**SUMMARY PROJECT FICHE**

1. **BASIC INFORMATION**
   
   1.1 **Désirée Number**: HU.01.10.01 – SL.01.09.02
   
   1.2 **Title**: Improvement of joint life space
   
   1.3 **Sector**: Environment
   
   1.4 **Location**: Micro-region of Tornyiszentmiklós on the Hungarian side – and settlements of Pince, Pince Marof and Benica on the Slovene side.

2. **OBJECTIVES**

   2.1 **Overall objective**
   
   - Improved environmental conditions in the cross-border region

   2.2 **Project purpose**
   
   - Improve waste water treatment and sewage system in cross-border region
   - Improve groundwater quality in the micro-region of the rivers Mura, Kerka (Krka) and Ledava on both sides of the border by a wastewater disposal and treatment system functioning in accordance with EU requirements

2.3 **Accession Partnership and NPAA priority**

   **Hungary**

   The objectives of the project are in line with the medium term objectives of the Accession Partnership, chapter 3.2 on balanced harmonisation of the protection of environment. The same applies to the relation of the project to the NPAA, which covers the water protection objectives in its chapter 6.1.4.

   **Slovenia**

   The project is in line with the priorities of the Accession Partnership:

   3.6 Quality of Life and Environment: “Particular efforts must be made to achieve full EU compatibility of the urban waste water treatment, drinking water, aspects of waste management and air pollution legislation. Investments must be increased. With reference to administrative capacity a considerable effort must be made to develop adequate implementation and enforcement structures”.

   The project is also in accordance with the following NPAA priorities:

   1.2.11 Environmental protection

   1.2.111 Promotion of sustainable development; Preservation of biodiversity; Reduction of environmental pollution and degradation; Rehabilitation and re-naturation of degraded environment; Approximation to the EU; Policy directions and measures: Provide adequate resources for environmental investment (budget, eco-fund, long-term environmental reservations, a new PHARE, international financial institutions, private capital); Strengthen administrative and professional institutions on the local level engaged in environmental protection, sustainable use of natural resources, preservation of biodiversity, and monitoring the implementation of the relevant legislation; international and cross-border co-operation in
environmental issues and in solving environmental problems; Information, training and active participation of public (including NGOs and local communities) and the business sector in the activities of environmental protection;

1.2.114 Waste management; Implementation of environmental Acquis; environmental planning and programming for technical assistance, investment into environmental infrastructure and projects; measures: Investments (especially) Smaller projects for drinking water supply;

1.2.114 Water quality and water & wastewater management; Implementation of environmental Acquis; environmental planning and programming for technical assistance, investment into environmental infrastructure and projects; measure: investments: establishment of corridors; renaturation.

2.4 Contribution to National Development Plan:

**Hungary**

According to the revised PNDP (2001), based on the regional development strategies, the project reflects to one of the most important priorities of the region: Priority 4: “Development of the quality of living” measure 1 of “Our living space – Environmental Management Innovation Programme” (PNDP 2001, Chapter 5.5.6, priority 4).

**Slovenia**

The project is in conformity with the following PNDP 2000-2002 priorities:

6.2.4 Priority 2: Economic Infrastructure and Quality of Life, Environment Protection (Smaller projects):

“The strategic objective of environmental protection in Slovenia is to create conditions for pursuing an environmentally sustainable development, i.e., development that will introduce environment as an integral component of overall economic development of the country and that will aim at improving the living environment in Slovenia.

Taking into account that large-scale projects in this area represent the core of ISPA activity (together with projects in trans-European networks), measures, i.e. investments to be supported under the PNDP 2000-2002 are focused on smaller-scale environmental projects addressing specific needs of individual local communities in Slovenia.”

2.5 Cross Border impact

The project is in accordance with the priorities and measures set in the Joint Programming Document Slovenia – Hungary 2000-2002, approved on 6th June 2000 by the Joint Cooperation Committee:

Priority: Sustainable spatial development with the following objectives: maximisation of the protection of the environment and sustainable utilisation of the natural resource potential of the region; increased level of public awareness for the general public of the need to protect the environment; decreased level of threat towards the existing natural resources; improved quality of surface water in the border region.

