1. Basic Information
1.1. Desree Number: PL01.06.04.03
1.2. Title: Raising the investment and tourist attractiveness of the Kolbuszowa area
1.3. Sector: ESC
1.4. Location: Poland, Podkarpackie voivodship, Kolbuszowa

2. Objectives
2.1. Wider Objectives:
The wider objective of the project is to strengthen the economic and social cohesion of Podkarpackie voivodship through the upgrading of the environmental protection infrastructure.

2.2. Immediate Objective:
The main idea of the project is to create conditions enabling fastest grow of small and medium sized enterprises through liquidation of infrastructure barriers and creation of new jobs through improvement in taking advantage from local natural resources. Realisation of the project will also result in increase of tourist attractiveness of the area and improvement of the natural environment protection. Taking above into consideration immediate objectives of the project include: Enhancing investment attractiveness of the area; Enhancing tourism attractiveness; Improving natural environment

2.3. Accession Partnership and NPAA priority:
The project responds to the medium term priority identified in the Accession Partnership - developing national policy for economic and social cohesion and preparing for the implementation of regional development programmes as well as Community Initiatives. It corresponds also with the NPAA priority “Regional and cohesion policy”.

2.4. Contribution to the Preliminary National Development Plan:
The preliminary National Development Plan has a priority “Strengthening development potential of regions and counteracting marginalisation of certain areas”. It will be implemented by means of several measures, including development of infrastructure with sub-regional importance and development of tourism. Within the framework of the measures, projects of environmental protection infrastructure, improving ecological situation in tourist-oriented areas, will be carried out. Additionally support will be provided to the enlargement and modernisation of tourism infrastructure and development of regional products and packages of products of identified tourist trademarks in order to fully utilise tourist potential connected with natural and cultural conditions. The project is also in line with the operational programme for the Podkarpackie voivodship.

2.5. Cross Border Impact: not applicable

3. Description
3.1. Background and justification:
The area of the Leg and Przyrwa river basins is one of greater importance to the economy of the voivodship. The total number of population living in the described area equals to approx. 61 000. The area of Kolbuszowa, placed among the biggest cities of Podkarpacie (Rzeszów, Mielec, Debica, Stalowa-Wola and Tarnobrzeg) forms a natural economic and tourist background to these cities. During many years it was playing a role of source of raw materials and human resources for development of big state-owned mono-cultural industries located in these cities. Necessity of restructuring changes in these enterprises (acting in armaments, mining, machinery, aircraft industries) during the first part of decade has influenced region very severely. Numerous group dismissals in the described enterprises have covered primarily employees travelling daily to their work, including those from the Kolbuszowa area. That resulted in significant increase of unemployment as well as sensible decrease of employment activities and welfare level of inhabitants. The level of unemployment within the described area equals at present to 16,8% (October 2000). However Kolbuszowa area still possesses numerous significant endogenous advantages creating conditions for development of small and medium sized enterprises. These include: large resources of minerals for use in construction industry, significant forest complexes enabling development of timber and furniture industry, big water reservoirs enabling development of tourist services (there is big “Wilcza Wola” water reservoir creating conditions for weekend tourism for inhabitants from surrounding urban centres), areas free for production and services development reserved in local spatial plans for these purposes, convenient communication location on the crossing of two roads – national and regional, many hundred years old craft traditions and high level of qualifications
of the people employed previously in the above-described enterprises. Kolbuszowa area also has good level of technical infrastructure development (water, gas, energy, and telecommunication supply) except sewage systems. Negligence in this respect makes impossible improvement in taking advantage from the described endogenous developmental potential. That results also in difficulties for further development of existing enterprises (the number of enterprises in the described area equals at present to approx. 2 200). One should underline that realisation of the project will continue previously initiated activities supporting development of entrepreneurship including support from the aid programmes. Realisation of the project will also enable improvement in natural environment protection including Leg and Przyrywa river basins, Main Underground Water Reservoir 426 and Wdóć Wola reservoir. The project is localised in the main centres and strips of present and anticipated economic activities in Kolbuszowa area along national and regional roads. In order to complete this project, the six gminas of Kolbuszowa, Cmolas, Majdan Królewski, Stary Dzikowiec, Niwiska and Ranizów have reached an agreement establishing the task consortium. The structure of wastewater treatment plants in Kolbuszowa area consisted of 6 plants with total capacity of 5250 m³/day. The technological process is based on mechanical and biological treatment with chemical support in case of phosphorus. At present the level of utilisation of the plants equals to 3000 m³/day. Realisation of the project will increase the utilisation of the plants by 1560 m³/day up to a level of 4560 m³/day after completion of the project. This increase will result in improvement of effectiveness of wastewater treatment plants processes and reduction of the level of pollutants due to the specificity of technological aspects of biological treatment. Nevertheless there still will be sufficient level of margin up to maximum capacity equals to 690 m³/day. The project has not been submitted to the European Commission for ISPA funding.

