1. Basic information
1.1. CRIS number: 2002/000-605-06.07
1.2. Project title: Tourism and SME Development in Ozimek
1.3. Sector: Social and Economic Cohesion
1.4. Project location: Poland, voivodeship of Opole, poviat of Opole, Ozimek Gmina

2. Objectives
2.1. Overall objective
The overall objective of the project is to enhance the economic and social cohesion of the
voivodeship of Opole trough increase the agro-tourist and tourist attractiveness of the region of the
Turawa lake and creation of encouraging conditions for investment in Gmina and town Ozimek.

2.2. Project purpose/immediate objective
• Creation of tourism zone and industrial zone entirely utilitised
• Providing a possibility of sewage treatment to the existing agro-tourist and industrial areas
• New work-places to be created in the tourist development zone
• New work-places to be created in the zone allocated for industry and the service sector

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 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 Preliminary National Development Plan
The project is in line with the sixth axis of the Preliminary NDP, which is “Strengthening
development potential of regions and countering marginalisation of certain areas”. The priorities
of this axis will be implemented by means of several measures including development and
modernisation of infrastructure serving to strengthen competitiveness of regions.
The project is compliant with the priorities of the Operational Programme of the Opole Voivodeship.

2.5. Cross Border Impact
Not applicable

3. Description
3.1. Background and justification
The Ozimek Gmina is located in the central eastern part of the Opole voivodeship in the
voivodeship’s industrial and agricultural region. It lies in the valley of the river Mala Panew, a tributary
of the river Odra, to the south east of the Turawa lake. It is crossed by the Warsaw-Opole road and
railway lines from Opole to Czestochowa and from Opole to Katowice. The gmina borders with the
Upper Silesian agglomeration. The area of the gmina is 12,655 ha, whereby 325 ha of it is
industrialised and 12,330 ha – agricultural land. The population of the gmina is 22,385. Ever since
the 18th century, heavy industry has been developed here, and along with that, one of Europe’s
biggest steel foundries.

For the 22,000 residents of the gmina, the steel mill was the biggest employer which, in 1989, gave
employment to 7,000 persons. The deep steel industry restructuring processes in Poland resulted
in a fall of the steel industry in the gmina and produced high unemployment. The steel mill saw an
employment downsizing process from 7,000 down to 1,800 workers in 2000.

The Jedlice Glass works, Coroplast in Dylaki and neighbouring investors not connected to the
sewage system considerably contribute to pollution of the environment, in particular to the
degradation of the Turawa lake. The deterioration of the water quality in the Turawa lake has led to a
decrease in tourist traffic by 50%. Until recently, this area was visited by 15,000 tourists in summer
and 70,000 during weekends. Today, the lake’s beaches are deserted.
Taking advantage of the natural assets, i.e. of the protected landscape area, attractive tourist places, world’s rank paleontological discovery in Krasiejów (the oldest found remnants of dinosaurs from before 220 million years), the gmina has decided in its development strategy that, next to the industrial zone revitalisation, it will evolve to become a recreational resort for the residents of Opole Silesia, Upper Silesia and for foreigners.

The gmina is planning an active promotion of the tourist zone and the zone of the development of industry and the service sector in the town and gmina of Ozimek. These actions will comprise the development of a material base to enrich the tourist attractiveness of the gmina, an extension and modernisation of the access roads to the tourist zone and an adaptation of a former school building into a hotel in Biestrzennik. The reason of tourist development zone a minimum of 20 new workplaces, 5 agro-tourist farms and 2 new tourist facilities will be established.

The industry and services development zone will offer employment opportunities for the residents of the sub-region. So far, companies of the steel, metal, motor and glass industries are present here. The Ozimek Steel Mill employs 1,800 persons, the target being 1,900. The firm based on Dylaki, which produces electric bundles for cars employs 1,400 persons. Its target employment level is approximately 1,450 people. The Glass Works in Jedlice employs 230 persons and the target employment is approximately 260 persons. In total, the industry and services zone will offer 180 new work places as a result of the project.

In order for the investors’ development plans to come into effect and in order to ensure conditions for the creation of new work places, it is necessary to modernise the sewage treatment plant and to construct a transit sewage pipeline at the tourist development zone.

3.2. Linked activities
With a view to implementing the strategy, the following activities have been performed: delimitation of a zone allocated for the development of tourism in the Ozimek gmina and covering Biestrzennik, Dylaki, Jedlice and Szczedrzyk, delimitation of a zone allocated for the development of the industry and the service sector in the Ozimek town and gmina, provision of territorial development utilities, such as water, electricity, gas and heating network, access roads, railway siding and a telephone network, at 10 ha of land allocated for the tourist development and at 7 ha of investment areas at the Malapanew steel mill. Following the agreements made, biking tracks were set up leading from Upper Silesia to the Turawa lake and Opole. In addition to that, horse riding, hiking and didactic paths were set up.

