1. Basic information
1.1 CRIS number: 2002/000-580-06.18
1.2 Title: Opolskie - Tourism development Opole
1.3 Sector: Social and Economic Cohesion
1.4 Location: Poland, Opole Voivodship, poviat of Opole, Popielów Gmina

2. Objectives
2.1 Overall objectives
Increase of social and economic cohesion of the Opolskie voivodship by providing the municipal infrastructure on the tourist areas in Popielów Gmina.

2.2. Project purpose / Immediate objectives
• Investment attractiveness increasing in tourism sector
• Investments activation in tourism and agro-tourism
• Water quality improvement of the Stobrawa River catchment’s area (Stobrawa Landscape Park)

2.3 Accession Partnership and NPAA priorities
The project is designed to address issues related to the AP priority in economic and social cohesion policy related to the preparation for the implementation of regional programmes and Community Initiatives. The project in particular responds to the economic criterion identified in the AP concerning improving the competitiveness of the Polish economy. The project corresponds also to the NPAA priority “Regional policy and co-ordination of structural instruments”.

2.4. Contribution to the National Development Plan
The project is in line with the sixth axis of the Preliminary NDP, which is “Strengthening development potential of regions and counteracting marginalization of certain areas”. The priorities of this axis will be implemented by means of several measures including development and modernization of infrastructure serving to strengthen competitiveness of regions.

The project is compliant with the priorities of the Operational Programme of the Opole Voivodship.

2.5. Cross border impact: N/A

3. Description
3.1. Background and justification:
Popielów Gmina is located in north-west part of Opole Voivodeship in the tourist area of the region. According to its location Popielów Gmina exhibits particular conditions to tourism and recreation. More than 70% of the Gmina area belongs to the Stobrawa Landscape Park, 83 km of rivers crossing the gmina area. This area is one of the most environmentally precious regions in Opole Voivodeship, Poland as well as in Europe. There is a water–swamp birds preserve localised within the Gmina area which is one of an international importance. The southern part of the Gmina embodies the biocenter of a European importance - Middle Odra Valley.

The picturesque Stobrawa Landscape Park with its unique flora and fauna species attracts the local and foreign tourists. Popielów Gmina possesses on the edge of the Park forests post-exploitation water reservoirs with clean water which are the most attractive for tourists. Four of them are post-exploitation reservoirs with an area of 50-80 ha and several are postglacial with an area of a few ha.

The main features of the local landscape are planes, large forests (7900 ha) and numerous ponds and lakes. They are frequently visited by fishermen, hunters, mushroom pickers, keen hikers and bikers. In order to accommodate them, the gmina authorities gave their consent to include a large part of the gmina are into the Stobrawa Landscape Park. In the park, the following bird species can be found: eagle, black stork, grey heron and other. Additionally, the park is habitat for: old oak, lime, spruce and beech stand alone or in groups, alleys or lines. An additional asset of the gmina is the Association for the Protection of the Stobrawa Landscape Park.
Taking advantage of nature values of Popielów Gmina is the chance for tourism development, creating new job places and declining unemployment rate in Opole region.

Main problems of the gmina are as follows: localisation close to the structural unemployment areas (Brzeg, Namysłów) – over 25 % and residents emigration. Not so long ago, local residents would find employment in Brzeg. Today, the roles have changed. People from Brzeg and Namysłów look for jobs in Popielów

- Implementation of our project is a condition to increase of social and economical attractiveness of the region. However tourism extension depends on the region's municipal infrastructure. The economic development of the Popielów gmina is totally subordinated to tourism and ecology. The development programme of the Popielów gmina is based on: tourism development and services, craft and small-size manufacturing development utilising local materials.

The area under the application best fits weekend leisure activities, in particular water sports and fishing based on the existing water resources, as well as hotel and restaurant facilities that feature high quality services and make the area attractive for tourists.

Another factor that influences a development of tourism is a close proximity of Opole and Brzeg (25 km away) and Wroclaw and Katowice (80 km away).

At present, first investors in these areas offer 160 beds in their accommodation facilities. Their activities depend on the provision of a sewage system connecting them with a sewage treatment plant.

The area, which is designated for tourism in the Land Development Plan, still needs construction of a sewage system, and cannot serve its turn, although other utilities are already provided to this area. The additional effect will be the protection of the Stobrawa Landscape Park and the surrounding areas.

The co-ordinated sewage collection will result in the pollutants loads decreasing that are discharged into soil, surface and underground water as well as to the air. The human, animal and environmental exposure to the pollution will also decrease.