Measure: 1.3 Environmental Investments – waste and wastewater management
On the basis of the agreement in force (signed in July 1998) between the local governments of Tornyiszentmiklós, Lovászi and Kerkaszentkirály (Republic of Hungary), and the Municipality of Lendava (Republic of Slovenia), communal wastewater from Pince, Pince-Marof and Benica villages on the Slovenian side shall be cleaned in the wastewater treatment plant in Lovászi. The connection of the sewer network of settlements over the border, as well as the transportation of the wastewater to the treatment plant, have been taken into account in the planning and approval processes of the wastewater disposal network of Tornyiszentmiklós. Technical specification and documentation has been jointly elaborated in 1999, in Slovene and Hungarian language.

3. DESCRIPTION

3.1 Background and justification

On both sides of the border (Tornyiszentmiklós and its partner settlements of Dobri, Lovászi, Kerkaszentkirály, Tormafölde and on the Hungarian side and Pince, Pince Marof, Benica in Slovenia) there is a need for basic environmental infrastructure. Over the decades, wastewater in these villages was drawn via old pipes and drains.

There is no closed system of wastewater management, disposal is managed through individual collection. The system of storage and desiccation is inappropriate due to the high levels of subsoil underground and phreatic water. The sewage produced in the households are now collected in sewage cesspools, then periodically (when cesspools are full) transported to liquid waste depots. The present individual concrete cesspools will be emptied and demolished or buried when the households will be connected to the drainpipes. These cesspools are many times leaking and therefore polluting the underground water basis mainly with nitrates (sewage receives no biological treatment at all). The resulting environmental contamination decreases the quality of life and constrains economic development. This pollution of the soil and underground water basis will be stopped by the introduction of the new sewage system. The liquid waste depot where the collected household sewage is currently transported will be closed and the site rehabilitated.

The planned wastewater treatment plant will improve the living conditions of 3,279 people (2,823 on the Hungarian side of the border and 456 in Slovenia). The basis of the planned project is the bilateral agreement on co-operation in the field of environment and spatial planning, signed between Hungary and Slovenia and the agreement reached on the Lipica meeting of the bilateral Hungarian – Slovene Water Management Committee (25-27 of October 2000) on the establishment of a joint sewage system and WWTP.

The Municipality of Lendava is making serious efforts on the construction of sewage systems and WWTP for the settlements of the municipality. In the year 2001, 52.8% of the total budget of the municipality will be spent on the construction of the sewage system (co-financed by the ISPA programme). The share of the means allocated by the municipality for the construction of the sewage system of Pince, Pince Marof and Benica represents 3.5% in the total annual budget of the municipality, what corresponds to the share of the population of the 3 settlements in the total number of inhabitants of the Municipality of Lendava, which is 3.8%.

Chronology of previous activities

- The agreement on co-operation between neighbouring municipalities (Lovászi, Tornyiszentmiklós and Kerkaszentkirály on the Hungarian side and the municipality of Lendava on the Slovene side) was signed in July 1998. The document states, that the
municipalities intend to apply jointly for the support of the Phare CBC programme, with the aim of improving the environmental conditions of the area of the common rivers Krka, Ledava and Mura.

• The technical documentation was elaborated in 1999, in both languages.
• On the basis of the prepared technical documentation, both Hungarian and Slovene municipalities obtained the permission of the relevant water management authorities for the implementation of the project.
• The Municipality of Lendava will rent part of the capacity of the WWTP in Lovászi. The sewage fee on the Slovene side will be collected by the communal company of Lendava and the agreed amount will be transferred regularly to the municipality of Lovászi, which is the owner of the WWTP, together with other 10 local communities. The quantity of the Slovene wastewater will be measured at the border crossing, where the two sewage systems will be connected.

