



THIS IS THE YEAR OF TWISTS AND TURNS

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INTERVIEW



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TAX

GREEN MONEY

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regulation for which there was a comprehensive consensus of the industry, business community through the American Chamber of Commerce, the Foreign Investors Council, the Beer Industry Association, the Cement Industry Association and, of course, the line Ministry for Environmental Protection and the Agency for Environmental Protection. Only through having an open dialogue, exchanging arguments, taking into the account the industry's needs and testing the best solutions comes the content of a regulation that introduces the "pay as much as you pollute" principle in our country for the first time. The industry is not running away from the responsibility for the impact on the environment but does not want to be held hostage to local "racketeering creatures" which encumber businesses with non-transparent parafiscal charges. What will the "pay as much as you pollute" principle bring? Waste prevention, eco product design, use of recyclable materials, energy efficiency, zero waste and a circular economy package, i.e. manufacturing that takes responsibility for the environ-

ment and community and thus generates great savings for companies.

How much did businesses have to pay for environmental tax so far, and how much are they going to have to pay after the Decree is implemented?

— The total amount of 'green' money that was collected from the tax is around 11 billion dinars, while as of now, we are going to save over 2 billion dinars from the local environmental tax alone. Someone might argue that the citizens stand to benefit nothing from that, only the industry does. My answer to that would be "it's a win-win situation for everybody". Local governments will still have money for green investments, but as of now, they will also have to bear the responsibility for how they spend this money. The citizens will be able to influence spending transparency and distribution of funds, the investors will have predictability in terms of knowing what they are paying and to whom and of course, the government will be able to plan long-term waste and wastewater investment projects because funds for large-scale infrastructure projects will have to be pooled.

Siniša Mitrović is an environmental analyst and passionate naturalist dedicated to preserving the natural capital of Serbia and the Balkans. He is actively working in the Chamber of Commerce and Industry of Serbia (CCIS) on the green growth of the Serbian industry, ecological European integration and the use of the best technologies for Serbia in the waste and wastewater management. He is also one of the leading promoters of the circular economy doctrine, as a new tool of a competitive economy that is energy efficient and accountable to the local community.

Following the initiative of the Chamber of Commerce and Industry of Serbia and the companies from this branch, the Serbian government has adopted the decree on the criteria for determining activities that affect the environment relative to the amount of pollution, by promoting the "pay as much as you pollute" model for the first time in Serbia. Can you explain this principle in more detail?

— First of all, I would like to touch upon the process of adopting the said

You are the Head of the CCIS' Centre for Circular Economy? How much is this economic concept implemented in our country?

— We are the first state in this part of Europe to start institutionally implementing circular economy (CE). We have CE departments in the Ministry of Environmental Protection and the Chamber of Commerce and Industry of Serbia. Our Centre for Circular Economy provides a new business and transition doctrine and we have help from our partners in that – the German Corporation for International Cooperation (GIZ), the OSCE, the UNDP, the Delegation of the European Union in Belgrade, the CLIMATE KIC Foundation and others. Switching from linear to circular economy is demanding, expensive and time-consuming, but there is no alternative. If you do not implement it, you will remain a low-budget economy; vulnerable and uncompetitive to the challenges of the 4.0 Industrial Revolution. There are benefits from implementing a circular economy package in the small business sector, which saves resources, energy and water, while waste is recycled to be reused in production. Our biggest task at the Chamber at the moment is creating an industrial symbiosis platform in Serbia. This means that waste from the biggest waste-generation companies is used as a raw material in small companies and craft shops, i.e. waste creates a new value.

Businesses are cited as the biggest pollutants in Serbia. Do you share this view?

— I would disagree with that claim. Every citizen generates about one kilogramme of waste per day, while the growing consumerism and higher living standard lead to a 6% increase in the amount of generated waste, especially when it comes to electrical and electronic products, textile, food and pharmaceutical waste or home chemicals. The fastest transition to ecological and sustainable business we can see is happening in the industry. In order to remain competitive in the market and good for consumers, your end product or service needs to be more "green". The market forces you to do so. You cannot view industrial pollution only in light of environmental accidents. For us, at the Chamber, the most serious problem is inherited pollution and waste generated in bankrupt factories that are not only a threat to the security of the local population, but also to brownfield

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investments. We need to build factories in existing locations and preserve resources like agricultural land. That is why it is necessary to clean Serbia from inherited waste. This is a process that will last and cost us money until 2030. The Chamber of Commerce of Serbia proposes allocating up to 500 million dinars from the state budget to carry out this cleansing process. However, the benefits are priceless.

Who are the biggest waste generators in Serbia?

— Definitely it is the energy and mining sector that generates the biggest amount of waste which is the most demanding in terms of disposal. Then come the construction and agricultural sector (hazardous pesticide packaging and food waste). I still stand by my words that citizens are the biggest generators of waste thanks to their bad habits.

Experts have estimated that due to poor organization and the lack of application of modern waste management technologies, Serbia throws away over 50 million euro worth of raw materials per year. Do businesses even recognize this potential?

— This is exactly what the new economy/recycling industry is all about since it has the biggest potential for the creation of new green jobs, the inclusion of informal groups and fighting against poverty. Serbia needs primary waste selection in the place where waste is generated – that is households. We also need a waste deposit tax, a recycling industry at a higher technological level and a transparent system for co-financing

the recycling industry.

Does Serbia have sufficient capacity to handle hazardous waste? How much of this waste is deposited in our country?

— This year is going to be the year of twists and turns when we are going to have to face the possibility of the industrial waste management costs growing over 100% relative to the previous year. Also, there is a lack of appropriate infrastructure. I can foresee that we are going to jeopardize every new foreign or domestic investment because we do not have a hazardous waste infrastructure. In today's Serbia, energy facilities that use waste as fuel are still considered a distant future, while hazardous waste incinerators are viewed as "a threat and ideological toy". After 2020, we are going to have to dispose of our hazardous waste "in our own back yard", figuratively speaking. We will not be allowed to dispose our waste in other countries because the European capacities are full to the brim since waste cannot be treated in China. In addition, we have over 300,000 tonnes of inherited waste and generate about 80,000 tonnes of industrial waste annually. I don't think that ordinary people can even recognize industrial waste. Also lobby groups are very adamant to portray hazardous waste as "the big bad wolf" although it makes only 3%-4% of the total generated waste. The conclusion is that there is no future industrialization without a waste infrastructure in place. If we do not solve this immediately, we will pay a high price for vulnerability to climate change and the health of the population.

