



# Performance Audit Report

# The Readiness of the Republic of Serbia for Climate Change Adaptation



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Republic  
of Serbia



State  
Audit  
Institution



## Climate Risks & Economic Impact



**€6.8 Billion**  
in Material Damages

Estimated minimum damage caused by climate change and extreme weather between 2000 and 2020.



**1.5°C to 2°C**  
Temperature Increase

Observed temperature rises (2008–2017) already exceed reference periods across most of the territory.



**33.3%**  
GHG Reduction  
Commitment

Serbia's target for 2030 greenhouse gas emission reductions compared to 1990 levels.



# The Audit Scope: Assessing Institutional Architecture

**Have** competent authorities established the legislative framework, planning framework, and financial resources to ensure effective adaptation?





# Key Audit Findings

Audit Area	Policy Commitment (Established)	Execution Mechanism (Delayed/Missing)
Regulation	Law on Climate Change (Aligned)	Carbon Pricing & ETS Framework
Low-Carbon Strategy	Paris Agreement Targets	Action Plan (Unadopted)
Adaptation	Adaptation Programme 2023–2030	2024 Progress Report (Incomplete)
Governance	National Climate Change Council	Active Engagement (4 meetings in 4 years)
Finance	Sofia Declaration / Green Agenda	Environmental Protection Strategy



**Key Insight:** High-level legislative alignment with the EU is strong, but critical implementation mechanisms are delayed, threatening access to green transition funding.

# State of the Framework: EU Alignment



## Progress Achieved



The Law on Climate Change is adopted. EU requirements for monitoring, reporting, verification, and accreditation (MRVA) are largely transposed into national law.

## The Catch



The regulatory framework for carbon pricing and the Emissions Trading System (ETS) remains unbuilt and un-implemented.

**Systemic Risk: Delays** in ETS alignment actively **jeopardize** the EU accession process and block access to critical green transition funding.



# Implementation - The Missing Action Plan

Missing specific measures, timelines, and responsible entities. Stalled pending alignment with the Integrated National Energy and Climate Plan (INECP).



**Low-Carbon Development Strategy (Adopted)**



**The Action Plan (Unadopted)**



The strategic ambition is legally established, but the operational mechanism required to enforce it does not exist.



# Implementation - The Data Deficit

## The Core Finding



The Climate Change Adaptation Programme (2023–2030) defines 25 priority measures. Yet, the **2024 Progress Report** was entirely skipped due to missing data.

Central authorities failed similarly: Only 4 of 10 reported.

## The Dark Grid

Only 37 of 145 local units reported data.



**Conclusion: Without fundamental compliance data, national-level monitoring of adaptation measures is impossible.**



# Institutional Governance: An Inactive Council

## The Intent

The National Climate Change Council is designed to foster coordination, raise awareness, and integrate climate policy.

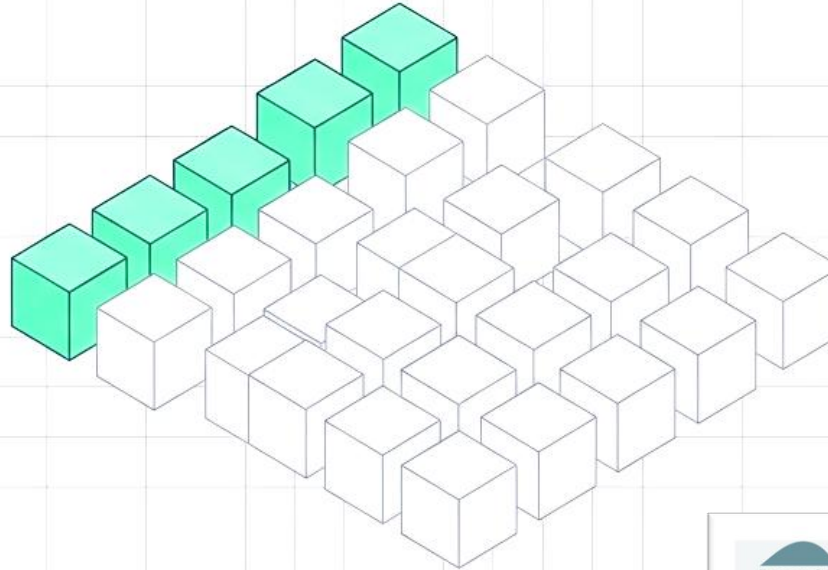
## The Reality

Despite comprising 30 members (predominantly public sector), the Council has **only convened [ 4 ] times ⚠** between 2021 and 2024.

## The Risk

Limited engagement from civil society and independent climate experts artificially narrows the evidence base for decision-making.







