STANDARD SUMMARY PROJECT FICHE
Project Number 2002/000-317-01

1. Basic Information
1.1 Project Number: 2002/000-317-01
1.2 Title: CBC Environmental Infrastructure Networks (Grant Scheme)
1.3 Sector: Environment
1.4 Location: Western Transdanubian Region in Hungary and Burgenland, Vienna, Niederösterreich-Süd, Wien-Umland Süd in Austria

2. Objectives
2.1 Overall Objective:
Ensuring an attractive environment contributing to the economic development and favourable living space by the creation of improved environmental conditions

2.2 Project purpose:
Improving the resource management, technical infrastructure and renewable energy supply in the region.

2.3 Accession Partnership and NPAA priority:
The objectives of the project are in line with the short- and medium-term objectives of the Accession Partnership, chapter 3.2 on balanced harmonisation of protection of the environment. The same applies to the relation of the project to the NPAA, which covers the environmental protection objectives in chapter 6 and energy related environmental objectives in chapter 4.4.

2.4 Contribution to National Development Plan:
According to the revised PNPD (2001), based on the regional development strategies, the project reflects to Priority 4 “Development of the quality of living”, Measure 1 “Our living space – environmental management innovation programme” (PNPD 2001, Section 5.5.6 Priority 4, Measure 1) and Measure 2 “Our heritage – preserving heritage of the natural, cultural and artificial environment, complex development of regional attractions of tourism” (PNPD 5.5.6 Priority 4, Measure 2)

2.5 Cross Border Impact:
This project is consistent with priorities defined by the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for Interreg IIIA-Phare CBC. It belongs to priority P5 “Sustainable Spatial and Environmental Development”, measure M1 “Resource management, technical infrastructure and renewable energy supply”.

This grant scheme is designed to implement the common environmental infrastructure strategies defined in chapter 5.6.2 of the JPD, namely: Securing sustainable regional development in the cross-border region in the medium and long term is the primary goal of the Priority 5 Measure 1 of the JPD. This priority axis aims at both providing a basis for the planning of methods to achieve the objectives set out in the areas such as technical infrastructure, water and wastewater management, and waste management. In this framework, the Grant aims at implementing concrete projects in the field of renewable energies, cross-border technical infrastructure, water and wastewater management, and waste management.
3. Description

3.1 Background and justification:

The purpose of the present Grant Scheme – the support of environmental infrastructure – is consistent with the relevant regional and national strategies. To raise the potential of the target areas for development as well as the diversification into tourism and other new economic activities requires sufficient infrastructure systems on this field. The fulfilment of these goals will be ensured by well-prepared projects in the above-mentioned area, being available in a large number in the target region. Their realisation will support the internal and external cohesion and connectivity in the cross-border area with a large catalytic impact.

Environmental contamination is both a constraint on economic development and a cause of deteriorating quality of life. The Preliminary National Development Plan (version April 2001) under the Priority 4 “Development of the quality of living”, Measure 1 “Our living space – environmental management innovation programme” defines the improvement of the environmental conditions of the region as a fundamental objective, with special regard to the introduction of alternative sewage management technologies and the utilisation of renewing resources of energy and community waste management. In accordance with this, the Preliminary Regional Development Plan of Western Transdanubia also defines the development of alternative, environmentally friendly sewage treatment methods in small settlements as a major objective.

Surface water quality is largely affected by the features of waste-water treatment. The purification capacity is concentrated in cities, and its geographical distribution is not adequate. The level of contamination is much higher than the diluting and self-purifying capacity of waters with low rate of flow. In settlements without sewerage and treatment system, the sewage infiltrating into the soil deteriorates considerably the quality of ground waters and the soil. The isolation of septic tanks, the transportation and the deposit of the produced liquid waste is not adequate.

The legal, economic and financial regulation of sewage treatment, especially regarding the relevant EU regulation, support the application of nature friendly sewage systems for settlements under 2000 inhabitants only to a very limited extent. While the regulations for planning prescribe the investigation of alternative solutions (such as nature friendly treatment systems), the legal background is missing or impede the establishment of such solutions and the financing support is also lacking.

Resulting from the current legal, economic and financial regulation of sewage treatment, many settlements build oversized and expensive sewage systems, with a high operational cost, although the use of small-scale sewage utilities would be an economic, cost-efficient and environmentally sound solution instead of applying the expensive urban solutions. As a consequence, the population tries to avoid the connection to the sewage system, and even the municipalities are not interested in forcing the canalisation.

The use of small-scale sewage utilities is an economic and environmentally sound solution, which helps to close the so-called public utilities scissor (decrease the difference between number of dwellings connected to the water conduit network and number of dwellings connected to the sewage system) in an effective way. This is the necessary and adequate condition for small settlements to develop cost-efficient sewage treatment programs instead of applying the expensive urban solutions.

