

A series of new laws and procedures have facilitated investments “under the radar”. One of them is the Law on Public Procurement from 2019, which significantly affected the weakening of the application of regulations governing competition, access to information of public importance and environmental protection.

In its Resolution of March 25, 2021, the European Parliament expressed concern over the growing influence of China in Serbia and throughout the Western Balkans. The resolution points to a lack of transparency in Chinese investments and loans. The European Parliament therefore “calls on Serbia to strengthen its standards of compliance with the law when it comes to Chinese business activities.”

VedvarendeEnergy (SustainableEnergy) and RERI (Regulatory Institute for Renewable Energy and the Environment) welcome the statement of the European Parliament. Their legal analysis indicates a gradual weakening of the application of legal obligations to Chinese investments in Serbia starting in 2014.

“The legal analysis we conducted recently showed that the overall impact of Chinese investments has had a negative impact on the legal system. Their business activities have increased the number of legal gaps in the law that have allowed certain concessions to large-scale projects, such as infrastructure projects, which are mainly financed by Chinese government loans or by Chinese companies,” said RERI Program Director Mirko Popovic.

The Law on Special Procedures for the Realization of Projects for the Construction and Reconstruction of Line Infrastructure Facilities of Special Importance for the Republic of Serbia was adopted in February 2020. This Law enables the Government to determine line infrastructure projects of importance for the Republic of Serbia as urgent, and thus neglect the prescribed public procurement procedures. Instead, these projects are subject to special procedures, as they provide strategic partnerships of special importance to the Republic of Serbia.

The Government of the Republic of Serbia often declares projects of this type, and especially Chinese investments in heavy industry, which are major polluters, as projects of national interest in order to be able to apply laws flexibly. As a result, environmental regulations are being disregarded and high levels of air pollution are being noted, as the European Parliament also points out.

Also, the competent authorities often refuse to respond to requests for information of public importance that are made in whole or in part in accordance with the provisions of the Law on Free Access to Information of Public Importance. In that way, citizens and civil society are prevented from asking questions about the responsibility of the Government of the

Republic of Serbia.

When the European Parliament called on Serbia to make a greater effort in the fight against corruption and the rule of law, the President of Serbia reacted indignantly and called the Report a “naked lie”. Commenting on the same report, Serbian Parliament Speaker Ivica Dacic also accused the European Parliament of being biased against Chinese investment. Regarding this statement, the director of the finance and management program of VedvarendeEnergi, Wava Wang, replied: “There is a simple way for the Government of the Republic of Serbia to show that the European Parliament is wrong. All that is needed is to make documents related to Chinese loans and investments available to the public and to stop hiding this information.”

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