

FRESHWATER COUNTRY PROFILE

SERBIA-MONTENEGRO

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Decision-Making: *Coordinating Bodies:* Activities related to fresh water management (use, preservation, flood control, pollution control, water regime/quality and quantity, etc.) fall under the jurisdiction of the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia/Republic Directorate for Water. In addition, the Ministry of Science and Environmental Protection and the some other ministries have certain roles in various aspects of water management.

JVP "Srbijavode" (Public Water Management Company "Serbia Waters") was set in 1996 to implement the water management activities. The structure was altered in 2003 with the creation of the Provincial Secretariat of Agriculture, Water Management, and Forestry of Vojvodina Province and the setting up of the new JVP "Vode Vojvodine" (Vojvodina Waters), that covers water management responsibilities on the territory of Vojvodina Province. Field activities are carried out by 55 companies, under contractual arrangements with JVP "Srbijavode" and "Vode Vojvodine".

Water supply public companies are guided by the Ministry of Public Administration and Local Self-government. The authority of the Ministry of Agriculture and Water Management in this regard is mainly in the sphere of issuance of water management criteria and permits for the use or release of water, as well as in the encouragement of and provision of subsidies for construction of capital projects.

In addition to the state bodies and institutions, the following government and non-government institutions are also important stakeholders in the water domain:

- Serbia Forests Public Enterprise (and Vojvodina Forests Public Enterprise);
- Energy Management Public Enterprise of Serbia;
- National scientific and professional organisations: universities, hydro-meteorological and other institutes, chambers of commerce, and other similar organisations and institutions;
- Non-governmental institutions: The Jaroslav Cerni Institute for the Development of Water Resources, numerous design, contracting and other companies, as well as numerous non-governmental environmental protection organisations.

Legislation and Regulations: The most important law that governs the water domain in Serbia is the Law on Waters (1991). It regulates the protection of water, protection against harmful effects of water, the use and management of waters as a resource of public interest, the criteria and methods of performing the water management activity, organization and financing of water management, and supervision of implementation of the Law.

The lack of harmony between the existing Law on Waters and other laws, decrees, and regulations passed in the meantime, the inability to implement transformation of ownership in the manner prescribed by the existing Law, split authority between the Ministry and Public Water Management Companies, and various Ministries are only some of the reasons that necessitate a new Law on Waters.

The requirement should be added of harmonizing new solutions with the Water Framework Directive of the European Union (2000). Water management in accordance with new guidelines of the environmental domain and the principles of sustainable development are essential prerequisites for the proclaimed goal of the country to become a future member of the European Union.

This new Law on Waters was in final phase of preparation.

Strategies, Policies and Plans: Basic goals to be achieved by the intended reform of the water sector include the following:

- Establishment of self-financing as one of the conditions for rational use and consumption of water, and protection of and against water;
- Achievement of appropriate water conditions based on criteria set out in the European Water Directive;
- Creation of conditions for economic, social, and health-related progress on the basis of improvement of the water management infrastructure; and
- Employment increase based on encouragement of investment in the water sector.

Such goals impose the need to initiate reform as soon as possible, and assure that the reform is implemented efficiently. This requires appropriate prerequisites (legislation, financing system, organizational structure, ownership, etc.).

Numerous positive effects are expected of reform, the most important being:

- Integrated water management;
- Financing of water management along the principles of user pays and polluter pays;
- Investment of national and international capital in water (achievement of investment and creation of new jobs);
- Regulated water management (delineation of “vertical” and “horizontal” jurisdiction within the sector, activities harmonized with other ministries concerned with water, stable financing, etc.);
- Rational water consumption based on saving measures (higher degree of availability, more reliable communal water supply, greater irrigation coverage, etc.);
- Improvement of water quality (reduction of pollutant emission, better sewage treatment, etc.);
- More reliable water control (greater flood control, improved drainage, higher degree of erosion control, etc.);
- Extended range and higher quality of services in the public sector, including adequate increase of overall employment.

Major Groups Involvement: There is need for much broader involvement of all stakeholders in a process of planning and decision making in water management. New Law on Waters pays particular attention to this matter, on principles introduced in Water Framework Directive.