Similarly positive environmental impact is associated with the use of renewable energy resources. The potential of these energy resources is currently under-utilised. The study “Utilisation of geothermal energy in County Zala” (see Annex) shows that biomass is utilised to 5%, solar energy to 1%, geothermal energy to 7%, wind power to 0% of the theoretically available potential (on a national average – approximate values).

The intensification of the use of renewable energy sources instead of polluting traditional non renewable resources is an urgent need all over the world, especially in countries where only import-dependent energy supply can satisfy the wasting energy demand. Hungary is a country belonging to this latter group, although our natural potentials – according to renewable energy sources, especially regarding thermal water and biomass – are very good. In spite of this, the use of these resources represents only 3.4-3.6% of the total consumption, compared to 4-6% in EU countries.

EU member countries – according to their environmental and energy demand reduction undertakings – will double this percentage to 12% until 2010. Parallel to this objective Hungary targeted the doubling of the current ratio, from 3.6% to 7.2% by 2010. The achievement of this objective requires consider-
able investments. It is therefore important, that the use of renewable energies in Hungary shall be realised through best practice reference projects, adaptable in a later phase to any region of the country where natural potentials are given. These potentials are present in the Western-Transdanubian region. In terms of geothermic energy especially Zala County is in an especially advantageous position (the Regional Development Plan of Zala County identifies the county as a possible reference area in this regard). Although the average wind speed in Hungary is relatively low and irregular, also the utilisation of wind power as an additional energy resource has good chances. According to the “Feasibility Study for Wind Power Utilisation” the north-western part of the country, especially the area of Mosenmagyaróvár is a favourable location.

The quality of waste management is far below EU standards, and also lower than the demands of the society in terms of infrastructure and related services. In the majority of the cases the capacity of waste treatment technologies, their technical level and the logistics of waste management does not fulfil the requirements prescribed by complex waste management systems based on selective waste collection.

The selective collection of the re-usable elements of solid waste is in an initial stage. Experience drawn from the attempts of selective waste-collection carried out in the recent years show that special emphasis must be placed on the establishment of adequate treatment and disposal capacities, on the logistical connection of each elements of the system, on the properly established fees of the services and on the promotion of environmental awareness and information dissemination. Without an environmentally conscious population the modern waste management systems can not be successful.

3.2 Linked activities:

Important projects have been implemented in connection with environmental infrastructure on the border region such as following:

- Sewage Treatment in Örség – Phase 1 (1997)

3.3 Results:

The following quantifiable results will be achieved:

3.3.1. Studies and Human Resource Development:

- Impact assessments, need assessments, feasibility studies and other studies for the preparation of environmental investment actions
- Trained environmental experts in Hungary and Austria
- Implemented environmental information and awareness raising programs

3.3.2. Investment in environmental infrastructure:

- Installations of harmless wastewater disposal and treatment
- Installations and equipment for the collection, pre-treatment, utilisation and disposal of municipal liquid waste and sewage sludge
- Improved selective waste collections systems and installations for waste recovery
- Implemented environmental information and awareness raising programs related to the above mentioned activities

3.3.3. Promotion of the use of renewable energy:

- Established installations for renewable energy generation,
- Implemented information and awareness raising activities related to the use of renewable energy

3.4 Activities:

The Grant Scheme »CBC Environmental Infrastructure Networks« will be implemented in three windows related to the results described under 3.3.1-3.3.3. The budget allocation between windows is indicative and can be revised during the project selection according to the quality of projects.
3.4.1. Window 1: Studies and Human Resource Development
This window shall provide grants in an amount of €50 000-200 000 for the procurement of services. Eligible activities are the following:
• Studies covering preparatory project development documents (impact assessments, need assessment, feasibility studies).
• Joint training actions of Hungarian and Austrian environmental experts.
• Environment protection related information campaigns.

Organisations eligible for support will be non-profit or non-governmental organisations as follows:
• Non-profit organisations\(^1\)
• Municipalities
• Municipal educational institutions
• Bodies of the public administration (e.g. National Park Directorates)
• Co-operation, association of the above organisations.

The applicant organisations must be registered in the Western-Transdanubian Region. Profit oriented organisations are not eligible.

Projects for support will be selected according to the following criteria\(^2\) (Indicative selection criteria, in accordance with the evaluation grid of the PRAG):

General criteria of eligibility
• CBC impact: co-operation with an Austrian partner in one or more of the following phases of the project: planning, preparation, implementation, and utilisation after completion is required,
• Results of the proposal are in line with the objectives of the grant scheme.

General selection criteria:
Relevance:
• Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme).
• Clear definition and strategic choice of the target groups.
• Relevance of the project to the needs of the target group.
• Coherent, appropriate and practical character of the activities proposed (including the CBC activities).
• Specific elements of added value in the project, such as innovative approaches, and models for good practice.