Technical details

It has been agreed, that the capacity of the already existing WWTP in Lovászi (750 m$^3$/d) will be increased (to 900 m$^3$/d) in order to serve 3 more settlements from the Hungarian side as well as 3 villages from the Slovene side, and a new sewage system will be built, including the border crossing Pince – Tornyiszentmiklós. The total quantity of wastewater of these settlements is 219.7 m$^3$/d (134.7 m$^3$/d on the Hungarian side and 85 m$^3$/d on the Slovene side). The construction of a separate sewage system is foreseen, which will be connected on the border crossing Pince – Tornyiszentmiklós, where also the main pump is to be placed. The WWTP will operate on biological principles – combination of anaerobic and aerobic technology. The cleaned water from the WWTP will flow to the river Kerka on the Hungarian side.

On the Slovene side of the border, this investment is in fact closing a gap. The Municipality of Lendava is constructing a sewage system co-financed by the EU ISPA programme for the needs of the municipality. However, the above mentioned three villages are not connected to this system, because it is economically and technically more reasonable to link them to the planned WWTP on Hungarian side. Due to differences in height it is more simple to connect these 3 settlements on the Slovene side to the Hungarian sewage system. The connection of these villages to the ISPA system would require the construction of 16 pumps, while for the Hungarian connection 3 of them will be enough. Moreover, there would be 5.8 km of empty pipes connecting these 3 settlements to the Lendava WWTP. Thus, also the costs of the investment are significantly lower. The feasibility study („Study on the optimal solution for sewage system and waste water treatment in the Municipality of Lendava”) elaborated in April 1997 by the Institute for Ecological Engineering in Maribor already proposed separate waste water treatment plants for these settlements.

3.2 Linked activities

Hungary

The activities under the Phare CBC Slovenia-Austria-Hungary Programme 1995-1996 function as synergetic initiatives with the present project. The following projects were realised:

• Sewage Treatment in Csesztreg-Lenti (1995)
• Waste Management in Orség region (1995)
• Naturpark Centres Oriszentpéter and Szécsisziget (1995)
• Sewage Treatment in Orség – Phase 1 (1997)

In line with Council Regulation (EC) No. 1266/1999 and the Vademecum on co-ordination of the three financial pre-accession instruments, business related infrastructure projects, which are in line with the development programmes of the regions, shall be supported by Phare programme (this applies to present project).

Slovenia

• Strategy for the Development of the Tri-D Border Region (ZZ-9524) – The development strategy and the related Action Programme provided a detailed analysis of the border region and identified environment and nature protection as one of the main priorities to develop in the area.
• Wastewater Treatment Plant of the Municipality Lendava (ISPA 2000) – With the support of the pharmaceuticals company LEK, the Municipality of Lendava and the EU ISPA programme, a purification plant and a sewage system will be built to serve the needs of the municipality.

3.3 Results

The following results will be achieved by the implementation of the project:

• Functioning sewage system and waste water treatment plant with 1571 households connected (1341 in Hungary and 230 in Slovenia) in the micro region of Tornyiszentmiklós and associated settlements: Lovászi, Kerkaszentkirály, Dobri and Tormafölde on the Hungarian side, and the settlements of Pince, Pince Marof and Benica on the Slovene side. The sewage system network will include 39,320 m drain (33,000 m in Hungary and 6,320 m in Slovenia)
• increased capacity of the wastewater treatment plant in Lovászi from 750 m$^3$/day to 900 m$^3$/day. As per agreement between Hungarian municipalities and Municipality Lendava (Republic of Slovenia), wastewater from Slovenian settlements Pince, Pince-Marof and Benica in an amount of 85 m$^3$/d will be treated in WWTP on Hungarian side.
• 18 pump stations (15 in Hungary and 3 in Slovenia)

The project area will be disburdened from 196,000 m$^3$ sewage water per year, thereby the project will result in an improved quality of bilateral groundwater basis. With the introduction of the proposed biological treatment technologies, the ammoniac and phosphorous pollution of the adjacent sensitive aquifers is expected to stop. The pollution will be reduced.

