1. **Basic Information:**
   1.1. CRIS number: 2002/000-606.16
   1.2. Title: Sewage system Swinoujscie – Stage II
   1.3. Sector: environment/infrastructure
   1.4. Location: Poland, Western Pomerania Province, Town of Swinoujscie

2. **Objectives:**
   2.1. Wider objective:
   - Protection of border waters within the estuary of the Swina River and the Baltic Sea and drinking water uptakes at Przytór through curtailing waste discharge into the environment.

   2.2. Project purpose:
   - Growth in developing potential of the south-westerly part of the Wolin Island in the scope of infrastructure, environmental protection and elevating the regional attractiveness for tourists.
   - Increasing the utilisation degree and operational enhancement of the newly built wastewater treatment plant.

   2.3. Accession Partnership and NPAA Priorities:
   - The Project corresponds to the priority: Environmental protection in Accession Partnership and to priority 22.2 in the NPAA: “Approximation to the requirements of Community Law in the field of water quality improvement”, intermediate objective No. 3: “Successive implementation of the action programmes to improve water quality, including the implementation of investment projects”.

   2.4. Contribution to the National Development Plan (NPR) and JPD under Phare CBC/Interreg IIIA:
   - The Project corresponds to developing axis No. 6: “Augmenting development potential of regions and countermeasures against some regions becoming marginal” and to No. 4.6.5: “Developing international co-operation of regions” under the NPR. Within the framework of the JPD Phare CBC/Interreg IIIA for the years 2000-2006, the Project corresponds to the main priority III Environmental protection, Task 1: “Protection of the environment (air, water, soil)”. Under the Development Strategy of Western Pomerania Province the Project complies with the priority “Water quality improvement” (reaching safe emission indices for specific substances hazardous to water eco-systems, and also indirectly to health and life of men).

   2.5. Cross Border Impact
   - Improvement in the actual condition of the environment through eliminating ingress of municipal pollutants from the town districts—where there is no sewerage (Ognica and Przytór-Lunowo)—into the environment. The latter has been polluted directly within the Polish and German border (4.5km off the border) and this has had influence upon onshore seawater and pollution of the beaches. In the sectors of tourism and services related hereto, the correspondent offer will be broadened and new jobs will be provided within the border region.
   - The living standard will be elevated not only for the dwellers in the districts without sewerage systems but for the entire town of Swinoujscie as well and adjacent German municipalities of Ahlbeck and Heringsdorf.
   - The Project is a part of the Sewage Management Joint Programme for the Town of Swinoujscie and German Border Municipalities of Ahlbeck, Heringsdorf and Bansin that has been executed since 1993.

3. **Description**
   3.1. Background and justification
   - The proceeding in the range of making the sewage management in the town of Swinoujscie orderly was begun in 1993 and it has been conducted by stages pursuant to a feasibility study drawn up at that time by the German company DC Ingenieuresellschaft mbH of Munich. The developed concept included connection of German municipalities located on the Usedom Island to the wastewater treatment plant being designed. The investment has been executed by stages. At the first stage the wastewater treatment plant along with a part of the sewerage system was erected plus German users were connected to it. This in turn has ensured the proper utilisation of the actual capacity of the plant. The second stage includes connection of some districts of the town (ca. 30% of its area) to the existing wastewater treatment plant. The area is located in a south-westerly part of the Wolin Island, where disadvantageous soil conditions prevail that make ground waters penetrate into the existing cesspools and transfer of pollutants into the direct receiving water – in the Swina and Stara Swina Rivers, which encircle that area. Besides, within Przytór District the two drinking water uptakes are situated: No. 4 “Przytór-Village – Sucha Street” and No. 5 “Przytór-Dunes”. Provision of protection zones for those uptakes require the soonest elimination of the ingress of pollutants from such cesspools.

   3.2. Linked activities:
   - The Project is a continuation of the activities undertaken based on an agreement made between the town of Swinoujscie and the Ministry for Environmental Protection, Natural Resources and Forestry and the Federal Ministry for the Environment, Preservation of Nature and Safety of Reactors of Germany on
the construction of the wastewater treatment plant at Swinoujscie for this town and German municipalities associated in the German Target Association for Water Supply and Wastewater Disposal on the Usedom Island. The investment was launched due to a very serious pollution of the Swina River estuary by municipal pollutants causing a hazard to the waters within the border area and Baltic. The investment has been carried out by stages based on the feasibility study drawn up by the German Party. At the first stage the wastewater treatment plant along with a part of the sewerage system was erected plus German users were connected to it thanks to the funds granted by the Federal Ministry for the Environment, Preservation of Nature and Safety of Reactors of Germany, Provincial Fund for Environmental Protection of Szczecin, and funds obtained from the budgets of both the German Target Association for Water Supply and Wastewater Disposal and town of Swinoujscie. The Project presented is a part of the stage II under the adopted waste management programme for the town of Swinoujscie and German municipalities, within which the town at its won cost has been extending the sewerage system along subsequent streets in its districts located on the Usedom Island.