Methodology:
• The preparedness and elaboration of the project proposal (including preparedness for evaluation).
• Involvement and activity of the cross-border partners in the elaboration and implementation of the project proposal.
• The realistic implementation of the time-schedule and action plan of the project proposal.
• Definition of objectively verifiable indicators.

Sustainability:
• Further utilisation and long term sustainability of the project results.
• Beneficial social, economic and environmental impacts of the project results.
• Possible multiplier effects of the project results (including possibilities for replication and extension of project outcomes, dissemination of information).

Budget and cost effectiveness:
• To what extent is the budget clear and detailed?

\(^1\) Organisations specified by the Act on Non-profit Organisations

\(^2\) The selection criteria will be further developed with the preparation of the call for proposals.
3.4.2. *Window 2: Investment in environmental infrastructure*

This window shall provide grants in an amount of €300 000-1 300 000 for the procurement of works, supplies and services. Eligible activities are the following:

- Solution of individual and/or harmless waste water disposal and treatment in settlements /settlement parts (e.g. application of nature friendly treatment systems).
- Collection, pre-treatment utilisation and disposal of sewage sludge and municipal liquid waste.
- Purchase of tools and equipment for selective waste collection and for the recovery of waste, with special emphasis on biological utilisation.
- Implementation of information and awareness raising programmes related to the above mentioned activities (as part of the project, with maximum 20% of the total budget).

*Organisations eligible for support will be non-profit or non-governmental organisations as follows:*

- Non-profit organisations
- Municipalities
- Municipal educational institutions
- Bodies of the public administration (e.g. National Park Directorates)
- Co-operation, association of the above organisations.

The applicant organisations must be registered in the Western-Transdanubian Region. Profit oriented organisations are not eligible.

*Projects for support will be selected according to the following criteria (Indicative selection criteria, in accordance with the evaluation grid of the PRAG):*

**General criteria of eligibility**

- CBC impact: co-operation with an Austrian partner in one or more of the following phases of the project: planning, preparation, implementation, and utilisation after completion is required.
- Results of the proposal are in line with the objectives of the grant scheme.
- Compliance with projects financed by other international aid schemes (e.g. ISPA, Sapard), the technical content of the project proposal does not overlap with other internationally financed projects.
- Only one proposal per applicant shall be accepted.

**Documentation required for application:**

- Availability of studies justifying the rationality of the investment (feasibility study, cost-benefit analysis, environmental impact study if required).
- Availability of effective construction plans, valid permissions of authorities (e.g. construction permit, water construction permit, environmental permit).
- Certification of settled ownership conditions.
- Certification that the final disposal of wastes is done in regional landfills and/or landfills with technical protection.
- Statement of the competent environmental authority that the proposed developments (e.g. individual wastewater disposal) do not endanger the surface and groundwater.
- Statement about the availability of co-financing
General selection criteria:

**Relevance:**
- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme as well as other regional planning systems, e.g. waste management plan, wastewater disposal program).
- Projects have to have either a direct physical impact decreasing the burden on the environment in the cross-border area or they shall be aimed at transferring know-how and/or new technologies in a cross-border partnership.
- Coherent, appropriate and practical character of the activities proposed (including the CBC activities).
- Specific elements of added value in the project, such as innovative approaches, and models for good practice.
- Relevance of the project to nature protection areas (e.g. National Parks and Nature Parks).

**Methodology:**
- The preparedness and elaboration of the project proposal (including preparedness for evaluation).
- Involvement and activity of the CBC partners in the elaboration and implementation of the project proposal.
- The realistic implementation of the time-schedule and action plan of the project proposal.
- Definition of objectively verifiable indicators.
- An awareness raising activity related to the development is part of the project proposal.

**Sustainability:**
- Guaranteed (financial and institutional) sustainability of the developments implemented through the grant scheme.
- Beneficial social, economic and environmental impacts of the development.
- Possible multiplier effects of the development (including possibilities for replication and extension of project outcomes, dissemination of information).

**Budget and cost effectiveness:**
- To what extent is the budget clear and detailed?
- To what extent are the proposed expenditures necessary for the implementation of the project?

**Management capacity and expertise:**
- Availability of the necessary personal and organisational capacity and expertise for the project management (including the previous experience in similar projects).
- Availability of the necessary personal and organisational capacity and expertise for the technical realisation of the proposal (i.e. knowledge of issues to be addressed).
- Developments implemented with the partnership of various settlements or organisations (consortia) (in addition to the Austrian partnership).

3.4.3. **Window 3: Promotion of the use of renewable energy**

This window shall provide grants in an amount of €300 000-900 000 for the procurement of works, supplies and services. Eligible activities are the following:
- Construction and development of facilities producing energy from renewable resources (including energy generated from solid and liquid waste and sewage sludge).
- Implementation of information and awareness raising programmes related to the above mentioned activities (as part of the project, with maximum 20% of the total budget).

