National Convention on the European Union

European Movement Serbia

Comments of the Members of the NCEU Working Group for Chapter 33 on the Draft Action Plan for Chapter 33

The Working Group of the National Convention on the European Union for Chapter 33 – Financial and Budgetary Provisions reviewed the Draft Action Plan for Chapter 33, which the Ministry of Finance of the Republic of Serbia submitted for public consultation.

Bearing in mind that the decision of the National Convention on the European Union, adopted in February 2025, remains in force, the Working Group will not participate in the formal consultation process. However, given the importance of Chapter 33 for Serbia's fiscal preparedness for membership of the European Union, as well as the expert and public oversight role of the National Convention, the Working Group considers it necessary to publicly present its key findings and recommendations regarding this document.

The Working Group particularly emphasises that this position does not constitute obstruction of the European integration process, nor does it represent a withdrawal from providing expert input into that process. On the contrary, the purpose of this public statement is to contribute to the quality of accession negotiations, strengthen public oversight, and prevent European obligations from being reduced to the formal fulfilment of administrative procedures without genuine reform results.

The Working Group considers the preparation of the Action Plan for Chapter 33 to be a necessary and overdue step in Serbia's preparations for the obligations arising from future membership of the European Union. The need for such a document was identified as early as 2017 and has since been regularly emphasised in the Recommendation Books of the National Convention on the EU. Chapter 33 regulates the EU own resources system, namely the state's capacity to accurately calculate, forecast, collect, transfer, control and report on resources related to the EU budget. Although this chapter is generally closed in the final phase of accession negotiations, the systems required for its fulfilment must be developed much earlier.

The Draft Action Plan recognises the key areas of the EU own resources system, including traditional own resources, A and B accounts, electronic reporting of fraud and irregularities through OWNRES or an appropriate national database, own resources based on VAT, GNI and non-recycled plastic packaging waste, as well as the need for legislative alignment.

However, the Working Group considers that the Draft, in its current form, is not sufficiently operational. The document lacks precise deadlines, measurable indicators, a clear monitoring matrix, a more detailed accountability system, an assessment of implementation costs, and a clearer link with other negotiating chapters and the Reform Agenda. Unless the document is supplemented with clear deadlines, indicators, cost estimates, accountability mechanisms and public monitoring, there is a serious risk that the Action Plan will remain at the level of formal administrative fulfilment of an obligation for the purposes of the European integration process, without genuine substantive progress in building the system required for EU membership.

The Action Plan must not remain merely a formal response to the closing benchmark for Chapter 33. It must become a genuine instrument for developing the administrative, accounting, statistical, information and control capacities necessary for Serbia's future membership of the European Union.

The Working Group particularly points to the following shortcomings of the Draft Action Plan::

1. **The Draft lacks a public monitoring and evaluation matrix**.
   The document does not define indicators, baseline values, sources of verification, the status of implementation of activities, or mechanisms for regular monitoring of implementation with sufficient clarity. The monitoring matrix should be publicly available and should serve as the basis for periodic reporting on progress.

2. **Deadlines are too broadly defined**.
   Frequent formulations such as "continuously", "until accession" and "depending on the implementation of the Action Plan" are not sufficient for key activities. Clear and verifiable deadlines must be set for the establishment of A and B accounts, the development of the information system, electronic reporting of fraud and irregularities, training and the preparation of procedures.

3. **The A and B accounts system must be defined in greater detail**.
   The technical, institutional and accounting aspects of this system need to be specified, including its links with customs, tax, accounting and other relevant information systems.

4. **OWNRES and electronic reporting of fraud and irregularities must be elaborated more clearly**.
   Deadlines, procedures, training, simulations, responsible institutions and links with Chapter 32 (Financial Control), as well as with the protection of the financial interests of the European Union, need to be defined.

5. **The Draft does not present the costs of the process clearly enough**.
   Without an assessment of financial needs and implementation costs, it is difficult to realistically assess the state's capacity to carry out the planned activities.

6. **A clearer link with other negotiating chapters is needed**.

Chapter 33 cannot be viewed in isolation. An operational link needs to be established with the following chapters: 16 (Taxation), 18 (Statistics), 22 (Regional Policy and Coordination of Structural Instruments), 27 (Environment and Climate Change), 29 (Customs Union) and 32 (Financial Control).

7. **The Action Plan must be linked to the Reform Agenda of the Republic of Serbia**.
   In this regard, the areas of public procurement, public investment, public enterprises, intergovernmental agreements, digitalisation, open data, statistics, control, audit and budget planning are particularly relevant.

8. **An analysis of the future financial effects of EU membership is needed.**
   The document does not contain a sufficiently developed analysis of the financial opportunities, future obligations, potential fiscal risks and benefits that would arise from Serbia's membership of the European Union. Such an analysis is important for both institutions and the public, since EU membership does not entail only future contributions to the EU budget, but also access to significantly larger funds and the need for the state to manage them responsibly.

The Working Group particularly emphasises that Serbia must plan in a timely manner the costs of alignment with the EU acquis, including areas with significant budgetary implications, such as environmental protection. The experience of Member States shows that delays in the implementation of obligations may lead to substantial financial penalties. It is therefore important for the Action Plan to contain a realistic assessment of costs, capacities and deadlines.

The Working Group also considers that preparations under Chapter 33 must be aligned with the budgetary cycle of the European Union, as well as with new rules and procedures relating to the EU own resources system and the adoption of the EU budget. The EU own resources system is changing, including discussions on new sources of EU revenue, which is why Serbia needs to develop the capacity to monitor these changes and assess their possible impact on public finances.

The Working Group calls for the Draft Action Plan to be supplemented, prior to its adoption, with the following elements:

- a public matrix for monitoring implementation;
- clear indicators, deadlines and sources of verification;
- a more precise plan for establishing A and B accounts;
- a detailed plan for electronic reporting of fraud and irregularities;
- an assessment of implementation costs;
- an overview of administrative capacities by institution;
- an operational coordination mechanism with other negotiating chapters;

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- a clear link with the Reform Agenda;
- an analysis of the fiscal effects of Serbia's EU membership;
- a mechanism for regular public reporting on the implementation of the Action Plan.

The NCEU Working Group for Chapter 33 considers that the public must be better informed about the importance of this chapter. Financial and budgetary provisions are often wrongly viewed as a narrowly technical issue, although they directly affect the state's ability to plan public finances, protect the financial interests of the EU, use EU funds and responsibly manage the future obligations and benefits of membership.

It is therefore necessary for the Action Plan to be a serious, measurable and publicly verifiable document. Serbia must not wait until the final phase of negotiations to establish systems for own resources, A and B accounts, electronic reporting of irregularities, reliable statistics, controls and fiscal planning. These capacities must be built now.