1. Basic Information
1.1. CRIS number: 2002/000-606.17
1.2. Title: Sewage system Choszczno
1.3. Sector: Cross-border co-operation and environment protection
1.4. Location: Republic of Poland, Westpomeranian Region, Choszczno County

2. Objectives:
2.1. Wider objective
Execution of the investment project is closely connected to the priority objectives set out by the municipality, which are as follows:
“Improvement of water quality in the inland and littoral water reservoirs and atmosphere purity in medium and long term periods of time, cross border water management”. – Priorities C-2 of JPD.

2.2. Project purpose
Purpose of the project is expressed by the following elements:
- creation of complete water and sewage infrastructure in the town and municipality of Choszczno and adjustment of technical conditions to the standards required by the European Union,
- decrease of the pollution level in the river of Ina (tributary of Odra river) and lakes of: Klukom, Radun, Korytowo, Gardzko and Zenskie,
- liquidation of the illegal drops of sewage to the catchments of river Ina and lakes of Klukom, Radun, Korytowo, Gardzko and Zenskie.

2.3. Accession Partnership and NPAA Priorities
Objectives to be achieved by the project are defined based on the provisions defined in the programme “Accession Partnership”: Priority 23.10 – “Development of programmes and creation of conditions enabling implementation of the community law in the field of water quality improvement”. Requirements set out in the priority 22.2 of the above mentioned document determine “development of the structures in the field of monitoring and implementation of the adjustment projects”, with particular emphasis focused on “waste management, protection of soil surface, waters and air”. Project execution substantially influences implementation of these priorities. The Priority 3.6.1.2 of the NPAA – “Actions creating modern technical infrastructure meeting European standards” fulfils provisions in the field of environment protection that were defined in the above mentioned document. In addition to that, the project is in compliance with the provisions of State Ecological Policy, which obliges regional authorities to implement EU standards in the field of environment protection.

2.4. Contribution to the National Development Plan and JPD Phare CBC/Interreg IIIA
Project participation in the National Development Plan allows for fulfilling basic provision defined in item 4.4, which is: “creation of conditions enabling competitiveness of Polish economy and improvement of living standards in the perspective of the accession to the European Union”. In addition to this it will contribute to: “improvement of the condition and protection of the environment, modernisation of infrastructure, development of rural areas and SMEs, strengthening of the economic base of the region and simultaneous decrease of unemployment”. This supplements objectives set out in the National Development Plan. Actions to be undertaken are in accordance with the principles of sustainable development that create integrated system of combating and controlling pollution. This fact proves compliance with the provisions of Joint Programming Document, which in the priority “Environment”, defines features of projects contributing to the environment protection. In this way the project is in compliance with the above mentioned document by confirming priority C-2: “improvement of water quality in the inland and littoral reservoirs and cross-border water management”.

2.5. Cross Border Impact
Rural – urban Municipality of Choszczno belongs to the area of Phare CBC Programme (NUTS III) and is one of the few ones there who do not have technical infrastructure protecting water. This situation influences directly and negatively catchement of Ina river (which is the largest feeder of the border river of Odra in the region) being one of the biggest problems with keeping adequate water quality in Polish and German border regions. Protection of the catchment of Odra river and Szczecin Bay is of particular importance in the view of international commitments, and especially in the view of documents developed by the Commission for Odra Protection against Pollution.
The project of constructing sewage system has been planned together with the German partner, whose assistance and advice has been provided in the field of water and sewage management. In this way German partner assists implementation of the Aquis on the Polish side of the border. Polish partner, on the other hand, focuses on the improvement of water quality in the border river of Odra and on the protection of valuable nature on both sides of Odra, which has cross-border impact on the neighbouring areas. This is the reason of great assistance provided by the partner municipality of Fürstenwalde, supporting strongly actions undertaken by Polish municipality in order to liquidate pollution caused by sewage produced in the border areas of Euroregion Pomerania. German partner supported Choszczno already at the stage of project programming and finally by issuing a letter of support (enclosed in Annex no 6). Clear declaration of supporting project execution expressed by the partner guarantees professional execution, in compliance with the European Union standards, as well as investment financing accompanied by optimal management. Project execution will allow for full use of the potential hidden in the purity of Choszczenskie Lake District, primeval nature supported by sanitary facilities meeting European standards. All this will generate process of harmonisation and integration of the living standards of Polish and German inhabitants of the border regions. Former co-operation in projects aiming at economic development, tourism and cultural exchange contributes to the effective creation of the structures of cross-border co-operation in the field of culture, tourism and experience exchange referring to environment protection. Protection of border waters, meeting European standards, tourism and commercial sectors’ development as well as provision of adequate sanitary conditions for cross-border traffic are of particular interest. Co-operation executed in this field prepares for future participation in the Interreg III Initiative.

