# BUILDING BACK BIODIVERSITY

How EU Member States fail to spend the recovery fund for nature

# **CROATIA**

Hrvoje Radovanović

Zelena akcija / Friends of the Earth Croatia





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Zelena akcija / Friends of the Earth Croatia

# **Editing**

**Emily Gray** 

#### Design

Aleksandar Saša Škorić



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## 1. Level of environmental ambition

Although the Croatian recovery plan<sup>22</sup> certainly contains some positive measures and investments from the environmental point of view, the plan lacks innovation and ambition. This is primarily due to it being more an amalgamation of pre-existing projects and ideas sent to the government by various sectors and their respective ministries than a forward looking and coherent plan based on a clear vision for fundamental transformation in the direction of environmental and social sustainability. The primary goal of the recovery plan in all areas is to contribute to economic recovery and to increase economic activity. What 'green transition' elements there are in the plan are always in the service of this primary goal.

The RRF represents a historic opportunity for Croatia to carry out major transformations with the goal of shaping a fairer, greener and more resilient future. If Croatia wants to meet the EU's environmental ambitions and make the most out of the Green Deal, all actors should work cooperatively, with commitment and ambition.

# 2. Current state of biodiversity in the country

In terms of biodiversity, Croatia is among the leading countries in Europe. About 40,000 wild species have been recorded to date, and almost 3 per cent of them are endemic. Croatia has 410 protected areas in nine national categories of protected areas, covering 14.49 per cent of land area and 1.94 per cent of sea area. The country has also declared one of the most extensive Natura 2000 networks in the EU (36.67 per cent of the land and 16.26 per cent of the coastal sea are covered by the network) without having a national status of protected area for the majority of these network sites.

<sup>&</sup>lt;sup>22</sup> This assessment was based on the 29 April 2021 version of Croatia's recovery plan.

The loss of biodiversity in Croatia is mainly caused by the loss and fragmentation of habitats as a result of human activities (such as agricultural activity and infrastructure development) and natural succession processes (especially in abandoned agricultural land). Other causes include the exploitation of biological resources, pollution, urbanisation, the introduction and spread of invasive alien species, and climate change.

Regarding the status of EU environmental law implementation, the quality and timely implementation of the procedures for assessing the acceptability of plans and projects for the environment (Strategic Environmental Assessment (SEA) / Environmental Impact Assessment (EIA) / Appropriate Assessment (AA)) face a number of problems. Primarily, these include the often questionable quality of the associated studies. but also the insufficient monitoring capacity of state bodies and public institutions. According to the European Commission's database, in the short period since Croatia became a Member State of the EU, there have been 71 infringement procedures dealing with environmentalissues (164 including related sectors, such as energy, transport and climate action). Eight of the procedures<sup>23</sup> dealt specifically with nature protection.

Croatia has a Strategy and action plan for nature protection<sup>24</sup> for the period from 2017 to 2025. **Also, it** is in the process of producing its first Priorities Action Framework (for the period from 2021 to 2027), with the latest publicly available draft<sup>25</sup> from January 2020. Both documents contain a list of goals and priority actions in relation to biodiversity conservation.

# 3. Potential impact on biodiversity

Although the Croatian recovery plan contains reforms and investments that will undoubtedly have a positive impact on the environment (primarily in the area of decarbonisation of the energy and transport sectors), direct investments in nature/biodiversity conservation and ecosystem restoration are virtually absent. Only around 0.5 per cent of the entire budget is explicitly allocated for biodiversity. It is difficult to estimate the extent and nature of the impacts that investments in other sectors will have on biodiversity. This is because the plan often lacks details on specific measures and instead states that there will be open calls for projects within a given investment, or refers to projects

ects outlined in various other national plans, strategies and other similar documents. These measures are also characterised by very different levels of preparedness, with some of them existing only as ideas, while others have already gone through all the necessary SEA/EIA/AA procedures and have already secured all the necessary building permits.

Similarly, the quality of the 'do no significant harm' assessments varies widely from measure to measure, with some already having gone through all the necessary environmental impact assessments, while in the case of others it is simply stated that they will not significantly harm the environment, without providing any details or justification.

Due to the aforementioned lack of details, it is hard to give a concrete list of harmful projects proposed in the plan's measures; however, there are projects that have the clear potential to do damage to biodiversity if the highest environmental standards are not observed:

#### » Capacity expansion for bio-energy

One compelling example is a measure that will expand the electrical grid (including the building of new transmission lines); convert 12,500 hectares of previously unused/abandoned land into land for the production of energy crops that will be used in the planned bio-refinery in the city of Sisak; consolidate agricultural land with the aim of intensifying agricultural production (the plan foresees this to be undertaken only in pilot projects with a relatively small surface area, but with an eye to replicate these in the future); and build new tourist infrastructure in natural areas that were, up until now, relatively inaccessible to tourists.

