



Croatia Tackles Water Losses to Improve Climate Resilience

ZAGREB, November 21, 2023 – In support of the water sector reform process, the Government of Croatia has initiated an important activity to reduce water losses in the water supply system and enhance the capacity of public water service providers. This will contribute to the increased operational efficiency and financial sustainability of the Croatian water services sector and enhance both water security and resilience of service provision across the country.

This technical assistance Project - *Support to reduce water loss within the reform of the water sector*, the results of which were presented today, focused on developing a National Water Loss Reduction Action Plan (Action Plan), which is supporting the Ministry of Economy and Sustainable Development (MESD) and Croatian Waters (CW) in the implementation of this challenging modernization process. The project was funded by the European Union via the Technical Support Instrument and implemented by the World Bank, in cooperation with the Directorate General for Structural Reforms of the European Commission (DG REFORM).

The ambitious Action Plan is expected to bring multiple benefits to Croatia's water sector. The improved capacity of the public water service providers for the reduction of water losses as well as required investments in the system are projected to significantly reduce physical and commercial water losses from the current 50 percent towards average EU levels of approximately 25 percent. This will help to mitigate the impacts of climate change, as more water will be available to address increasing periods of drought and to cover seasonal spikes in water demand. The whole system will become more energy efficient and environmentally friendly as less energy will be needed to pump the water into the water supply system and less water will need to be abstracted from water wells, reducing the stress on surface and groundwater resources and the environment. The actions and investments will also assist Croatia with achieving the requirements of the new European Union Drinking Water Directive and to meet the obligations from Croatia's National Recovery and Resilience Plan (NRRP).

“Alongside food and energy, water is a key prerequisite for life in any given area, and ongoing climate changes further emphasize the importance of preserving our water resources. The Republic of Croatia is rich in clean, potable water, and this places a responsibility on us to take special care of the water and efficiently manage water abstraction and transmission systems. With this project, we are moving in the direction of improving water supply systems and significantly reducing water losses,” emphasized **Davor Filipović, Minister of Economy and Sustainable Development**.

“Croatia is increasingly exposed to worrying climate change trends which could lead to droughts and low supply of water in the summer months. This would affect not only Croatia's tourism economy, but also the health and well-being of its citizens. Taking action today will enhance Croatia's water security by reducing the amount of abstracted water, increasing the resilience of the water supply system, and preserving the good ecological status of Croatia's water bodies,” said **Jehan Arulpragasam, World Bank Country Manager for Croatia**. *“We are very pleased that the World Bank can provide its knowledge and expertise and continues to be the partner of choice to the Croatian government in moving forward with the needed modernization of the water supply system.”*

“It took a Russian invasion of Ukraine and a major crisis to teach us how precious our energy is. It's time to apply a different mindset for water. Rather than waiting for a crisis to happen, we need to prepare by taking comprehensive action already now to ensure that our water sector is resilient, and that water remains affordable for all.” stated **Natalie Berger, Director General, DG Reform, European Commission**.

The event provided a platform to present and discuss the importance of water losses reduction activities to the overall state of the water supply sector in Croatia and climate change related risks and to hear about international experiences and good practices with similar modernization efforts. Participants, comprising of



public water service providers, local and international water sector experts and representatives of the Ministry of Economy and Sustainable Development, Croatian Waters, the European Commission and the World Bank, also elaborated on the challenges and needed enabling conditions for the implementation of the Action Plan.

About the World Bank Group in Croatia:

This year World Bank Group celebrates 30 years of partnership with the Republic of Croatia. Since its first loan in 1994 for emergency reconstruction of war-damaged infrastructure, the organization has supported over 100 projects worth US\$6.5 billion and provided knowledge and technical assistance to help strengthen institutions and support policymaking through more than 330 reports and studies.

The World Bank program currently provides knowledge, technical assistance and financing in the areas of transport, digital transformation and the green transition of the economy, justice service delivery, education, business environment, land administration, science and technology, post-earthquake reconstruction of key health and education facilities, deinstitutionalization, pension system sustainability, and public administration.

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