Today, tourists may take advantage of 38 recreational centres located around the Turawa lake (a part of these centres are located in the Ozimek gmina), of guest houses, small catering outlets and camping sites in Biestrzennik and Szczedrzyk. In Antoniów and Dylaki, there still are areas needing to be developed. They are allocated for the construction of sports and recreational facilities.

3.3. Results
- 10 ha of land prepared for territorial development utilities allocated for tourist investments
- Establishment of 5 agro-tourist farms and 2 new tourist facilities
- Increase by aprox. 20 in the number of workplaces in the tourism and agro-tourism
- 6 existing businesses connected to the sewage system
- 7 ha of the industrial zone with entire utilities
- Increase by aprox. 180 in the number of workplaces in industry sector
- Increased throughput capacity from 2,000 m$^3$/d to 2,500 m$^3$/d of the sewage treatment plant in Antoniów;
- Decreased volume of pollutants from treated sewage discharged to the river Mala Panew /BOD$_5$ – reduction of 1,062 kg O$_2$/day, reduction rate - >97%, COD – reduction of 2,012 kg O$_2$/d, reduction rate - >91%, general suspension – reduction of 1,137 kg/d, reduction rate >95%, general nitrogen – reduction of – 162 kg N/d, reduction rate - >81%, general phosphorus – reduction of 33 kg P/d, reduction rate – 93%.
- Construction of 9.1 km long transit system which will increase the sewage volume collected by the treatment plant by approximately 420 m$^3$/d.
- Sewage treatment system from Antoniów with connection of 6 existing businesses will go to Jedlice with connection of Huta Jedlice and assurance of 230 existing work places to tourist zone in Dylaki and connecting tourist zone for building recreation and sport complex on the way of Dylaki and Antoniów. Additionally modernisation of sewage treatment plant will provide a possibility to discharge an adequate volume of sewage and will enable a development of 7 ha of the industry development zone.

3.4. Activities
1. Extension and modernisation of the sewage treatment plant in Antoniów with a capacity of Q=2,500 m³/d – performance of the following civil engineering and installation works:
   - construction of a new facility which will house: an aggregate, a grid with a worm, sand trap - with collection of sand and screenings to containers, collection centre for the sewage transported - including the recording and control of discharges, warehousing station and a coagulant dosing station
   - construction of a new building – a blower station
   - modernisation of the existing active sediment chamber and its adoption to the removal of compounds of carbon, nitrogen and phosphorus.
   - utilisation of the existing secondary sediment tank and the sediment sorting chamber and adoption of these facilities to new operating conditions,
   - construction of a new building – sediment dehydration station with a chemical process support and ensuring the sanitary standards of the dehydrated sediments
   - exchange of pumps in the existing raw sewage intermediate pumping station
2. Construction of a 9.1 km sewage transit system from Dylaki and Jedlice to Antoniów.

4. Institutional framework
4.1 The beneficiary of the project will be the Board of the Gmina and Town of Ozimek.
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 gmina-owned Przedsiebiorstwo Gospodarki Komunalnej i Mieszkaniowej Sp. z o.o., which was delegated all gmina’s duties related to the water and sewage disposal systems
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

<table>
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<tr>
<th>PHARE Support</th>
<th>Investment</th>
<th>IB</th>
<th>Total PHARE</th>
<th>National co-financing</th>
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<td>2.0</td>
<td>1.2</td>
<td>-</td>
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</table>

* Voivodeship Environmental Protection Fund. Co-financing will be available.

The overall value of the investment including employment of the Project Manager will be 3.2 MEUR. Beneficiary in amount of 0.2 MEUR will pay the cost of the employment of the Project Manager.

6. Implementation arrangements
6.1. Implementing Agency
PAO: Ewa Freyberg, Undersecretary of State in the Ministry of Economy,
Pl. Trzech Krzyży 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
Not applicable
6.4. Contracts
Contract 1 (works): 3.0 MEUR - joint co-financing
Contract 2 (engineer): 0.2 MEUR

7. Implementation schedule
7.2. Start of project activity: 2Q / 3 Q 2003.
7.3. Project completion: 3 Q 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. Environment
The environment impact study of the extension and modernisation of the sewage treatment plant in Antoniów was prepared by licensed experts in line with the Council Directives No. 85/337/EEC and 97/11/EC. The investment will not have a detrimental impact on the environment. During the implementation, no standards defined in applicable legal regulations will be exceeded. The investment, after its completion, will have a positive impact on the environment since all treated water pollution ratios will improve with regard to treated water discharged to the river Mala Panew, in particular there will be a lower quantity of biogenic compounds. Also the construction of a sewage transit system from the village of Dylaki and Jedlice will have a very positive effect on the environment since the sewage from the companies operating there as well as from the villages of Dylaki, Biestrzynnik, Jedlice and Antoniów will be included into the transit and transported to the treatment plant.
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.

