

JOINT STATEMENT

On the
Plan of Actions for the Sava River Basin
as a Catalyst for Cooperation in the region

June 15, 2017

Joint Plan of Actions for the Sava River Basin is a coordinated program of multipurpose and integrated interventions to strengthen overall river basin management planning, improve navigability on the Sava River and its navigable tributaries, enhance flood risk management, develop sustainable tourism, protect the environment and adapt to climate change in the international Sava River Basin, based on good practice examples in the basin, with respect to hydropower utilisation, irrigation potential and droughts management. The development programme will be recognized by and integrated into next Sava River Basin Management Plan as the key EU water related planning process and document.

Conscious of the great importance of the Sava River Basin, its environment and natural resources for the economic and social prosperity,

Taking into account the key objective of the Framework Agreement on the Sava River Basin (FASRB), signed on 2 December 2002, aimed at transboundary cooperation for sustainable development of the region and recognizing that economic development is an imperative for all Sava countries;

Being aware of diverse socio-economic situation in the countries sharing the Sava River Basin (SRB), geopolitical changes in the past decades, the state of environment in the basin, and related challenges in regional economic integration,

Having in mind that economic integration, based on rich land and water resources endowments of the SRB, and integration of different sectors in multi-purpose integrated investment planning will lead to multiple benefits and can further progress with well-established system for a joint planning and coordination of decisions on investments,

Taking into account the International Sava River Basin Commission (Sava Commission) priorities on seeking for development initiation mechanisms, and

Having in mind a good cooperation between the Sava Commission and Montenegro, based on the Memorandum of Understanding on cooperation between the International Sava River Basin Commission and Montenegro, signed on 9 December 2013

***Representatives
of
the Member States of the International Sava River Basin Commission and
Montenegro***

herewith present

***Joint Plan of Actions for the Sava River Basin
as a Catalyst for Cooperation in the region***

The Joint Plan of Action and Milestones for the Sava River Basin (JPA SRB) outlines the path towards further development of the region and for achieving greater economic regional integration. In policy terms, it presents a follow up activity to the provisions of the Declaration from the Sixth Meeting of the Parties to the FASRB¹ (Belgrade, 01 June 2016) and a response of the Sava countries to the invitation of the World Bank as a direct contribution to the Berlin-Vienna-Paris-Trieste process. It contributes to the efforts of the Parties to the FASRB and Montenegro to ensure sustainable economic development and growth of the SRB with aim to serve as a catalyst for enhancement of the cooperation in the region. Therefore, the aim of the JPA SRB is to develop a framework that would enable close links between the overall improvement of environmental and socio-economic status of the SRB region that would go hand in hand with the implementation of measures of broader interest for all the countries sharing the basin.

¹ Member States of the Sava Commission: Republic of Slovenia, Republic of Croatia, Bosnia and Herzegovina and Republic of Serbia.

By common understanding of realistic benefits and with regard to the key challenges in regional economic integration, the main priority areas for medium-term actions in the SRB are:

- *Priority Area 1: Strengthening the Sava river basin planning to accelerate economic integration and investments,*
- *Priority Area 2: Improving the navigability of the Sava water way,*
- *Priority Area 3: Improving flood management and monitoring,*
- *Priority Area 4: Developing sustainable river tourism, and*
- *Priority Area 5: Protecting environment and adapting to climate change.*

Development projects, which are subject of the JPA SRB, are those related to river basin planning (i.e. implementation of the first Sava River Basin Management Plan (SRBMP) Programme of Measures and sectoral development projects, development of the 2nd SRBMP, integration of water related investments planning and consolidation of knowledge and data sharing platform), navigation (i.e. removing the most critical bottlenecks of the existing Sava fairway and restarting rehabilitation and development of the planned Sava waterway), flood protection (i.e. preparation of a common Sava FRMP, strengthening of joint and national flood and draughts monitoring and forecasting capabilities, implementation of measures to achieve the designed level of protection, restoration of existing retentions and natural floodplains and creation of a new retention capacities where possible), sustainable tourism (i.e. development of a Sava River Nautical Way and Transnational Sava River Bike Lane, promotion of eco-tourism and their integration with other sustainable tourism products, actions and activities), environmental protection and climate change adaptation (i.e. development of a long-term Sava River corridor green infrastructure development master plan, development of a strategy and an action plan for the climate change adaptation in the SRB, monitoring and development of protected areas along the Sava river corridor and improvement of knowledge regarding alluvial groundwater sources).

Development projects, recognized in the JPA SRB process should be integrated in the 2nd SRBMP, taking into consideration environmental protection factors.

The creation of a distinct platform for the implementation of development projects in the SRB will lead to improved economic circumstances in the entire region – GDP growth in all the Sava countries, both EU and non-EU member states. A higher rate of investment will result in the creation of new jobs, improve the status of the rural population and bring down unfavorable rural-to-urban migration trends, increase resilience of the region, protection of high environmental values etc.