3.2. Linked activities:
The project will be implemented within the framework of wider activities for regional development planned in the Socio-Economic Cohesion Phare 2001 Programme. This Programme is based on experience with the previous Phare programmes: PL9207 STRUDER, PL9609 STRUDER2 and PL9707 INRED.

Supported by the programmes specified above, the following infrastructure projects have been completed in the area of Kolbuszowa poviat: Gmina and Town of Kolbuszowa: natural gas supply line, telephone line, pavement along Sokolowska Str.; Hardened vehicle-pedestrian streets around the Service-Shop Complex on Bytnara Str.; Power supply infrastructure to the “Polna” Estate, (PL9207 STRUDER); Gmina of Cmolas: intermediate water pumping station (PL9207 STRUDER); Gmina of Stary Dzikowiec: water supply system; Access road (PL9207 STRUDER); Gmina of Majdan Królewski: water system (incl. pumping station and reservoirs) (PL9707 INRED); Gmina of Ranizów: sewer system and sewage treatment plant (PL9707 INRED).

3.3. Results:
20 new enterprises in the project area after 2 years; 400 net jobs related to the investment created after 2 years; Increase of number of beds from 120-170 (42% increase) after 2 years; Increase of number of tourist from 50,000 to 57,000 after 2 years; 5 agrotourism farms created after 2 years; Improvement of water quality class (from non-quality class to II quality class); 96,6 km of a sewer system constructed; 2,6 km of a storm system constructed; Increase of the sewer system from 144,6 to 241,2 km; Decrease of untreated sewage from 43% to 13%; Increase of WTP utilisation from 3000 m³/24h to 4560 m³/24h (57,1% to 86,8%); 1200 inhabitants and 200 firms connected; 46% inhabitants and 60% firms in the project area connected (in comparison with 27% of inhabitants and 53% firms before launching the project); 45 ha of investment area with access to the telecommunication line, pavement along national and regional roads.

3.4. Outputs:
Construction of the sewer system, 96.6 km long; construction of the storm drain, 2.6 km long.

3.5. Inputs:
96.6 km of sewer system (3 640 000 EUR), 2.6 km of storm drain (280 000 EUR), costs of hiring of supervising engineer (60 000 EUR). Investment expenditure:

