

## NON-TECHNICAL SUMMARY

### Introduction

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This SEA study is prepared for the proposed IPA Cross-Border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 (hereafter cooperation programme) that aims to strengthen the social, economic and territorial development of the cross-border area between Croatia, Bosnia and Herzegovina and Montenegro.

The programme has been prepared for an area covering 12 counties on the Croatian side, 110 municipalities on the side of Bosnia and Herzegovina and District Brčko and 10 municipalities on the Montenegrin side. This amounts to total of 87.453.95 km<sup>2</sup> of programme area with 5.587.836.00 inhabitants.

The programme has a total indicative budget of EUR 57.155.316,00 million for the 2014-2020 period. With this budget and territorial focus, the cooperation programme focuses on four priority axes:

- **Priority Axis 1: Enhancing public health and social care (8.573.297 mil €)** with one Specific Objective
  - 1.1 *'To improve services in the area of public health and social welfare sector'*
- **Priority Axis 2: Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency (14.288.829,00 €)** with two Specific Objectives:
  - 2.1. *'To promote and improve environment and nature protection and management systems for risk prevention' and*
  - 2.2. *'To promote utilization of renewable energy resources and energy efficiency'*
- **Priority Axis 3: Contributing to the development of tourism and preserving cultural and natural heritage (17.146.595,00 €)** with two Specific Objectives:
  - 3.1. *'To strengthen and diversify the tourism offer' and*
  - 3.2. *'To enable a better management and sustainable use of the cultural and natural heritage'*
- **Priority Axis 4: Enhancing competitiveness and developing business environment in the programme area (11.431.063,00 €)** with one Specific Objective
  - 4.1 *'To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area'*

The programme will be implemented through various calls for proposals. Support to projects and ad-hoc application procedures and templates will be developed for each call for proposals. Calls for proposals might have different characteristics, i.e. they might be open to all programme priorities or thematically targeted in response to changed framework conditions in the area and/or taking into consideration the progress of the programme implementation. All these documents will be widely circulated and available from the programme and national websites.

## Overview of key expected impacts of the proposed programme

The design of the programme - reflecting its focus on cross-border cooperation, nature of eligible activities and a rather limited budget - allows to support activities that address some of the most urgent trans boundary environmental problems. In addition to these positive impacts, the programme includes some proposals that - like any other development activities - pose some risks of adverse impacts on the environment. The expected impacts of the programme are shortly summarized in the matrix below:

Matrix of interactions between proposed Specific Objectives for each of the Priority Axes and their environmental implications		Climate change mitigation	Climate change adaptation	Air quality	Soil and agriculture	Water quality	Forests	Biodiversity	Ecological network	Cultural heritage	Public health	Waste and resource mgmt.
<b>Priority Axis 1: Enhancing public health and social care (8.573.297 mil €)</b>												
1.1	To improve services in the area of public health and social welfare sector											
<b>Priority Axis 2: Protecting the environment, improving risk prevention and promoting sustainable energy and energy efficiency (14.288.829,00 €)</b>												
2.1	To promote and improve environment and nature protection and management systems for risk prevention											
2.2	To promote utilization of renewable energy resources and energy efficiency											
<b>Priority Axis 3: Contributing to the development of tourism and preserving cultural and natural heritage (17.146.595,00 €)</b>												
3.1	To strengthen and diversify the tourism offer											
3.2.	To enable a better management and sustainable use of the cultural and natural heritage											
<b>Priority Axis 4: Enhancing competitiveness and developing business environment in the programme area (11.431.063,00 €)</b>												
4.1	To enhance institutional infrastructure and services in order to accelerate the competitiveness of business environment in the programme area											

Key:

	Likely significant impacts expected, impacts can be either positive or negative
	Potential impacts expected, impacts can be either positive or negative
	No significant impact expected
	Likely significant adverse impacts expected
	Potential adverse impacts expected
	Likely significant positive impacts expected
	Potential positive impacts expected

The following text summarizes the nature of the proposed interventions, their possible impacts and recommendations formulated within this SEA study.

### Findings regarding Specific Objective 1.1.

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The programme's proposed Specific Objective 1.1. '**To improve services in the area of public health and social welfare sector**' envisages that support will be provided to improving accessibility, quality and effectiveness of public health and social care institutions, developing ICT solutions and joint lifelong learning and training programmes addressing skills and needs in the area of health and social care, joint strengthening of health care for vulnerable groups and networking of organisations in order to create joint activities for enhancing accessibility to health and social services.