3. Description
3.1 Background and justification
The project contributes to the settlement of water and sewage management in the region that is not equipped in the system of collection and treatment of the commercial and municipal sewage. In 1995 sewage treatment plant for the Town and Municipality of Choszczno was constructed. It was the first stage of the programme of water and sewage settlement in the municipality. Until 2000 98% of the Town of Choszczno was connected to the sewage system. Present project continues former actions. Its result will be achievement of 95% of sewer within the frames of the project and connection of 80% of the whole municipality to the sewage system. Last stage of water and sewage infrastructure development will be extension of the existing sewage treatment plant in Choszczno (planned to be executed in 2003, to be financed by own municipal financing) and connection of the sewered places. According to the analysis developed, which foresee population growth of 27,000 persons in the area of 24,633 ha, the project was extended in order to meet standards in the environment protection. Following the above, the decision on immediate solution of the problem of sewage treatment and liquidation of illegal drops of sewage was taken. Complex execution of the construction of sewage system in Choszczno has been thus started. Main objective is to deliver sewage to the modern sewage treatment plant. This project is a continuation of investments executed in past years, financed by the municipality itself. As a result, modern sewage system connected few villages located in the area of the municipality. Project implementation will durably solve the problem of meeting European standards in the environment protection in the region on its way to the European Union.

3.2 Linked activities
The project is a priority task both for the municipality and for the county (poviat) in the field of sewage management settlement in order to meet the European Union standards. It is linked to the investment tasks executed by neighbouring municipalities located in the catchment area of Ina and Odra, which have already executed projects protecting waters. Former investments have been solely financed by the municipality. Town and Municipality of Choszczno has not received any co-financing from the Phare Programme for the construction of sewage system.

3.3 Results
Settlement of the sewage system will contribute to the execution of general and direct objectives of the project. The result of the project will be complex solution of water sewage disposal management on the premises of locations comprised in the project. Thanks to the project execution households will be connected to the sewage system and sewage will be delivered to the existing sewage treatment plant. Illegal sewage drops and leaking sewage tanks which pollute environment will be liquidated, thus improving quality of surface waters. Sanitary conditions in the municipality will be improved, thus improving health condition of the inhabitants and German tourists using water intakes in the area of the municipality. Modern infrastructure solutions will enable better protection of the environment in the area,
that as one of the last, do not have sewage system. Moreover, German entrepreneurs will be encouraged to come, SMEs will have better development conditions thanks to lower operation costs resulting from good infrastructure facilities. All this may positively influence agro-tourism and tourism in the Choszczenskie Lake District.


### 3.4. Activities
The investment comprises construction of sewage system and house sewers of total length of 52 km and 28 sewage pumping stations in: Zamecin, Glezno, Koplin, Stawin, Stary Klukom, Nowe Zensko, Zwierzyn, Piasecznik, Radaczewo, Slawecin, Stradzewo, Sulino, Bonin, Pakosc. In the scope of one investment contract amounting to MEUR 2.67 there will be executed project allowing for sewage collection from the above mentioned places.

### 3.5. Lessons learned
Municipality of Choszczno has implemented project No 16/A/98 co-financed by Phare funds in August 2001. ‘Album promoting touristic advantages of Choszczno Municipality’ received grant in amount of 3500 EUR. Within the frames of this project Municipality wanted to attract foreign and local tourists and make more opportunities for investors. One of objectives enclosed in the project was execution of sewage system on the whole territory of Municipality in order to obtain complex solution of waste-water disposal and water management. Execution of sewage system was next step taken by Municipality to make those objectives real. Because of territorial development project will attract many investors, will enliven Polish-German relationship in fields of: tourism, economy, culture, education, social and medical care.

### 4. Institutional frames
The Board of the Municipality of Choszczno will be the Beneficiary and Contractor. Town authorities are directly responsible and involved in the appointing Contract Engineer, who will be selected in tender. Project execution will not change existing institutional structures. Contractor will be the owner of sewage system. Beneficiary, with the assistance of the Phare CBC Programme Implementing Authority, will organise tenders, contract, execute payments, supervise project execution, monitor and prepare reports.

**BENEFICIARY:** Town Council of Choszczno (Urzad Miejski w Choszcznie), ul. Wolnosci 24, 73-200 Choszczno, phone: + 48 95 76 57 816, fax: + 48 95 76 57 806, e-mail: umch@choszczno.pl

### 5. Budget:

<table>
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<tr>
<th>PHARE CBC 2002 financing</th>
<th>Investment support</th>
<th>Institutional Building support</th>
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<td>2.0</td>
<td>0.67</td>
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</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: +48 22 6959910, telefax: +48 22 6959912
E-mail: Phare@wwpwp.it.pl

PAO:
Mr Zenon Kosiniak-Kamysz
Undersecretary of State
Ministry of Internal Affairs and Administration

#### 6.2. Twinning
Not applicable

#### 6.3. Non-standard aspects
During project execution the Practical Guide for Phare, Ispa and Sapard Programmes will be applied.

