



Investing in Europe's environment

During 2014-2020 the European Structural & Investment (ESI) funds invest about EUR 87 billion to preserve and protect the environment and promote resource efficiency. EUR 15 billion is allocated to **wastewater** treatment infrastructure and includes the construction or upgrading of wastewater treatment plants and sewerage networks, but also sewage sludge management. Further investments contribute to the availability and security of **drinking water** services, and to water management and conservation including water reuse. EUR 5.5 billion is allocated to improved **waste management**, including basic waste treatment infrastructure in the regions with basic needs. These investments are in line with the waste hierarchy and based on national and regional waste management plans.

Cohesion Policy also supports investments that boost the implementation of the EU's biodiversity and nature policies through the Habitats and Birds Directives and by strengthening the Natura 2000 network of protected areas. It contributes to eco-tourism and supports the industrial transition towards a resource-efficient economy, green growth and environmental performance management in different sectors.



Serbia

Serbia has developed infrastructure to support provision of **drinking water** with the total length of the water supply network in Serbia approx. 34 000 km with the highest connection rate in Vojvodina Region.

Out of 5.4 million citizens in the defined areas, 3.9 million are served by centralized **wastewater** collection (72%). 52.4% of total generated wastewater is collected, 7.3% receives biological treatment and 1.3% undergoes more stringent treatment.

The collection coverage for municipal solid **waste** is about 82% of the population. The recycling rate for municipal waste is about 3%. There are constructed and in function 8 (regional) sanitary landfills and 2 (not regional) sanitary landfills.

But much remains to be done establishing EU requirements. Drinking water networks must be further extended, quality of supplied water improved, 10,400 km of new wastewater collection networks constructed, wastewater treated in 359 waste water treatment plants, recycling rate increased to 50% and then to 65% of generated municipal waste, remaining waste in constantly reduced quantities to be delivered into safe landfills equipped to EU standards.



Multiannual Investment and Financing Plan (MIFP)

To guide environmental investment process, the Ministry of Environmental Protection and Chapter 27 institutions have developed MIFP, which provides the national strategic framework for financing environmental investments and include an overview of investments needed for compliance, projects cost, estimates and assessment of potential sources of finance. MIFP is built on the work done in the Directive Specific Implementation Plans (DSIPs) and support requests for transitional periods where these are needed.

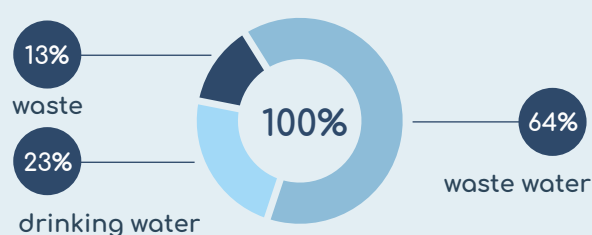
MIFP **waste management** sector pipeline includes 129 projects to support regional waste management systems development, construction and demolition, hazardous and other waste management. For wastewater, sector pipeline includes 41 projects. It is estimated that around 10,369 km of additional collection network must be constructed. Restoration of 1,052 km of the existing network will be needed. It is planned to construct 359 wastewater treatment facilities. **Drinking water** pipeline includes a total of 139 projects for extension of water sources, construction of water treatment plants, new network, chlorination, construction of water tanks, etc.

Investment needs 2019-2044

Investment needs ¹	%	Total M EUR (2019-2044)
Drinking Water	20.6 %	1,551
Wastewater	56.8 %	4,273
Waste	16 %	1,202
Sludge	6.6 %	500
Total	100 %	7,526

Financing

Financing burden is planned to be shared between national and EU support funds, private sector and loans. MIFP proposes distribution of the funds between the 3 subsectors:



One of the most important criteria for future investment projects prioritization is **affordability at household level**. For the EU co-funded projects affordability is assured if a medium income household in the area of the project never pay more than 3% of the household income for the water and wastewater services or 5% for water, wastewater and waste services.

Implementation of MIFP

Currently, over **30 projects for a value over EUR 500 million** are in preparation and to be implemented in 2020 – 2027. Further MIFP prioritisation, selection, preparation and implementation of projects will be guided through Operational Programmes. First one for 2021 – 2027 is now under development and includes significant pipeline of waste water treatment and drinking water, waste management and soil remediation projects to be financed from EU and bilateral funds, international loans and national sources. Priority investments will be allocated to meet Chapter 27 obligations. Significant expected improvements will be achieved through the Council of Europe Development Bank (CEB) loan of EUR 200 million to support National Investment Program in the field of protection of the environment, including water supply and wastewater management, in line with government priorities in the area of environmental protection. For the water supply, the funds will be used for the upgrade of the network through priority measures combating the water losses in 60 municipalities.

Capacity for implementation of environmental infrastructure projects is the key issue for fulfilling the targets and deadlines set by the EU requirements in pre and post accession period. Appropriate institutional capacity must be developed at central and local level, where most of projects will be implemented.

¹ Project preparation costs are included and were calculated as a certain percentage of the value of works for individual projects within each of the three sectors (approx. 6% on average).