[ 30 Total Members / 4 Convened ]



Council Assembly Status (2021-2024)

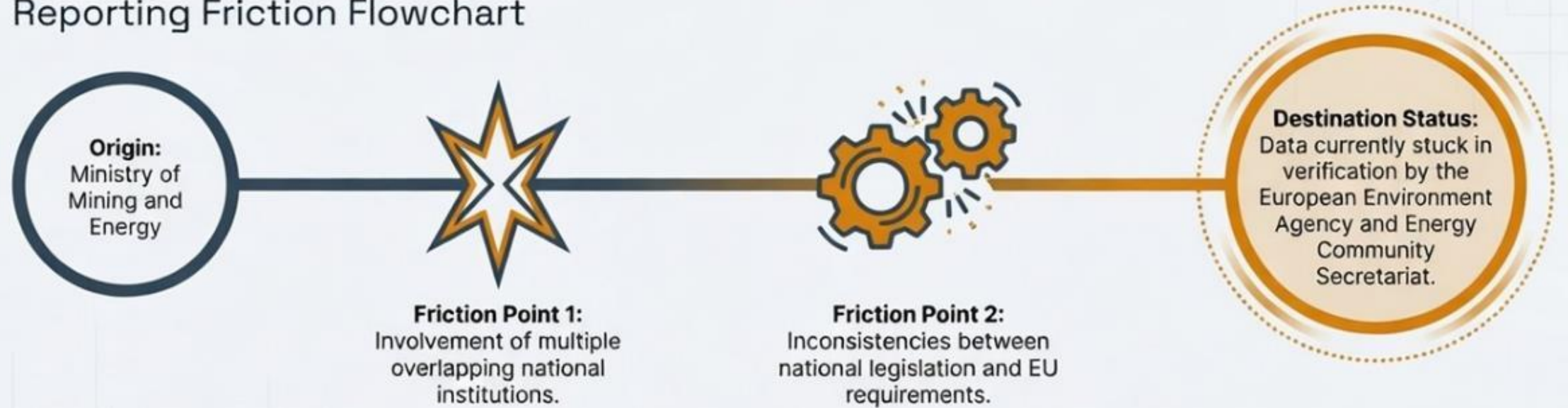
European Scientific Advisory Board on Climate Change

News Reports and publications About Cont

 <b>Ottmar Edenhofer</b> (Chair) Technische Universität in Berlin	 <b>Jette Bredahl Jacobsen</b> (Vice-Chair) University of Copenhagen	 <b>Laura Diaz Anadón</b> (Vice-Chair) University of Cambridge
 <b>Maarten Van Aalst</b> University of Twente	 <b>Constantinos Cartalis</b> National and Kapodistrian University	 <b>Suraje Dissanayake</b> University of Leeds

# Reporting Bottlenecks: Integrated National Energy and Climate Plan (INECP) Data Friction

## Reporting Friction Flowchart



### The Required Fix

Immediate amendments to the relevant Rulebook are required to ensure strict alignment with EU Regulation 2022/2299 and establish a functional national reporting system.



# Financing & Strategy - The Fragmented Approach

## The Promise

The Sofia Declaration explicitly committed Serbia to integrating the Green Agenda into national policies.

## The Reality

The Environmental Protection Strategy (2024–2033) remains unadopted due to institutional friction and poor coordination.

## The Financial Impact

Without this comprehensive strategic framework, public spending on environmental protection is reduced to fragmented, reactive planning, drastically lowering the coherence and return on investment of state funds.



# 5 Key Impacts of Serbia's Climate Audit

Following a strategic audit, Serbia has implemented critical climate governance measures to align with international standards.

## 1. Law/Legislation



### National Carbon Tax Law

Legislation approved to introduce a greenhouse gas tax by 2026 for EU alignment.



## 2. International Reporting

### NDC 3.0 Successfully Adopted

Serbia submitted its updated Nationally Determined Contributions to the UNFCCC in September 2025.

## 3. Growth/Planning

### Climate Action Plan Implementation

Adoption and annual reporting of the Climate Change Adaptation Program's Action Plan.



## 4. Academic/Council

### Increased Academic Presence

The Council's expertise has been strengthened by increasing the number of participating professors.

## 5. Regulatory Documents

### INECP Draft Rulebook Developed

Creation of the formal draft rulebook for the Integrated National Energy and Climate Plan.