Programmes and Projects : There are several programmes that are in a preparation phase:

- Mission of World Bank in February 2004 proposed a Water Management Rehabilitation project (20-50M USD).
- Preparation of CARDS SAVA project "Pilot River Basin Plan for Sava River" (2.3M €) is in a final phase.
- UNDP/GEF Danube Regional Project is the major complementing activity for this

CARDS Sava project: Similar to the CARDS project, this GEF activity aims at developing a Sava RBM Plan, with the focus on jointly developing the concept for the RBM Plan elements in the fur Sava basin countries. The detail work programme is being developed and agreed in the inception phase (early spring 2004) and will foresee a close cooperation with CARDS Sava project.

Status: The water sector of Serbia has gone through various phases. A significant effort of the society between 1950 and 1980 resulted in a sound situation in most of the water sector. After

this period the situation deteriorated, leaving the water sector and water management of the country significantly degraded. If the trend of the last 15 to 20 years continues, the adverse situation threatens to reach unacceptable proportions in certain segments.

The basic reasons for the existing situation in the water domain are, above all, insufficient understanding of the importance and role of water in social development and the wide gap between financial demand and actual investment in this area. This has resulted in a significant lack of coordination and organization of the water domain.

Lack of investment and extreme wear of the water management systems over the past fifteen or so years have resulted in inadequacy within the water domain, which may be illustrated as follows:

- Although incomplete, communal water supply still functions relatively well in a number of cities. However, in some regions the quality of water is not satisfactory. In most Serbian cities there is shortage of water during the summer months. A significant part of Province Vojvodina is supplied by over-pumping of groundwater from the basic water-bearing complex. Distribution network losses are higher than acceptable.
- Protection of water is in an extremely adverse state. Only several percent of pollution emitters are equipped with functioning wastewater treatment facilities. The problem of insufficient development of the sanitation network is evident in a large number of places. Poor conditions related to water protection in some areas already present a health hazard, as well as an environmental problem. An increase of industrial activity may be expected in the future, which will cause additional degradation of water quality. This domain will therefore require the greatest attention and a highest rate of investment.
- Water control (flood control and drainage) is in a state that requires additional investment in maintenance of existing well developed systems.
- Irrigation coverage is very low, and agricultural yield therefore unstable.
- Erosion is very intense in some regions, and the degree of control unacceptably low.
- Natural resources for hydroelectric power production have not yet been fully utilized.

Challenges: The necessary reform of water management should be implemented in a decisive manner, but with prior detailed assessment and planning. A significant part of the reform needs to be completed in 2004, and overall institutional reform should be finalized by the end of 2005.

Capacity-building, Education, Training and Awareness-raising: Republic State Water Directorate and Public Companies "Serbian Waters" and "Vojvodina Waters" continuously work on capacity building, education, and training of staff. Related to awareness - raising, "Vojvodina Waters" have published a bulletin but there are few programmes related to this issue. There is a need to increase this activity on the national level.

Information: Information related to water management in Serbia are available at the Republic Water Directorate. Information about water regime is available at Republic Hydro-meteorological Institution.

Research and Technologies: The Republic Water Directorate continuously work on research and technologies projects and these projects are financed mainly from the state budget. The available funds are inadequate.

National Water Resources Research Program, that would be cofinanced with Ministry of Science and Environment Protection, will start in 2004.

Financing: Funds for water management are provided from the water funds and fees paid by the beneficiaries of the water system, including the following: water fund, water use fee, water protection fee, gravel and sand excavation fee, catchment area water management fee, budget of local units of government and self-government, and other sources (state budget, donations, loans by local and foreign banks such as the World Bank and EBRD).

The total annual revenue from the price of water and other charges, according to overall assessments, amounts at present to about €200 million.

The required annual funds to assure full financial support to water management amount to more than €800 million (including operation, maintenance, simple reproduction, and necessary investment).

It is clear that the price of water and related services is a social and political issue at present. However, the conclusion is that with a gradual price increase and an adequate social policy (assistance to the needy from other sources, etc.), such an objective is realistically achievable.

Cooperation: Republic of Serbia place the highest importance on the establishment of a new framework for multilateral cooperation, which would be closely linked to and synchronized with bilateral cooperation along the lines of the major international conventions approved during the 1990's, at the time when this country was isolated. This particularly relates to the implementation of the European Water Framework Directive (WFD/2000).

The following conventions significant to water management were ratified: the Convention on Cooperation in the Protection and Sustainable Use of the Danube River Basin (2003), The Budapest Declaration/Tisza Water Forum (2001).

Bilateral treaties on the regulation of water management relations have been signed with the neighbouring states of Hungary, Romania, Bulgaria and Albania (last two are only formally in force, but not implemented in practice).

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