New investments in the region will also improve the status of domestic companies, from research and engineering through to construction and manufacturing, and prevent their further devastation. Overall diminishing of tensions in the region is also expected to be an outcome of all these efforts aimed at general enhancement of prosperity in the SRB.

According to its constitution, mission, competences, reputation and references, the Sava Commission is a very good platform for implementing the JPA SRB.

Annex: Joint Plan of Actions for the Sava River Basin - Short Summary

Joint Plan of Actions for the Sava River Basin (JPA SRB) is a coordinated program of multipurpose and integrated interventions to strengthen overall river basin management planning, improve navigability on the Sava River and its navigable tributaries, enhance flood risk management, develop sustainable tourism, protect the environment and adapt to climate change in the international Sava River Basin (SRB), based on good practice examples in the basin, with respect to hydropower utilisation, irrigation potential and droughts management. The development programme will be recognized by and integrated into next Sava River Basin Management Plan as the key EU water related planning process and document.

JOINT PLAN OF ACTIONS FOR THE SAVA RIVER BASIN

Short Summary, June 2017

The Framework Agreement on the Sava River Basin (FASRB)¹ is a unique international agreement, which integrates many aspects of water resources management. Responsibility of implementation of the agreement and achievement of the goals lies with the International Commission for the Sava River Basin (ISRBC).

The key objective of FASRB is transboundary cooperation for sustainable development of the region corresponding to the SRB and the main goals are: establishment of an international regime of navigation on the Sava River and its navigable tributaries; establishment of a sustainable water management in the SRB, and prevention/limitation of hazards in the basin (i.e. floods, droughts, ice, accidents etc.) and elimination/reduction of related consequences. Economic development is an imperative for all the Sava countries, therefore one of the ISRBC priorities is to seek for development initiation mechanisms.

In policy terms, the JPA SRB is a follow up activity to the provisions of the Declaration adopted on the Sixth Meeting of the Parties to the FASRB (Belgrade, 01 June 2016) and a response of the Sava countries to the invitation of the World Bank as a direct contribution to the Berlin-Vienna-Paris-Trieste process. It contributes to the efforts of the Parties to the FASRB and Montenegro² to ensure sustainable economic development and growth of the SRB. Therefore, the aim of the JPA SRB is to develop a framework that would enable close link between the overall improvement of environmental and socio-economic status of the SRB region that would go hand in hand with the implementation of measures of broader interest for all the countries sharing the SRB.

In terms of SRB sustainable development, the JPA SRB is an action plan towards the realization of the Programmes of Measures (PoM) of the 1st Sava River Basin Management Plan (SRBMP) and the water management or water related development projects in the SRB. It is based on rationale analysis of general benefits of economic integration, inventory of key challenges in Western Balkans regional economic integration and recognized priority areas for medium-term action. Development projects, which are subject of the JPA SRB, are those related to straightening the river basin planning, navigation, flood protection, sustainable tourism, environmental protection and climate change adaptation, including surface and groundwater protection. Development projects, recognized in the JPA SRB process should, under pre-agreed environmental protection limiting factors, be integrated in the 2nd SRBMP.

¹ http://www.savacommission.org/dms/docs/dokumenti/documents_publications/basic_documents/fasrb.pdf (2004);

The Parties: Republic of Slovenia, Republic of Croatia, Bosnia and Herzegovina and Republic of Serbia.

² Montenegro is not the Party to the FASRB and cooperates in the fields covered by the FASRB on the basis of the Memorandum of understanding on cooperation between the ISRBC and Montenegro, signed on December 9, 2013 in Belgrade

A. Benefits of Economic Integration – Evidence and Global Experience

1. Economic integration around the SRB could be realized, capitalizing on its rich land and water resources endowments. The SRB, shared by Slovenia, Croatia, Bosnia and Herzegovina, Serbia and Montenegro, is home to about 8.1 million people and is the largest tributary of the Danube river system. The basin provides a considerable proportion of jobs in the region (e.g. 20.5% of employment in Serbia, 35.3% in Croatia and 54.4% in Slovenia). The May 2014 flood, the largest during the past century in the SRB, affected the entire region from Zagreb to Belgrade. Total damages amounted € 1.53 billion in Serbia (4.7 % of GDP), € 2.0 billion (15% of GDP) in Bosnia and Herzegovina and € 300 million in Croatia³. The hardest hit economic sectors include agriculture, transport, productive activities, energy, mining, transport and communication and housing. In this context, an integrated approach to water management of the SRB, combining the potential of hydropower generation, agriculture, shipping, flood protection sectors could be a large source of economic development, but, at the same time, without compromising commonly agreed visions and management objectives for significant water management issues of a basin-wide concern set up by the first Sava River Basin Management Plan (SRBMP).