## » Flood protection

Special attention should be paid to the parts of the plan dealing with flood protection, as in Croatia this is often a synonym for the channelling of rivers and building barriers and other hydro-technical structures. This part of the plan states that measures proposed for financing through the recovery plan have already gone through all necessary procedures and have obtained all necessary permits; however, given the often questionable quality of EIA/AA procedures in Croatia, this statement in itself is no guarantee that these measures will not damage freshwater ecosystems and biodiversity in general.

<sup>&</sup>lt;sup>23</sup> European Commission, <u>'Infringement decisions - Croatia, Environment'.</u>

<sup>&</sup>lt;sup>24</sup> Narodne Novine, <u>Strategija i akcijski plan zaštite prirode Republike Hrvatske za razdoblje od 2017. do 2025. godine, 21 July 2017.</u>

<sup>&</sup>lt;sup>25</sup> Ministry of Environment of Croatia, <u>Prioritetni Akcijski Okvir (Pao)Za Mrežu Natura 2000 U Republici Hrvatskoj,</u> 2020.

# 4. Positive measures and alternative solutions

The draft recovery plan indicates that nature and biodiversity protection/restoration is not very high on the Croatian government's list of priorities. Only one proposed investment deals directly with nature conservation, and even here only 20 percent of this investment is dedicated to ecosystem restoration (the other 80 per cent is dedicated to flood protection measures). For these restoration measures, approximately EUR 32 650 000 have been allocated, which represents around 0.5 per cent of the total recovery plan budget. The only other mention of the words 'nature', 'biodiversity' or 'Natura 2000' in the plan is to state that a given measure will not have a negative impact on them, often without any supporting arguments for the claim.

The recovery plan contains information about five concrete measures that will restore habitats and have a positive impact on biodiversity: 1. revitalisation of 27 kilometres of abandoned backwaters of the Danube and Drava Rivers, including removal of obstacles, establishment of connection to the rivers, and formation of secondary wetland habitats in the flood zones: 2. revitalisation of Mirna River, which should contribute to the improvement of the hydrological status of a relict forest present only in the Mirna River valley; 3. protection and revitalisation of Lake Vrana near Biograd na Moru (Ramsar site, nature park and Natura 2000 site), where as a result of climate change and anthropogenic impacts there were significant changes in the hydrological regime; 4. clearing of Lake Trakošćan (an artificial lake that is part of a protected park-forest), where there was a significant deterioration of the ecological condition of the lake due to long-term sediment accumulation; and 5. elimination of invasive species from the Neretva River delta (Ramsar site, special ornithological/ ichthyological reserve, Natura 2000 site).

Apart from these direct investments in nature protection/restoration, there are a couple of other investments that, if implemented properly, could potentially have positive impacts on biodiversity. These include measures to reduce losses in the public water supply (from 50 per cent to below 25 per cent), ensure appropriate wastewater treatment for 66 per cent of the population (currently at 44 per cent), reduce the amount of waste that goes to landfills through

development of infrastructure for recycling, close and remediate the 26 closed landfills and sites contaminated with hazardous waste, modernise and renew the inland waterway fleet in the context of environmental protection, equip ports and docks with waste disposal infrastructure, set up a system for continuous monitoring of agricultural soil (including monitoring of pollution and other environmentally relevant parameters) and upgrade the infrastructure for food donation (reduction of food waste).

# 5. Transparency and public consultation

The entire process of drafting the plan severely lacked transparency and civil society was not adequately included. Civil society's proposals<sup>26</sup>, as well as those of the general public, were completely ignored. The government did hold some consultations with representatives of labour unions and business associations, but during these talks they were only shown the summary of the plan. The same is true for the members of the Croatian parliament, who were also presented with only the summary, and although there was a discussion on the plan organised in the Parliament, there was no voting and no decisions were made. The opposition parties joined the civil society organisations in their critique of how the government handled the entire process, as well as their calls for the government to disclose the full content of the plan and to organise a proper public discussion. Finally, the government published the entire text of the recovery plan on 29 April 2021, only a day before it sent the plan to the European Commission.



<sup>&</sup>lt;sup>26</sup> Door, Greenpeace Croatia, Zelena Akcija, and Zelena Energetska Zadruga, <u>'Zajedno za hrvatski zeleni oporavak i razvoj!'</u>, accessed 13 May 2021.