3.3. Results:
Provision of the sewerage system to the Districts of Ognica and Przytór-Lunowo, which will be contributing to a better utilisation of the wastewater treatment plant. On the basis of documented design characteristics and current operational analyses, the Executive Board of Swinoujscie confirms that the sewage-treatment plant in Swinoujscie constructed in 1994 – 1997, intended to collect waste from project area ‘Sewage disposal in Swinoujscie, Phase II – Ognica and Przytór – Lunowo’, is operating in accordance with Polish standards and European Community Council Directive No 91/271 EEC of 21 May 1991.

3.4. Activities:
Construction of a network of pressure pipelines (ca. 6km) and sanitary pipelines (ca. 14.5km) and 14 off pumping stations for the purposes of such network.

3.5. Lessons learned:
At the time of submitting the application, the Beneficiary was implementing a Phare co-financed project “Construction of Rehabilitation Centre for Mentally Handicapped in Swinoujscie” PL 9802-04-02-01. Conclusion made by the Beneficiary to be taken into account in next projects: Contract Engineer should be appointed at the time of preparing Tender Dossier.

4. Institutional framework:
The Project will be functioning within the organisational structures of the Town of Swinoujscie and it will be managed pursuant to the agreement with German Target Association for Water Supply and Wastewater Disposal on the Usedom Island. The Project will have no impact upon any institutional changes at the Beneficiary’s.
The Contract Engineer will be elected in compliance with the effective bidding procedures. The Employer and owner of all material resources created as a result of the Project will be the Town of Swinoujscie.

5. Budget:

<table>
<thead>
<tr>
<th>Investment support INW</th>
<th>Support in the area of institutional development IB</th>
<th>Together PHARE CBC 2002</th>
<th>Domestic co-financing</th>
<th>Financing by international financial institutions IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>2.000</td>
<td>2.000</td>
<td>0.687</td>
<td>---</td>
<td>2.687</td>
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<tr>
<td>TOTAL</td>
<td>2.000</td>
<td>2.000</td>
<td>0.687</td>
<td>---</td>
<td>2.687</td>
</tr>
</tbody>
</table>

Co-financing will be available.

6. Implementation arrangements:

6.1. Implementing Agency
Phare CBC Implementing Authority
Ministry of Internal Affairs and Administration
00-522 Warsaw, Krucza 36
Phone: +4822 6959910, telefax: +48226959912
E-mail: Phare@wwwp.it.pl
6.2. Twinning

_Authored by Zenon Kosiniak-Kamysz_ Undersecretary of State Ministry of Internal Affairs and Administration

6.3. Non-standard aspects

The DIS contracting procedures and those included in “Practical Guide for Phare, ISPA and Sapard contracting Procedures” will be observed.

6.4. Contracts

One investment contract, EUR 2.687 million, - joint co-financing

7. Implementation schedule:

7.1. Commencement of the bidding process

01.2003.

7.2. Effective date of the Project


7.3. Project completion


8. Equal Opportunity:

Participation in the Project execution will be dependent on qualifications only, and not on sex, age or nationality.

9. Environment: (applicable to investment projects only)

The EIA is available at the seat of the Applicant.

1. Execution of the investment is the fulfillment of the requirements under Helsinki Convention in the scope of municipal wastewater treatment at seaside municipalities.

2. Because of the actual condition of the sewage management within the subject terrain, there is a high probability for penetration of surface-related pollutants into the Holocene and Pleistocene water-bearing operational layer, including i.a. leaking sewage reservoirs.

The analysed investment assumes the provision of sewerage systems to the right bank part of Swinoujscie (Przytór, Lunowo, Ognica) that are to be connected to the transfer pipeline led towards the municipal wastewater treatment plant at Karsiborska street. This will result in elimination of the sewage cesspools at individual residences, which in a decisive manner will improve the sanitary condition of the soil and water resources and eliminate hazard sources for individual wells at residences and for local drinking water uptakes.

3. Completion of the investment will enable a proper management of effluents from the municipal rubbish dump at Przytór-Ognica through their piping down into the designed sewerage system and further on to the wastewater treatment plant. Such solution will largely improve the soil and water resources and protect same against possible hazards arising out of the operation of the dump.

4. Environmental impact was evaluated pursuant to regulations of the EU Commission.

10. Rates of return: (applicable to investment projects only)

For the Project a Feasibility Study and Construction Design have been drawn up. For the purposes of this application, calculations are reviewed and expressed in EURO. An abstract of an economic analysis is annexed hereto.

