



Water Quality

Overview

The reporting period did not see any significant developments in the strategic and legislative framework for water management. The Action Plan for the implementation of the Water Management Strategy was adopted, so the conditions for its implementation have finally been created. A public debate was held in connection with the Draft Water Management Plan, which gives hope that this key document will soon be adopted.

The key development compared to previous years was the significant increase in investment in collectors and wastewater treatment plants. In 2021, the government provided tens of billions of RSD for these projects throughout Serbia. The vast majority of funds were secured through loans from foreign banks. The lack of transparency in the planning and implementation procedures (i.e. selection of contractors) is a cause for concern. Direct contracting without carrying out a tender procedure is still practiced, leaving the public unaware of the selection criteria. Additionally, all these investments rely on traditional and outdated technologies, while new technologies based on smaller and decentralized systems are almost completely absent, even though these could be a much better and more favorable solution for a significant number of local governments in Serbia.

Hydromorphological pressures in the form of intense river sediment exploitation, damming and construction along watercourses are still very much present, while the capacities of the inspectorate for water and other competent institutions remain insufficient.

Integral management of water resources has still not found its way into all sectors, so unsustainable projects with harmful effects on water resources proliferate in spatial planning documentation and various sectoral plans.

Strategic and Legislative Framework

In the previous reporting period, the Law on Water was not amended, although the competent authorities intended to do so. In June 2021, the Government of the Republic of Serbia prepared the Draft Law on Amendments to the Law on Water in an expedited procedure. On June 25, the Law entered the parliamentary procedure without any announcement and without a public hearing. According to the authorities' interpretation, the amendments concerned minor technical changes that do not require the implementation of a complete procedure. In reality, the proposed amendments were far from technical. Among other things, they included the introduction of a direct bargaining mechanism for leasing river bank land. 46 civil society organizations responded to the proposed amendments, sending requests to the President of the Assembly and the Assembly Committee for Agriculture, Water Management and Forestry to withdraw the Law from procedure. That request was rejected, and the Assembly of the Republic of Serbia adopted the Draft Law on Amendments to the Law on Water. Civil society organizations continued to apply pressure through the media on the President of the Republic of Serbia not to sign the Law and instead return it to parliamentary procedure. In a very short period of time, around 70,000 citizens signed a petition organized by RERI and WWF. On July 23, 2021 this campaign resulted in the President's refusal to sign the Law and its return to parliamentary procedure.

The entire procedure was completely non-transparent, without any opportunity for the involvement of the interested and expert public. As such, it represents a setback in the process for adopting legal and strategic documents in the field of water, which had worked relatively well to date.

There is a clear need to amend the Law on Water in order to fully harmonize it with European legislation. It is concerning that such amendments were not included in this version of the Draft Law.

The Negotiating Position of the Republic of Serbia for Chapter 27 states that the full transposition of the EU Water Framework Directive into the Law on Water should have been completed by the end of 2020. A large number of by-laws are connected to the adoption of the new Law on Water, which are necessary for the complete transposition of EU legislation (e.g. the Rulebook on technical requirements with specifications for chemical analyses and analyses required for water monitoring). The failure to adopt the new Law on Water also postponed the creation of a legal basis for the adoption of these by-laws.

In November 2021, the Rulebook on Confirming the River Sediment Extraction Plan was adopted⁶⁵, and is valid for a period of two years.

In 2021, working groups were formed to draft the Rulebook, which more closely prescribes the method and criteria for determining the environmental flow. This is a very important by-law that would contribute to the protection of water bodies and the prevention and mitigation of negative hydromorphological pressures (primarily the construction of barriers and dams). The obligation to adopt the Rulebook was prescribed in 2009, when the Law on Water came into force, but the Rulebook has not been adopted in the 13 years since. Civil society is included in the work of the working groups, however by the end of the reporting period, not even a Draft Rulebook has been written.

The Action Plan for the implementation of the Water Management Strategy on the territory of the Republic of Serbia for the period from 2021 to 2023⁶⁶ was adopted in August 2021. The Action plan should have been adopted in 2017. As the Action plan entered into force, the basis for more efficient implementation of the Strategy was created.

At the end of 2021, a public debate was held on the Draft Water Management Plan on the territory of the Republic of Serbia for the period 2021-2027. Consultations

65 "Official Gazette of RS", no. 107/2021.