<table>
<thead>
<tr>
<th>Gmina</th>
<th>Stretch of the sewer system</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolbuszowa</td>
<td>13.4 km – Kolbuszowa and Kolbuszowa Din.</td>
<td>780 000</td>
</tr>
<tr>
<td>Cmolas</td>
<td>25.0 km – Trzesówka</td>
<td>750 000</td>
</tr>
<tr>
<td>Majdan Królewski</td>
<td>08.8 km - Huta Komorowska</td>
<td>350 000</td>
</tr>
<tr>
<td>Stary Dzikowiec</td>
<td>18.7 km – Dzikowiec + Mechowiec</td>
<td>560 000</td>
</tr>
<tr>
<td>Niwiska</td>
<td>20.0 km – Niwiska</td>
<td>750 000</td>
</tr>
<tr>
<td>Ranizów</td>
<td>10.7 km - Wola Ranizowska</td>
<td>730 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>3 920 000</td>
</tr>
</tbody>
</table>
4. Institutional Framework
The Beneficiary of the project is consortium of six gminas (Kolbuszowa, Cmolas, Majdan Królewski, Stary Dzikowiec, Niwiska and Ranizów). Employer – Gmina Cmolas on the base of consortium agreement. Supervising engineer will be appointed within tender procedure. Investment owner after project realisation - six gminas (Kolbuszowa, Cmolas, Majdan Królewski, Stary Dzikowiec, Niwiska and Ranizów). The investment will be conducted in compliance with the Decentralised Implementation System regulations – “Practical Guide to Phare, Ispa & Sapard contract procedures”. The project implementation will not result in any changes in the institutional framework described above.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare</th>
<th>National Cofinancing</th>
<th>IFIs</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>2 000 000</td>
<td>2 000 000</td>
<td>1 980 000</td>
<td>-</td>
<td>3 980 000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2 000 000</td>
<td>2 000 000</td>
<td>1 980 000</td>
<td>-</td>
<td>3 980 000</td>
<td></td>
</tr>
</tbody>
</table>

The costs of hiring of supervising engineer (approx. 60 000 EURO) are included in the budget and will be covered by gminas. All cofinancing funds will be available.

6. Implementation Arrangements

6.1. Implementing Agency:
PAO: Vice - Minister in the Ministry of Regional Development and Construction
Wspolna 4 St., 00-926 Warsaw, phone: + 48 22 661 91 19, fax: + 48 22 661 91 45
Implementing Agency: Polish Agency for Regional Development, Zurawia 4a St., 00-503 Warsaw, Phone:+48 22 629 28 88, Fax: + 48 22 627 22 46

6.2. Twining: not applicable
6.3. Non-standard aspects: Not applicable. DIS regulations of the – “Practical Guide to Phare, Ispa & Sapard contract procedures” will be closely followed.

6.4. Contracts:
The total value of the project is 3 980 000 Euro. The project will be implemented under works contract, expected value of the works contract is 3 920 000 EURO, including PHARE resources 2 000 000 EURO. Additionally the contract with Engineer which total value is 60 000 EUR financed by Polish side will be signed.

7. Implementation Schedule
7.1. Start of tendering/call for proposals: I quarter of 2002
7.2. Start of project activity: II quarter of 2002
7.3. Project Completion: IV quarter of 2003

8. Equal Opportunity
The procedures used in project implementing will guarantee equal opportunities for all interested units and private persons, regardless of their sex, race and nationality. The share of men and women in the employment structure will be based on standards applied in the EU regarding EOE (Equal Opportunity of Employment). In addition, special regulations guaranteeing equal access to activities, employment and other profits resulting from project implementation will be applied. Throughout project implementation, the involvement of both sexes will be examined.

9. Environment
According to the prepared environment impact assessment (available at the beneficiary’s office) the construction of the sewage system in the Kolbuszowa river basin will satisfy all ecological requirements in terms of environmental protection of water, air and noise (see Annex 7). Environment impact assessment is attached. All wastes will be treated achieving standards of treated sewage as stated in EU Directives 91/271 as amended by 98/15.

<table>
<thead>
<tr>
<th>The level according to EU 91/271 (98/15) for RLM = 10 000 – 100 000 (mg/l)</th>
<th>The level of reduction in WWTP in Kolbuszowa area (mg/l)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOD5 – biochemical demand of oxygen</td>
<td>25</td>
</tr>
<tr>
<td>COD – chemical demand of oxygen</td>
<td>125</td>
</tr>
</tbody>
</table>
EIA is in accordance with the directives 85/337 and 91/271.

10. Rates of return
The feasibility study, undertaking economic and financial analyses has been prepared by Rzeszów Regional Development Agency and is available at the beneficiary’s office. Analysis of the feasibility study indicates that the project is effective, taking into consideration all the assumptions. NPV (5%) = 4 274 210 PLN - IRR=10%. ENPV(5%) = 10 311 840 PLN - ERR=14%. Summary feasibility study Annex 6.

