

Cazin Sewerage System and Wastewater Treatment Plant

Project Financing

WBIF	Grant	WB5-BIH-ENV-16	€ 300,000
EBRD	Loan		€ 5,000,000
Other Donors	External Grant	Grant	€ 6,000,000
Beneficiary Contribution	Own Contribution		€ 3,900,000
EBRD SSF	External Grant		€ 400,000
Total			€ 15,600,000
Total Grants			€ 300,000
Total Loans			€ 5,000,000

Project Description

Cazin is a regional town in northwest Bosnia and Herzegovina, with a population of approximately 62,500. The city's current public sewerage system is in poor condition and not sufficient for both waste and rainwater. Due to lack of funds over the years, the operation and maintenance of the sewage system have been limited to emergency interventions and emergency works and repairs.

Reconstruction of parts of the sewage system, as well as the expansion of the system, is a priority for the municipality. The investments needed are valued at approximately EUR 15.6 million. So far, EUR 700,000 in grants has been provided for technical assistance for the preparation of the project documentation, including a feasibility study, design preparation, and implementation support.

The feasibility study was completed in autumn 2012. Based on its findings, EBRD is due to approve a loan for project construction up to EUR 5 million. Additional co-financing is envisaged from the Swedish International Development Cooperation Agency (SIDA, EUR 2 million grant) and the Government of the Netherlands (EUR 3.5 million) for financing the operation and maintenance costs.

The overall objective of this project is to assist Cazin in its sustainable development of wastewater infrastructure. Additionally, the project will contribute to environmental protection, protection of water resources in Cazin and downstream Croatian waters in particular, minimise the risks to public health and improve the quality of drinking water through the implementation of sewage and wastewater treatment infrastructure in the municipality. Moreover, the investments should positively impact on the quality of utility services provided to existing private businesses in the region. Additionally, the conditions of doing business in the municipality will be improved, very important for future business and economic development of the municipality.

The project beneficiary is the Cazin public utility company, in charge of water and wastewater (JKP Vodovod Cazin). The direct beneficiaries are the inhabitants of Cazin Municipality that will be connected to the wastewater collection network and wastewater treatment plant. The project will also directly benefit an

additional 20,000 citizens.

The investment is compliant with BiH's Water Management Strategy, which identifies the construction of urban wastewater treatment facilities for all areas of more than 15,000 population equivalent as one of the priorities. The project will also improve good governance as the investment will be based on a binding Public Service Contract between the Cazin Municipality and the Cazin Public Utility Company, which will depoliticise and professionalise their relationship.

Results and Benefits

- long term protection of the drinking water sources of the Municipality of Cazin
 - improved health safety in the whole municipality;
 - assurance of infrastructure prerequisites for the further economic development of the Municipality of Cazin
 - improved water quality of surface waters, i.e. most of the rivers and small rivers and streams: Toplica, Mutnica, Crnaja and Grahovska Rijeka (Korana river basin), Dobrinica, Horljava and Koprivska Rijeka (Una river basin), Rijeka, Mrcoljica and Pivnica (Glina river) basin))
 - more inhabitants are connected to the public sewer system and pollution of groundwater inconsiderably reduced
 - reduction of the risk of pollution of a number of well fields constructed in the alluvium of the rivers downstream of the Municipality of Cazin and especially those in Croatian municipalities
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- **Countries:** Bosnia and Herzegovina
 - **Code:** PRJ-BIH-ENV-006
 - **Sector:** Environment
 - **Lead IFI:** EBRD
 - **Status:** Cancelled
 - **Beneficiary:** Public Utility Company JKP Vodavod Cazin