66 "Official Gazette of RS", no. 79/2021.

for this draft had also been carried out earlier, mainly through video conferences. During the public debate on the Draft Plan, the Ministry of Agriculture, Water Management and Forestry only allowed public insight of electronic documents, with the possibility of sending written comments. There was no public presentation and discussion related to the Draft Plan, which clearly limits effective public participation. With this Plan, it should be possible to include Serbia in the EU river basin planning cycle. Namely, the EU Water Framework Directive prescribes the synchronized adoption of plans for river basins (*River Basin Management Plan – RBM*) with a planning period of six years. The period from 2021 to 2027 is the third planning cycle, which Serbia should participate in. Among other things, the Plan identifies and analyses significant pressures on water, defines protected areas, prescribes a monitoring program for surface and underground water, as well as a program of measures. The Draft Plan had not been adopted at the time of writing of this report.

The Water Management Plan is a complex document, primarily intended for the professional public in the field of water management and water protection. It is also a document of interest to the general public, as it defines activities regarding the protection of water as a resource and public good. In this regard, consultations and activities to raise public awareness about future plans should be more proactive and intensive. The obligation to provide timely and meaningful information to the public is also prescribed by the EU Water Framework Directive.

At the end of 2021, the Water Directorate of the Ministry of Agriculture, Forestry and Water Management formed a Working Group for the development of a Flood Risk Management Plan. The adoption of the Flood Risk Management Plan is defined by the Law on Water⁶⁷, Articles 49, 50 and 51, and it is adopted for a period of six years.

67 "Official Gazette of RS", no. 30/2010, 93/2012, 101/2016, 95/2018 and 95/2018 – other law

The Implementation of Regulations

In 2021, investment in the field of water protection continued, primarily in the construction of a sewage network and the construction of municipal wastewater treatment plant (WWTP).

During 2021, water purification plants were put into operation in Leskovac, Bačka Topola and Raška, and in December 2021, a water line was put into trial operation in Zlatibor. Tenders were also announced for the construction of wastewater treatment plants in Krnjača, Temerin, Blac, and Brus, and documentation was prepared for a plant near Doljevac. The Government of the Republic of Serbia announced that by the end of 2021, the construction of WWTPs will begin in 27 local governments. However, based on the available data, it is impossible to verify whether this actually took place.

The beginning of construction on the WWTP for the city of Belgrade was also announced for the end of 2021, but failed to materialize.

It is still difficult to monitor the dynamics of WWTP construction, as no consolidated data is available on all projects in the territory of Serbia. The Government of the Republic of Serbia states that in the next five years, through the "Clean Serbia" project, around four billion euros will be invested in communal infrastructure and around 7,000 km of sewage networks and more than 250 WWTPs will be built. The "Clean Serbia" project is not available to the public in its entirety. Only fragmentary information about the project appears in the media. Details about the project phases, the manner and deadlines for its implementation, as well as the financial details are unknown. The beginning of the first phase of the project was announced in August 2021, when a contract was signed between the Ministry of Construction, Transport and Infrastructure, the Chinese company CBRC and representatives of 14 local governments from Serbia. This contract covers the construction of 26 WWTPs and about 700 km

of sewage networks in 14 municipalities and cities.⁶⁸ The lack of transparency is extremely problematic given the size of the investments, i.e. public funds given to Chinese companies without clear criteria or tenders.

In addition to suspecting extensive corruption in WWTP construction projects, the professional public is increasingly critical of the technologies used in WWTPs being built in Serbia.⁶⁹ Namely, these are mostly outdated technologies which require extensive infrastructure that would be difficult to adapt later⁷⁰. In Serbia, there are currently no WWTPs based on modern technologies using blue-green measures.

It should be noted that the Wastewater Treatment Guide was presented at the end of 2021.⁷¹ The guide was created as part of the “Public-Private Dialogue for Development” project, implemented by the Republic Secretariat for Public Policies and financed by USAID. The guide is primarily intended for public and business entities that generate wastewater, in order to provide support in planning and implementing water protection activities. The guide should facilitate and speed up the much-needed involvement of a wider range of actors in solving the wastewater problem in Serbia.

In 2020 about 18% of municipal wastewater was treated (55 out of 304 million m³).⁷² In 2019, that percentage was around 16%, while in 2017 and 2018 it was around 17%.⁷³ A slightly higher proportion of industrial waste water was treated in 2020 – about 27%.⁷⁴ Although slight progress has been made, it is very slow. The reliability of this data should also be questioned, especially in the case of industrial wastewater, given that national and local pollutant registers are not complete and up-to-date.