11. Investment criteria
11.1. Catalytic effect:
Phare support will be conducive to achieving economic and social cohesion goals in the Podkarpackie Voivodship, which otherwise could be attained only after a much more extended period of time and on a more modest and less efficient scale.

11.2. Cofinancing:
The project is co-financed by the Polish partners.

11.3. Additionality:
The Phare project is not displacing other financing sources, especially from the private sector and IFI system, it is co-financing identified priorities and not taking the place of national resources.

11.4. Project readiness and size:
The project is ready for contracting and disbursement, as the subprojects will meet all conditions for co-financing by the start of project implementation; planning documents for the development of the tourism potential of the area include detailed descriptions of project scopes and costs analyses. All technical documentations and building permissions are ready.

11.5. Sustainability:
The project will contribute to the long term sustainable development of the region as described in the Podkarpackie Voivodship Operational Programme. After implementation all maintenance costs related to investments will be covered by the beneficiary.

11.6. Compliance with state aids provisions
All aspects of the project will be developed with respect to the state aids provisions of the Europe Agreement

11.7. Contribution to the Preliminary National Development Plan
The project is in line with the Preliminary National Development Plan and as such will contribute to increase of economic and social cohesion of the country and region.

12. Conditionality and sequencing:
- acceptance of the feasibility study and environmental impact report
- co-financing of the project by the Beneficiary,
- execution of works strictly in accordance with time schedule,
- respecting of all conditions on the signing of contracts, reporting and monitoring.

Benchmarks:
- end of January 2001 - stages of the project are calculated within the gmina annual budgets,
- end of June 2001 - Consortium prepares tender specification for selection of supervising engineer of the project,
- end of September 2001 - open tender for supervising engineer of project,
- end of December 2001 - With co-operation of engaged gminas, supervising engineer prepares tender specification for selection of contractor,
- end of March 2002 - tendering procedure for contractor according to appropriate regulations completed,
- end of June 2002 - signing of contract with contractor, handover of building sites, start of construction works in accordance with time and financial schedules,
- end of November 2003 - final acceptance of the project,
- end of December 2003 - planned last payment within the project.
### Annex 1: LogFrame planning matrix for project

