SUMMARY PROJECT FICHE

1. BASIC INFORMATION

1.1 Project: 2002/000-307-01 and 2002/000-308-01
1.2 Title: Joint Sewage Management of the Valley of Krka/Kerka River
1.3 Sector: Environment
1.4 Location: Pomurje, Slovenia and Vas County, Hungary.

2. OBJECTIVES

2.1 Overall objective

- To improve environmental conditions in the cross-border region as well as in the future Joint Nature Park Raab – Orseg – Goricko.

2.2 Project purpose

- To improve wastewater treatment and sewage system in cross-border region.
- To improve groundwater quality in the Municipality of Salovci and the neighbouring settlements in Hungary served 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:
Short – term objective
- Finalising approximation programmes and implementation strategies related to individual Acts.
Medium – term objective
- Integration of environmental protection and the need for sustainable development to be integrated into the definition and implementation of national and sectoral polices.

The project is consistent with the Slovenian National Programme for Adoption of the Acquis in the following areas:
- promotion of sustainable development
- reduction of environmental pollution and degradation
- national programme for environmental Acquis
- Implementation of environmental Acquis; investment into environment infrastructure and projects
2.4 Contribution to the National Development Plan:

Hungary

According to the revised PNDP (2001), based on the regional development strategies, the project reflects 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 priorities of the NDP 2001-2006:

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 Co-operation 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.

It is favourable to keep the good state of the natural environment, the diverse flora and fauna in the bilateral area by preventing the surface and subsurface waters from pollution. In order to provide the maximum co-operation in this key sector concerning the bilateral region, the relevant sectoral ministries of the two countries founded the Hungarian-Slovenian Bilateral Water Management Committee. Only projects approved by this committee can be implemented. The committee was founded by the relevant ministries of the two countries, and its members include water management related experts and authorities of the bilateral area. In case of joint bilateral water-management investments, only approved technical documentation (permit) can receive building permits on both sides of the border. This body ensures the high level of co-ordination and co-operation in this sector.

Project, as a whole tends to solve pollution problems of the upper part of the river Krka which emerges in Slovenia, runs through Hungary and later returns to Slovenia.

3. DESCRIPTION

3.1 Background and justification

In the EU the urban wastewater collection and treatment has seen significant development in improving public health. This has been closely followed by the development in the supply of safe drinking water. The protection of the environment (e.g. soil, water, wildlife, etc.) and conservation of organic matter and completion of nutrient cycles are essential constituents of sustainability.

Water policy in the EU is aiming at promoting sustainable water use and a major objective of the new Water Framework Directive (2000/60/EC) is the long-term progressive reduction of contaminant discharges to the aquatic environment in urban/communal wastewater. Sewage sludge is also a product of wastewater treatment and the Urban Waste Water Treatment Directive (91/271/EEC) aims to encourage the use of sludge whenever appropriate.
The 2001 Regular Report on Hungary's Progress Towards Accession prepared by the Commission of the European Communities (13 Nov 2001) emphasises the need of further capacities in the field of waste and wastewater management and the protection of quality of natural elements.

The 2001 Regular Report for Slovenia states: “Adoption of the Water Act and related ministerial regulations to ensure the transposition of EC water directives is a priority. The level of implementation in the water quality area is good, but further progress is necessary.”

It is a basic problem, that in settlements, where there are no wastewater transportation and purification facilities, the sewage leaking into the ground endangers the quality of soil and subsurface waters. The transportation and depositing of the sewage is not satisfactory.

Over the last decades harmful environmental damages sprang up, which should be eliminated to avoid blocking further development. These contaminations are dangerous, because they remain invisible in the ground and subsurface waters and the blast appears on distant locations and at different times. On both sides of the border (Bajanseye and Kercaszomor in Hungary, Salovci and Domanjsevci in Slovenia) there is a need for environmental infrastructure. Over the decades, wastewater in these villages was not treated properly.

There is no sewage system nor wastewater treatment plant in the area. Household wastewater is collected in individual cesspools. Mechanically treated wastewater is then periodically (when cesspools are full) transported to liquid waste depots. These cesspools often leak and therefore pollute the groundwater mainly with nitrates (sewage receives no biological treatment at all). Due to the fact that natural reservoirs of water are located near settlements and just under the surface (5-15 meters) the lack of sewage network causes pollution of drinking water with feces. The resulting environmental contamination decreases the quality of life and constrains economic development. This pollution of the soil and groundwater will be stopped by the construction of a 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 2086 people (886 on the Hungarian side of the border and 1200 in Slovenia). In the next phase (not covered by this fiche) two additional settlements from Hungarian side (Andovci and Verica) will be connected to WWTP in Salovci as well as neighbouring settlements Budinci and Dolenci.