FNPV= -167,774 EURO
FIRR= 4.45%
ENPV= 2,746,760 EURO
ERR= 12.78%

11. Investment criteria: (applicable to investment projects only)

11.1. Catalytic effect

The Project will enable to:- (i) introduce the European standards in the scope of environmental protection and (ii) launch new capital investments within that terrain

Due to immediate vicinity of the national park and nature reserve on the Wolin Island, the Project supports the introduction of the Natura 2000 Programme.

11.2. Co-financing:

The Project is financed in 74.4% and 25.6% by the Phare fund and the budget of the town of Swinoujscie, respectively.

11.3. Additivity
The Phare funds will be a supplementary aid to the monies derived from other sources. Too low direct revenues on the operation of the investment do not allow its finance from the relevant income or commercial credits. The funds out of the German budget and German municipalities in an amount of EUR 10m has been used during the stage I under the Project to the benefit of both Swinoujscie and German municipalities of Ahlbeck, Heringsdorf and Bansin.

11.4. Project readiness and size:
All studies and design had been done. Construction permission No. 321/2001 is dated 11 October 2001. The grounds where the work has been done are controlled by the Applicant. The Project value is EUR 2.687m, inclusive of Phare EUR 2m.

Sustainability:
Pursuant to the undertaking made to the German Ministry for Environmental Protection (agreement of 193), the wastewater treatment plant and all investment related hereto shall fully conform to the EU standards in the scope of environmental protection, including the parameters of treated wastewater. The operational costs of the investment will be borne by the town of Szczecin. The envisaged duration of operation 35 years.

11.5 Compliance with state aids provisions:
The Project refers to an entity of the public administration and as such it does not infringe upon the association agreement in the range of state aids for business entities.

11.6 Contribution to National Development Plan and Joint Programming Document:
The Project corresponds to developing axis No. 6: “Augmenting development potential of regions and countermeasures against some regions becoming marginal” and to No. 4.6.5: “Developing international co-operation of regions” under the NPR. Within the framework of the JPD Phare CBC/Interreg IIIA for the years 2000-2006, the Project corresponds to the main priority C “The environment”, Measure C2 “Activities aimed at water quality improvement in inland reservoirs and seaside reservoirs”.

12. Conditionality and sequencing:
- The Bidding Documents will have been completed by January 2003;
- The Contract will have been signed by April 2003;
- Work completion and putting the investment into operation will be in September 2004.
## Programme name and number: PHARE CBC 2002

Contracting period expires 15/10/2004

Disbursement period expires 15/10/2005

### Overall objective:

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of 230 wastewater cesspools.</td>
<td>A report by the Town of Swinoujscie 5 years after the Project has been completed.</td>
</tr>
</tbody>
</table>

**Protection of the border waters in the estuary of the Swina River and in the Baltic Sea, and in the water uptakes at Przytór by curtailing the actual wastewater discharge into the environment (JPD 5.3.1. - Priority C: The environment)**

### Project purpose (Immediate objectives)

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 new jobs. Increased number of tourists by 100%. Collective sewerage 750m³/day. Less waste discharged to the environment, annually by: 220t suspension, 420t COD, 215t BOD₅, 70t N and 10t P.</td>
<td>Reports by the Town of Swinoujscie and Water Supply and Sewerage Operator at Swinoujscie – one year and 3 years upon completion of the Project.</td>
<td>Maintaining a development friendly tendency on the scales of the country, province, Town.</td>
</tr>
</tbody>
</table>

### Results

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of the sewerage to the districts of Ognica and Przytór-Lunowo that will be contributing to a better utilisation of the wastewater treatment plant.</td>
<td>Delivery and acceptance protocol. Report by the Town of Swinoujscie – directly upon completion of the Project.</td>
<td>Development of facilities for tourism (spas, guest houses, recreational facilities, marina).</td>
</tr>
</tbody>
</table>

### Activities

<table>
<thead>
<tr>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A contract for construction work with a value of EUR 2.687m</td>
<td>Proper selection of the Contractor and Contract Engineer</td>
</tr>
</tbody>
</table>

## Preconditions

- Financial aid in the sum as specified under the Application to be granted to the Town of Swinoujscie
# Annex 2-3: Implementation, contracting and disbursement schedules

<table>
<thead>
<tr>
<th>Date of Drafting</th>
<th>September 2001</th>
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<tbody>
<tr>
<td>Planning Period</td>
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<table>
<thead>
<tr>
<th></th>
<th>Budget Allocation</th>
<th>Cost Estimate</th>
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<tr>
<td></td>
<td>I '03</td>
<td>II '03</td>
</tr>
<tr>
<td>Implementation schedule</td>
<td>D/C</td>
<td>I</td>
</tr>
<tr>
<td>Contracting schedule</td>
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<td>2.000</td>
</tr>
<tr>
<td>Disbursement schedule</td>
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<td>0.700</td>
</tr>
</tbody>
</table>

**Legend:** D = design of sub-projects / C = tendering and contracting / I = contract implementation and payment