Future investors will not cover any additional costs related to the connection to the utilities.

3.2. Linked activities:

As early as in 1992, the Popielów gmina had the tourism add recreation development and opportunities feasibility study developed.

Activities completed so far:
- Delimitation of zones for the development of tourism
- Preparation of investment areas by providing them with the following utilities:
  - water supply network and a central water treatment system
  - power network
  - telephone network
  - road network

To reach the goals of The Opole Voivodeship Development Strategy, especially in the domain of tourism, the construction of sewage collection system in Popielów Gmina is needed.

In the year 2001 municipal authority of Popielów commenced the construction of the sewage management system. The investment after completion will serve 6% of the area planned to be sewered and the new-built Sewage Treatment Plant will operate for 10% of its capacity.

The investments linked directly to the project are:

The construction of mechanical-biological Sewage Treatment Plant of capacity 600 m$^3$/d, which can be extended to capacity of 1200 m$^3$/d. The investment is financed from the Gmina budget – 198 151 euro (27%), Integrated Voivodeship Program for Opole Voivodeship
subsidy – 278 481 euro (38%) and the loan from Voivodeship Fund for Environmental Protection and Water Management in Opole – 266 359 euro (35%).

The construction of sewage collection system in Popielów – the first part. The investment is financed from the Gmina budget – 146 086 (34%), Rural Areas Development Program (World Bank) subsidy – 89 336 euro (20%) and the loan from Voivodeship Fund for Environmental Protection and Water Management in Opole – 208 729 euro (46%).

The investments will be implemented in third quarter of 2002.

At the moment, the gmina offers tourists:
- Accommodation and small catering outlets
- Sport attractive for and frequently visited by anglers, hunters and mushroom pickers,
- Walking and cycling paths
- Studs

Currently, the local authorities have all premises for a comprehensive tourism development in place. The gmina self-government signed an agreement with the Opole branch of Greens Federation, which is tourism development (including delineation of cycling and hiking tracks crossing the attractive area of the Stobrawa Woods). The tracks were signposted. In cooperation with the Greens, the local authorities published a folder and CD-ROM including all information relevant to tourism, tourist routes, as well as agro- and eco-farms.

In 1999-2000, we organised an international recreational camp. We have 100 beds in containers fitted with kitchen and bathroom facilities that are particularly useful for the purpose of youth recreation. The leisure centre in question includes also sports grounds – two stadiums with restaurant and sanitary facilities.

Plans for the future:
The project elaborated by Popielów Gmina will allow to implement integrated programme concerning tourism development by:
- developing services related to recreation
  Implementation of the Gmina investment plans concerning construction of the tourism centre with restaurant, parking place, camping and playgrounds on the basis of the existing water resevoirs (opening of recreation centre including for 50 visitors in a year after the project completion and extension for 200 visitors in 3 year).
- developing environment-friendly industry
- So far, 21 decisions on the land development have been issued for new businesses operators. In all cases, an erection of a sanitary sewage system is a prerequisite for starting a business operation.

3.3. Results:
The products (results) will be achieved as the project outcome:

- Sewage system in Stare Siolkowice – phase I
- Sewage system in Popielów - phase II
- Sewage system in Stare Siolkowice - phase II

The sewage collection system will cover 54 ha of the Gmina area 161 economical entities will be served by the system.

The project implementation will increase the amount of collected and treated domestic wastewater to 360 m³/d and the WWTP’s load will increase to 60% of its capacity. The pollutant load will be decreased: BOD₅ of ca. 25 000 kg/a, total suspended solids of about 21 900 kg/a.
The total length of new-built sewage collection system will be ca. 38 km.

Area covered by businesses and inhabitants in particular development zones:
54 ha of the gmina’s area are provided with full utilities:
- businesses - 30.6 ha, i.e. 57%
- inhabitants - 23.4 ha, i.e. 43%

including:
Popielów - 15.10 ha:
- businesses - 8.8 ha, i.e. 57%
- inhabitants - 6.3 ha, i.e. 42%
Stare Siolkowice - 38.9 ha:
- businesses - 21.9 ha, i.e. 57%
- inhabitants - 17.0 ha, i.e. 43%

Number of connections to the sewage system used by businesses and inhabitants:
Total number of connections - 666, including:
- businesses - 161
- inhabitants - 505
Popielów – 205, including:
- businesses - 69, i.e. 34%
- inhabitants - 136, i.e. 66%
Stare Siolkowice - 461, including:
- businesses - 92, i.e. 20%
- inhabitants - 369, i.e. 80%

