



Permanent Mission of the Republic of Croatia to the United Nations

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Statement by

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Mr. Chairperson, Distinguished Colleagues, Excellencies, Ladies and Gentlemen,

At the outset, let me congratulate you, Mr. Chairperson, and members of the bureau on your election as well as for all the effort put into organizing this session of the Commission on Sustainable Development, which is of vital importance as it is the first policy session after the World Summit on Sustainable Development. During this session, we really need to find effective implementation measures for already defined sustainable development policies in the areas of water, sanitation and human settlements.

At the outset, let me underline that Croatia aligns itself with the statement of the European Union, but would like to point out some of its own national positions. We are fully aware that national governments in partnership with local authorities bear the primary responsibility for water resources management and supplying safe drinking water to their people, as well as for reducing the proportion of people without access to sanitation and for increasing the standards of living in human settlements, both in rural and urban areas. In this regard, the Republic of Croatia tries to incorporate into its policies and strategies the equilibrium of economic potentials, social sensitivity and the necessity for preserving the environment to the highest possible extent.

An important feature of water management in Croatia is the international character of most watercourses and a huge karst area. Due to this fact, water management is oriented towards co-operation with other countries within this basin. Croatian water management actively co-operates with countries from the Danube River Basin and the Mediterranean. In this regard, regional cooperation and initiatives are very important and Croatia welcomes the active involvement of the Economic Commission for Europe in these matters.

The Physical Planning Strategy and the *Strategic Water Management Master Plan*, which is in the process of being adopted, are two basic strategic planning documents for water management, sanitation and human settlements in Croatia. They provide concrete answers to challenges related to these three areas in Croatia.

Considering the limitations imposed by the transition process in terms of the establishment of the public ownership system and the economic capacity of Croatia, special attention should be paid to the selection of models which are affordable, in other words, sociologically sensitive. They can be implemented gradually, based on the public sector as the basic concept of public water infrastructure management, and on the significant application of the solidarity principle at the national level, which would ensure a more even development of all areas of the country.

Croatia is a relatively sparsely populated European country with 4.5 million inhabitants. In Croatia, 76% of the population has access to water through a publicly owned, operated and maintained water supply network. The rest of the population has access through local or individual water supply facilities. Likewise, sanitation is provided to 40% of the population through a publicly owned, operated and maintained sanitation network, while the rest receives services through local or individual sanitation facilities. Therefore,

Croatia's Millennium Development Goal in the context of ensuring environmental sustainability aims to increase the percentage of inhabitants connected to the public water supply system to 94%, and those connected to the public sewage system with the suitable purification of waste water to 65%. The fact that 5,400 settlements are inhabited by fewer than 500 persons each represents a unique challenge for our country. The above mentioned facts restrict a choice of policy options and specific actions that can be implemented in a cost-effective way.

In the *Strategic Water Management Master Plan*, a gradual transformation of a model based on the public sector as the basic concept for water infrastructure management is foreseen, as well as a significant involvement of the solidarity principle at the national level to ensure a more uniform development of all parts of the state. Even though the «polluter pays» and «environment user/beneficiary pays») principles are applied in Croatia, a revision of tariffs is necessary in order to adapt the price of water to the sustainable development objectives. This will prevent the current slow down of the development of municipal infrastructure, which requires significant investments in municipal utility companies. In this regard, the *Strategic Water Management Master Plan* envisages that problems related to water supply and sanitation infrastructure are solved in an integrated manner involving all stakeholders, including the private sector.

A good example of having one institution that directs financing instruments towards the development of the municipal system at the national and local levels along with the use of international grants and loans can be seen in the Coastal Cities Pollution Control Project. It was launched by the Republic of Croatia and the World Bank, which provides financing for the development of sanitation infrastructure. Project implementation at the national level is co-financed and coordinated by the water management company, Croatian Waters, which in co-operation with local self-government units participates in loan repayment. The project has just begun, and will be completed in eight years.

Since the 12th session of the Commission, Croatia has made significant progress with regard to the development of municipal water infrastructure. Central wastewater treatment plants in Zagreb, Split and Vinkovci have been completed with loans from the European Bank for Reconstruction and Development and the World Bank. Implementation of a project for sanitation has begun, as have wastewater treatments in the coastal area in which some 50 systems are included. The government regards construction of municipal infrastructure as a priority, and this is reflected in the provision of administrative and direct financial assistance and state guarantees to these projects. These projects are a continuation of a systematic and long-term orientation of the government for effective action in order to achieve better living conditions of the population and environmental protection in accordance with economic capacities. This represents the realisation of the guidelines for sustainable development in the fullest sense.

The principles of sustainable development are also incorporated in the *Physical Planning Strategy*, which is reflected in the strategy that environmentally friendly economic development has to be based on a firm and balanced spatial structure. In Croatia, a state

subsidised housing construction programme is implemented with the aim of giving citizens access to housing. It is also viewed as giving impetus to the overall economy. The programme is financed by public funds both from the central government and local self-government units, by citizens' funds and funds of banking institutions, which have a commercial interest in this programme. The programme of state-subsidised housing construction enables local self-government units to buy dwellings for social categories of the population. Dwellings are allocated to poor citizens on the basis of a priority list, and citizens pay subsidised rent.

The process of urban transition is expected to continue in Croatia, so it is predicted that a part of small rural settlements will remain without permanent inhabitants in the future. We plan to slow down this movement of the rural population to urban areas through systematic measures such as creating favourable working conditions and enriching connections between urban and rural settlements.

Mr. Chairperson,

Finally, I wish to emphasise that, Croatia shares the problems of other countries with economies in transition, but is additionally burdened by ever present consequences of war. However, the Government of the Republic of Croatia is successfully coping with these challenges, and gradually implementing - the guiding principles of sustainable development in the fields of water, sanitation and human settlements.

Let me conclude by pointing out that the outcome of this session should be based on the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation with concrete and realistic decisions in the areas of water, sanitation and human settlements that can be implemented at all levels - international, regional, sub-regional, national and local.

Thank you, Mr. Chairperson.