Organisations eligible for support will be non-profit or non-governmental organisations as follows:
- Non-profit organisations
- Municipalities
- Municipal educational institutions
- Bodies of the public administration (e.g. National Park Directorates)
- Co-operation, association of the above organisations.
The applicant organisations must be registered in the Western-Transdanubian Region. Profit oriented organisations are not eligible.

Projects for support will be selected according to the following criteria (Indicative selection criteria, in accordance with the evaluation grid of PRAG):

General criteria of eligibility
- CBC impact: co-operation with an Austrian partner in one or more of the following phases of the project: planning, preparation, implementation, and utilisation after completion is required.
- Results of the proposal are in line with the objectives of the grant scheme.
- An awareness raising activity related to the development is part of the project proposal (as part of the project, with maximum 20% of the total budget).
- Compliance with projects financed by other international aid schemes (e.g. ISPA, Sapard), the technical content of the project proposal does not overlap with other internationally financed projects.
- Only one proposal per applicant shall be accepted.

Documentation required for application:
- Availability of studies justifying the rationality of the investment (feasibility study, cost-benefit analysis, environmental impact study if required).
- Availability of effective construction plans, valid permissions of authorities (e.g. construction permit, water construction permit, environmental permit).
- Certification of settled ownership conditions.
- Statement about the availability of co-financing

General selection criteria:

Relevance:
- Relevance to the particular needs and constraints of the cross-border region (including conformity with regional development plans and the Joint Programming Document for the HU-AU CBC-Interreg programme as well as other regional planning systems, e.g. waste management plan, wastewater disposal program).
- Degree of transferring know-how and/or new technologies in a cross-border partnership.
- Coherent, appropriate and practical character of the activities proposed (including the CBC activities).
- Specific elements of demonstrative effects, innovative approaches, and models for good practice.

Methodology:
- The preparedness and elaboration of the project proposal (including preparedness for evaluation).
- Involvement and activity of the CBC partners in the elaboration and implementation of the project proposal.
- The project presents an innovative methodology and is a pilot initiative for the region.
- The realistic implementation of the time-schedule and action plan of the project proposal.
- Definition of objectively verifiable indicators.

Sustainability:
- Guaranteed (financial and institutional) sustainability of the developments implemented through the grant scheme.
- Beneficial social, economic and environmental impacts of the development.
- Possible multiplier effects of the development (including possibilities for replication and extension of project outcomes, dissemination of information).

Budget and cost effectiveness:
- To what extent is the budget clear and detailed?
- To what extent are the proposed expenditures necessary for the implementation of the project?
Management capacity and expertise:
- Availability of the necessary personal and organisational capacity and expertise for the project management.
- Availability of the necessary personal and organisational capacity and expertise for the technical realisation of the proposal (i.e. knowledge of issues to be addressed).

3.5 Lessons learned

This programme is the first Austrian-Hungarian PHARE CBC programme to be implemented in the form of a grant scheme, nevertheless during the preparation of this project fiche, the experiences of previous PHARE CBC programmes, especially in the field environmental and nature protection (see 3.2 Linked activities) were considered. The recommendations of the 2001 OMAS Report Final Assessment (e.g. concerning the necessity of verifiable indicators) were also taken into account during the programming phase and will be carefully watched in course of the implementation of the programme.

4. Institutional Framework

- **IA (Implementing Agency):** Retains full responsibility for programme implementation
- **PAO (Programme Authorising Officer):** Professional leader of the Implementing Agency, responsible for the programme implementation.
- **Intermediary:** The West Pannon Regional Development Agency (RDA), to be contracted by the IA. Undertakes the task of day-to-day technical management of implementation of projects and monitoring activities under the authority of the IA. The relationship between the IA and the Intermediary shall be defined in a Cooperation Agreement, which will reflect the institutional framework given in this fiche. The EC Delegation should be able to comment on the Co-operation Agreement between the IA and the RDA.
- **Rules, procedures and formats:** As described in the Rules of Procedures of the Monitoring and Steering Committees of the Austria-Hungary Interreg IIIA Phare CBC programme, the selection of projects within Grant Schemes will strictly follow the Grant Section of the Commission Practical Guide and will be approved by the EC Delegation.
- **Monitoring Committee:** The MC is constituted on the Austrian side of the representatives of Federal Chancellery, the relevant federal ministries, chambers and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils and the Regional Development Council, as well as the EC Delegation. The MC defines a common set of Phare CBC projects (SPF and Grant Schemes) once a year.
- **Steering Committee:** The SC is constituted on the Austrian side of the representatives of the Federal Chancellery, the relevant federal ministries and the regional governments, on the Hungarian side of the representatives of relevant line ministries, the county development councils, and the EC Delegation. In terms of Grant Schemes financed by Phare CBC, the Steering Committee endorses the Guidelines and timetables for implementation, which is subject to approval by the EC Delegation.
- **Inter-ministerial Co-ordination:** Experts from the line Ministries in charge of Environment and Energy will be consulted for the final definition of the selection criteria and will participate to the technical Evaluation Committees, which will give the final recommendations on the projects selection.
5. Detailed Budget (€ Million)

