

# Wastewater Collection and Treatment for the Municipalities of Vranje and Krusevac

## Project Financing

WBIF	Grant	TA-SER-17	€ 500,000
KFW	Loan		€ 46,000,000
EU IPA	External Grant	Grant IPA	€ 1,400,000
Germany (via KFW)	External Grant	Grant	€ 1,000,000
<b>Total</b>			<b>€ 48,900,000</b>
Total Grants			€ 500,000
Total Loans			€ 46,000,000

## Project Description

The Western Balkans Investment Framework supports water and wastewater improvement schemes across the region. This Serbian example covers two towns in different parts of the country with the rehabilitation and expansion of water and wastewater infrastructure in the Municipalities of Vranje and Uzice. The wastewater services in particular in both municipalities suffer from long term lack of investments.

The Municipality of Vranje, population 100,000, provides adequate water supply services to about 95 % of the population in the urban area and plans to extend the network to cover the remaining more remote areas. In contrast to the water supply services, the wastewater collection and disposal services are grossly inadequate. There is no wastewater treatment plant and raw sewage is discharged untreated to the local watercourses, which are tributaries of the South Morava River. A large proportion of the flows are thought to permeate through the karst surface thus contributing to pollution of groundwater sources. Only about 80 % of the households in the city are connected to the sewerage system.

The water supply services in the Municipality of Uzice, population 65,000, are adequate with good pressures to reach all areas on higher elevations. However, the distribution network is in poor condition, with high water losses, estimated at over 60 %. The wastewater collection and disposal services in the Municipality are very inadequate. The existing sewerage network covers 90 % of the town but the main collector is in poor condition that often leaks. There is no wastewater treatment plant with sewage being discharged untreated to open ground or directly to the River Detinja, which runs through the middle of the city. The wastewater discharges often make up more than 50 % of the natural flows of the river in the low season.

The WBIF supported feasibility studies covered the complete operating cycles of the water and wastewater companies of Vranje and Uzice. They examined their financial status, assessed the quality and reliability of the water supply services, investigated the adequacy of wastewater services and highlighted the current environmental concerns. The studies formulated long term strategic investment programmes for both water supply and wastewater collection and treatment infrastructure. They identified priority investment programmes for improvements in water supply and wastewater services and prepared financial models of the operations of the companies to demonstrate the actions needed to ensure the long term sustainability of operations in terms of

technical, financial and environmental criteria.

Fulfilling the projects will bring direct benefits to over 200,000 in the two municipalities and improved water to those living downstream. The project promoters, the two water companies, have been helped by the detailed study work, including long-term planning and financing models, that should aid long-term sustainability.

EC-IPA contribution to the project will be reprogrammed as project deadlines in Uzice were not met and as EU decided not to extend the implementation period for their funds. Uzice will quit the programme and the remaining funds will be used for the cities of Krusevac and Vranje only.

Detailed designs have been prepared and the tender for construction of the wastewater treatment plants is to be finalized by the end of the year.

- **Countries:** Serbia
- **Code:** PRJ-SRB-ENV-001
- **Sector:** Environment
- **Lead IFI:** KFW
- **Status:** Completed
- **Beneficiary:**