**End Contracting:** 15/12/2003 - **End Disbursement:** 15/12/2004

<table>
<thead>
<tr>
<th>Activities/ Inputs</th>
<th>Sources of information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wider objective</strong></td>
<td><strong>Central Statistic Office</strong></td>
<td><strong>Continuing development of national economy</strong></td>
</tr>
<tr>
<td>Creation/safeguarding jobs.</td>
<td><strong>Expert reports</strong></td>
<td><strong>Continuing EU accession process</strong></td>
</tr>
<tr>
<td>Infrastructure. Development of investment areas.</td>
<td><strong>Economic statistical data</strong></td>
<td><strong>Current project financing from national funds</strong></td>
</tr>
<tr>
<td><strong>The wider objective of the project is to strengthen the economic and social cohesion of Podkarpackie voivodship through the upgrading of the environmental protection infrastructure.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP per capita in comparison with national average accessibility of sewerage compared with national average</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The indicator of the accessibility sewage systems comparing to the national average</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The indicator of accessibility sewage systems comparing to the national average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The indicator of GDP per capita in comparison with the national average</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Immediate Objectives</strong></td>
<td><strong>Regional, statistical data</strong></td>
<td><strong>New firm growth tendencies estimated on evidences provided in the communities’ offices. Interest of people on credits and loans for starting and increasing economic activity. New work places growth tendencies estimated on Statistic Office data. Firms real interest on grounds and objects for investment. Regional population interest on tourism. The mechanical-biological utilisation method on the basis of active sediment supporting by chemical precipitate of phosphorus let for fulfilling the sewage treatment parameters.</strong></td>
</tr>
<tr>
<td>Enhancing investment attractiveness of the area; Enhancing tourism attractiveness; Improving natural environment.</td>
<td><strong>Data collected during the project monitoring</strong></td>
<td><strong>Co-financing the project by beneficent and other private sources. Fulfilling the work schedule</strong></td>
</tr>
<tr>
<td>20 new enterprises in the project area after 2 years; 400 net jobs related to the investment created after 2 years. Increase of number of beds from 120-170 (42% increase) after 2 years. Increase of number of tourist from 50,000 to 57,000 after 2 years. 5 agrotourism farms created after 2 years. Decline of BOD₅ below outlet point by 88,5% after 1 year (from 45 mg/l to 5,5 mg/l). Decline of COD below outlet point by 54,8% after 1 year (from 110,5 mg/l to 50 mg/l). Decline of total nitrogen below outlet point by 26,7% after 1 year (from 12,27 mg/l to 9,0 mg/l). Decline of total phosphorus below outlet point by 67,2% after 1 year (from 1,89 mg/l to 0,62 mg/l). Decline of total suspended solids below outlet point by 58,3% 1 year after (from 72,0 mg/l to 30,0 mg/l). Improvement of water quality class (from non-quality class to II quality class)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Results/Outputs</strong></td>
<td><strong>Expert reports</strong></td>
<td><strong>Co-financing the project by beneficent and other private sources.</strong></td>
</tr>
<tr>
<td>Raising the investment and tourist attractiveness of the Kolbuszowa area.</td>
<td><strong>Economic statistical data</strong></td>
<td><strong>Fulfilling the work schedule</strong></td>
</tr>
<tr>
<td>Construction of a sewer system. Construction of the storm drain. Increased length of the sewer system. Decrease of untreated sewage let out from WWTP. Better utilisation of existing waste water treatment plant. Achievement of EU standards for the sewer systems constructed along with the plants. Decline of pollution let out to the rivers. Increase of the number of inhabitants/businesses connected to the new infrastructure. Development of investment areas. Creation/safeguarding jobs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>96,6 km of a sewer system. 2,6 km of a storm system. Increase of sewer system from 144,6 to 241,2 km. Decrease of untreated sewage by 1560 m³/24h. Increase of WTP utilisation from 3000 m³/24h to 4560 m³/24h (57,1% to 86,8%). Physical-chemical values of treated sewage in line with the directive 91/271. BCD₅ =3,5 mg/l O₂ /95% of reduction. COD=50mg/l O₂/87% of reduction. total suspended=30mg/l O₂ /90% of reduction. Total nitrogen=9mg/l O₂ /75% of reduction. Total phosphorus=0,62mg/l O₂ /85% of reduction. Decline of BOD₅ =160t O₂ /year; of COD=250t O₂/year; of total suspended solids=170t/year; of total nitrogen=17t/year; of total phosphorus=5t/year. 1200 inhabitants and 200 firms connected. 46% inhabitants and 80% firms in the project area connected (in comparison with 27% of inhabitants and 53% firms before). 45 ha of investment area. 2 new and 17 safeguarded jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Activities/ Inputs</strong></td>
<td><strong>- Expert reports</strong></td>
<td><strong>Construction of the assumed number of sewage system was taken into consideration during designing process of existing treatment plants. Number and quality of the liquid waste was estimated on the basis of present and future using of the water in the area of the project, taking into consideration the variety and specificity of the receivers. Adding the new sewage system to the existing treatment plant will improve the effectiveness of work, will let for fulfilling the stable parameters of utilisation and will let for reducing the pollution, in accordance with Directive 91/271, implemented by Directive 98/15. Co-financing the project by beneficent and other private sources.</strong></td>
</tr>
<tr>
<td>Construction of 96,6 km sewer system. Construction of 2,6 km storm drain. Total project expenses 3 980 000 EUR: sewage system 3 640 000 EUR + storm drain 280 000 EUR+ engineer 0.06ME</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Date of drafting:** 2000-08-14