These interventions are expected to have minor positive impacts on public health. No adverse impacts are expected.

This SEA recommends that the following measures can be taken in order to enhance positive environmental impacts of the proposed interventions:

- a. Supported facilities for health and social services should be located in flood-safe areas and should be easily accessible in emergency situations (e.g. not be cut-off by floods).
- b. Development or modernization of buildings must meet all applicable environmental requirements and should ideally demonstrate good environmental building practices - e.g. easy accessibility for public transport, energy efficiency, sound waste collection, etc.

### Findings regarding Specific Objective 2.1.

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The programme's proposed Specific Objective 2.1. '**To promote and improve environment and nature protection and management systems for risk prevention**' aim to support developing and implementing joint initiatives for biodiversity protection and environmental management, improving emergency preparedness and risk prevention systems for key cross-border hazards such as (fire, floods, draughts and other disasters) and implementing projects for reducing or mitigating environmental problems and risks including small-scale infrastructure.

The proposed interventions under Specific Objective 2.1 include actions related to environmental protection which are expected to have positive impacts without any risks of adverse impacts. Our recommended measures for actions related to joint environmental management initiatives are:

- a. Consider adding 'monitoring and management of large carnivore populations and their habitats', 'protection and restoration of coastal wetland areas and karst fields' and 'joint initiatives on trans boundary marine protected areas' amongst examples of eligible joint environmental management initiatives;
- b. If suitable applications arrive, prioritize trans boundary cooperation related to protection of Sava River Basin floodplains and especially those in Central Posavina; and cooperation for connecting National Park Sutjeska in Bosnia and Herzegovina with National Park Durmitor and the planned Regional Park Maglic, Bioc and Volujak in Montenegro.

On the other hand, the Specific Objective 2.1 include actions related to disaster risk reduction and management which may have both positive or adverse impacts on flooding, water quality and possibly also biodiversity - depending on the exact choice of measures to be supported. Our recommendations for actions related to emergency preparedness and risk prevention systems and small/scale investments for reducing or mitigating environmental problems and risks are as follows:

- c. Consider also adding mapping of various water pollution hazards in the flood zones in accordance with the EU Floods Directive as part of single disaster risk prevention and management system as part of emergency preparedness and risk prevention systems.
- d. If suitable applications arrive, prioritize trans boundary cooperation for emergency preparedness and measures to address water pollution hazards in Neretva river and Mali Ston Bay, Una river, Krka river and Cetina river.
- e. All supported activities on flood protection should promote a long-term flood protection and retention approach and aim to expand natural retention by e.g. promoting the 'room for river' approach that allows flooding during periods of high discharge. Supported measures must not restrict natural retention of flood plains.
- f. Flood prevention and drought protection projects should not be planned on locations where they will not have a negative impact on the Ecological Network target features or integrity.
- g. Supported infrastructural projects must be subject to applicable environmental standards and be subject - as and when needed - to applicable environmental impacts assessments, assessments of impacts on Natura 2000 network and possibly consultations on trans boundary impacts (if such impacts are expected).

### Findings regarding Specific Objective 2.2.

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The programme's proposed Specific Objective 2.2. '**To promote utilization of renewable energy resources and energy efficiency**' plans to promote utilization of renewable energy production and energy efficiency in the programme area through exchange of experience; elaboration of joint studies and capacity building; implementing joint pilot projects, joint investments in public infrastructure and joint incentives in order to improve planning and regulatory framework.

Although these interventions will have positive impacts on both climate change mitigation concerns (reductions in CO<sub>2</sub> emissions) and also adaptation concerns (adaptation to changing climatic conditions), there are several risks associated with their implementation. Renewable energy development may have - depending on the types of supported renewable energy options and their locations - adverse impacts especially on biodiversity, Natura 2000 network, water quality, landscape and cultural heritage.

In order to reduce these risks and enhance positive impacts of proposed activities, this SEA recommends that priority support within this Specific Objective should be given to:

- a. energy efficiency measures in public buildings (such as hospitals, schools - where possible synergies with interventions under Thematic Priority 1 Health and Social services exist)
- b. use of agricultural waste for energy production,
- c. demonstration projects for solar power on roofs or build surfaces as long as they do not have adverse visual impacts on the landscape amenity.

