1. Basic Information
1.1 Désirée Number: hu0008.06.03
1.2 Title: Pilot regional solid waste deposits
1.3 Sector: Business related infrastructure
1.1 Location: Hungary - Southern Great Plain; Vaskút, Gyomaendrod

2. Objectives
2.1 Wider Objective(s): Economic and social cohesion based on increased business activity in the Southern Great Plain region.

2.2 Immediate Objective: Functioning modern solid waste deposit system in the two sub-regions of Vaskút and Gyomaendrod.

1.3 Accession Partnership and NPAA priority: Waste management is a medium – term environmental priority of the Accession Partnership as stated in chapter (3.2). The development objective is also in line with the NPAA (p. 156. Volume II.) which says that “… the primary task in the field of municipal waste treatment is to realise disposal on safe landfill sites suiting the environmental protection norms, in the interest of which new regional collection and treatment systems and disposal sites of high capacity must be established…”

1.4 Contribution to National Development Plan: Environmentally friendly waste treatment activities comply with measures No. 3.1.6. of the Preliminary National Development Plan and priority No.4 of the Preliminary Regional Development Plan.

1.5 Cross Border Impact: Not applicable.

3. Description

3.1 Background and justification: A need for substantial environment and infrastructure investment exists in most of the Southern Grate Plain region. Yet the two sub-regions are faced with a particularly difficult situation. Both lack municipal deposit facilities for solid waste. The resulting contamination is both a constraint on economic development and a cause of deteriorating quality of life. The present poor environmental situation directs economic activities to a small number of locations mainly in or near the larger cities of the Southern Great Plain region. The potential of the target areas for development and diversification into tourism and other new economic activities has hardly been tapped. Economic activities directly linked to modern solid waste management such as selective-collection, reuse, recycling etc. are lacking.

3.2 Linked activities:
The development of waste treatment facilities and access infrastructure will complement the other measures of Phare 2000 promoting economic and social cohesion. It will help unlock 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 Cooperation. 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 certain investments 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 EURO.

1.3 Results: The project will achieve the following results:
- Solid waste deposit at Vaskút which serves the communal waste deposit needs of Vaskút and 29 surrounding settlements;
- Solid waste deposit and selective waste collection (storage buildings) at Gyomaendrod which serves the communal and industrial (non-hazardous) waste deposit needs of Gyomaendrod and the surrounding settlements;
- Waste transportation site at Szarvas;
- 2 a weigh-bridge and accessories, 2 waste compacting containers, 2 waste transportation vehicles and 1 compactor for Gyomaendrod.

1.4 Activities:
The project will be implemented through 1 open international works tender including 4 LOTs. The procedure will be carried out according to the valid rules of the Phare DIS.

4. Institutional Framework

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

Concerning the operation of the project the following institutions will be responsible at local level:
• **Vaskút site**: an association agreement has been signed among 29 municipalities in the sub region for the operation of the solid waste deposit.

• **Gyomaendrod and Szarvas site**: an association agreement has been signed among 9 municipalities in the sub region for the operation of the solid waste deposit.

The “Engineer” will be employed by the beneficiary, in order to fulfil the role of the independent Engineer, according to the provisions of the FIDIS procedures. The “Employers” will be the municipality associations.

After project completion the assets will be owned by the municipalities where the deposits will be allocated.

1. **Detailed Budget (in thousand €)**

<table>
<thead>
<tr>
<th>Sub-project/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>Construction works for solid waste deposit at Vaskút</td>
<td>990</td>
<td>-</td>
<td>990</td>
<td>-</td>
</tr>
<tr>
<td>Construction works for solid waste deposit and selective waste collection at Gyomaendrod</td>
<td>1010</td>
<td>-</td>
<td>1010</td>
<td>-</td>
</tr>
<tr>
<td>Construction works for waste transportation site at Szarvas</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Supply of related equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2000</td>
<td>- 2000</td>
<td>250</td>
<td>1388</td>
</tr>
</tbody>
</table>

*In cases of co-financing only

Note: expenditure for equipment should be put under Investment

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 Programme Management Unit (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

6.4 Contracts

One international open works tender including 4 Lots with an estimated volume of 3 638 000 €
7. Implementation Schedule


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 organisations.

9. Environment

The investments themselves serve high priority environmental protection purposes. Detailed environmental impact assessments are available for the related investment components. These documents can be obtained from the Implementing Agency (IA)

10. Rates of return

The economic rates of return have been calculated as follows:
Vaskút: EIRR: 24.8 %
Gyomaendrod: EIRR: 26.35

11. Investment criteria

11.1 Catalytic effect:
The implementation of the project will facilitate investment in small-scale enterprises and will be an incentive for tourism in the Southern Great Plain region.