3.4 Activities

The following activities will be implemented in the villages of Tornyiszentmiklós, Lovászi, Kerkaszentkirály, Dobri, Tormafölde, Pince, Pince Marof and Benica:

• construction of the canalisation network including 39,320 m drain
  ground work (earth work, dehydration, surfacing, transport)
  superstructure work (draining pipe laying, delivery conduits, cleaning pits)
• increasing the capacity of the WWTP in Lovászi from 750 m$^3$/day to 900 m$^3$/day
  ground work (earth work)
  superstructure work (constructions)
• construction of 18 pump stations
  ground work (earth work)
superstructure work (constructions, location of pumps and fittings)
electrical construction (engineering structures, device automatics, power supply)

All studies and plans for the project have been completed. The project will be carried out in the framework of one local works tender on the Hungarian side and one local works tender in the Slovenian side. The Local Governments of Tornyiszentmiklós on the Hungarian side and Lendava on the Slovenian side will provide the tender documentation and supervision of the construction works.

4. INSTITUTIONAL FRAMEWORK

Hungary
The beneficiaries and the owners of the assets after project completion will be the Local Governments of Tornyiszentmiklós, Lovászi, Kerkaszentkirály, Dobri and Tormafölde on the Hungarian side.

The employer will be the Local Government of Tornyiszentmiklós who will be the overall co-ordinator of the investment and will appoint a firm with relevant experience until the start of tendering to act as Supervising Engineer. The project manager will be László Szak, mayor of Tornyiszentmiklós (H-8877 Tornyiszentmiklós, Kossuth u. 57., Tel.:36-92/376-043)

Slovenia
The beneficiary and employer will be the Municipality of Lendava, which will become the owner of the assets on the Slovene side of the border after the project’s completion. The communal company “Komunala” (responsible for waste and water management) in Lendava will be responsible for the management of the system on the Slovene side.

The employers will ensure the co-ordination of the works on both side of the border.

5. DETAILED BUDGET (million Euro)

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Phare Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=1+IB)</td>
</tr>
<tr>
<td>Works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.9</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Total</td>
<td>1.9</td>
<td>-</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**National Co-financing** on the Hungarian side will account for 65% of the total project budget and will be provided from the following sources:
- Local Governments’ Own Resource: 5%
- CEPF Support (Central Environmental Protection Fund of the Ministry of Environment): 60%.

**National co-financing** on the Slovene side will be provided by the municipality of Lendava, in the amount of 0.3 MEUR, which represents 50% of the total costs.
The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national amount is also binding and has to be applied to the final contract price.

6. IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency

Hungary

The project will be implemented under the overall co-ordination and supervision of the Ministry of Agriculture and Regional Development, whose representative, Dr. Peter Szaló, Deputy Secretary of State, will be designated as PAO.

The Ministry for Agriculture and Regional Development, through its National Agency for Regional Development, will be responsible for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

Address: Ministry for Agriculture and Regional Development
National Agency for Regional Development
1016 Budapest, Gellért hegyl. 30-32., Phone: +36 1 488-7171, fax: +36 1 488-7188

Slovenia

Implementing Agency
Ministry of Finance - CFCU
Mr. Peter Škofic, PAO
Address: Beethovnova 11, 1502 Ljubljana, Slovenia
Tel: +386.1.478.63.05
Fax: +386.1.478.62.04

Implementing Authority
National Agency for Regional Development
Mr Ivo Piry, Director
Address: Kotnikova 28, 1000 Ljubljana, Slovenia
Tel: +386.1.478.36.70
Fax: +386.1.431.33.60

Contracting Authority
Mr. Jozef Kocon, Mayor
Municipality of Lendava
Address: Trg Ljudske pravice 5, 9220 Lendava, Slovenia
Tel: +386.2.578.94.10
Fax: +386.2.575.12.52

Final beneficiary:
Municipality of Lendava

6.2 Twinning

Not applicable.
6.3 Non-standard aspects

The Practical Guide to Phare, ISPA & SAPARD contract procedures (PRAG) valid from January 2001 will strictly be followed.

6.4 Contracts

Separate local works tenders will be launched for the Hungarian and the Slovene parts of the works. The tender documentation will also be prepared separately in both countries: in Hungary the Municipality of Tornyiszentmiklos will co-ordinate the elaboration of the Tender Documentation, while in Slovenia the Municipality of Lendava will provide the Tender Documentation, by the end of 2001. Two works contracts will be signed: one for the Hungarian, one for the Slovene part of the works activities. The Beneficiaries in Hungary and in Slovenia will be responsible for the co-ordination of the contractors and the works on both side of the border. The contracts will be awarded through open tendering according to the relevant rules of the Practical Guide.