We also recommend that:

- d. Supported projects must be subject to applicable environmental and health protection standards and be subject (when needed) to: environmental impacts assessments, assessments of impacts on Natura 2000 network and consultations on trans boundary impacts (if such impacts would be expected).
- e. Wind turbines and large solar parks should not be planned within areas important for bird preservation (Special Protection Areas, SPA).
- f. Large solar parks and hydropower plants should not be planned within areas important for preservation of species and habitat types (Special Areas of Conservation, SAC)
- g. It is recommended to finance smaller-scale solar power projects (use of several panels, rather than large parks). Solar parks should be limited to already built urban areas.

- h. Any larger-scale promotion of biomass farming should be permitted only if it can be proved that it will not lead to the deterioration of already achieved state of any water body surface and groundwater (which is e.g. a fourth objective of Croatian River Basin Management Plan). Biomass farming should not be supported on vulnerable areas under Nitrate Directive, unless such project applications prove that the choice of crops and farming practice will not increase fertilizers and pesticides loads.
- i. Targeted support can be provided to elaboration of renewable energy plans on local/regional level in the study area and their optimizing through SEA processes. Such plans may be helpful for guiding preparations of specific investment projects and they can simplify environmental permitting processes (if SEA it done well). Such plans, can also consider any possible trans boundary impacts.

### Findings regarding Specific Objective 3.1.

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The programme's proposed Specific Objective 3.1. '**To strengthen and diversify the tourism offer**' envisages that support will be provided especially to cross-border networking of institutions in tourism sector; developing, promoting and branding of joint tourism niches and products for diversification of tourism offer; developing complementary services in tourist offer that utilize natural and cultural potentials of the programme area; promoting and introducing (international) certifications and standards; supporting destination management; and developing innovative offers and services using ICT and other technologies (e.g. GPS routes, booking systems).

The cooperation programme also include a **strategic project 'Adriatic Hinterland'** which will support the first phase of a planned 10-year programme that aims to provide incentives for the development of rural tourism and related infrastructure in hinterland areas of HR, BA, and ME. The project will include - among other - creation of "Adriatic hinterland" touristic product visual identity, active promotion of the destination through available information channels, identification of priority investments and technical assistance and capacity building for local stakeholders interested in the programme.

These interventions may have some local impacts on biodiversity and Natura 2000 network with possible minor local impacts on water quality, landscape and cultural heritage. Our recommended measures for reducing risks of adverse impacts and enhancing positive environmental impacts of these interventions are:

- a. Consider prioritizing eco/agro-tourism activities that contribute to sustainable development in protected areas.
- b. Ensure, in the project preparatory phase, that no important and protected habitats and species (target features) are endangered by the planned infrastructure and activities.
- c. Consider needs related to waste management and also waste-water treatment (using e.g. cheap decentralized options that can well cope with short-term pollution peaks during summer periods) as part of preparation of projects in the destination that will be prioritized for targeted promotion.

### Findings regarding Specific Objective 3.2.

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The programme's proposed Specific Objective 3.2. '**To enable a better management and sustainable use of the cultural and natural heritage**' envisages that support will be provided to valuating, preserving, restoring and reviving cultural, historical and natural heritage, including improving access to them, joint cultural events such as cultural festivals, cultural exchange; training programs in quality assurance systems and different types of standardisation (e.g. ISO certification, etc.) on cultural and natural heritage and small scale infrastructure related to cultural and natural heritage.

These interventions are expected to bring positive impacts on cultural heritage and also possibly on natural heritage sites. However, inappropriate implementation of these activities poses risks of unintended adverse impacts on tangible and intangible attributes of heritage sites and on nature heritage sites.