**Planning period:** 2001-2003

**Total EUR:** 3 980 000

**Phare EUR:** 2 000 000
### Annex 2-4: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>Raising the investment and tourist attractiveness of the Kolbuszowa area</th>
<th>Date of drafting</th>
<th>Planning period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>August 2000</td>
<td>2002-2004</td>
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</tbody>
</table>

#### Implementation schedule

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<thead>
<tr>
<th>PLANNED</th>
<th>IV'01</th>
<th>I'02</th>
<th>II'02</th>
<th>III'02</th>
<th>IV'02</th>
<th>I'03</th>
<th>II'03</th>
<th>III'03</th>
<th>IV'03</th>
<th>I'04</th>
<th>II'04</th>
<th>III'04</th>
<th>IV'04</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>V</td>
<td>VI</td>
<td>VII</td>
<td>VIII</td>
<td>IX</td>
<td>X</td>
<td>XI</td>
<td>XII</td>
<td>XIII</td>
</tr>
<tr>
<td>C</td>
<td>C</td>
<td>I</td>
<td>I</td>
<td>I</td>
<td>I</td>
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<td>I</td>
<td>I</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

#### Contracting schedule

<table>
<thead>
<tr>
<th>Contracting schedule</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Disbursement schedule *

<table>
<thead>
<tr>
<th>Disbursement schedule *</th>
<th>0.10</th>
<th>0.40</th>
<th>0.80</th>
<th>1.10</th>
<th>1.54</th>
<th>1.8</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Legend**

- D = design
- C = contracting
- I = implementation

* in Meuro growing
Annex 5 Justification of indicators for the project „Raising the investment and tourist attractiveness of the Kolbuszowa area”

While determining the project indicators of achievement following conditions were taken into consideration:
1. Natural conditions of communities from the project area, as natural supplies (minerals, woods, and water reservoirs) and traditions in local handicraft making possible SMEs development in following branches: tourists, wood and furniture industry
2. Declaration of firms existing from the project area and external firms interested in providing the economic activity in the well-developed area (access to the necessary technical infrastructure)
3. Interest of the potential businessmen in creation they own firms was observed
4. Firms and employment growth in the developed regions (access to the technical infrastructure) and poor developed regions (without technical infrastructure, which is a main barrier of economic development) were compared
5. Tendencies in creation the new firms and businesses in the area with access to the technical infrastructure were observed
6. Growth of the region population interested in tourism (especially weekend tourism) was observed. It will let for reaching the indicators of achievement after improvement of the natural conditions

In particular the following data were taken into consideration:

a) grounds foreseen in the local development plans as an investment area, especially for production activities and services, which amounts 45 ha
b) number of applied requests in accordance with the area destination changing from rural into production activities and services, which amounts 21
c) increase of the number of firms registered in the communities area (1998 – 1895 firms, 1999 – 2066 firms, 2000 – 2256 firms)
d) increase of the number of credit and loans application in the local banks for existing firms development and new firms establishing (1998 – 153, 1999 – 159, 2000 – 162)
e) increase of the number of unemployed people during the last 3 years (998 – 4382 people, 1999 – 5905 people, 2000 – 6000 people)
f) present number of tourist beds, which amount 120 and observed increase of the tourist beds during the last 3 years, which amount 10

Taking above into consideration the indicators presented in the project are realistic and possible to be achieved.

Annex 6 Summary of the feasibility study for the project Raising the investment and tourist attractiveness of the Kolbuszowa area.

1. The project is located in the north-western area of Podkarpackie province, specifically within the Kolbuszowa administrative district (powiat).
2. The main beneficiary will be an association of six communities (gmina) from within the Kolbuszowa powiat. The lead gmina is Cmolas community.
3. The gminas covered by the project play a significant role in the development of tourism in the province. They also function to attract investment, mostly related to agriculture.
4. Implementation of the project will provide mains drainage for the gminas involved. Currently sewage is collected in cess-pits and removed by tanker. This hinders investment and discourages tourists from staying in the region.
5. The gminas already possess sufficient capacity in existing sewage treatment plants to deal with the anticipated increase.
6. The objective of the project is social and economic cohesion of the region.
7. The project will be part financed from the budgets of the participating gminas and will be provided over an agreed period of time.
8. From the schedule of investment and the sources of financing represented, implementing the project is feasible.
9. The proposed project already possesses the necessary technical documentation and local authority permissions.
10. The provision of a mains sewage system will have a positive impact upon local environmental conditions. It will lead to their improvement.