Chronology of previous activities

The Hungarian-Slovenian Bilateral Water-Management Committee approved the project at October 2001 meeting.

There were several meetings of representatives of Municipalities and engineers from Hydroep (H) and Tehnicni Biro (Slo) as well as representatives of Phare offices in Hungary and Slovenia. Also, permanent communication between those two companies has been established during the preparation of technical reports.

On Slovene side Feasibility study has been completed. An environmental impact study is being prepared and will be completed by 12th April 2002. The technical documentation-design project (PGD) has already been prepared.

On the Hungarian side a detailed economic feasibility study, as well as detailed environmental impact study has been prepared.

Technical details

Hungary

The feasibility study of the Hungarian part of the project proposal was prepared by HYDROÉP Ltd (H-9700 Szombathely, Vépi u. 11.) which proved the necessity and technical feasibility of the proposed activities.
Presently the sewage is collected in individual cesspools from which sewage is frequently transported to a depot tolerated by the authorities, where the sewage is placed without any treatment. The household cesspools are not adequate and don’t meet the minimal requirements to be leakproof, so they continuously pollute the first layer of the water-exploiting subsoil water. The planned investment would replace these and would result in a proper sewage-transportation system not polluting the surrounding soil and waters.

A measurement point will be constructed at the border-crossing point, measuring the amount and the pollution of the transported water and its data will be used to calculate the costs of the Slovenian side.

The sewage system and wastewater treatment plant will be built in Bajánsenye with 230 households in Baja and 140 households in Kercaszomor connected. It will have a capacity of 168 m³/day. The system will include 17,667 m waste water pipelines and 11 pumping stations as follows:

- **Bajánsenye:** 7471 m gravitational waste water pipelines + 2487 pressured waste water pipelines + 5 pump stations;
- **Kercaszomor:** 4375 m gravitational waste water pipelines + 3334 pressured waste water pipelines + 6 pumping stations;

The dehydrated sludge will be transported to the waste depot of Körmenő.

Slovenia

On the Slovene side of the border, Technical Report made by Tehnicki biro d.o.o. (Slovenska 11, 9000 Murska Sobota; The report is dated July 2001) elaborates on two variants of sewage management. Variant 1 was abandoned because sewage connection from Salovci to the border with Hungary is much more expensive than construction of a new WWTP. According to Variant 2, WWTP will be built in Salovci for 800 population equivalent (240 m³ per day) for biomechanical treatment and stabilisation of sludge. In addition 9,067 m of gravitational and 517 m of pressurised collection pipes will be done. Three new pump stations will be needed. Sewage system in Domanjsevci will be connected with sewage system in Kercaszomor, Hungary with 3,040 m gravitational and 486 m pressurised collection pipes and 3 new pump stations.

In addition Feasibility study was prepared showing also the economic value of the project.

### 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 Csesztrek-Lenti (1995)
- Naturepark Centres Óriszentpéter and Szécsisziget (1995)
- Sewage Treatment in Órség – Phase 1 (1997)
- Improvement of joint life space - sewage system in the micro-region of Tornyiszentmiklós on the Hungarian side – and settlements of Pince, Pince Marof and Benica on the Slovene side (2000)
- Waste-Water Canalisation of Zalavölgye-Nátrpark - extension of the sewage system in the area of the tri-lateral Nature Park financed by the Hungary-Austria Phare CBC 2001 programme.
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.
- Joint Nature Park Development project, financed by Phare SI.00.08.01.

3.3 Results

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

Hungary

- Operating sewage system and waste water treatment plant (for capacity of 1350 PE that is 168 m³/day) in Bajansenye with 370 (230 in Bajansenye and 140 in Kercaszomor) households connected in settlements of Bajansenye and Kercaszomor on the Hungarian side;
- 17,667 m of sewerage;
- 11 new pumping stations;

Slovenia

- Sewerage in the settlement of Domanjsevci (99 households) on the Slovene side. It will include 3,526 m of waste water pipelines;
- Operating sewage system and wastewater treatment plant for 800 population equivalent (240 m³/day) in Salovci with 153 households connected. The sewage system network will include 9,584-m collection pipes;
- 6 new pumping stations.

