

## INVESTING IN EUROPE'S ENVIRONMENT

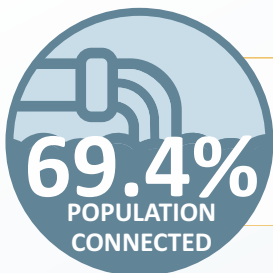
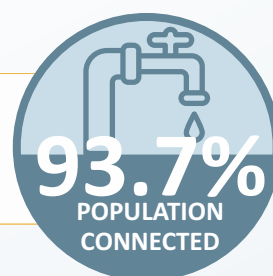
Around EUR 133 billion are reserved for Member States from EU funds for “Greener Europe” during 2021 – 2027.<sup>1</sup>



EU previously invested large amounts to improve water and waste sectors management, however, around EUR 16.5 billion is still allocated to sustainable water (wastewater collection and treatment, water for human consumption, water management and water resource conservation, etc.). EUR 9.8 billion is assigned to circular economy (household waste management, residual waste treatment, enviro-friendly production processes in SMEs, prevention in commercial, industrial, or waste management, use of recycled materials as raw materials and other). Also, climate change adaptation is supported with EUR 18.7 billion. The Nature protection and biodiversity fund is increased and will be EUR 11.5 billion.

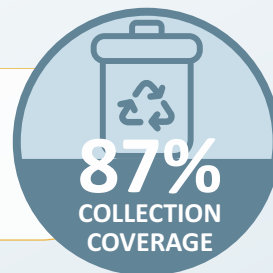
## SERBIA

Serbia has developed infrastructure to support provision of drinking water with the total length of the **water supply network** in Serbia being approx. 50 000 km<sup>2</sup> to which about 93.7%<sup>3</sup> of the population is connected.



The **wastewater collecting network** in Serbia is more than 18 500 km with 69.4% of the population connected. From 319 million m<sup>3</sup> of wastewater collected to sewage networks in 2022, 59 million m<sup>3</sup> or about 18.5% was treated (1.6% primary, 10.7% secondary and 6.3% tertiary treatment).<sup>4</sup>

The collection coverage for **municipal solid waste** is about 87% (2022) of the population. The recycling rate for municipal waste is 17.7% (2022). There are 10 constructed and functional (regional) sanitary landfills and 2 (not regional) sanitary landfills.<sup>5</sup>



Serbia takes action to address identified needs. The Serbian Negotiating Position for Chapter 27 foresees further extension of drinking water networks, improving the quality of supplied water, constructing around 10 400 km of new wastewater collection networks, treating wastewater in 398 agglomerations.<sup>6</sup> The recycling rate will be increased to 50% and then to 65% of generated municipal waste and the remaining waste constantly reduced to less than 10% to be delivered into safe landfills equipped to EU standards.<sup>7</sup>



To guide the environmental investment process, the Ministry of Environmental Protection and Chapter 27 institutions have developed the **Multiannual Investment and Financing Plan (MIFP)**<sup>8</sup> in 2019, which gives a national strategic framework for financing environmental investments and include an overview of investments needed for compliance, projects cost, estimates and assessments of potential sources of finance. Most of the investment (70%) is considered a responsibility of the public sector.

<sup>1</sup> Total amount (the EU and the Member States contributions) from the Cohesion fund (CF), the European Regional Development Fund (ERDF) and Interreg for *Greener Europe* as one of the policy objectives of the EU's Cohesion Policy. Overview of cohesion policy funding 2021-2027 by policy objective and specific objectives within *Greener Europe*: <https://cohesiondata.ec.europa.eu/stories/s/d6tf-zqvc>

<sup>2</sup> Statistical Office of the Republic of Serbia: <http://skr.rs/zNyX>

<sup>3</sup> Statistical Office, Eco-bulletin 2022. <http://skr.rs/zNy8>

<sup>4</sup> Statistical Office, Eco-bulletin 2022. <http://skr.rs/zNy8> and <http://skr.rs/zNyX>

<sup>5</sup> Serbian Environmental Protection Agency (SEPA), Report on waste management, 2023. <http://skr.rs/zNyG>

<sup>6</sup> Negotiating Position for Chapter 27: <http://skr.rs/zNym>

<sup>7</sup> The Waste Management Program in the Republic of Serbia for the period 2022-2031: <http://skr.rs/zNyN>

<sup>8</sup> Negotiating Position for Chapter 27, Annexes: <http://skr.rs/zNyE>

# ENVIRONMENTAL INVESTMENT

**Environmental investment financing** is being available from various sources managed by several institutions. Coordination system represents a deconcentrated approach with at least 7 ministries involved into decision making regarding priority setting during programming, coordination of projects' development and implementation: Ministry of Finance, Ministry of Environmental Protection, Ministry of Agriculture, Forestry and Water Management, Ministry of Construction, Transport and Infrastructure, Ministry of Mining and Energy, Ministry for European Integration, Ministry of Public Investments. Local self-governments are fully involved in the process as well.

It is assessed within the Swedish funded ENVAP4 project<sup>9</sup>, that about EUR 5 billion was potentially available in 2023, for investments in air protection, wastewater and waste management. The main sources of environmental infrastructure financing include the national budget, IFIs and bilateral loans (e.g. KfW, EBRD, AFD, CEB; China, etc.), EU funds, bilateral grants (e.g. Germany, Swiss, etc.) and private sector resources. Resources provided through the credit lines (about EUR 4 billion) is a significant part of the overall environmental investment into all sectors, and, particularly, in wastewater. An assessment indicates that about EUR 530 million is invested in mentioned sectors, and those are in the phase of implementation or programmed, from national and EU funds (not including multiannual Operational Programme on environment and energy sectors for 2024 – 2027). Various bilateral grants also contribute to the investment with about EUR 90 million.

4+  
BILLION EUR



The biggest part of the investments, over EUR 4 billion<sup>10</sup>, is required for the implementation of urban **wastewater** treatment requirements (around EUR 3 billion for collection and over EUR 1 billion for treatment). Currently, most of the resources are being allocated and programmed for major, large, and medium size agglomerations, which are accountable for about 80% of the pollution load. Remaining priorities include an upgrade of the wastewater treatment facilities to tertiary treatment for agglomerations above 10 000 p.e., preparation and implementation of projects in 16 medium and small-medium agglomerations and planning sludge management projects.

1+  
BILLION EUR



Investment needs for **waste** sector is over EUR 1 billion<sup>11</sup>. The financing is mainly being allocated to establish a basic level of infrastructure, including the development of landfills and transfer stations, the collection of waste and to start separate collection of recyclables and secondary separation. The remaining priorities include further action regarding separate waste collection, the development of biodegradable waste management, to establish sanitary landfills in remaining regions and the remediation of closed unsanitary landfills.

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

<sup>9</sup> About the ENVAP project: <https://www.pregovarackagrupa27.gov.rs/envap/>

<sup>10</sup> Negotiating Position for Chapter 27, Annexes: <http://skr.rs/zNyE>

<sup>11</sup> Negotiating Position for Chapter 27, Annexes: <http://skr.rs/zNyE>