11. The costs of implementing the project are fixed on the grounds of the costs of particular elements of the whole system.

12. The submitted project embraces six sub-projects of which one (the sewers in Kolbuszowa town) is further divided into six parts.

13. The overall cost is estimated at 15,300,130 zloty (3,920,000 Euro) of which 50% will be provided from gmina budgets.

14. The project budget has been drawn up utilising financial analyses supplied by employees of the gminas.

15. The calculation was prepared on the basis of the average cost, between the six gminas, of treating 1 m$^3$ of liquid waste.

16. After analysis of the costs and receipts resulting from implementation, the individual costs will remain constant. This calculation however does not take into account inflation. In reality, over the period of the economic analysis, over the period of the economic the real cost of treating 1 m$^3$ of liquid waste will fall.

17. Analysis of the feasibility study indicates that the project is effective, taking into consideration all the assumptions; the NPV is estimated at 4,274,210 PLN and ENPV 10 311 838.99 PLN (discount rate 5%), IRR is 10% and IRR is 14%.

18. The project, to construct a mains sewage collection system in the river-basin conforms to the requirements placed on this type of project within the framework of EU programmes.

**Annex 7 Summary of the environmental impact asessment for the project “ Raising the investment and tourist attractiveness of the Kolbuszowa area”**

1. The project will result in a general improvement of health conditions in the towns and villages of the Kolbuszowa district. The level of treated waste will be increased by 1,560 m$^3$ per day, reducing the impact of pollutants on water and soils. In particular the following reductions will be achieved: 160 t – BOD5 – biochemical applications of oxygen, 170 t – liquid waste, 250 t – COD – chemical applications of oxygen, 5 t – phosphorus, 17 t – nitrogen.

2. All treated waste will satisfy the MOSZNIL requirements set of the 5$^{th}$ November 1991 in terms of water and soil classification and waste released into the environment. (Dz. At. No 116, item. 503). In particular the following will be achieved: BOD5 – not more than - 15mg per one litre, Suspended matter - not more than - 25mg per litre, Nitrogen not more than – 30 mg Nitrogen per litre, Phosphorus not more than –1, 5 mg Phosphorous per litre. Furthermore all emissions will conform to EU Directive 91/271, completed by EU Directive 98/15.

3. The regulations laid down by the Rzeszów voivod, OS-III-3/6226/94 dated 22, 03. 1994 concerning the protection of specific water sources for the Kolbuszowa poviat and surrounding villages will be fulfilled. This regulation prohibits, in particular, the introduction of liquid waste to surface water and land in the protected area.

4. The sewers will be constructed from hermetically sealed PVC pipes that will not pollute surface and underground water.

5. During construction tests will be conducted to prove the seals of the sewer pipes. These tests will be supported with the necessary documentary evidence and suitable official records.

6. Within the area of construction a layer of top soil, 20 cms deep, will be removed, stored and replaced following construction of the pipeline.

7. Inhabitants connected to the pipeline will need to conform to rules of best practice concerning the disposal of waste. In particular inorganic material and hazardous materials may not be released into the system. Additionally measures will be introduced to prevent access of the following: Rainwater, Industrial material prejudicial to the biochemical functioning of the system, Sediment from old treatment plants.

8. The standard of waste entering the system has to realise the requirements of the Committee of Ministers Order of the 19$^{th}$ May 1999 concerning the introduction of waste to communal sewage systems (Dz. At. No 50, item. 501).

9. The construction of the sewage system in the Kolbuszowa river basin will satisfy all ecological requirements in terms of environmental protection and/or water, air and against noise.