STANDARD SUMMARY PROJECT FICHE
Local business infrastructure

PROJECT NUMBER HU0008-06-01

1. Basic Information
1.1 Désirée Number: HU00080601
1.2 Title: Pétervására canalisation and wastewater treatment plant
1.3 Sector: Business related infrastructure
1.4 Location: Pétervására, Heves County, Northern Hungary Region

2. Objectives

2.1 Wider Objective(s): Economic and social cohesion based on increased business activity in the Northern Hungary Region
2.2 Immediate Objectives: Functioning modern wastewater treatment system in the Pétervására region of Heves County
2.3 Accession Partnership and NPAA priority: The project reflects medium-term priorities stated in chapter 3.2 of the Accession Partnership and in Chapter 6 of the NPAA.
2.4 Contribution to National Development Plan: The project supports the priorities of both the Preliminary National Development Plan and the Northern Hungary Regional Development Plan.

3. Description

3.1 Background and justification: A need for substantial environment and infrastructure investment exists in most of the Northern Hungary region. Yet the target region is faced with a particularly difficult situation. Pétervására and its partner settlements of Erdokövesdl, Váraszd, Istenmezeje, Szerkénypuszta, Bükkzsenterzsébet, Tarnalelesz, and Szentdomonkos possess neither a canalisation network nor a wastewater treatment facility. The resulting environmental contamination is both a constraint on economic development and a cause of deteriorating quality of life. The potential of the target areas for development and diversification into tourism and other new economic activities has hardly been tapped. In the area of the small region there is some food industry with some forestry and other, mostly agriculture related or other light industry. Even these modest activities can only be sustained if an adequate infrastructure is put in place.

3.2 Linked activities: The development of waste treatment facilities and access infrastructure will complement other measures of Phare 2000 promoting economic and social cohesion. In particular, it will help unlocking the development potential of the SMEs at key sites of industrial, commercial and tourism activity.
With a view to previous Phare projects, linked activities can be found especially in the fields of regional development and Cross-Border Co-operation. North Hungary, Northern Great Plain and the Southern Great Plain Regions have benefited from the regional development schemes summarised in the following table.
<table>
<thead>
<tr>
<th>Year</th>
<th>Target area / focus</th>
<th>Objectives of intervention</th>
</tr>
</thead>
</table>
| 1992 | Nation-wide / county focus (pilot counties: Borsod/North Hungary and Szabolcs/ Northern Great Plain ) | • institution building/ legal framework  
• strategic programming on county level setting up county development agencies  
• pilot actions at county/community level |
| 1996 | Nation-wide / regional focus (Pilot regions: Southern Transdanubia, Southern Great Plain) | • institution building on regional level  
• strategic programming on regional level  
• pilot actions at regional level |

With a view to the future investment in business-related infrastructure can receive funding from SAPARD as described in the Hungarian Rural Development Plan (measures 1308). Projects receiving fund from SAPARD are excluded from the support included in this fiche. The ISPA programme will co-finance investments contributing to the practical application of the Acquis in the environmental and transport sectors above € 5 million.

3.3 Results: Protection of the class 1 groundwater aquifer from further pollution constructing the wastewater treatment plant with a capacity of 1,000 m³/day and the connected network.

3.4 Activities: All studies and plans for the project have been prepared, and the construction permit have been provided by the competent authorities. The project will be carried out through one international works tender.

4. Institutional Framework

The responsible institutions for carrying out the project at national level are the Ministry of Economic Affairs, the Ministry of Agriculture and Regional Development and the Interdepartmental Committee of Economic Development. At regional level the project has been selected by the Northern Hungary Regional Development Council and Northern Hungary Regional Development Agency.

The beneficiary of the project is the municipality of Pétervására. The relevant departments in the Mayor’s Office of Pétervására will provide the expertise required for the smooth implementation of the project. An independent engineer will be appointed to supervise the works. The Municipality of Pétervására will own the project after its completion.

5. Detailed Budget (M €)

<table>
<thead>
<tr>
<th>Component</th>
<th>Phare Support</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment I</td>
<td>Institution Building IB</td>
<td>Total Phare (=I+IB)</td>
<td>Government</td>
</tr>
<tr>
<td>Pétervására Wastewater Facility</td>
<td>2.0</td>
<td>-</td>
<td>2.0</td>
<td>0.2</td>
</tr>
</tbody>
</table>

*) The local contribution is secured in the budget of the Local Government of Pétervására.
6. Implementation Arrangements

6.1 Implementing Agency

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 Phare Regional Development PMU (H- 1016 Budapest, Gellértthegy u. 30-32), will be responsible for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

6.2 Twinning : Not applicable.

6.3 Non-standard aspects: The rules of the Phare DIS will be strictly followed. The works will be tendered in the frame of one works tender according to DIS rules.