<table>
<thead>
<tr>
<th></th>
<th>Phare Support</th>
<th>Institution Building</th>
<th>Total Phare (I+I+B)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
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<tr>
<td><strong>Studies and Human Resource Develop-</strong></td>
<td>0.75</td>
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<td><strong>Investment in environmental infra-</strong></td>
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<td>3.0</td>
<td>1.0</td>
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<td>4.0</td>
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<td><strong>Promotion of the use of renewable energy</strong></td>
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<td>0.75</td>
<td>–</td>
<td>3.0</td>
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<td><strong>Total</strong></td>
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<td>6.0</td>
<td>2.0</td>
<td>–</td>
<td>8.0</td>
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The allocation between windows is indicative and can be revised during the project selection according to the quality of projects submitted in terms of preparedness, CBC impact etc.

**National co-financing:**

The Grant Scheme will be jointly co-financed between Phare and government resources to be provided by the Ministry of Agriculture and Regional Development, and the Ministry of Environment. The rate of Phare support within the total funding will be 75%, while the Hungarian government will contribute 25%. The ratio between the Phare and the national amount is binding and has to be applied to the “final contract price”.

The rate of the generally available maximum support (Phare and national co-financing) is 90% of the total cost of the projects to be supported, and at least 10% has to be provided as own resources by the beneficiaries in cash.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.

6. Implementation Arrangements

6.1 Implementing Agency

The Ministry of Agriculture and Regional Development has been defined as the Implementing Authority for all measures to be implemented on the Hungarian side of the border in the framework of the JPD. In Phare terms, the National Agency for Regional Development of the Ministry of Agriculture and Regional Development with its Sopron Phare Regional Office will be the Implementing Agency of the grant scheme. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

**Implementing agency:** National Agency for Regional Development of the Ministry of Agriculture and Regional Development

**PAO:** Péter Szaló, Deputy Secretary of State

**Address:** 1016 Budapest, Gellérthegy u. 30-32.

**Phone:** +36 1 4887171

**Fax:** +36 1 4887188

6.2 Twinning

Not applicable.

6.3 Non-standard aspects

The relevant Commission standards for the management of Grant Schemes described in the Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) manual will apply during the implementation of the Grant Scheme.
6.4 Contracts

The Grant Scheme with three windows will be implemented through an open call for project proposals according to the stipulations of the PRAG on Grant Schemes. Beneficiaries will sign Grant Contracts with the PAO laying down the rules of the project implementation based on the list of supported projects approved by the IA and endorsed by the EC Delegation in case of the Phare co-financed projects. Tendering and contracting of the required services and supplies will follow the PRAG manual.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Financing Memorandum</th>
<th>Publication of call for proposals</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
</table>

8. Equal Opportunity

The implementation of the programme does not support discrimination based on gender or any other kind. Women's participation is encouraged. The results of the projects must be available for everybody, evidence for which must be provided in the application. Participation of women in the training programmes will be measured through the reports of the projects.

9. Environment

The activities covered by this grant scheme are directly related to the improvement of environmental conditions. The improvement of the air, surface and groundwater quality is expected due to less environmental load resulting from non adequate wastewater, liquid and solid waste management and from the utilisation of renewable energy sources substituting non renewable ones.

In the case of investments projects where an environmental impact assessment is to be carried out the provisions of Government Decree no. 20/2001 (II.14.) on Environmental Impact Assessment should be taken into account. In the field of environmental impact assessment the Hungarian legislation is in full conformity with related EC legislation (Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment as amended by Council Directive 97/11/EC). Only investment project already having all necessary permits and authorisations are eligible for support under the grant scheme.

10. Rates of Return

The individual project applications submitted to the IA for grants shall determine the rate of return of individual investments in the form of indicators.

11. Investment criteria

11.1 Catalytic effect:

The Phare contribution will help meeting the development needs outlined in the Joint Programming Document (JPD) of the Hungarian-Austrian border region. Without Phare support, the steps and objectives included in the programme could be implemented only much later and at a much slower speed.

11.2 Co-financing

The grant scheme will be jointly co-financed between Phare and government resources to be provided by the Ministry of Agriculture and Regional Development and the Ministry of Environment. The rate of Phare support within the total support will be 75%, while the Hungarian government will contribute a maximum with 25 %.

The rate of the generally available maximum support (Phare and national co-financing) is 90 % of the total cost of the projects to be supported, and at least 10 % has to be provided as own resources by the beneficiaries in cash.

The national co-financing included in the above budget table indicates the governmental co-financing amount of the project.
11.3 **Additionality:**
Financial support to be provided by Phare will not displace any other funding.

