## **Economic Commission for Europe**

## Committee on Environmental Policy

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Second Environmental Performance Review of Croatia

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# Second Environmental Performance Review of Croatia: Recommendations

## Note by the secretariat

## *Summary*

The present document provides recommendations of the second Environmental Performance Review of Croatia agreed upon by the Expert Group on Environmental Performance at its meeting held in Geneva on 1-3 October 2013.

The Committee on Environmental Policy is invited to adopt these recommendations.

## I. Policy making, planning and implementation

# Chapter 1: Policymaking framework for environmental protection and sustainable development

#### Recommendation 1.1

The Government should strengthen institutional mechanisms for horizontal and vertical coordination of legislation and policies on environmental protection and sustainable development, in particular by:

- (a) Activating the existing coordination bodies, such as the Environmental Protection and Sustainable Development Council, the National Committee for the Development and Implementation of the Strategy for Sustainable Development and the Environmental and Nature Protection Forum;
- (b) Designating the Ministry of Environmental and Nature Protection as the coordinating body on environmental issues among the relevant sectoral ministries;

## Recommendation 1.1 (bis)

The Ministry of Environmental and Nature Protection should designate a unit responsible for facilitating coordination and cooperation with and among the country's counties in developing and implementing subnational environmental legislation and policies, such as the environmental protection plans.

### Recommendation 1.2

The Government should strengthen the environmental protection and sustainable development capacities of public institutions at the national, regional and local levels, in particular by:

(a) Fulfilling the obligation to increase to an adequate level the number of employees in the Ministry of Environmental and Nature Protection to cover the increased responsibility of the Ministry;

(b) Continuing to strengthen the environmental training programme for civil servants, including the development of supporting tools, such as guidelines and handbooks, to ensure the systematic and high-quality fulfilment of the enhanced responsibilities of various public authorities for environmental protection.

#### Recommendation 1.4

Based on the 2013 Law on Environmental Protection, the Government should promote strategic environmental assessment (SEA) implementation by:

- (a) Extending the scope of SEA to all strategic documents;
- (b) Increasing the role of the Ministry of Environmental and Nature Protection by making its approval of the whole SEA procedure and its membership in the regional SEA committees mandatory.

#### Recommendation 1.5

The Ministry of Environmental and Nature Protection, in cooperation with other competent authorities, should establish a quality assurance mechanism ensuring the effective implementation of SEA obligations at the national and local levels and the provision of support for those carrying out SEAs.

#### Recommendation 1.6

The Government should strengthen its development policy, investments and expenditures towards green economy by developing, coordinating and monitoring the implementation of a strategic action plan for green economy that:

- (a) Formalizes responsibilities for promoting green economy;
- (b) Establishes institutional mechanisms at the political and technical levels for intersectoral coordination of green initiatives;
- (c) Sets priorities and measures for the systematic and integrated use of European Union (EU) structural funds, national funds and earmarked financial sources, and for triggering domestic and foreign private investment;
  - (d) Sets deadlines, timelines and concrete goals for implementation and monitoring mechanisms.

## **Chapter 2: Compliance and enforcement mechanisms**

## Recommendation 2.1

Aiming to address the remaining governance gaps that hinder compliance assurance in Croatia, the Government should:

- (a) Improve the set of compliance and enforcement indicators and request environmentally related inspection and enforcement agencies to publicly disclose their performance in a systematic manner;
  - (b) Continue to strengthen coordination mechanisms between various inspectorates;
- (c) Analyze the effectiveness of environmental inspection bodies and ensure the adequate development of their administrative capacity.

## Recommendation 2.2

In order to reduce the backlog in the Integrated Pollution Prevention and Control (IPPC) permitting procedure, the Ministry of Environmental and Nature Protection should:

- (a) Complete the inventory of the IPPC installations and keep it up to date and publicly available;
- (b) Develop guidance documents for stakeholders in the IPPC permitting procedure;
- (c) Provide training to industrial operators and Authorized Consultancy Organizations concerning the way applications should be made and the information they should contain.