11.2 Cofinancing:
The Hungarian Government and the beneficiary municipalities will contribute 45% of the total budget.

11.3 Additionality:
The Phare grant does not displace other financiers especially from the private sector or IFIs.

11.4 Project readiness and Size:
The different plans and feasibility studies for the implementation of investment components are ready.

11.5 Sustainability:
According to the preliminary financial calculations and feasibility studies the investments will provide the sources for the initial implementation of the project. After completion the operational & maintenance costs and depreciation will be covered by the waste collection fees.

11.6 Compliance with state aids provisions
All components financed by Phare will be carried out in line with the Phare DIS and will respect the state aid and competition provisions of the Europe Agreement.

11.7 Contribution to National Development Plan
Solutions for environmentally friendly waste treatment activities are in compliance with the priorities and measures of the Preliminary National Development Plan (PNDP – measure No. 3.1.6.).

12. **Conditionality and sequencing**

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

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (compulsory)
5. List of relevant Laws and Regulations (optional)
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (optional)
## LOGFRAME PLANNING MATRIX FOR Development of Business Related Infrastructure in the South Great Plain (SGP)

### Establishment of two pilot regional solid waste deposits

**Project Number HU0008.06.03**

<table>
<thead>
<tr>
<th>Wider Objective</th>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| Economic and social cohesion based on increased business activity in the Southern Great Plain region. | • Number of new enterprises in SGP  
• GDP growth of SGP  
• amount of new investments in SGP | • Hungarian Central Statistical Office  
• Company registry | |

### Immediate Objectives

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| Functioning modern solid waste deposit system in the two sub-regions of Vaskút and Gyomaendrod. | • No illegal dumping of solid waste  
• All households and enterprises served in the target regions  
• Target population satisfied with the solid waste deposit system | • No negative change in the overall business environment in Hungary  
• Complementary promotional efforts continue as planned | |

### Outputs

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators Will Be Measured</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
</table>
| • solid waste deposit at Vaskút in Baja Sub-region  
• solid waste deposit at Gyomaendrod in Szarvas Sub-region  
• fully equipped waste transportation site at Szarvas in Szarvas Sub-region | • All works and equipment delivered on time, at the required quality level and as planned.  
• acceptance report by the SGP RDA | • Normal climatic conditions during construction and operation  
• Effective enforcement of environmental legislation  
• The target group accepts the solid waste management system at the rates charged. | |

**Total Budget:** 3,638 MEUR  
**Phare contribution:** 2 MEUR  

**Programme number:** HU 0008.06.03XX-XXXX  
**Date of drafting:** 09.05.2000  
**Contracting period expires:**  
**Disbursement period expires:**  

**Inputs:** 2 M € as Phare contribution supplemented by 1,638 M € as contribution from Hungarian government and beneficiary municipalities.
**HU0008.06.03 DETAILED IMPLEMENTATION CHART**

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Two pilot regional solid waste deposits</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Design (20% shadowing)**: 20%
- **Tendering and contracting (50%)**: 50%
- **Contract Implementation and Payments (100%)**: 100%
**ANNEX 3**

**HU0008.06.03 Cumulative Contracting and Disbursement Schedule (3.638 M €)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.6380</td>
<td>3.6380</td>
<td>3.6380</td>
<td>3.638</td>
<td>3.638</td>
<td>3.638</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.7366</td>
<td>1.4732</td>
<td>2.2098</td>
<td>2.9464</td>
<td>3.638</td>
<td>3.638</td>
<td>3.638</td>
<td>3.638</td>
<td>3.638</td>
<td>3.638</td>
</tr>
</tbody>
</table>
ANNEX 5

List of relevant Laws and Regulations

EU regulations :
- Council Resolution of 24 February 1997 on a Community strategy for waste management (97/C 76/01)
- Commission Decision of 21 April 1976 setting up a Committee on Waste Management (76/431/EEC)

Hungarian regulations :
- Ministry of Environment decree No. 46/1997.(XII. 29.)

Local regulations :
- Vaskút Municipality Decision on the establishment of solid waste deposit at Vaskút
- Gyomaendrod Municipality Decision on the establishment of solid waste deposit at Gyomaendrod
- Municipality Association decision on the establishment of solid waste deposit at Vaskút
Annex 6

Relevant Government Strategic Plans and Studies

- Preliminary National Development Plan
- Preliminary Regional Development Plan
- Regional Development Concept for South Great Plain region in Hungary
- Regional Development Strategic Plan for the South Great Plain region in Hungary
- Preliminary Environmental Assessment for the establishment of solid waste deposit at Vaskút
- Preliminary Environmental Assessment for the establishment of solid waste deposit at Gyomaendrod
- Economic feasibility study for the Vaskút solid waste deposit
- Economic feasibility study for the Gyomaendrod solid waste deposit