68 <https://www.energetskiportal.rs/pocela-prva-faza-projekta-cista-srbija>

69 <https://www.rts.rs/page/tv/sr/story/3110/rts-nauka/4695982/eko-perspektive-prof-cedo-maksimovic.html>

70 http://www.vodoprivreda.net/wp-content/uploads/2019/01/5-Cedo-Maksimovic_R.pdf

71 https://www.rdvode.gov.rs/doc/Vodic_za_preciscavanje_otpadnih_voda.pdf

72 Source: RZS <https://publikacije.stat.gov.rs/G2021/Pdf/G20211102.pdf>

73 Source: RZS: <https://publikacije.stat.gov.rs/G2019/Pdf/G20191101.pdf>

74 Source: RZS: <https://publikacije.stat.gov.rs/G2021/Pdf/G20211154.pdf>

The Environmental Protection Agency and the Republic Hydrometeorological Service continued regular monitoring of surface waters in 2021, but the results have not yet been published. In Serbia, the water quantity and levels are regularly monitored, as well as its chemical and ecological status. Chemical and ecological characteristics are monitored through surveillance and operational monitoring. Surveillance monitoring involves monitoring parameters in order to ensure a complete overview of water status and provide information on long-term trends, while operational monitoring is performed to establish the status of water bodies that have been identified as at-risk of failing to meet environmental protection goals. In 2021, water quantity and level measurements were performed at 184 measuring profiles, surveillance monitoring was performed at 56 measuring stations, and operational monitoring at 80 measuring stations.⁷⁵ The scope of monitoring has not significantly changed compared to 2020, but the number of operational monitoring stations has increased. In 2020, operational monitoring was carried out at 75 measuring stations.

The monitoring coverage of surface waters does not meet the requirements of the Water Framework Directive. With the new typology of water bodies, which is also proposed in the Draft Water Management Plan, the requirements for water quality monitoring will increase as the number of delineated water bodies increases. According to data presented in the Draft Water Management Plan, the number of water bodies on the territory of Serbia is 3,216, which is five times more than are recognized according to the current typology. In this regard, the capacities of the Environmental Protection Agency would have to be significantly increased in order to harmonize water quality monitoring with European water policies.

During the reporting period, no significant progress was made towards systematically solving the issue of the construction of small hydropower plants. Amendments to the Law on Nature Protection introduced a ban on the construction of small hydroelectric power plants in protected areas.⁷⁶ Although these amendments to the Law can be considered positive, exemptions from

75 Regulation on defining the Program for the annual monitoring of water status for the year 2021, "Official Gazette of the RS", no. 34/2021.

76 Law on Amendments to the Law on Nature Protection, "Official Gazette of RS", no. 71/2021.

the ban, which were also enacted through amendments to the Law, leave large loopholes that could be exploited. Namely, the construction of small hydropower plants is remains possible if they are declared to be projects of public and general interest in accordance with the Law on the Use of Renewable Energy Sources⁷⁷, or as projects of special or national interest for the Republic of Serbia. As clear criteria for defining such projects have not yet been determined, these exemptions may be misused for the construction of small hydroelectric power plants in individual cases. Information on the cadastre of small hydropower plants, which was supposed to be prepared by the Ministry of Energy, is not yet available to the public.

Intensive and often illegal extraction of river sediments is still a serious threat to the preservation of watercourses in Serbia. In 2021, a new River Sediment Extraction Plan was adopted.⁷⁸ The Plan did not change the permitted quantities of gravel extraction and is practically exactly the same as the Plan for the period 2019–2021. The Law does not prescribe the creation of a river sediment extraction report, so it is unclear which parameters serve as the basis for adopting or updating river sediment extraction plans. Given the very weak control over the extraction of river sediments, the effectiveness of these plans should rightfully be called into question.

An example of bad practice in the planning and control of river sediment extraction is the case of gravel extraction in the Western Morava near Parmenac, close to Čačak. Gravel excavation began at this location in May 2021 without any permit or documentation. Excavation was carried out illegally, outside of any procedure, for the construction of a section of the Čačak-Požega highway, which is being carried out by *China Communications Construction Company*. Only after civil society organizations raised the alarm did the inspectorate visit the location and temporarily halt exploitation.⁷⁹ Exploitation was later continued, having obtained the necessary documentation, but it is unknown whether the contractors were punished for their illegal actions.

77 Law on the Use of Renewable Energy Sources, "Official Gazette of RS", no. 40/2021.

78 Rulebook on establishing the River Sediments Extraction Plan, with the River Sediments Extraction Plan, "Official Gazette of the RS", no. 107/2021.

