

Answers to the questions of the Special Rapporteur of the UN

4. If there is a change in corporate governance, whether the property of companies providing water supply and/or sewerage services and/or performing water and wastewater operation and management is open to the private sector participation? Are there any plans for the private sector participation? Were there any changes in the tariff system or in the ways in which service disconnection is carried out as a result of these measures? Please explain.

In Montenegro, water supply is an activity of public interest and the local governments are responsible for regulating and ensuring the delivery of drinking water. Pursuant to the Law on Waters all settlements with more than 200 inhabitants must be covered by the public water supply system. Local governments have established own enterprises to perform these activities. Although the provision of water supply activities by a private company or entrepreneur is allowed by law (other than management and managing facilities for the abstraction of drinking water, with a protection zone), for now public water supply and wastewater services are performed by public enterprises founded by local governments. Each municipality has such a company. According to the law, the public enterprises should be transformed into commercial entities. It is planned to develop the Strategy for the privatization of utility companies (including the enterprises that provide water supply services), which is intended to demonstrate some optimal models for involving the private sector in performing activities in the field of public utilities.

The price of drinking water is formed by the company which engages in water supply and submitted to the Municipal Parliament for approval. Prices are to comply with the increasing cost of doing business.

There was no increase in water tariffs, despite the cost of water supply, as a result of the economic crisis.

11. Which measures and mechanisms are in place to ensure in a wider manner the sustainability in the implementation of human rights to water and sewerage? How are measures aimed at maintaining the access balanced with the aim of extending services to uncovered or under-serviced population with the goal of universal access?

The Law on Waters stipulates that local governments shall organize and provide public water supply for all settlements greater than 200 residents or whose annual average water demand exceeds 100 m³/day.

Water supply to rural and other settlements and parts thereof that do not meet the criteria above shall be in accordance with the regulation issued by the local government unit that sets out the conditions for the construction, use, maintenance and management of water supply facilities.

In the course of implementation of spatial planning documents, local governments shall be required to equip each urban parcel with necessary municipal infrastructure, i.e. connection to the water supply and sewage system.

12. What mechanisms are in place to ensure that the water supply and sewage infrastructure is properly managed and maintained? What mechanisms are in place to make the necessary capital investments to replace old infrastructure? What mechanisms are available to ensure adequate strengthening of human resources and adequate training?

Local governments are responsible for organizing the activities of water supply and wastewater drainage, and therefore the work related to the maintenance of water supply systems. In accordance with the Law on Municipal Services, current maintenance of municipal infrastructure shall be performed by an enterprise contracted for the performance of water supply and wastewater disposal, while local governments shall be responsible for the construction and capital maintenance of the extended water supply and sewage network.

In Montenegro, a number of projects are currently implemented aimed at improving the situation in the field of water supply and wastewater disposal. Upon implementation of these projects, the EIB will provide a loan in the amount of EUR 57 million, KfW bank in the amount of over EUR 60 million, in addition to grants from the EU pre-accession funds worth over EUR 20 million, and donations from other sources, as well as some significant funds from the National Budget of Montenegro. A regional water supply system was also built for supplying water to six municipalities in the coastal region of Montenegro, which investment has so far amounted to approximately EUR 85 million. The construction of this system was funded, in addition to the funds provided in the national budget of Montenegro, by EBRD and the World Bank.