### Recommendation 2.3

The Ministry of Environmental and Nature Protection should make a better use of instruments to promote compliance, through:

- (a) Conducting consultations with the stakeholders when drafting laws or amendments;
- (b) Providing small and medium-sized enterprises with easier access to information on how compliance could be ensured;
  - (c) Promoting the use of environmental management systems;
- (d) Assessing the costs and benefits of a system of public disclosure and rating of the environmental performance of enterprises and adopting such a system, if feasible.

### Recommendations 2.4

The Government should strengthen the effectiveness of instruments and procedures, as well as capacity, for administrative and judicial enforcement by:

- (a) Annually assessing compliance with relevant standard operating procedures, updating them as necessary and conducting training and exchange of experience on their application;
- (b) Providing guidance to inspectors on the use of specific enforcement instruments and requesting that the entire toolbox of administrative enforcement instruments be applied stepwise;
- (c) Improving the calculation of administrative fines and informing the regulated community of the basis for such calculations;
- (d) Providing environment-focused training to judicial authorities and considering whether a specialized corps of environmental judges could be established.

### Chapter 3: Monitoring, information, public participation and education

## Recommendation 3.1

The Ministry of Environmental and Nature Protection, in cooperation with other relevant public authorities and other stakeholders, should continue working towards the establishment of an integrated environmental information system that should provide relevant, comprehensive, accurate and publicly accessible data and information on the state of the environment. Future steps should include:

- (a) Strengthening the coordinating role of the Croatian Environment Agency (CEA), with the means for enhancing database development and ensuring adequate knowledge coverage across all issues;
- (b) The establishment of further National Reference Centres to collect data and report to CEA and other responsible bodies;
- (c) Continuing the establishment of protocols for data flow, including workflow definitions (precisely defining who reports what, when and to whom), protocols on higher levels of information subsystems to avoid segregation of the whole system and the definition of standards to regulate methodologies and procedures in the creation, access, protection and uniformity of environmental data and information in the related institutions.

## Recommendation 3.2

The Ministry of Environmental and Nature Protection, in cooperation with other relevant public authorities, should prepare a scoping and evaluation study of existing environmental monitoring (including monitoring on national borders), its links to environment reporting (state-of-the-environment (SoE) reports and reporting according to international obligations) and mechanisms for its continuous updating and regular implementation across all areas (air, water, soil, land use, biodiversity, waste, noise and vibration, and radioactivity).

## Recommendation 3.3

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The Government should speed up the procedure for the approval of the SoE report, in order to produce more timely outputs for policy and information purposes.

#### Recommendation 3.4

The Ministry of Environmental and Nature Protection, through CEA, should:

- (a) Establish an indicators database and make it available via the Internet;
- (b) Prioritize environmental data flows and develop e-based data exchange protocols, and web portals for stakeholders (e.g., regions and business);
- (c) Work towards making most of the data available at the sources and used for established e-reporting.

## Recommendation 3.5

The Ministry of Science, Education and Sports should strengthen education for environment protection and sustainable development in the national education curriculum.

# Chapter 4: Environmental international agreements and commitments and their implementation

#### Recommendation 4.1

The Government should ensure that:

- (a) MEA-related administrative capacities are strengthened;
- (b) Coordinating bodies are in place in order to facilitate the implementation of MEA activities;
- (c) Cooperation with other State authorities and stakeholders is improved on a regular basis.

## Recommendation 4.2

The Ministry of Environmental and Nature Protection should further focus on establishing national emission-reduction goals in the area of industrial processes, agriculture and waste management.

# II. Mobilizing financial resources for environmental protection

## Chapter 5: Economic instruments and expenditures for environmental protection

## Recommendation 5.1

The Government should increase the share of green horizontal subsidies in the extrabudgetary Environmental Protection and Energy Efficiency Fund.

## Recommendation 5.2

The Government should review its air pollution charges policy to encourage companies to make environmental improvements, in particular by:

- (a) Introducing an automatic indexation mechanism for rates;
- (b) Adapting charge levels for regional particularities.

## Recommendation 5.3

The Government should review and adjust the electricity price structure in order to encourage energy saving and energy-efficiency improvements.

## Recommendation 5.4

The Government should review and adjust the current system of transport-related taxes, in order to encourage transition to less environmentally polluting practices and choices.