79 <https://www.021.rs/story/Info/Srbija/274475/Inspekcija-zabranila-kineskoj-kompaniji-eksploataciju-sljunka-za-gradnju-autoputa.html>

Control of water use and water protection still remains a weak point, due to the very modest capacities of the water inspectorate. There are currently 13 inspectors employed to control the use of water resources on the territory of Serbia, which is a very small number given the number of water bodies, the number of water acts and, in general, the number of operations that have an impact on water. It is interesting to note that 49 jobs were systematized in the Department of Water Inspection, of which only 13 were filled. This modest number of inspectors is also trending downwards. In 2008, the number of water inspectors was 34. During 2021, the water inspectorate carried out a total of 1,932 inspections, and 65 misdemeanor, three economic offenses and three criminal reports were filed.⁸⁰ The number of inspections decreased significantly compared to 2017, when over 3,100 were undertaken, however the number of reported violations did not change significantly.

The case of the General Urban Plan of the City of Novi Sad⁸¹, which plans to relocate the Danube embankment, remained relevant in 2021. The disputed proposal, which goes against good practices in water management, the principle of integral management and numerous international agreements signed by Serbia, remained part of the Plan.

The Government of Serbia has not yet officially established the National Water Conference in accordance with Article 142 of the Law on Water. The Ministry of Agriculture, Forestry and Water Management proposed the composition of this body, but that proposal has still not been formally adopted. Given that the Conference should play an important role in solving the accumulated problems in the field of water and ensure greater transparency in the adoption of public policies related to water management, the delay in its formation is highly problematic.

At the end of 2021, the Ministry of Economy of the Republic of Serbia announced a Public Call for the privatization of the Institute for Water Management

80 Ministry of Agriculture, Forestry and Water Management, Republic Water Directorate, Water Inspection Department (2022): Report on the work of the water inspection department for the period January 1 – December 31, 2021, available at: <https://www.rdvode.gov.rs/doc/IZVESTAJ-O-RADU-ODELJENJA-VODNE-INSPEKCIJE-ZA-2021-GODINU.pdf>

81 <http://www.novisad.rs/lat/prezentovan-nacrt-generalnog-urbanistickog-plana-novog-sada-do-2030-godine>

“Jaroslav Černi”. It is one of the key institutions for water management on the territory of Serbia, with great experience and internationally recognized expertise in this field. Among the professional public, this decision, leaves an important institution in private hands, was met with indignation and justified suspicion that the institute will be used for the needs of individual interests. In December, a decision was made to sell the Institute to the *Millenium team company*, which has been involved in several controversial projects. The Renewables and Environmental Regulatory Institute (RERI) highlighted that there is no justification for privatization, and drew attention to deficiencies in the implementation of the privatization procedure.⁸²

82 <https://www.reri.org.rs/sporna-privatizacija-instituta-jaroslav-cerni/>

Financing

According to the Regulation on Establishing the Water Management Program in 2021, RSD 4.67 billion has been allocated for water management for management and use of water, protection of water from pollution, watercourse management and protection against the harmful effects of water, as well as planning and international cooperation in the field of water. This is a significant increase compared to 2020, when RSD 3.68 billion was allocated for the same purposes. The distribution of funds has changed significantly compared to the previous year. The most significant increase in the budget was for the management and use of water, with RSD 1.3 billion allocated, i.e. around RSD 700 million more than the previous year. RSD 3.2 billion has been earmarked for watercourse management, about RSD 300 million more than the previous year. Funds for water protection remained at the same level as the previous year, at a modest RSD 13.4 million.

Other funds are also earmarked for water management and water protection. In 2021, the Government of the Republic of Serbia allocated⁸³:

- RSD 32.3 billion for the wastewater treatment and channelization project in Belgrade (loan from Chinese banks);
- RSD 7.1 billion for the construction and design of collectors and water purification plants in Batajnica (loan from Chinese banks);
- RSD 10.1 billion for water supply and wastewater treatment projects in local self-government units (loan from the Export-Import Bank);
- RSD 11.9 billion for the Water Supply and Wastewater Treatment Program in medium-sized municipalities (loan from KfW Bank);

83 Law on the Budget of the Republic of Serbia for 2021, "Official Gazette of the RS", no. 149/2020, 40/2021, 100/2021.

- RSD 60 million for the construction of a drinking water treatment plant in Kikinda.