Volume of sewage to be disposed of to the sewage treatment plant by businesses and inhabitants:
Volume of sewage discharged to the sewage treatment plant – 360m$^3$/d, including:
- businesses - 158m$^3$/d, i.e. 44%
- inhabitants - 202m$^3$/d, i.e. 56%
Popielów - 122m$^3$/d, including:
- businesses - 68m$^3$/d, i.e. 55%
- inhabitants - 54.4m$^3$/d, i.e. 45%
Stare Siolkowice - 238m$^3$/d, including:
- businesses – 90.4m$^3$/d
- inhabitants – 147.6m$^3$/d

3.4 Activities:
The following activities will be performed within the project:
1. Construction of the sewage system in Stare Siolkowice – phase I
   - 7 400 m of the sewage pipeline
2. Construction of the sewerage system in Popielów phase II
   - 10 000 m of the sewage pipeline
   - Construction of the sewage system in Stare Siolkowice II phase
   - 20 600 of the sewage pipeline

There will be constructed ca. 38 km of the sewage pipeline in total.
There will be one contract for construction and installation works.

4. Institutional framework:
4.1 The beneficiary of the project will be Popielów Gmina
4.2 The Engineer/ Project Manager will be appointed through a tender procedure organised by the Beneficiary in accordance with the Polish Public Procurement Law.
4.3 The owner of the facilities after project implementation will be Popielów Gmina.
4.4 The investment will be executed according to the Decentralised Implementation System (DIS) - “Practical Guide to Phare, Ispa & Sapard contract procedures”
4.5 Implementation of the project will not lead to any changes in the institutional framework described above.
5. Budget in MEUR

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The overall value of the investment including employment of the Project Manager will be 2.80 MEUR. The cost of the employment of the Project Manager will be paid by beneficiary in amount of 0.1 MEUR. Co-financing will be available.

6. Implementation arrangements

6.1 Implementing Agency:
PAO: Ewa Freyberg, Undersecretary Of State In The Ministry Of Economy, Pl. Trzech Krzyzy 3/5, 00-507 Warsaw,
Phone: + 48 22 693 40 09, Fax: + 48 22 629 68 95.
Implementing Authority for Phare Cross Border Co-operation Programme Krucza 36 street, 00-522 Warsaw, Poland phone +48 22 695 99 10-11, fax +48 22 695 99 12-13

6.2 Twinning: N/A

6.3 Not-standard aspects: N/A

6.4 Contracts:
Contract 1 (works): 2.70 MEUR (including Phare funds) - joint co-financing
Contract 2 (engineer): 0.10 MEUR (financed from Polish funds only)

7. Implementation schedule

7.1 Start of tendering:
IV quarter 2002/ I quarter 2003 – tender preparation
II quarter 2003 – contracting

7.2 Start of project activity
II quarter 2003

7.3 Project completion:
III quarter 2005

8. Equal opportunities
Procedures related to the implementation of the project will be performed according to the law and will respect equal opportunities for all interested institutions and natural persons in spite of their sex, race and nationality. The employment of men and women will be based on applicable EU standards with reference to EOE (Equal Opportunity of Employment), which will be announced in official press advertisements during the recruitment procedures.

9. Environmental impact
According to the performed Environmental Impact Assessment, the project Implementation will effect in the natural environment improvement on the Gmina area and the surroundings. The coordinated sewage collection will result in the pollutants loads decreasing that are discharged into soil surface and underground waters as well as to the air. The human, animal and environmental exposure to the pollution will also decrease. The surface water quality will improve (melioration systems, Stobrawa, Zydowka, Brynica and Odra) the physical, chemical and bacteriological parameters. According to the decreased mercaptan, ammonium and bacterial emissions there will be positive changes in the air quality. The salubrity of the inhabitants connected to the sanitary system will increase. As a result of elimination of the illegal sewage discharges do soil and ground, the Main Underground Water Reservoir GZWP 333 will be actively protected.
Within the implementation of the project, treated sewage discharged to surface water will meet the requirements of Council Directive No. 91/271/EEC on urban waste water treatment of 21 May 1991.

The tourist attractiveness of the Popielów Gmina will increase (holiday and weekend recreation, agro-tourism). There is a precious Stobrawa Landscape Park located within the Gmina area.