7. IMPLEMENTATION SCHEDULE

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works (HU)</td>
<td>October 2001</td>
<td>April 2002</td>
<td>December 2003</td>
</tr>
<tr>
<td>Works (SL)</td>
<td>October 2001</td>
<td>April 2002</td>
<td>December 2003</td>
</tr>
</tbody>
</table>

8. EQUAL OPPORTUNITY

Equal participation by women and men will be assured during project implementation and after project completion.

9. ENVIRONMENT

The project aims to preserve the environment in the cross-border area and will mainly serve to harmonise the wastewater treatment with the EU standards. According to the Environmental Impact Assessment (EIA) prepared in April 2000, with the introduction of the proposed biological treatment technologies, the ammoniac and phosphorous pollution of the adjacent sensitive aquifers is expected to stop. The EIA was carried out according to the provisions similar to those of the corresponding EU directives (see annex 5 of the current Project Fiche). A special attention is to be given to the participation of the public in the process of obtaining the EIA. A short note annexed to the EIA report(s) will describe this participation.

The quantity of pollution will be reduced to a level, which is in conformity with EU requirements:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Concentration (g/m3)</th>
<th>Quantity (kg/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>inlet</td>
<td>outlet</td>
</tr>
<tr>
<td>COD</td>
<td>700</td>
<td>50</td>
</tr>
<tr>
<td>NH$_4^+$ -N</td>
<td>60</td>
<td>10</td>
</tr>
<tr>
<td>Organic solvent</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>PO$_4^{3-}$</td>
<td>15</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10. RATES OF RETURN

The calculation of the financial rate of return examined a period of 20 years, the investment will break even (the NPV will turn positive) in year 17, as detailed in the feasibility study. The Economic Rate of return will be 5%. The cost-benefit analysis underlines the necessity and the usefulness of the public support, because the indirect benefits generated by the project are relatively high, and the investment would not take place financed by private resources.

Indirect benefits are calculated using the economic analysis methodology applied in the ISPA programme. In case of a wastewater canalisation and treatment investment indirect benefits of the project are calculated quantifying the favourable effects of the project on its environment. It includes savings in avoiding technological investments, benefits of new employments etc. In this project the indirect benefits generated are benefits of the created new employments, benefits resulted from avoiding costs of new investments in wells, savings resulted from the decreased soil and groundwater pollution and from the lower costs of the less intensive treatment technology to be applied to produce drinking water.

11. INVESTMENT CRITERIA

11.1 Catalytic effect

The project improves the quality of life and accelerates the economic development in the area. The project will mainly serve to harmonise the wastewater treatment in the area to the EU standards. Without Phare support, the environmental rehabilitation and the expected positive effects for the business conditions would take place much later.

11.2 Co-financing

Co-financing totalling 65 percent of the project cost is ensured by the beneficiary on the Hungarian side, while on the Slovene side co-financing representing 50% of the costs is provided by the Municipality of Lendava.

11.3 Additionality

The Phare intervention does not displace other financiers, neither from the private sector nor from IFIs.

11.4 Project readiness and size

The project complies with the minimum project size requirements. A detailed economic feasibility study, as well as a detailed environmental impact study has been prepared. The tender documentation will be prepared by the end of 2001.

The construction permit for water structures was approved in November 2000 for the Hungarian side (No. 10.954/8/2000), which contains all the approvals of the concerned authorities.

11.5 Sustainability

The wastewater treatment facility is sustainable in the long term beyond the date of the EU accession. Future maintenance and operation costs will be built into the service charges.