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>Pétervására Wastewater Facility</td>
<td>December 2000</td>
<td>April 2001</td>
<td>June 2002</td>
</tr>
</tbody>
</table>

8. Equal Opportunity

Equal participation through project implementation and after project completion by women and men will be assured. Women’s participation will be measured by exact statistical data and reports provided by the operating organizations.

9. Environment

The whole project is aimed at the protection of the natural environment. With the introduction of modern biological treatment technologies, the ammoniac and phosphorous pollution of the adjacent sensitive aquifers is expected to stop.

10. Rates of return

The internal rate of return has been calculated and is 14%.

11. Investment criteria

Catalytic effect: The project accelerates the economic development in the area.

Co-finance: Local co-financing totalling 25 percent of the project cost is ensured

Additionality: The Phare intervention does not displace other financiers, especially from private sector or IFI system.

Project Readiness: The project is ready for implementation
**Sustainability:** The wastewater treatment facility is sustainable in the long term beyond the date of the EU accession. Future maintenance and operation costs are built into the service charges.

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

### 12. Conditionality and sequencing

No conditionality applies; sequencing is outlined in the implementation schedule.
ANNEXES TO STANDARD PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule
4. Reference to feasibility studies
# ANNEX 1 TO PROJECT FICHE

## LOGFRAME PLANNING MATRIX FOR PROJECT

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>Total Budget</th>
<th>Phare contribution</th>
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</thead>
<tbody>
<tr>
<td>HU0008.06.01</td>
<td>Pétervására canalisation and waste water treatment plant</td>
<td>2.65 M€</td>
<td>2.00 M€</td>
</tr>
</tbody>
</table>

### Project Number HU0008.06.01

#### Project Name
Pétervására canalisation and waste water treatment plant

#### Total Budget: 2.65 M€
Phare contribution: 2.00M€

### Wider Objective

**Economic and social cohesion based on increased business activity in the Northern Hungary Region**

- Economic output of the area
- Increasing number of viable ventures
- Employment growth

**Indicators of Achievement**

- Central Statistic Office
- County statistics and targeted statistical examinations

**How, When and By Whom Indicators Will Be Measured**

**Assumptions and Risks**

- There will be no other hinders to economic development
- It is assumed that the extension of the system will be supported by central Hungarian funds, thus the impact of the whole system will be complete in the small region

### Immediate Objectives

**Functioning modern wastewater treatment system in the Pétervására region of Heves County**

- Groundwater quality properties

**Indicators of Achievement**

- Water Directory will measure by the technological presentation-reception.

**How, When and By Whom Indicators Will Be Measured**

**Assumptions and Risks**

- the improved infrastructure will really contribute to economic growth
- the canalisation network will be used by the local entities

### Outputs

- Waste water treatment plant with 1000 m³ capacity
- Canalisation network including 12,339 m drain
- Pump station with 985 m³/day pumping capacity
- Household pumps

**Indicators of Achievement**

- All works and equipment procured and installed in time and at the right quality, as planned.

**How, When and By Whom Indicators Will Be Measured**

**Assumptions and Risks**

- Engineer controller, according to the law requirements

- Normal climatic conditions during construction and operation

**Inputs:** 2 M € as Phare contribution supplemented by 0.65 M € as contribution from the recipient organisations. (0.25+0.4)
<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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<tbody>
<tr>
<td>Month</td>
<td>S</td>
<td>O</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>J</td>
<td>F</td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tendering and contracting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract implementation and payments</td>
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</table>
# ANNEX 3

## CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (M €)

<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>Commitment</td>
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<td>2.25</td>
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<tr>
<td>Disbursement</td>
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<td>1.80</td>
<td>1.80</td>
<td>1.80</td>
<td>2.25</td>
<td>2.25</td>
</tr>
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</table>
ANNEX 4

REFERENCE TO FEASIBILITY STUDIES

(These studies are available at the future beneficiary of the project)

Feasibility study, prepared in 1999.

Water right implementation permit, prepared in 1999.