10. Rates of return
Financial Internal Rate of Return (FIRR) – 12.21%
Financial Net Present Value (FNPV) – EUR 291,089.00
ERR (economic rate of return) – 54.89%
ENPV (economic net present value) – EUR 1,748,309.00

Financial ratios:
The financial analysis was based on the following premises:
- 20 years – time scale,
- 5% - discount rate,
- 134.51 euro – revenue per capita in the Opole voivodeship,
- 2,691,139 euro – investment expenditure,
- 0.63 euro – sales price of 1 m³ of sewage.

11. Investment criteria
11.1. Catalytic effect:
The Phare support will be conducive to achieving economic and social cohesion goals in Opole voivodship, which otherwise could be attained only in a more distant future and on a more modest and less efficient scale.

11.2. Co-financing:
The project is co-financed by the Polish sources. The national contribution amounts to 29% of the total project cost: 17.86 % Popielów Gmina resources, 10.71 Voivodeship Found For Environment Protection. - joint co-financing

11.3. Additionality:
The financial means transferred to the Beneficiary for the project implementation, covering the investment costs as they are planned within the project do not displace other financing sources, especially from the private sector and the IFI system; it is solely the co-financing of identified priorities and does not replace national resources.

11.4. Project readiness and size:
The project will be ready for implementation, contracting and disbursement in accordance with requirements of Phare 2002 ESC program. The feasibility study and report from environmental impact assessment have been prepared. The planning permit has been obtained. The acquisition of land for the investment has been completed. The investment ground for the Project - Tourist Sector Development in Opole Voivodship – applying for the PHARE 2002 ESC Programme, is a Gmina owned property and individual owned property, for which the Gmina possess agreements for a periodical area occupation. The building permits will be obtained up 30.12. 2002. The Polish co-financing has been allocated.

11.5. Sustainability:
The project will contribute to the long-term sustainable development of the region, as described in the Operational Programme for Opole Voivodship. The investment is sustainable and does not require any further expenditures apart from the ongoing technical maintenance on the part of the Popielów Gmina.

11.6. Conformity with state aid provisions:
All aspects of the project will be developed with respect to the state aids provisions of the
European Agreement.

12. Conditionality and sequencing
Conditionality and Assumptions:


Deadlines:
- Construction designs prepared until (date) IV quarter of 2002 / I quarter 2003.
- Obtaining the building permit until (date) IV quarter of 2002
- Preparation of tender documents until (date) I quarter of 2003
- Signing the works contract until (date) II quarter of 2003
- Completion of the contract until (date) III quarter of 2005

Annexes:
Annex 1. Log-Frame Matrix
Annex 2. Detailed Implementing Schedule
Annex 3. Detailed Contracting and Disbursement Schedule
### Overall objective
The overall objective of the project is to strengthen the social and economical cohesion of the Opole Voivodship by providing the municipal infrastructure on the tourist areas in Popielów Gmina.

### Project purpose
- **Investment attractiveness increase in tourist sector**
- **Investments activation in tourism and agro-tourism**
- **Water quality improvement of the Stobrawa River catchment’s area (Stobrawa Landscape Park)**

### Results
- **Sewage system in Stare Siolkowice – phase I**
- **Sewage system in Popielów - phase II**
- **Sewage system in Stare Siolkowice - phase II**

### Activities
- **Construction of the sewage system in Stare Siolkowice – phase I**
- **Construction of the sewerage system in Popielów phase II**
- **Construction of the sewage system in Stare Siolkowice II phase**

### Means
- One contract for construction and installation works

### Sources of verification
- **Statistics from GUS and US Opole**
- **5 years after project completion**
- **Popielów Gmina**

### Assumptions
- Lack of illegal sewage discharges.

### Preliminary conditions
Gmina Council Resolution in Popielów No XIV/129/2000 on long period investment plan including sewerage system construction in the Gmina.
### Annex 2-3: Implementation, contracting and disbursement schedules

#### Date of drafting
- I quar. 2003

#### Planning period
- 01.2003-09.2005

#### Budged Allocation Cost Estimation in MEUR

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#### Implementation schedule

- **D/C**: Design of sub-project
- **C/I**: Tendering and contracting

#### Contracting schedule

- 2.00

#### Disbursement schedule

- 0.28
- 0.55
- 0.71
- 0.82
- 0.99
- 1.17
- 1.29
- 1.44
- 1.72
- 2.00

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<td>I = contract implementation and payment</td>
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*the amounts in MEURO increasing exchange rate: 1 EURO = 3.95 PLN