3.4 Activities

The following activities will be implemented in the settlements of Salovci, Domanjsevci, Bajánsenye and Kercaszomor:

In Slovenia:
- construction of the sewage system network in Salovci and Domanjsevci including 13,110-m waste water pipelines;
- construction of WWTP for 800 population equivalent (240 m³/day) in Salovci settlement;
- construction of 6 pump stations;

In Hungary:
- construction of sewage system network in Bajánsenye and Kercaszomor including 17,667 m waste water pipelines;
- Construction of WWTP in Bajánsenye for capacity of 168 m³/day;
- Construction of 11 pump stations.

All studies, plans and permits for the project will be completed by June 2002 (the feasibility study on the Hungarian side and on the Slovenian side it is already available). The project will be carried out in the framework of one open local works tender on the Hungarian side and one open local works tender on the Slovenian side. The Local Government of Bajánsenye on the Hungarian side and the Municipality of Salovci on the Slovenian side will provide the tender documentation and supervision of the construction works.
3.5 Lessons learned

The conclusions and recommendations of previous Interim Evaluations and M&A Reports prepared by OMAS Consortium, concerning the management of Environmental projects have been considered and the recommendations have been incorporated into the project design.

The Final Assessment Report, R/HU/CBC/00042, 20 April 2001, by OMAS Consortium states under point 5.4.1:

"The investment projects are less likely to sustain on the long run, since they depend on the capability of beneficiaries to secure funding for operation, maintenance and further extension."

Point 5.5.1:

"Activities have correctly addressed the wide range of objectives set out in the planning documents, a significant number of which will be achieved. It is not possible however to assess the degree of achievement of the objectives because no valid indicators were set."

Throughout the design of this project, objectively verifiable indicators were identified and included in the fiche.

According to the established practices under the 2001 programming, the financial and institutional sustainability was investigated and the necessary measures to be taken were identified in the feasibility studies and are also referred in the fiche under point 11.5.

4. INSTITUTIONAL FRAMEWORK

Hungary

The beneficiaries and the owners of the assets after project completion will be the Local Governments of Tornyiszentmiklós Bajánsenye and Kercaszomor on the Hungarian side.

The employer will be the Local Government of Bajánsenye 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 Győrke Gyula, mayor of Bajánsenye (H-9944 Bajánsenye, Vörösmarty u. 19., Tel.:36-94/ 444-005)

Slovenia

The beneficiary will be the Municipality of Salovci, who will become the owner of the assets on the Slovene side of the border after the project’s completion.

The employer will be the Local Government of Salovci 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 Aleksander Abraham, mayor of Salovci.

The employers will ensure co-ordination of works on both sides 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>
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<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Works</td>
<td>3.2</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Total</td>
<td>3.2</td>
<td>-</td>
<td>1.6</td>
</tr>
</tbody>
</table>
National Co-financing on the Hungarian side will account for 30% 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): 25%

National co-financing on the Slovene side will be provided by the municipality of Salovci.

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.

Implementing Agency
National Agency for Regional Development
Mr József Uszta, Deputy Programme Authorizing Officer
Address: Ministry for Agriculture and Regional Development
National Agency for Regional Development
1016 Budapest, Gellérthegy u. 30-32.
Phone: +36 1 488-7171, fax: +36 1 488-7188

Contracting Authority
Mr Gyula Győrke, Mayor
Municipality of Bajánsenyé
Address: 9944 Bajánsenyé, Vörösmarty M. u. 13.
Tel: +36 94 444 265, fax: +36 94 444 005

Final beneficiary:
Municipality of Bajánsenyé and Municipality of Kercaszomor

Slovenia

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

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

Contracting Authority  
Mr. Aleksander Abraham, Mayor  
Municipality of Salovci  
Address: Salovci 163, 9204 Salovci, Slovenia  
Tel: +386.2.559.80.50  
Fax: +386.2.559.80.54

Final beneficiary:  
Municipality of Salovci

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 be followed strictly.