11.4 **Project readiness and Size:**
A draft of the Co-operation Agreement, Call for Proposal, Application form, Guidelines for applicants and Grant Contracts will be elaborated by all concerned organisations by the time of signing the Financing Memorandum. All documents shall be prepared according to the PRAG template and submitted to the Delegation for endorsement prior to the launch of the Call for proposals.
The Fund will provide grants to projects in an amount of €50 000-200 000 (Window 1) and €300 000-1,300,000 (Window 2) in line with the document Programming Phare 2002 issued by the Commission. The Phare contribution to the Grant Scheme is €6 million and meets the minimum project size requirements.

11.5 **Sustainability:**
All infrastructures built through the grant scheme will be operated by the beneficiaries. The beneficiaries will be responsible for the sustainability of the project and will provide the administrative staff and the necessary funds for the operational costs. The ability of the applicant to finance the long-term operation and maintenance of the infrastructural instalments shall be proved in the application and checked at the project selection phase.

11.6 **Compliance with state aids provisions**
All actions financed by Phare will respect the state aid and competition provisions of the Europe Agreement.

11.7 **Contribution to National Development Plan**
According to the revised PNNDP (2001), based on the regional development strategies, the project reflects to Priority 4 “Development of the quality of living”, Measure 1 “Our living space – environmental management innovation programme” (PNNDP 2001, Section 5.5.6 Priority 4, Measure 1) and Measure 2 “Our heritage – preserving heritage of the natural, cultural and artificial environment, complex development of regional attractions of tourism” (PNNDP 5.5.6 Priority 4, Measure 2)

12. **Conditionality and sequencing**
The Sopron Regional Office of the National Agency for Regional Development will ensure the necessary human resources for the technical management of the Grant Scheme. The Office will ensure that the members of project staff are fully conversant with the target group requirements and with the operation of the Phare Programme. The Office will make certain that the recipients make their financial contributions as planned.

The planned 2003 national budget includes the amount of national co-financing of the programme.

Standardised procedure of co-operation between the IA and the RDA will be prepared and applied in order to ensure efficient management. All organisational preparations will have been completed, and the first funding operations will be carried out in July 2003.

Good quality project proposals are available at February 2003.

The call for proposals can be launched as planned in November 2002.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Cumulative contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility/pre-feasibility studies.
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Template for the institutional framework/implementation arrangements in case of grant schemes
## Annex 1

### Logframe Planning Matrix for CBC Environmental Infrastructure Networks (Grant Scheme)

#### Overall Objective
- Ensuring an attractive environment contributing to the economic development and favourable living space by the creation of improved environmental conditions

#### Project Purpose
- Improving the resource management, technical infrastructure and renewable energy supply in the region.

#### Objectively Verifiable Indicators

<table>
<thead>
<tr>
<th>Programme Name and Number</th>
<th>2002/000-317-01</th>
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<tbody>
<tr>
<td>Contracting Period Expires</td>
<td>6/2004</td>
</tr>
<tr>
<td>Disbursement Period Expires</td>
<td>10/2005</td>
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<tr>
<td>Total Budget</td>
<td>€ 8 million</td>
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<tr>
<td>Phase Budget</td>
<td>€ 6 million</td>
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</table>

#### Sources of Verification
- Reports and statistics of the Central Statistical Office, county and local authorities

#### Assumptions
- Successful activities on other fields of environmental protection activities, including the reduction of air-, soil-, noise-, and landscape pollution

#### Results

**Studies and Human Resource Development:**
- Impact assessments, need assessments, feasibility studies and other studies for the preparation of environmental investment actions
- Trained environmental experts in Hungary and Austria
- Implemented environmental information and awareness raising programs

**Investment in Environmental Infrastructure:**
- Installations of harmless wastewater disposal and treatment
- Installations and equipment for the collection, utilisation and disposal of municipal liquid waste and sewage sludge
- Improved selective waste collections systems and installations for waste recovery
- Implemented environmental information and awareness raising programs related to the above mentioned activities

**Promotion of the Use of Renewable Energy:**
- Established installations for renewable energy generation
- Implemented information and awareness raising activities related to the use of renewable energy

#### Objectively Verifiable Indicators

<table>
<thead>
<tr>
<th>Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of environmental projects prepared for implementation</td>
</tr>
<tr>
<td>Number of trained experts and environmentally conscious people</td>
</tr>
<tr>
<td>Intensified utilisation of renewable energy and optimal use of the existing resources</td>
</tr>
<tr>
<td>Number of plants producing/using renewable energy with consequent demonstrative effects</td>
</tr>
<tr>
<td>Increased energy production capacity based on renewable energy</td>
</tr>
<tr>
<td>Increased number of settlements and households served with EU standard sewage system as well as selective waste collection facilities</td>
</tr>
</tbody>
</table>

#### Sources of Verification
- Project monitoring reports
- Progress report of the National Agency for Regional Development
- Surveys
- Central Statistical Office
- Local government statistics
- Company registry
- Reports of relevant ministries