6.4. Contracts
one contract, MEUR 2,67, - joint co-financing

7. Implementation schedule:

<table>
<thead>
<tr>
<th></th>
<th>Commencement of the tender</th>
<th>Commencement of the project</th>
<th>Project completion</th>
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<tbody>
<tr>
<td></td>
<td>I quarter 2003</td>
<td>II quarter 2003</td>
<td>II quarter 2004</td>
</tr>
</tbody>
</table>

8. Equal Opportunity:
Qualifications and professional experience will be the only criteria during staff selection. Both women and men will have equal opportunities while applying for work at project execution.

9. Environment impact:
Detailed analysis of the environment impact of the investment has been carried out in 2000. It is described in the “Analysis of the environment impact of the investment”. Complete documentation is available at the offices of Choszczno Municipality. Construction of the sewage system in the villages located in the municipality of Choszczno will result in:
- settlement of sewage management in the villages located in the municipality of Choszczno,
- stopping multi-annual devastation of the environment which was the result of the lack of operating sewage system,
- protection of water catchments of the rivers: Wardynka, Little Ina and Ina, lakes: Klukom, Radun, Korytowo, Gardzko and Zenskie,
- improvement of water quality,
- improvement of sanitary conditions and health condition of the inhabitants,
- creation of complete technical infrastructure in the municipality, which will allow for its dynamic economic development,
- general improvement of the environment thanks to the protection of natural water catchments rich in fauna and flora, as well as protection of surface soils.

Conclusions of the analysis confirm lack of any contraindications in the field of environment protection as far as project execution and future operation is concerned, providing all formal and legal conditions are fulfilled. Technical and technological processes necessary for project execution do not result in arduousness for the natural environment of the region. More detailed summary of the analysis is enclosed in Annex no 4.

10. Rates of return:
In the scope of the feasibility study carried out for the project, there has also been worked out financial analysis of the investment. Complete documentation is available at the offices of the Beneficiary. Financial Internal Rate of Return for the project amounts to 12.6%, and Economic Internal Rate of return – 13.4%. Above data prove viability of the project and confirm its non-profit character.

11. Investment criteria:
11.1. Catalytic effect:
Regional technical infrastructure will not be quickly and substantially improved without financial contribution of Phare Programme. Thanks to PHARE co-financing actions adjusting infrastructure to the European Union standards will not be postponed and the project will be found among Polish priorities during accession period. Lack of financial contribution will result in the loss of the opportunity to complete the project adjusting environment protection to the standards required by the European Union. Project execution will allow for liquidation of barriers in eco-development, providing safety of natural eco-systems located in the area of the municipality. Moreover, the investment is in compliance with Polish priorities during the accession period and only thanks to the Phare co-financing adjustment actions already undertaken by regional authorities will not be postponed. The project is a catalyst of economic and tourist development of the region by creating necessary conditions. Finally, it will contribute to the overall ecologic policy of the municipality.

11.2. Cofinancing:
The project is co-financed by the municipal budget (25% of Phare contract) from Municipal Council of Choszczno resources budget.

11.3. Additivity:
Phare financing will supplement investment budget, since the project is co-financed by the national environmental funds. Phare co-financing will constitute 75% of the investment budget. The municipality has recourses necessary to execute 25% of the project.

11.4  Project readiness and size:
Construction design for the above mentioned villages has been worked out. Construction permits no B.IV.-C/7351/209/2001 and B.I.-C/7531/193/2001 which are available at the offices of the Municipality of Choszczno prove project readiness. The project has been developed based on the provisions of the “Programming concept of the sewage system for the Municipality of Choszczno”. Also “Feasibility study and economic – financial evaluation” and “Environment impact of the project” have been developed. Moreover, all legal issues referring to land ownership have been settled. The project is fully supported by the local community and local authorities. Project size – 2,67 MEUR also meets the requirements of Phare guidelines.

11.5  Sustainability:
Thanks to the project execution, problem of the municipal sewage treatment will be solved for many years, since demographic projections for the municipality have been taken under consideration. Full technical infrastructure will be created, thus allowing for economic development of the municipality by attracting potential investors and creating new jobs. This is particularly important, since the municipality faces high unemployment level. Construction of the sewage system will durably protect natural environment, and particularly water catchments, which will improve sanitary living conditions of the inhabitants and will favour tourism development in the area of the municipality. Operation and maintenance costs will be secured by charges paid by companies and people and will be guaranteed by the municipal budget.