On the Hungarian side, the municipalities will ensure the operation by selecting the operator with relevant experience until project completion. The operator shall have the relevant experience as well as shall comply with the legal and technical preconditions prescribed by the relevant Regulation of the Ministry for Transport and Water Management (No. 18/1992, VII.14.). The operator contracted will be obliged to consult the beneficiary local governments as the owners of the facilities when defining the service charges that will ensure the representation of the End users’ interests.
The charges will allow from the year 2003 a positive cash flow for the operator, who will collect the service charges. The operator contracted by the municipalities involved will have to agree with them on whether to:

- Reinvest this profit into the enlargement and upgrading of the system or
- Redistribute it between the local governments according to their ownership.

The communal company “Komunala” (responsible for waste and water management) in Lendava will be responsible for the management of the system on the Slovene side.

11.6 Compliance with state aids provisions

All actions financed will respect the competition provisions of the European Agreement.

12. CONDITIONALITY AND SEQUENCING

The Building Permit should be issued before signing the Financing Memorandum. On the Hungarian side, the Building Permit is already available, while on the Slovene side it will be issued by the Municipality Lendava by October 2001.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (compulsory)
5. List of relevant Laws and Regulations (optional)
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (optional)
7. Map of the area
8. Letter of Intent of Municipality of Tornyiszentmiklós
9. Letter of Intent of Municipality of Lendava
10. Statement of the Beneficiary on the availability of the co-financing
## LOGFRAME PLANNING MATRIX FOR PROJECT

**Improvement of Joint Life Space**

<table>
<thead>
<tr>
<th>Programme Name and Number</th>
<th>Tornyiszentmiklós Sewage System HU.01.10.01 – SL.01.09.02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting Period Expires</td>
<td>30.11.2003</td>
</tr>
<tr>
<td>Disbursement Period Expires</td>
<td>30.11.2004</td>
</tr>
<tr>
<td>Total Budget:</td>
<td>EUR 5.086 million</td>
</tr>
<tr>
<td>Phare Budget:</td>
<td>EUR 1.9 million</td>
</tr>
</tbody>
</table>

### Overall Objective
- Improved environment conditions in the involved bilateral border regions facilitating sustainable development as well as EU accession

### Objectively Verifiable Indicators:
- Decreasing level of identified pollutants in wastewater samples from point sources

### Sources of Verification
- Reports and statistics of the Central Statistical Office, Ministry of Environment and Ministry of Transport and Water management

### Project Purpose:
- Improve waste water treatment and sewage system in cross-border region
- Improved groundwater quality in the micro-region of Tornyiszentmiklós and surrounding settlements including the Slovenian side of the border served by a wastewater disposal and treatment system functioning according to relevant EU requirements

### Objectively Verifiable Indicators:
- 1571 additional households served by new waste-water treatment system
- Decreasing amount of unpurified waste-water
- Improved conditions for eco-centric local economy

### Sources of Verification
- Measurement data
- Local government statistics
- Company registry
- Reports of relevant ministries

### Assumptions
- Successful activities in other fields of environmental protection activities, including the reduction of air-, soil-, noise-, landscape pollution
<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators:</th>
<th>Sources of Verification:</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| - Functioning sewage system and waste water treatment plant with 1571 households connected | • Sewage system network of 39,320 m drain connecting about 90 percent of the households of the target region to the system  
• 18 new pump stations  
• Additional 150m³/day wastewater treatment  
• Decreasing values of COD, NH₄⁺ -N  
Organic solvent, PO₄³⁻ | • Measurement data  
• Interim and final reports  
• Handing-over certificate | • Competent organisation for the management of the sewage system  
• Local population can pay cost covering fees for the use of the sewage system |
| - Increased capacity of the waste water treatment plant                 |                                                                                                |                                                                                         |                                                                            |
| - Pollution reduced                                                     |                                                                                                |                                                                                         |                                                                            |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means:</th>
<th>Assumptions:</th>
<th>Preconditions</th>
</tr>
</thead>
</table>
| • Construction of sewage system and WWTP serving both sides of the bilateral border region (settlements Tornyiszentmiklos, Lovászi, Kerkaszentkirály, Dobri, and Tormafölede on the Hungarian side and the settlements of Pince, Pince Marof and Benica on the Slovene side) | • 1.9 million EUR of Phare support to be matched by co-finance contributions of 3.186 million EUR from the national and local budgets  
• Completion of tender documentation, site preparation, tendering and conclusion of the works contracts. | • High quality project management  
• Co-finance contributions available when required | • Feasibility study and other preparation studies were completed  
• All required permits for the Hungarian part of the project have been granted  
• All required permits for the Slovene part will be available by October 2001  
• Institutional structure to implement and operate the project is in place |
ANNEX 2