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 Bayansenye will co-ordinate the elaboration of the Tender Documentation, while in Slovenia the Municipality of Salovci will provide the Tender Documentation, by the end of 2002. Two works contracts will be signed: one for the Hungarian, one for the Slovene part of the works activities. 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>February 2003</td>
<td>August 2003</td>
<td>March 2004</td>
</tr>
<tr>
<td>Works (SL)</td>
<td>February 2003</td>
<td>August 2003</td>
<td>March 2004</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.

Slovenia:  
Environmental Impact Assessment was prepared according to the Slovene Regulations (O.J. of Republic of Slovenia no. 66/96, 12/00) and is carried out according to the provisions similar to those of the corresponding EU directives. 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>
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<tr>
<td>COD</td>
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<td>NH₄⁺ -N</td>
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<tr>
<td>Organic solvent</td>
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<td>10</td>
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<tr>
<td>PO₄³⁻</td>
<td>15</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Hungary:

According to the Environmental Impact Assessment (EIA) prepared for the Hungarian side in November 2001, 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>
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<td>outlet</td>
</tr>
<tr>
<td>COD</td>
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<td>50</td>
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<td>NH₄⁺ -N</td>
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<td>10</td>
</tr>
<tr>
<td>PO₄³⁻</td>
<td>15</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. RATES OF RETURN

In Hungary, according to the available feasibility study 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 3%, the Financial Rate of Return will be 0%. In Slovenia, according to the feasibility study the calculation of the internal rate of return examined a period of 17 years. The investment will break even (the NPV will turn positive) in year 14 and internal rate of return will be 4%. (for more details see annex 10).

11. INVESTMENT CRITERIA

11.1 Catalytic effect

The project improves the quality of life and accelerates the economic development in the area. 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 totaling 30 percent of the project cost is ensured by the beneficiary, CEFP and the Ministry of Environment on the Hungarian side, while on the Slovene side co-financing representing 35% of the costs is provided by the Municipality of Saloveci and Ministry of Environment and Spatial Planning.

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. Feasibility study and project design have been completed, and environmental impact study will be prepared by April 2002. Building permit will be issued no later than by 31th of May 2002. Certificate on application for building permit issued by Administration unit Murska Sobota is enclosed in annex 9. The tender documentation will be prepared by the end of 2002.

On the Hungarian side a detailed economic feasibility study, as well as a detailed environmental impact study has been prepared. The construction permit for water structures has been granted by Western Transdanubian Water Management Directorate (Ref.Nr.: 10.875/3/2002) The tender documentation will be prepared by the end of 2002.

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 beneficiaries’ interests.

11.6 Compliance with state aids provisions

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

11.7 Contribution to National Development Plan

The project is in accordance with the priorities of the National Development Plans of both countries.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format.
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period).
4. Reference to feasibility /pre-feasibility studies, EIA
5. List of relevant Laws and regulations
6. Reference to relevant Government Strategic plans and studies
7. Map of the area.
Annex 1

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR PROJECT</th>
<th>Project: 2002/000-307-01 &amp; 2002/000-308-01</th>
<th>PHARE CBC SLO/HU</th>
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<tbody>
<tr>
<td><strong>Overall Objective</strong></td>
<td><strong>Objectively Verifiable Indicators:</strong></td>
<td><strong>Sources of Verification</strong></td>
</tr>
<tr>
<td>- To improve environment conditions in cross-border region as well as in future Joint Nature Park Raab – Orseg – Goricko</td>
<td>- Decreased quantity of polluting substance directly released to the natural environment</td>
<td>- Reports and statistics of the Central Statistical Office, Ministry of Environment and Ministry of Transport and Water management</td>
</tr>
<tr>
<td><strong>Project Purpose:</strong></td>
<td><strong>Objectively Verifiable Indicators:</strong></td>
<td><strong>Sources of Verification</strong></td>
</tr>
<tr>
<td>- To improve waste water treatment and sewage system in cross-border region</td>
<td>- The nitrate and phosphorus pollution of the ground waters will be decreased</td>
<td>- Measurement data</td>
</tr>
<tr>
<td>- To improve groundwater quality in Municipality of Salovci and neighbouring settlements in Hungary served by a wastewater disposal and treatment system functioning according to relevant EU requirements</td>
<td>- Increased capacity of sewage treatment in the Kerka Valley (148920 m³/year)</td>
<td>- Local government statistics</td>
</tr>
<tr>
<td>- To connect 622 households and 2086 people to a new waste water treatment system</td>
<td>- Increased number of households connected to a closed sewage system (622)</td>
<td>- Reports of relevant ministries</td>
</tr>
</tbody>
</table>
### Results

