

Banja Luka Water Supply and Sewerage Collection Systems

Project Financing

WBIF	Grant	MW-BIH-ENV-CEB;KFW-04	€ 2,000,000
KFW	Loan		€ 10,000,000
Beneficiary Contribution	Own Contribution		€ 600,000
EU IPA	External Grant	IPA Funds	€ 2,500,000
KFW	External Grant	Grant	€ 4,000,000
Total			€ 19,100,000
Total Grants			€ 2,000,000
Total Loans			€ 10,000,000

Project Description

Banja Luka is the administrative capital of Republika Srpska entity in Bosnia and Herzegovina with a population of 230,000 residents. The project aims to combat existing problems in the city of Banja Luka regarding high losses in the present water supply system and the lack of adequate sewage collection. Currently, 80 % of residents have access to piped water. Furthermore, only about 50 % are connected to a sewer system. Frequent leaks and pipe bursts in the transmission and water supply distribution system are attributable to both age and quality of the existing networks. The discharge of untreated sewage into the Vrbas river poses a risk for the drinking water quality of the inhabitants of the City and harms the environment of Banja Luka.

The objective of the project is to secure an environmentally sound and sustainable water supply in Banja Luka at socially acceptable costs. This is to contribute to an improvement of the living conditions for the population of Banja Luka.

The measures of the programme therefore concern:

- extension of the water supply system in the residential area of Tunjice (a refugee area);
- rehabilitation of the mains and secondary network of the water supply system (Caire); and
- the construction of sewage interceptors along the left and right banks of the river Vrbas, which aim to create a shutoff for the sewage, therefore protecting the well-fields in Novoselija which are used for drinking water.

In summary, the measures encompass the expansion and upgrade of the city's water supply network and construction of new sewage collectors and two water reservoirs.

The total value of the project, approximately EUR 19.1 million, is made up of EU (IPA and WBIF-funds totalling EUR 4.5 million) and KfW funds (EUR 4 million grant and EUR 10 million loan) as well as contributions from the Banja Luka authorities (EUR 600,000). Part of the EU funds were allocated through the EU IPF Municipal Window programme in the form of a EUR 2 million grant for consultancy services related to the preparation of final design and tender documents and for the investment measures.

The project has two components: the construction and improvement of the water supply system, which started in April 2012, and the repair and construction of the sewerage collection system, which started in June 2012 and for which EU-funds are used. The water supply component is expected to be completed in April 2015 and the sewage component is scheduled to be completed in December 2014.

The beneficiaries of the project are the Banja Luka waterworks company, VODACOM and the city. Moreover all the inhabitants of Banja Luka will benefit from the investments, as the water resources of the City are protected through the wastewater collection component of this project. In addition, new communities will benefit from the new connections to the water supply network.

Results and Benefits

- 1,450 km of new or rehabilitated water supply pipes
- 422 km of new or rehabilitated sewer pipes installed
- 112,900 new connections to the water supply
- wastewater treatment capacity increased by 9,867 m³/day
- 44,000 new households benefiting from safe drinking water
- 13,700 new households benefiting from improved sanitation services
- 32,000 PE of additional wastewater treated

- **Countries:** Bosnia and Herzegovina
- **Code:** PRJ-BIH-ENV-004
- **Sector:** Environment
- **Lead IFI:** KfW
- **Status:** Completed
- **Beneficiary:** Banja Luka Waterworks Company Vodacom