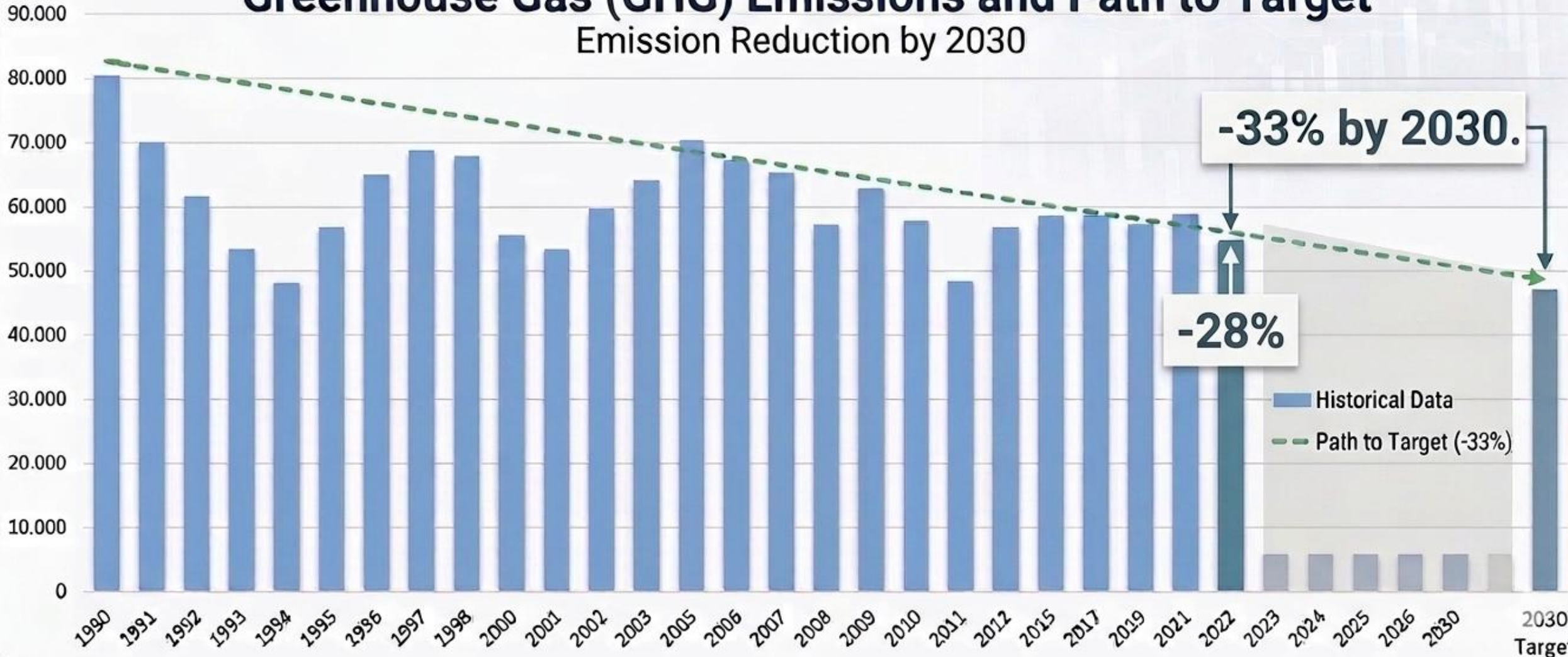




# Greenhouse Gas (GHG) Emissions and Path to Target

## Emission Reduction by 2030

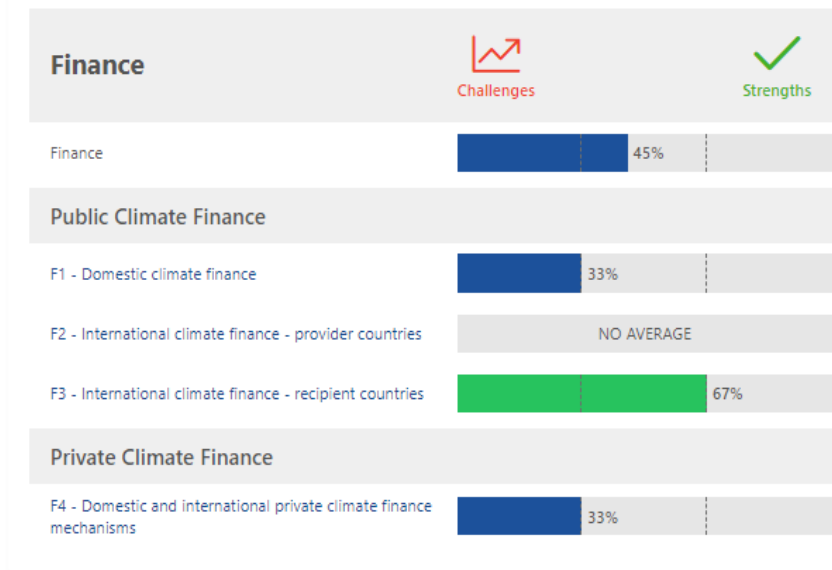
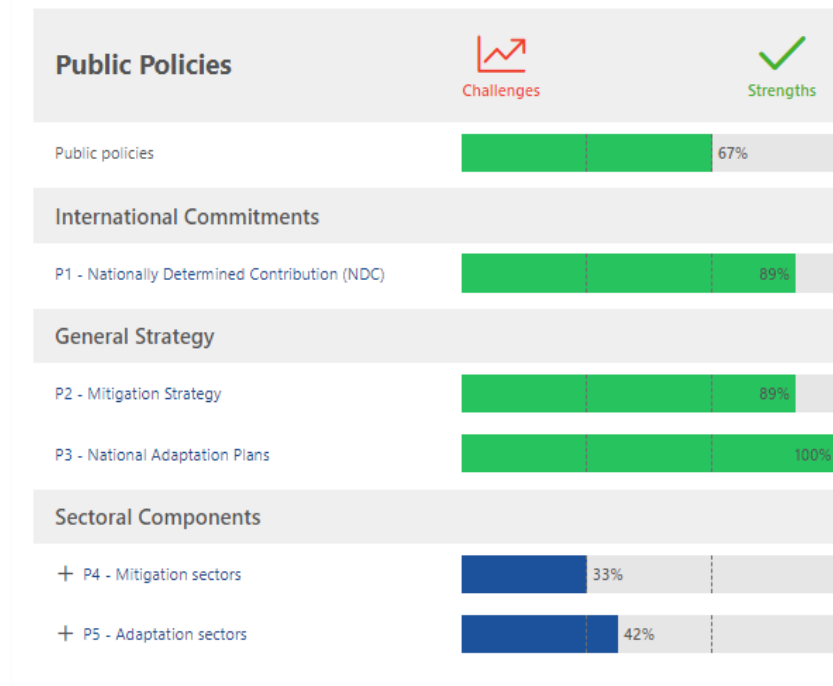
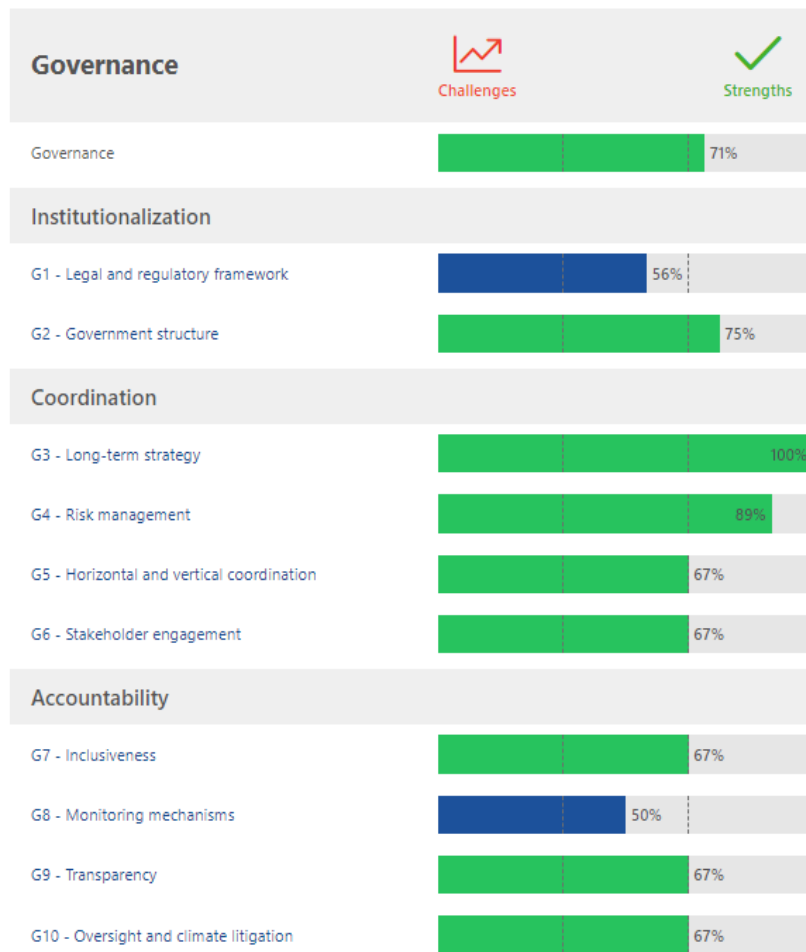
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**-33% by 2030.**

**-28%**

■ Historical Data  
- - - Path to Target (-33%)



# GOVERNANCE

Horizontal and vertical coordination

Risk management

Stakeholder engagement

Long-term strategy

Inclusiveness

Government structure

Monitoring mechanisms

Legal and regulatory framework

Transparency

Adaptation sectors

Oversight and climate litigation

Mitigation sectors

Domestic climate finance

National Adaptation Plans

International climate finance provider countries

Mitigation Strategy

International climate finance recipient countries

Nationally Determined Contribution (NDC)

Domestic and international private climate finance mechanisms

## PUBLIC POLICIES

STRENGTHS

CHALLENGES

CHALLENGES

STRENGTHS

## FINANCE



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attention.

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