- Operating wastewater treatment plants in Salovci and Bajanseny
- Sewage system which covers settlement Salovci
- Sewage system which covers settlements Bajanseny and Kerczasomor
- Operating sewage system which connects village Domanjsekvi with WWTP in Bajanseny, Hungary
- The outflow parameter values for WWTP in Slovenia will comply with Decree on Substance emission on waste water discharge (OJ. RS. 35/96):
  - COD under 75 mg/l
  - NH₄⁺-N under 10 mg/l
  - Organic solvent, under 20 mg/l
  - PO₄³⁻ under 1.8 mg/l

### Objectively Verifiable Indicators:

- Sewage system network including 30.777 m waste water pipelines;
- 17 new pump stations;
- Waste water treatment plant (800 population equivalent, 240 m³ / day) in Salovci;
- Wastewater treatment plant (1350 PE, 168 m³/day) in Bajanseny.
- Decreasing values of COD, NH₄⁺-N, organic solvent, PO₄³⁻:
  - COD under 75 mg/l
  - NH₄⁺-N under 10 mg/l
  - Organic solvent, under 20 mg/l
  - PO₄³⁻ under 1.8 mg/l

### Sources of Verification:

- Handing-over certificate

### Assumptions

- Competent organization for the management of the sewage system
- Local population can pay cost covering fees for the use of the sewage system

### Activities

- Construction of sewage system and WWTPs serving both sides of the bilateral border region
- Construction of sewage system for village Domanjsekvi, connecting sewage system of Kerczasomor, Hungary

### Means:

- 3.2 million EUR of Phare support to be matched by co-financing contributions of 1.56 million EUR from the national and local budgets

### Assumptions:

- High quality project management
- Co-finance contributions available when required

### Preconditions

- Preparation studies were completed
- All required permits available before TD approval
- Institutional structure to implement and operate the project is in place
Annex 2

Detailed implementation chart

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td>Month</td>
<td>S</td>
<td>O</td>
<td>N</td>
</tr>
<tr>
<td>Works (Hu)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works (Slo)</td>
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</table>

Design

Tendering and contracting

Contract implementation and payments

100%
Annex 3

CONTRACTING AND DISBURSEMENT SCHEDULE (CUMULATIVE APPROACH)
(Million Euro)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<td>Disbursement</td>
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<td>0.96</td>
<td>1.92</td>
<td>2.88</td>
<td>3.2</td>
</tr>
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</table>
Annex 4

FEASIBILITY STUDIES

Hungary

The Feasibility Study and the Environmental Impact Assessment “Joint Sewage Management of the Valley of Krka/Kerka River” have been completed in November 2001 by HYDROEP Ltd (H - 9700 Szombathely, Vépi u. 11) that has prepared the plans and will be responsible for the preparation of the Tender Dossier, as well.

Slovenia


Feasibility study Kanalizacija odpadnih vod naselij Domanjśevci in Šalovci s čistilno napravo Šalovci, Murska Sobota, April 2002, prepared by PANDEMA Zavod za management in razvoj (Prvomajska ulica 8, SI-9000 Murska Sobota) and Tehnični biro d.o.o., available at: Municipality Šalovci, Summary in English enclosed to this project fiche.

EIA: Poročilo vpliva na okolje za gradnjo čistilne naprave za naselje Šalovci, št. 11/04/002-eb/jk. Ljubljana, April 2002, prepared by COMPLAST d.o.o., Podsmreka 3 1356 Dobrova pri Ljubljani
ANNEX 5

LIST OF RELEVANT LAWS AND REGULATIONS

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

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

EU
2. 75/442/EEC on waste
5. Commission Decision No. 97/662/EC on the reports on the implementation of certain prescriptions relating to waste (91/689, 94/62)
ANNEX 6

REFERENCE TO RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES
LIST OF RELEVANT LAWS AND REGULATIONS

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, Ljubljana 1998
- Strategy for TRI_D border region, EIR Development Partners Ltd, 1999
- National Development Plan for Slovenia, draft December 2001
- White Paper for Regional Development of Slovenia, 1998
ANNEX 7

MAP OF THE AREA
(Slovenia: Pomurje Region, Hungary: counties Zala and Vas)