

Belgrade Water

Country:	SERBIA
Project Number:	46465
Business Sector:	Municipal & Env Inf
Notice Type:	STATE
Environmental Category:	B
Target Board Date:	10 Dec 2014
Status:	Disbursing
PSD Disclosed:	25 Sep 2014

Project Description

The EBRD is providing a senior loan of up to €13 million to the Public Utility Company Belgrade Water and Sewerage (the "Company"). The loan proceeds will be used to finance the Company's priority investments in water supply, including construction of a dual pipeline that will feed raw water from the Sava River to the Makis Water Treatment Plant, cleaning of a settling tank where the dual pipeline will be placed, and construction of a 4.8km long pipeline that will transfer water from the Makis catchment area to Banovo Brdo Water Treatment Plant, as well as other priority investments.

Project Objectives

Transition Impact

Good

The transition impact potential of the Project arises from:

- Introduction of an adequate and transparent tariff formula and its inclusion into the Public Service Contract to be signed between the City and the Company.
- Improved operating performance of the Company, and adherence to the best applicable procurement, environmental and financial reporting standards.

- Improved financial sustainability within Company through improved cost recovery and operating efficiencies introduced by a financial and operational performance improvement programme ("FOPIP").

Client Information

WATER AND SEWAGE COMPANY OF THE CITY OF BELGRADE

Public Utility Company Belgrade Waterworks and Sewerage is the sole company providing potable water in Serbia's capital. Its key responsibilities are water collection, treatment and distribution, as well as wastewater collection and discharge.

EBRD Finance Summary

EUR 14,500,000.00

Up to € 13 million loan to the Public Utility Company Belgrade Waterworks and Sewerage.

Total Project Cost

EUR 14,500,000.00

Environmental and Social Summary

Categorised B. The Project will provide substantial environmental and health benefits for the city of Belgrade by strengthening the accessibility to high quality drinking water supply in accordance with relevant EU standards.

Future adverse environmental and social impact of the Project is likely to be site-specific, readily identified and addressed through adequate mitigation measures.

The Environmental and Social Due Diligence ("ESDD") is currently underway including (i) an analysis of the proposed components of the Project; (ii) a review of the Company's current operational activities and facilities, and its environmental compliance records; and (iii) the Company's corporate management systems and capacity to implement the Project in accordance with the Bank's Performance Requirements. The ESDD is also assessing labour and community Environmental Health and Safety issues, land acquisition procedures and right-of-way arrangements, especially their impact on possibly affected vulnerable groups, water quality of ground water wells, water and wastewater infiltration and temporary disruptions along the Project sites during the construction phase, and generation and management of construction waste.

Based on the findings of the ESDD an Environmental and Social Action Plan ("ESAP") will be prepared and agreed with the Company to address identified risks and associated mitigation measures that shall be implemented by the Company. A gender sensitive Stakeholder Engagement Plan ("SEP") will also be developed to identify the Company's key stakeholders and outline the way in which the Company will disclose and consult with its stakeholders through the project planning and implementation phases. A Non-Technical Summary will also be released to the public to inform about (i) the Project components and operational activities; (ii) environmental and social benefits; (iii) the ESAP including associated risks and mitigation measures; and (iv) SEP.

The Project Summary Document will be further updated upon the completion of the ESDD.

Technical Cooperation

EBRD will mobilise funds from donors to support the following technical cooperation:

Pre-signing

- Technical due diligence comprising review of the existing designs and other Project documentation, as well as Environmental and Social due diligence. The estimated cost of the assignment is € 75,000.
- Preparation of a Public Service Contract to be signed between the City and the Company, to be defined as a condition precedent to the first disbursement. The estimated cost of the assignment is € 10,000.

Post-signing

- Financial and Operational Performance Improvement Programme (FOPIP) to provide assistance to the Company to improve their financial and operational activities to ensure they are more efficient, including business planning, advice on tariff reform, elimination of cross subsidy, modernisation of HR policies, strengthening of the inter-department communication system and strategic capacity building. The estimated cost of the assignment is € 315,000.
- Project implementation support to include assistance to the PIU covering preparation of tender documents, procurement and construction supervision. The estimated cost of the assignment is € 400,000.

Company Contact Information

Business opportunities

For business opportunities or procurement, contact the client company.

General enquiries

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168; Fax: +44 20 7338 7380

Email: projectenquiries@ebrd.com

Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations.

[Text of the PIP](#)

Project Complaint Mechanism (PCM)

The EBRD has established the Project Complaint Mechanism (PCM) to provide an opportunity for an independent review of complaints from one or more individuals or from organisations concerning projects financed by the Bank which are alleged to have caused, or likely to cause, harm.

Any complaint under the PCM must be filed no later than 12 months after the last distribution of EBRD funds. You may contact the PCM officer (at pcm@ebrd.com) or the relevant EBRD Resident Office for assistance if you are uncertain as to the period within which a complaint must be filed.