Improvement of Joint Life Space

DETAILED IMPLEMENTATION CHART

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works (Hu)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Works (Slo)</td>
<td></td>
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</tbody>
</table>

Design

Tendering and contracting

Contract implementation and payments 100%
ANNEX 3

Improvement of Joint Life Space

**CONTRACTING AND DISBURSEMENT SCHEDULE (EURO MILLION)**

**Works - Hu**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
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</tr>
<tr>
<td>Disbursement</td>
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<td>0.3</td>
<td>0.7</td>
<td>1.0</td>
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* Phare contribution only
ANNEX 4

PRE-FEASIBILITY STUDIES

1. Feasibility Study for the Project “Canalisation and Wastewater Management of Tornyiszentmiklós and its micro-region” (May-August 1999), available at: HYDRO-ÉP Kft’s Office (H-9700 Szombathely, Vépi u. 11.)


ANNEX 5

Improvement of Joint Life Space

LIST OF RELEVANT LAWS AND REGULATIONS

Hungary:

1. Act XXI/1996 on Regional Development and Physical Planning;

Slovenia:

4. Act on Promotion of Balanced Regional Development (Ur.l. RS, No 99)
5. Spatial Planning Act (Ur.l. SRS, No 18/84, 15/89; Ur.l. RS, No 71/93)
6. Environment Protection Act (Ur.l. RS, No 32/93, 44/95, 01/96 and 09/99)

EU:

8. 75/442/EEC on waste
11. Commission Decision No. 97/662/EC on the reports on the implementation of certain prescriptions relating to waste (91/689, 94/62)
ANNEX 6

Improvement of Joint Life Space

REFERENCE TO RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES

Hungary:

? Comprehensive waste management information system for planning regional waste management policy.

? The planned work is in accordance with the targets set out in the "National Environmental Program".


Slovenia:


• Regional Development Strategy for Pomurje (Prekmurje and Prlekija), Ljubljana, 1998

• Strategy for the TRI-D border region, EIR Development Partners Ltd., 1999


• White Paper for Regional Development of Slovenia, 1998
ANNEX 7

The area of the planned sewage system on the Slovene side

Legend:

- Red: pipes in case if the 3 settlements were connected to the Lendava sewage system and WWTP
- Green: pipes in case if Pince, Pince Marof and Benica are connected to the Hungarian sewage system and WWTP
- Blue: state borders (North – Hungary, South – Croatia)
- Black: connection of the Slovene and Hungarian sewage systems
ANNEX 8

Improvement of Joint Life Space
Statement of the Municipality of Tornyiszentmiklós on the availability of the permits

STATEMENT

Undersigned László Szak, on behalf of the Municipality of Tornyiszentmiklós hereby confirm, that the Construction Permit for Water Structures, the feasibility studies and plans for the project Improvement of Joint Life Space are available.

Tornyiszentmiklós, 2001. June 7th

László Szak
Mayor of Tornyiszentmiklós
The Municipality Lendava declares to provide funding from the budget of the Municipality Lendava for the construction of the sewage system Pince – Pince Marof – Benica in the amount of EUR 300,000 and will cover the tax.

Jožef Kocon
Mayor
Statement of the Beneficiary on the availability of the co-financing

Undersigned László Szak, on behalf of the Municipality of Tornyiszentmiklós hereby confirm, that the required co-financing indicated in the project fiche of the Phare CBC project “Improvement of Joint Life Space” will be insured by the Municipality by the amount of 2.886 MEUR, from which the 60% of the project cost, 2.690 MEUR will be covered by the Ministry of Environment’s CEPF (Central Environment Protection Fund) support.


László Szak
Mayor of Tornyiszentmiklós