The following measures can be taken in order to enhance positive environmental impacts of the proposed interventions:

- a. Ensure in the project preparatory phase, that no important and protected habitats and species (target features) are endangered by the planned infrastructure and activities.
- b. The supported projects must meet all applicable national rules for cultural heritage protection.
- c. It is also recommended to inform prospective applicants about the following principles that should guide their planning of interventions for sustainable use of cultural and natural heritage:
  - Conservation plans must contribute to the authenticity and integrity of the sites and monuments and their tangible and intangible elements.
  - Conservation plans must address all relevant factors necessary for adequate long-term safeguarding and sustainable use of the heritage site or monument.
  - The principal objectives of the conservation plans should be clearly stated. The proposals in the conservation plan must be articulated in a realistic fashion, from the legislative, financial and economic point of view, as well as with regard to the required standards and restrictions.
  - The conservation plans should aim at ensuring a harmonious relationship between the heritage sites and monuments and the surrounding environment as a whole. Wherever necessary for the proper protection of the property, an adequate buffer zone should be provided.
  - New functions and activities should be compatible with the character of the heritage sites and monuments. Proponents must ensure that such changes do not impact adversely on the outstanding value of the heritage site or monument.
  - Before any intervention, existing conditions in the area should be thoroughly documented.
  - Conservation planning should therefore encourage the active participation of the communities and stakeholders concerned with the property as necessary conditions to its sustainable protection, conservation, management and presentation.

#### **Findings regarding Specific Objective 4.1.**

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The programme's proposed Specific Objective 4.1 '**To enhance institutional infrastructure and services in order to accelerate the competitiveness and development of business environment in the programme area**' aims to support - among others - the business-support institutions and networks in order to enhance standardisation, certification, product protection, research, marketing, e-commerce and development of cross-border markets; competitiveness and education and training in entrepreneurship skills; actions directly linked to attracting direct investments in the programme area; and research and development activities in order to increase competitiveness.

These interventions are not expected to have any significant impacts on the environment. In order to enhance their potential positive environmental impacts, we recommend considering potential support to business clusters that address opportunities arising from:

- organic agriculture products,
- sustainable farming and collection of organic aromatic herbs and their promotion on international markets.

#### **Alternatives considered, uncertainties and the need for environmental monitoring**

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This SEA study has focused on the two alternatives - 'do nothing' and 'proposed programme'. Information provided within Chapters 5 and 6 of this study outline the expected impacts of proposed

programme as compared with 'do nothing' option. The SEA was conducted in ex-ante manner during final 4 months of the programme elaboration. Within this context, the assessment aimed to identify possible problems and measures during the formulation of the programme itself- and indeed, several recommendations, especially those related to Priority Axis 2 were directly incorporated into the proposed version of the cooperation programme. In this regard, the Managing Authority and the programming team strived to optimize the cooperation programme so that it does not pose - on the level of the programme itself - any risks to environment and maximizes opportunities for achieving positive impacts on the environment. The recommendations provided within this SEA study should be treated as additional detailed safeguards to ensure that this happens.

The assessment itself has not been constrained by any difficulties, except facing the usual challenge of having no information about the exact features and locations of future activities that will be actually supported during the implementation of the cooperation programme. The assessment therefore considered the likely possible scenarios of possible implementation without being speculative (by e.g. considering extreme hypothetical options). Other than these usual challenges, there were no constraints in the SEA process and the conclusions made are not bound by any significant uncertainties.

Due to the absence of significant risks and uncertainties on the programme-wide level, the SEA study concluded that there is no need for dedicated environmental monitoring system for the proposed CBC programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020.

However, joint environmental management initiatives under the programme Specific Objective 2.1 may provide useful data on biodiversity protection, water quality, flood risks and related hazards. Any proposals for monitoring systems should be therefore consulted with the relevant national authorities in order to maximise potential synergies with higher-level monitoring systems.

### Feedback sought

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This SEA study is made available for public comments. Relevant authorities and the public can provide comments on any matters that they deem relevant. The Managing Authority for IPA CBC programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 and the authors of this SEA study will appreciate feedback on especially the following questions:

- 1. Does this SEA study address all main strategic environmental concerns which are relevant to the proposed programme – considering its focus and nature of proposed interventions?**
- 2. Does the analysis of the baseline and impact assessment correctly capture key environmental risks, opportunities and other issues strategic importance – and if not, what changes should be made?**
- 3. Do the proposed mitigation and enhancement measures suggest appropriate arrangements for reducing the risks and/or for enhancing environmental benefits of the proposed programme – and if not, what changes should be made?**

Should you wish to obtain any clarifications or directly discuss any matters relevant to this SEA with the authors of this SEA study, please contact:

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