2. Integration of different sectors in investment planning and in management can yields additional benefits. As the river's water resources connect all sectors and uses, the decisions regarding investments and water allocation must be based on a comprehensive analysis across countries and sectors. Country-level decision-making on water allocation and investment in infrastructure will necessarily fail to capture incremental benefits, lead to sub-optimal investment and create risk of dispute and tension. On the other hand, regional integration of water management across national borders and water-dependent sectors will reduce investment costs and enhance benefits for each country thanks to win-win solutions, economies of scale and synergies. ISRBC develops plans and management tools and creates the optimal conditions for the preparation of a new generation of interventions that will enhance t floods and droughts management, improve navigability, and better buffer flood peaks by giving more room to the river in natural water retention areas and defined mesures towards good ecological status/potential of waters according to EU directives.

3. Sustainable, integrated river basin management across the region will unlock productive investment. The energy sector dominates the current water use in the basin but its future development to meet increasing demands of clean energy and to comply with reduced emissions targets, depends on an active collaboration amongst countries and sectors. Hydropower generates 32% of the electricity in Serbia, 37% in Slovenia, 51% in Croatia, 50% in BiH and in Serbia and 76% of the energy in Montenegro⁴. The Sava River Basin that also provide cooling to 85% of the thermal plants existing in the region. River basin management interventions have to be planned jointly with the neighboring countries to better identify and negotiate financial, environmental and social costs and benefits, and to prevent any potential conflicts due to transboundary impacts. This approach will create more favorable economies of scale and accelerate the EU accession process.

4. Multi-purpose integrated investments lead to multiple benefits. The physical works and hydraulic changes required to upgrade to a higher class of navigability and safety (such as dredging, canalization, works to regulate the river discharge and level, etc.) can be designed to mitigate flood risks as well. The Sava was navigable along the 683 km between Belgrade (Serbia) and Rugvica (Croatia). The total annual freight carried on the Sava has declined from 5.2 Million tons before the conflict (1990) to 0.250 Million ton in 2012. Restoration of the capacity of the Sava river waterway

³ Source: Report on Floods in May 2014 in the Sava River Basin (ICPDR & ISRBC, 2015)

⁴ Source: Assessment of the water-food-energyecosystems nexus in the Sava River Basin (UNECE, 2017)

would have a major impact in reducing transport costs of mining and agriculture products and would enable the expansion of tourism coming from the Danube corridor.

5. Sava River upstream-downstream coordination is key to enhance the preparedness and resilience of all countries. A continued dialogue and incremental collaboration among countries has consolidated the ISRBC with the support of the EU, the World Bank and other donors. These efforts enabled the establishment of the Sava Flood Forecasting, Warning and Alarm System which is currently being operationalized, and resulted the ongoing Flood Risk Management programs for the Sava and Drina River Basins. The ISRBC functions and development strategies build on FASRB and its supplemental protocols, but at the same time taking into account Danube River Basin conventions and instruments regulating water protection and navigation. ISRBC closely collaborates with the International Commission for the Protection of the Danube River (ICPDR) regarding water quality protection and flood risk management and with Danube Commission regarding navigation.

B. Key Challenges in Regional Economic Integration

1. Economic integration would not progress enough until a well-established system for a joint planning and coordination of decisions on investments is in place to demonstrate the beneficial value of cooperation at regional scale against, sometimes narrow, national interests and to create appropriate incentives. The confidence of the countries that cooperation will bear incremental benefits for all, needs to be further strengthened. Past experience in the SRB, as in many other river basins around the world, has shown that unilateral and bilateral interventions undertaken in isolation were unable to boost significant and sustainable economic growth. It is recognized that investments and new economic development in this region will happen only if countries reach higher levels of cooperation and more integrated planning.

2. Decades of poor maintenance and management has affected the navigability of the Sava water way. The drastic decline of the waterway traffic affect the competitiveness the regional economy because of the high cost of transport of important commodities produced in the region and poor connectivity. A long term agreement for the integrated development of the Sava waterway to increase the capacity on the corridor from Belgrade to Zagreb will promote investments in critical sectors like mining, agriculture, industry and tourism.

3. Lack of effective collaboration and inadequate decision making during hydrometeorological extreme events (floods and droughts) has caused considerable economic damages to critical sectors like agriculture, energy, tourism, transport, among others. Mitigation flood risks requires sharing hydromet observation data and a reliable basin-wide rainfall and river flow forecast system. The information of the flood risks mapping is required for a proper land use planning and protection to be done by the riparian countries assisted by ISRBC.

4. Harmonization of the legal and institutional framework for coordinating the implementation of actions by different jurisdictions and entities on municipal, regional, national and SRB level.