#### Assumptions
- Competent organisation for the management of the environmental protection systems
- The price of renewable energy can be paid by the consumers
- Local population can pay fees for the connection and use of the sewage system
- Environmentally sound attitude accepted among the local population and the enterprises
| Studies covering preparatory project development documents (impact assessments, need assessment, feasibility studies). |
| Joint training actions of Hungarian and Austrian environmental experts. |
| Environment protection related information campaigns. |
| Solution of individual and/or harmless waste water disposal and treatment in settlements/settlement parts (e.g. application of nature friendly treatment systems). |
| Pre-treatment, utilisation and utilisation of sewage sludge and municipal liquid waste. |
| Purchase of tools and equipment for selective waste collection and for the recovery of waste, with special emphasis on biological utilisation. |
| Implementation of information and awareness raising programmes related to the above mentioned activities (as part of the project, with maximum 20% of the total budget). |
| Construction and development of facilities producing energy from renewable resources (including energy generated from solid and liquid waste and sewage sludge) including awareness raising components. |

| Implementation of the grant scheme in line with the provisions of the PRAG and the Vademecum on Grant Management; |
| € 6 million as Phare contribution supplemented by € 2.0 million national co-financing and € 0.89 million as contribution form the beneficiaries. |

| Preconditions |
| Institutional structure to implement and operate the project is in place |

| Sufficient number of good quality project proposals |
| High quality project management |
| Co-finance contributions available when required |
### ANNEX 2
**CROSS BORDER ENVIRONMENTAL INFRASTRUCTURE NETWORKS**

**Detailed implementation chart**

<table>
<thead>
<tr>
<th>Component</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tr>
<td>Grant Scheme</td>
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</table>

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Call for Proposals</td>
<td>Project evaluation and selection</td>
</tr>
<tr>
<td></td>
<td>Contracting</td>
</tr>
<tr>
<td></td>
<td>Implementation and disbursement</td>
</tr>
</tbody>
</table>
## Annex 3

**Cross Border Environmental Infrastructure Networks**

*Cumulative contracting and disbursement schedule (€ Million)*

<table>
<thead>
<tr>
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<tbody>
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<td>Commitment</td>
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<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Disbursement</td>
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<td>3.2</td>
<td>4.0</td>
<td>5.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>
ANNEX 4
CROSS BORDER ENVIRONMENTAL INFRASTRUCTURE NETWORKS
Reference to feasibility/pre-feasibility studies

- Suggestions for exploring and utilising renewable energy in the Austrian-Hungarian cross-border co-operation (prepared under Phare CBC; project number HU 9502-0502. (1999))
- Hungarian State Geology Institution Dr. Tanács János: Thermal energy utilisation possibilities of 171 dry hydrocarbon proving holes in Zala County Bp. 1994.
- KTM-PYLON Kft. Dr. Unk Jánosné: Spatial development programme for the utilisation of the geothermal energy in Zala County; Model geothermal power-station in the Western-Transdanubian region
- KTM-PYLON Kft. Dr. Unk Jánosné: Guidelines for the utilisation of geothermal energy for the purposes of spatial planning (Bp. 1995. szept.)

Booklet 1: Active solar energy utilisation
Booklet 2: Photovoltaic energy transfer and utilisation of solar energy
Booklet 3: Passive utilisation of solar energy. Wind power
Booklet 4: Secondary utilisation of solar energy
Booklet 5: Utilisation of solar energy in the form of biomass
Booklet 6: Utilisation of geothermal energy

- Dr. Csaba József: Environmentally friendly electricity production and spatial development possibilities with the utilisation of geothermal energy, theoretical possibilities in Hungary; OMIKK Environmental Booklets 1994/23. Bp.
ANNEX 5
CROSS BORDER ENVIRONMENTAL INFRASTRUCTURE NETWORKS
List of relevant Laws and Regulations

- Act no. CX/2001 on the Electricity
- Act no. XXI/1996 on Regional Development and Physical Planning;
- Act no. XCII/1999 amending Act XXI/1996 on Regional Development and Physical Planning;
- Act no. LXXVIII/1997 on Environmental Actions
- Act no. LIII. of 1995 laying down the general rules of environmental protection
- Act no. XLIII. of 2000 on waste management
- Act no. LVII of 1995 on water management
- Government decree no. 240/2000. (XII. 23.) on the nomination of sensitive surface waters and catchment areas in relation with municipal wastewater
- Government decree no. 33/2000. (III. 17.) on certain tasks related to activities affecting the quality of groundwater
- Government Decree no. 1107/1999 (X.8.) on the energy saving and efficiency strategy by 2010
ANNEX 6
CROSS BORDER ENVIRONMENTAL INFRASTRUCTURE NETWORKS
Reference to relevant Government Strategic plans and studies