Total budget allocations for water management are difficult to monitor because they are incorporated into several budget lines (capital investments, co-financing of international projects, etc.) as well as through the budgets of local self-governments. It is evident that there has been a significant increase in investment in wastewater treatment infrastructure, which is mainly realized through loans from foreign banks.

Recommendations



Strategic and Legislative Framework

- 1.** Integrate nature directives (Birds Directive and Habitats Directive) into the field of water management. Better coordination is needed between the water management sector and the environmental sector regarding the implementation of EU directives.
- 2.** Develop a concrete plan and set of measures for the improvement of water quality monitoring in accordance with the requirements of the Water Framework Directive.
- 3.** Develop specific strategies to improve investment in wastewater treatment facilities. Initiate the development of models and strategies for knowledge transfer in the field of wastewater treatment in order to reduce costs and mobilize domestic capacities.
- 4.** Adopt strategic and planning documents in accordance with the obligations arising from the Water Framework Directive (Water Management Plan, Flood Risk Management Plan).



The Implementation of Regulations

- 5.** Develop capacities and improve the organization of public institutions responsible for water management, especially at a local level – the complexity of water management issues requires stronger personnel and technical capacities. The competent institutions must conduct an analysis of the existing capacities as soon as possible and develop a plan for their improvement. To achieve this, professional institutions and CSOs need to advocate for greater political and financial support for the water management sector.

- 6.** Develop structured cooperation with other relevant sectors: environmental protection, energy, agriculture and spatial planning. This requires constant communication and exchange of information between sectors to be established.
- 7.** Further improve public participation in policy development in the water management sector. Public consultations should provide more opportunities than the legal minimum. Stakeholder involvement should begin in the early stages of policy development.
- 8.** Integrate nature-based solutions into water management practices and more seriously consider ecosystem services. Specific capacities for these needs should be developed in the competent institutions.
- 9.** Improve control and mitigation of key dangers: poorly planned small hydropower plants, gravel extraction, pollution, uncontrolled use of groundwater, and illegal construction on river banks – river habitats, wetlands, and water resources in general are very endangered in Serbia. Urgent action is needed at the national level.
- 10.** Develop a single database on planning and constructing WWTPs that is available to the interested public, enabling more efficient and systematic planning and monitoring of project implementation throughout Serbia.
- 11.** Raise the capacities of the water inspectorate and increase the number of water inspectors.
- 12.** Establish water quality monitoring in accordance with the requirements of the Water Framework Directive.
- 13.** Determine the borders of water land in the cadastre.



Financing

- 14.** Gradually increase water prices and fees for wastewater drainage and treatment services, in order to provide for the construction of the necessary facilities for water drainage and treatment and their normal operation.
- 15.** Permanently increase budget funds for financing water management activities and water protection.



WATER QUALITY

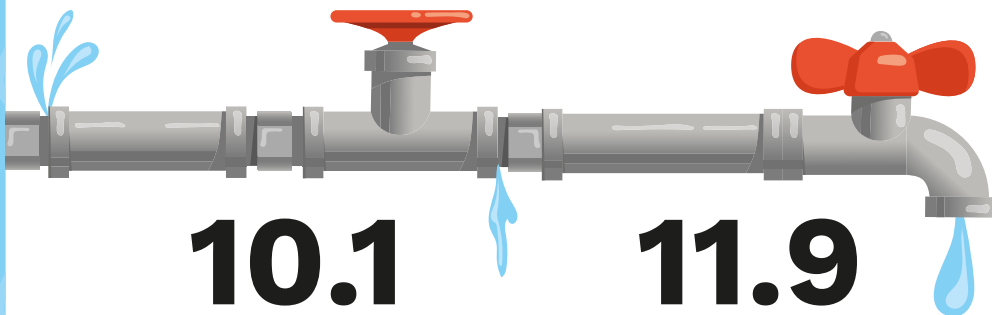
LOANS/CREDITS TAKEN OUT BY SERBIA FOR CONSTRUCTION OF WASTE WATER COLLECTION AND TREATMENT FACILITIES

32.3

RSD 32.3 billion for the project of wastewater treatment in Belgrade
(LOANED FROM CHINESE BANKS)

7.1

RSD 7.1 billion for building and designing a wastewater treatment plant in Batajnica
(LOANED FROM CHINESE BANKS)



10.1

RSD 10.1 billion for water supply and wastewater treatment projects in local self-governments (LOANED FROM THE EXPORT-IMPORT BANK)

11.9

RSD 11.9 billion for the Water Supply and Wastewater treatment projects in medium-sized municipalities wastewater treatment (LOANED FROM THE KFW BANK)

Results?