# III. Integration of environmental concerns into economic sectors and promotion of sustainable development

## **Chapter 6: Waste management**

#### Recommendation 6.1

The Ministry of Environmental and Nature Protection, in cooperation with the Croatian County Association, the Association of Cities and the Association of Municipalities, should assess the socioeconomic impact of the transformation towards regional/county waste management-based collection and disposal sites systems on individual cities and municipalities, and consider devising incentives for the successful implementation of this transformation.

#### Recommendation 6.2

The Ministry of Environmental and Nature Protection, in cooperation with the Environmental Protection and Energy Efficiency Fund, should continue implementing options for reducing the number of local landfills.

### Recommendation 6.3

The Ministry of Environmental and Nature Protection, in cooperation with other relevant ministries, should strengthen controls over groundwater and air pollution caused by landfills, in accordance with the requirements set out in EIA decisions and environmental permits.

### Recommendation 6.4

The Ministry of Environmental and Nature Protection, in cooperation with the Croatian County Association, the Association of Cities and the Association of Municipalities, should prepare a regulatory framework (ordinance) on biodegradable waste, and, in cooperation with the Environmental Protection and Energy Efficiency Fund, should promote development of biodegradable waste management facilities, with the aim to reduce landfilling of biodegradable waste.

## Chapter 7: Sustainable management of water resources

#### Recommendation 7.1

The Ministry of Agriculture, the Ministry of Environmental and Nature Protection, the Ministry of Health, Croatian Waters and CEA and other relevant institutions should improve information exchange by ensuring that:

- (a) Communication channels and contact persons are clearly defined on the horizontal and vertical levels;
- (b) All institutions in the water management sector regularly provide water-relevant data in an agreed format to a designated institution in charge of gathering water-related data.

## Recommendation 7.2

The Ministry of Agriculture, in cooperation with Croatian Waters and public water suppliers, should reduce water losses in the water supply network and ensure effective maintenance of the water supply systems.

## Recommendation 7.3

The Ministry of Agriculture should:

- (a) Increasing the number of population connected to the wastewater treatment plants to use full capacity of the plants;
  - (b) Continue ensuring that untreated wastewater is not discharged into water bodies;
- (c) Improve management of sludge produced by wastewater treatment plants by the development of a coherent policy on sludge use.

#### Recommendation 7.4

The Ministry of Agriculture should further promote sustainable farming practices.

## Chapter 8: Biodiversity and protected areas

### Recommendation 8.1

The Ministry of Environmental and Nature Protection should:

- (a) Together with relevant institutions, enforce nature protection measures and address the major threats to biodiversity caused by the introduction of invasive species;
- (b) Work with the Croatian Forests to put in place mechanisms to raise awareness on the need to protect biodiversity in forests;
- (c) Together with the hunting authorities at the Ministry of Agriculture, revise the bear-management plan following the new status of "strictly protected species" granted to bears.

#### Recommendation 8.2

The Ministry of Environmental and Nature Protection, together with the Ministry of Agriculture and Croatian Waters and the energy sector, should ensure implementation of nature protection measures in order to reduce the pressures on biodiversity caused by hydroelectricity generation.

### Recommendation 8.3

The Ministry of Environmental and Nature Protection should:

- (a) Carry out studies related to the valuation of biodiversity and ecosystems;
- (b) Promote public and private investments in nature conservation.

### Recommendation 8.4

The Ministry of Environmental and Nature Protection should strengthen efforts to:

- (a) Continue ensuring adequate management of the Natura 2000 network;
- (b) Ensure adequate monitoring of biodiversity;
- (c) Complete the development of a functional nature protection information system and ensure its long-term maintenance and updating.

## **Chapter 9: Tourism and environment**

## Recommendation 9.1

The Ministry of Tourism, together with the Institute of Tourism and in cooperation with the Ministry of Environmental and Nature Protection and the Croatian Bureau of Statistics, should undertake a continuous assessment of the impact from the tourism sector on the environment.

## Recommendation 9.2

The Government should ensure that the necessary environmental protection measures are implemented during the expansion of the existing and construction of new nautical moorings.

## Recommendation 9.3

The Government should further promote the development of continental tourism in the country, paying special attention to ecotourism and applying the principles of sustainability.