- Preliminary Development Plan (version April 2001)
- Environmental Management Program of Western Transdanubia (working document)*
- Regional Development Plan of Western Transdanubia
- Sewage Treatment Solutions for Small Settlements*
- Regional Development Programme for the Utilisation of Geothermal Energy*
- Feasibility Study for Wind Power Utilisation*
- Regional Development Plan of Győr-Moson-Sopron County
- Regional Development Plan of Vas County
- Regional Development Plan of Zala County
- Regional Development Programme of Szombathely Small Region

* Available at the West Pannonian Regional Development Agency or under http://www.westpa.hu
1. **Preparation of the package of call for proposal, guidelines for applicants and application form according to the Practical Guide**

- IA drafts the call for proposal, the guidelines, the guidelines for applicants and the application form in consultation with the entities concerned in the given field (at national – e.g. Ministries – and regional level).
- IA submits the final version of the documents to EC for approval.
- EC Delegation endorses the documents.

2. **Publication of the call for proposal**

The IA takes all appropriate measures to ensure that the nationally and regionally publicised call for proposal reaches the target groups in line with the requirements of the Practical Guide.

3. **Project selection process**

- The RDA collects and registers incoming project proposals
- The IA (PAO) selects (in agreement with the co-financing ministry/ies involved, if relevant) and approves the assessor team for the assessment of administrative compliance, eligibility and assessment of technical and financial quality of proposals.
- The IA (PAO) nominates the Evaluation Committee (non-voting chairman and secretary, and voting members) with the co-financing ministry/ies involved, if relevant. Austrian experts can also be nominated as voting members in the Evaluation Committee.
- The IA (PAO) nominates the members of the assessment team and Evaluation Committee exclusively on the basis of technical and professional competence in the relevant area of development. In addition to technical and professional expertise a clear balance between regional-specific, local knowledge and independent non-targeted region expertise shall be ensured in the selection of the assessors and the members of the Evaluation Committee in order to guarantee the objectivity of the process.
- The EC Delegation endorses the team of assessors and the composition of the Evaluation Committee. The Delegation nominates an observer to follow all or part of the proceedings of the Evaluation Committee. Prior approval is needed from the Delegation for the participation of other observers.
- The Steering Committee (SC) shall give strategic guidance to the evaluation committee and shall identify projects with high cross-border effect within the Grant Scheme. The SC will ensure full transparency and fairness towards all potential applicants. Its conclusions concerning the recommendation of projects for support under Phare CBC grant schemes will remain indicatives and shall not bind the decision of the Evaluation Committee.
- The Evaluation Committee draws up its recommendations and decisions according to the assessor team’s written assessment of each proposal on the basis of the published evaluation grid and can take into account the recommendation of the Steering Committee as concerns the CBC impact.
- The PAO approves the evaluation report prepared by the evaluation committee and forwards the evaluation report and any award proposals to the Delegation.
- The Delegation endorses (ex-ante) the evaluation report on the selection process and the final list of grants to be awarded.
- The IA notifies each applicant in writing of the result of the selection process.

4. **Contracting (PAO designated in the responsible implementing agency)**

- The format of the grant contract is drafted according to the Practical Guide using the standard grant contract format and its annexes.
• The format of the grant contract is to be approved by the Delegation (in cases where the call for proposals results in the award of a large number of grants which all have the same grant contract conditions).

• The PAO signs the grant contracts with the selected beneficiaries based on the final list of grants approved by the Delegation. The language of the grant contract is English and the official Hungarian translation of the contract is attached to the signed English language contract.

• In case of a scheme which results in a small number of larger grant contracts (defined as those with a Phare contribution of over 300,000) the Delegation endorses the individual contracts (after its signature by the PAO and the beneficiary).

• Copy of the signed grant contract is sent to the Delegation.

5. IMPLEMENTATION OF THE SELECTED PROJECTS BY THE BENEFICIARIES

• Beneficiaries subcontract suppliers of goods, services or works, in line with Phare procurement regulations annexed to the Grant Contract and under the Practical Guide.

• Tender documents and contracts above 300,000 Euro (Phare contribution) will be subject to the ex-ante endorsement of the EC Delegation pursuant to the Practical Guide.

6. FINANCIAL MANAGEMENT OF THE SELECTED PROJECTS

The IA with the technical assistance of the RDA receives and verifies the invoices and requests payment by the National Fund.

7. MONITORING OF THE PROJECTS IMPLEMENTED BY THE BENEFICIARIES

Standard Phare monitoring instruments will be used for monitoring purposes. Attention is drawn to the special duty of the RDA with regard to the day-to-day monitoring of the selected projects.

In case the conditions of Article 12 of the Council Regulation (EC) No. 1266/99 of 21 June 1999 on coordinating aid to the applicant countries in the framework of the pre-accession strategy concerning the coordination of the pre-accession instruments are met, new procedures may be introduced in due time, providing for a delegation of the selection of projects and approval of funding for PHARE-CBC in agreement with the Commission.