurship and Competitiveness for the period of 2015-2020, accompanied by an Action Plan -National Employment Strategy for the period of 2011-2020. - Strategy for scientific and technological development 2016-2020 <p>Note: In Serbia, investments in research and innovation are still low, particularly in the corporate sector. The Innovation Fund is advancing Serbia's innovation financing and promoting better integration between the research and private sectors. The Innovation Fund has been established in 2011 an independent governance structure, with a robust international peer review system. Innovation Fund aims to promote linkages between research and technology development and economy, and encourage and support the development of innovative technologies. The intention of the Innovation Fund is to contribute to the overall development of innovations through various financial aid instruments, particularly by fostering the establishment of new and strengthening the existing companies.</p>
10	Patents	Innovative technologies related to the circular economy boost the EU's global competitiveness.	Horizon 2020	

* Indicators under development

Concluded remarks are that for circular economy in Serbia, two umbrella strategic documents are (with note that the both have to be updated/re-think):

- **National Strategy of Sustainable Use of Natural Resources and Goods**, 2012-2022 , and
- **Waste Management Strategy**, to 2019 (according NPAA, Waste Management Strategy for the period 2019-2024, with an integrated plan for the hazardous waste management, as a part of the national plan for waste management complementary to the Strategy is under preparation). The producers' responsibility organizations have achieved the targets, set in the Directive, for paper and cardboard, plastic and wood. Glass and metal, as well as achieving the overall recycling and recovery targets, still remain problematic.

It should be mentioned that two important strategies expired/almost expired: - Sustainable Development Strategy of the Republic of Serbia for the period from 2008 to 2017, and - NATIONAL ENVIRONMENTAL APPROXIMATION STRATEGY FOR THE REPUBLIC OF SERBIA, 2011, prepared with assumption that January 1, 2019 is accession date. According to the NPAA, several relevant strategic documents are planned to be developed, or are being compiled in addition to these framework documents: Air Quality Protection Strategy, envisaged for the period 2018-2020 with an action plan including aims of UNECE Goteborg protocol and defining long term measures for the reduction of emissions from different sectors relevant to the NEC Directive; NGDI Strategies – National Geospatial Data Infrastructure for the period 2017-2021 important for the transposition of the “INSPIRE” Directive (Directive 2007/2/EZ), and some others.

Serbia is implementing some initiatives that support the circular economy, already listed in “Serbian National Profile 2018” prepared by Serbian Environmental Agency for EEA 2018 edition of the More from Less report, as well as in the Study on Achievements and Perspectives towards a Green Economy and Sustainable Growth in Serbia⁹

3. Recent ENV.net Serbia activities and Initiative

3.1. Textile re-using through Inspiring World campaign

From May to August EASD with Eco-schools from all over Serbia participated in C&A global campaign “Inspiring world”. In order to launch circular economy as a topic in Eco-schools, we organized collection of used textile material and re-use to get different new useful products.

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http://www.undp.org/content/dam/serbia/Publications%20and%20reports/English/UNDP_SRB_Study_on_Achievements_and_Perspectives_towards_a_Green_Economy_and_Sustainable_Growth_in_Serbia.pdf

Forty Eco-schools participated and three of them were schools and institution for disabled children and elder people. During the summer months, more than 2 tones used textile material were collected, re-used and more than 30 different products, such as bags, pads for chairs, jewelry boxes, jewelry, tapestry, patchwork for floor and furniture...were produced. By this project and campaign we show how any community can be responsible to the environment, resources, and in the same time be human and help disabled people in their ordinary activities. All products that schools for children with special needs and institution for disabled people produced can serve also for selling and making profit for these institutions.

3.2. Knowledge based advocacy: Initiative

On October 12, 2018 in EU-info center in Belgrade, EASD jointly with National Convention on the European Union (NCEU), organized event “Circular Economy and Negotiation Chapter 27”. Main points of this Spotlight Report are presented. **EASD/ENV.net Serbia Initiative to update/rethink National Strategy for Sustainable Use of Natural Resources¹⁰ in the frame of circular economy concept** is presented and acknowledged. Initiative will be send to decision makers.

3.3 Circular economy is theme for Eko-paket activity for school year 2018/2019

Awareness of society and knowledge of concepts such as a circular economy or sustainable use of resources is very low, as reflected in the attitude of state institutions to these issues and media interest. In Serbia, international program Eco-schools has been run until 2012. This program is based on 7-steps methodology, and every educational institution involved in this program has to apply in outside the learning activity curricula. National operator of this program is Environmental Ambassadors for Sustainable Development. The impact of Eco-schools program on awareness raising is huge, taking into account that 100 educational institutions (from pre-schools, through grade schools and high schools, to university education) are currently involved, what means almost 42.000 students and children and about 3.600 teachers and professors, from 35 local communities. The Ministry of Education, Science and Technological Development support the Eco-School program in Serbia. Within Eco-Schools, this year number of workshops and competition of “artistic structures from used tetra-pak packaging” will be held on theme circular economy.

4. The way forward

¹⁰ The Law on Environmental Protection (The Official Gazette RS Nr. 135/04) requires that the National Environmental Strategy and **National Strategy for Sustainable use of Natural Resources** are developed for the period of at least ten years.

- **Circular economy concept in Serbia is still in its early stage** - Serbia plan to refer to circular economy principles in updated waste strategy (ongoing). By addressing circular economy only with waste management issues shows that the circular economy concept is still in its early stage. Ensuring a successful transition to the circular economy, however, requires efforts on many different fronts; circular economy goes beyond waste management
- **No integrated approach in place.** Serbia should straighten legal and policy frameworks for a circular economy, including remaining EU directives transposition and implementation, as well as approaches to addressing resource efficiency along product life cycles (like through extended producer responsibility schemes, green public procurement, and partnerships between businesses working along value chain in which one company's waste becomes another's' material input) . **Possible tool is ENV.net Initiative to update and re-thing National Strategy for Sustainable Use of Natural Resources** (see 3.2. above). Given that resource efficiency, circular economy and raw materials supply are multidisciplinary areas, responsibilities are shared between ministries; there is a need for better co-operation between them, as well as improving systemic approach.
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- **Environmental policy framework need to be reinforced in key economic and sectoral policies** (like proper implementation of SEA, EIA, IPCC/Industrial Directives, investment tools).
- **It is need to mainstream sustainability in risk management and foster long-termism** (environmental and climate risks are currently not always adequately taken into account by the financial sector; social factors can also have concrete consequences for financial institutions including legal risks, etc.)
- **It is necessary to accelerate the awareness raising and dissemination of knowledge** on circular economy topics.