5. Managing uneven financial and institutional capacity for implementing actions by the riparian countries required for a balanced economic development.

6. Limited resources and administrative experience for complying with water-related EU directives and policies in the EU accession process.

C. Priority Areas for Medium-Term Actions

Priority Area 1: Strengthening the Sava river basin planning to accelerate economic integration and investments

- **Action 1.1:** Preparation of the 2nd Sava RBMP aimed at linking water resources and river basin management with the integrated and sustainable socioeconomic development of the riparian countries. Plan has to be prepared in line with the EU WFD. Adequate financial support for the preparation of the 2nd Sava RBMP is of a crucial importance.
- **Action 1.2:** Implementation of the PoMs on the fields of organic pollution, nutrient pollution, hazardous substances pollution and hydromorphological alterations, originating from SWIMs.
- **Action 1.3:** Implementation of sectoral development projects in the transport, agricultural, hydropower, and tourism sectors with the support of EU, based on solid trade-offs and scenario analyses, public consultations, and environmental and social assessments.
- **Action 1.4:** Integrated water-related investments planning at a regional scale in order to create socio-economic benefits, reduce the risks associated to periods of low flows and flood events and to ensure environmental protection and enhancement.
- **Action 1.5:** Consolidation of the knowledge development and data sharing platform to mainstream transboundary collaboration and inform investments decisions and negotiations under the umbrella of the ISRBC.

Priority Area 2: Improving the navigability of the Sava water way

- **Action 2.1:** Urgent start with the activities on removing the most critical bottlenecks on the Sava River waterway
- **Action 2.2:** Restarting rehabilitation and development of the whole Sava River waterway as a part of the EU TEN-T core network (update of existing documentation and development of the design documentation for the rehabilitation and development to a class IV and Va and start of works thereafter)
- **Action 2.3:** Establishment of a system for collection, treatment and disposal of hazardous and ship waste on the Sava River.

Priority Area 3: Improving flood management and monitoring

- **Action 3.1:** Preparation of a Sava FRMP in line with the EU FD, including structural and non-structural measures to mitigate flood risks in the basin, especially along the Sava main river course.
- **Action 3.2:** Implementation of a Flood and Drought Forecasting and Data Management will be further developed, building on the existing programs, including upgrade of Sava GIS/HIS as well as strengthening of national forecasting centres.
- **Action 3.3:** Measures to achieve the designed level of protection along the whole stretch of the Sava River and its important tributaries, with priority given to protection of the cities
- **Action 3.4:** Monitoring and restoration of existing retentions and natural floodplains and creation of new retention capacities along the Sava River, wherever possible.
- **Action 3.5:** Assessment of current and potential reservoir capacity on the southern tributaries to mitigate floods and drought risks, and to improve hydropower generation.
- **Action 3.6:** Identification and control of erosion process, development of sediment transport infrastructure. Assessment of management rules, implementation of sediment quality and quantity management measures, including torrent control and forest management practices.

Priority Area 4: Developing sustainable river tourism

- **Action 4.1:** Development of a Sava River Nautical Way from Brežice in Slovenia to Belgrade in Serbia and integration with other sustainable tourism products, actions and activities.

- **Action 4.2:** Development of Transnational Sava River Bike Lane and integration with other sustainable tourism products, actions and activities.
- **Action 4.3:** Promotion of eco-tourism in the Sava River Ramsar sites and other protected areas and integration with other sustainable tourism products, actions and activities.

Priority Area 5: Protecting environment and adapting to climate change

- **Action 5.1:** Development of a long-term Sava River corridor green infrastructure development master plan.
- **Action 5.2:** Climate change adaptation process. Development of a strategy and an action plan for the climate change adaptation in the SRB.
- **Action 5.3:** Monitoring and development of protected areas along the Sava river corridor to protect regional biodiversity, the health of the aquatic ecosystems and water bodies.
- **Action 5.4:** Improvement of knowledge regarding alluvial groundwater sources in the SRB, to reduce the investments in maintenance of existing groundwater sources and to provide better knowledge for the opening of the new ones.

The creation of a distinct platform for the implementation of development projects in the SRB will lead to improved economic circumstances in the entire region – GDP growth in all the Sava countries, both EU and non-EU member states. A higher rate of investment will result in the creation of new jobs, improve the status of the rural population and bring down unfavorable rural-to-urban migration trends, etc. New investments in the region will also improve the status of domestic companies, from research and engineering through to construction and manufacturing, and prevent their further devastation. Overall diminishing of tensions in the region is also expected to be an outcome of all these efforts aimed at general enhancement of prosperity in the SRB.

According to its constitution, mission, competences, reputation and references, ISRBC is the suitable platform to execute the JPA SRB.

References:

- Joint Plan of Actions for the Sava River Basin (ISRBC, 2017).