11.6  Compliance with state aids provisions:
The project will be executed in compliance with the state aid provisions set out in the European Accession Agreement, during tendering, contracting and execution. Principle of competitiveness will be applied.

Contribution to National Development Plan and Joint Programming Document
The project contributes to the National Development Plan by creation of the conditions for sustainable development resulting from the actions supporting environment protection. Harmonisation and meeting quality standards and norms is an essential element of the cohesion policy executed as part of the Development Plan in the perspective of meeting European Union requirements. The project is defined as priority investment in the regional development strategy and as one of the most important tasks in the field of environment protection placed as such on the lists defined by central authorities and institutions. Moreover, the project is fully supported by local community and local, regional and central authorities. As far as Joint Programming Document is concerned, the project is closely connected to the tasks set out in the priority “Environment”. Condition of the nature and landscape is important not only for preserving biological diversity, but also for sanitary living conditions of the population. Positive environmental impact of the project will contribute to the economic growth, according to the regional development concept, where agro-tourism and supporting infrastructure are substantial element of the local economy. Growing economic activity will create new jobs, thus liquidating negative effects of the structural unemployment.

12.  Conditionality and sequencing:
There are no additional conditions necessary to implement the project. Immediately after co-financing has been secured, tendering documents will be prepared in order to select contractor who will construct sewage system in the scope of Phare programme. Project execution will start after all the contracts have been signed, i.e. in the middle of 2003. The beneficiary will have qualified staff, able to execute the project efficiently. The Municipal Board of Choszczno, assuming PHARE CBC 2002 will be available, do not expect any financial risks.

Annexes to the Project Fiche:

1.  LogFrame Planning Matrix

2.  & 3. Implementation, contracting and disbursements schedules.
<table>
<thead>
<tr>
<th>Annex 1: LOGFRAME PLANNING MATRIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONSTRUCTION OF THE SEWAGE SYSTEM IN THE MUNICIPALITY OF CHOSZCZNO</td>
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</table>

### Overall objective

- Improvement of water quality in the inland and littoral water reservoirs and atmosphere purity in medium and long term periods of time, cross border water management.

### Objectively Verifiable Indicators

- Improvement of the quality of surface and ground waters, in order to reach II class of water clarity in Odra river.

### Sources of Verification

- How: Regional report on environment condition.
- When: 3 years after project completion.

### Project purpose

- Development of the complete water and sewage system in the Town and Municipality of Choszczno.
- Decrease of the pollution level of the Ina river and lakes of: Klukom, Radun, Korytowo, Gradzko and Zensko.
- Liquidation of the illegal sewage drops in the catchments of river Ina and lakes: Klukom, Radun, Korytowo, Gradzko and Zenskie.

### Objectively Verifiable Indicators

- 250 m³/day of sewage delivered by the sewage system to the sewage treatment plant.
- Reduction of pollution in the following aspects: BOD₅=90%, general suspension – 96%, nitrogen – 71%, phosphorus – 50%.

### Sources of Verification

- How: reports produced by local authorities.
- When: 1 year after project completion.
- Who: Town and Municipality of Choszczno
- How: direct measurements.
- When: 1.5 year after project completion.
- Who: Beneficiary, Regional Inspectorate for Environment Protection.

### Results

- Complex solution of water sewage disposal management on the premises of locations comprised in the project.

### Objectively Verifiable Indicators

- Achievement 95% of sewer within the frames of the project and 80% the municipality seaward.
- Liquidation of leaking sewage tanks – 600 pcs.

### Sources of Verification

- How: reception protocol confirming sewage system execution and report on the number of inhabitants connected to the sewage system.
- When: 1,5 year after project completion.
- Who: Town and Municipality of Choszczno.

### Assumptions

- Delays in construction of the sewage system and difficulties in connecting the users in different places in the municipality.

### Activities

- Construction of 52 km of the sewage system and 28 sewage pumping stations in: Zamecin, Glezno, Koplin, Stawin, Stary Klukom, Nowe Zensko, Zwierzyn, Płaseczniki, Radaczewo, Sławecin, Stradzewo, Sulino, Bonin, Pakosć.

### Means

- Signing of one contract for the construction of the sewage system.

### EC: EUR 2 000 000

- Own: EUR 670 000

- Total: EUR 2 670 000

### Assumptions

- Execution of the construction of house connections.

### Preconditions

- Taking the decision on the construction of the complete sewage system in the Municipality of Choszczno.
**Annex 2-3: Implementation, contracting and disbursement schedules**

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