The pollution of the Veliki Bački kanal, which drains into the Tisa river and ultimately the Danube river, is considered as one of the major environmental problems in Serbia.

The municipality of Vrbas is active in investing in their sewerage system to mitigate the negative effects of the pollution of the Veliki Bački kanal. The pollution is considerable due to discharge of untreated industrial and then communal waste water. The overall objective is to protect and improve the water quality of the Veliki Bački kanal and to improve sanitary and health conditions in the municipalities of Vrbas and Kula.

PROJECT OBJECTIVES

- To provide waste water treatment and disposal for 120,000 residents in Vrbas and Kula municipalities;
- To collect, transfer, treat and dispose pre-treated industrial effluents for identified major industries in Vrbas, currently discharging into and polluting the Veliki Bački kanal;
- To extend the sewage collection system to 20,000 residents, institutions and small industries and businesses living in the villages of the Vrbas municipality;
- To significantly improve the quality of life with many indirect impacts, improved sanitation and reduced risks to public health;
- To radically improve the water quality in a heavily eutrophicated Danube tributary – Veliki Bački kanal;
- To provide compliance with short-term policy objectives in accordance with the National Environmental Strategy (NES);
- To ensure implementation of a priority project in accordance with the National Environmental Action Plan (NEAP);
- To ensure implementation of apriority project in accordance with the EU Danube Strategy (desludging and VBK rehabilitation);
- To make a major step towards complying with the EU Urban Waste Water Treatment Directive;
- To provide relief in serious economic restraint on the development of industry, due to water pollution.

PROJECT DESCRIPTION

Main Physical Project Components with brief Quantitative Indicators:

1. Construction of the Central Waste Water Treatment Plant (CWWTIP) in Vrbas
   - Phase I Waste Water Treatment Facility for loading of 120,000 population equivalent
   - Phase II (not included in current investment project) potential extension of the Waste Water Treatment capacity by 60,000 PE (to total capacity of 180,000) – subject to demand.

The CWWTIP would treat sewage discharges from Vrbas and Kula towns, villages of Vrbas municipality and pre-treated industrial wastewater for identified industries.

2. Extension of the sanitary sewerage collection system

   Additional sanitary sewerage system shall be constructed in: Kucura, Zmajcovo, Bačka Dobro Polje, Ravno Selo and Savino Selo, and would include the following: 83,2 km of collection network, 30 km of transmission main and 22 small pumping stations.
The extension of the sanitary sewerage collection system will significantly improve the coverage in waste water collection, and will substitute current practice relying on individual septic tanks that represent potential source of pollution of ground and surface waters, and serious health hazard. Through the project the urban area of Vrbas and the 5 villages are to be fully covered, including a connection to the CWWTP.

3. Main sewers connecting Kula and Crvenka to CWWTP Vrbas

Also, it is planned to connect the sanitary sewerage system of Kula and Crvenka to the CWWTP by constructing the main sewer line between Kula and Vrbas, and corresponding sewage pumping stations. Sections I to IV of the main sewer line between Kula and Vrbas have already been completed, whereas section V (some 2.6 km long) is yet to be constructed during 2011.

Embedding in documented development strategies: National Strategy X; Regional Strategy X; EU Danube Region Strategy X;

SLAP PROJECT SCORING

Level 2 scoring: 37 (out of 40)
Level 3 scoring: 75 (out of 100)

PROJECT STATUS (JULY 2011)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Feasibility Study</th>
<th>Preliminary design</th>
<th>Detail Design</th>
<th>Engagement letter</th>
<th>Works Tender</th>
<th>Implementation</th>
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Project Maturity - Available Documentation
Concept Note X; Study X; Master Plan X; Pre feasibility Study X; Preliminary Design X; Feasibility Study X; Detail Design 0; Tender Documentation X

Notes:
(1) Estimates