10. Rates of Return
The project feasibility study has already been prepared. Based on the feasibility analysis:
the FIRR ratio is 1.8%, only for the sewage treatment plant in Antoniów: FIRR is 7.6%.

11. Investment criteria
11.1. Catalytic effect:
The Phare support will be conducive to achieving economic and social cohesion goals in Opole voivodeship, 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 37.5 % of the total project cost: 11.25 % from the Gmina resources, 26.25 % Voivodeship Found For Environment Protection.
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 programme. The feasibility study and report from environmental impact assessment have been prepared. There have been obtained relevant planning permits: „Land development and management licence“, „Licence for a specified use of inland water“, „Building licence“. Land for the investment is 100 % owned by the beneficiary. Domestic funds have been secured by a Resolution of Town Council in Ozimek No XLII/280/02 of 31.01.2002. The acquisition of land for the investment has been completed. 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 Ozimek Gmina.

11.6. Conformity with state aid provision
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:
- Elements of the Development Strategy for the Opole Voivodeship will be implemented
- There will be no uncontrolled pollution discharges to water
- All the remaining water and sewage management tasks will be implemented
- Co-operation with neighbouring gminas with regard to the protection of the basin of the river Mala Panew and the Turawa lake.
- There will be an active promotion of the tourist attractiveness of the region

Deadlines:
- Preparation of tender documents until 4th quarter of 2002
- Signing the works contract until 3rd quarter of 2003
- Completion of the contract until 3rd quarter of 2005

Annexes:
Annexe 1 – LogFrame Planning Matrix
Annexe 2 - 3 – Detailed Implementation, Contracting and Disbursement Schedule
### LOGFRAME PLANNING MATRIX

<table>
<thead>
<tr>
<th>Project</th>
<th>Economic Activation of the Ozimek Gmina for Development of Tourism and SME</th>
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<td>Programme name and number</td>
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<td>Phare budget</td>
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### Overall objectives:

- **Objectively verifiable indicators**:
  - Increase in the number of tourists using the accommodation facilities to appr. 15,000
  - Increase of yearly turn-over of SMEs from the area covered by the project
  - Decrease of unemployment rate

- **Sources of Verification**:
  - How: data of the Main Office of Statistics and Voivodeship Office of Statistics in Opole
  - When: 5 years after project completion
  - Who: Marshal’s Office of the Opole Voivodeship

### Project purpose (Immediate Objectives)

- **Objectively verifiable indicators**:
  - 10 ha of land prepared for territorial development utilities allocated for tourist investments
  - Establishment of 5 agro-tourist farms and 2 new tourist facilities
  - Increase by apr. 20 in the number of workplaces in the tourist, agro-tourist
  - 6 existing businesses connected to the sewage system
  - 7 ha of industrial zone with entire utilities
  - Increase by apr. 180 in the number of workplaces industry sector

- **Sources of Verification**:
  - How: Local administration data:
    - 1. Voivodeship Environmental Protection Inspector,
    - 2. Sanitary and Epidemiological
  
- **When**: 2 years after project completion

- **Who**: Gmina and Town Office of Ozimek

### Results:

- **Objectively verifiable indicators**:
  - Modernised sewage treatment plant in Antoniów
  - Sewage transit system of the Ozimek Gmina

- **Sources of Verification**:
  - How:
    - 1. Report of the Gmina Offices of Ozimek and Turawa
    - 2. Data on camping sites and accommodation facilities
    - 3. Investment’s acceptance certificate.
    - 4. Data of the sewage treatment plant.

- **Assumptions**:
  - Implementation of elements of the Development Strategy for the Opole Voivodeship: no uncontrolled discharges of sewage to waters implementation of the remaining water and sewage management tasks; co-operation with neighbouring gminas in connection with the protection of the river Mala Panew and the Turawa lake

### Activities:

1. **Means**
   - 1. Extension and modernisation of the sewage treatment plant in Antoniów.
   - 2. Construction of a 9.1 km long sewage transit system from Dylaki and Jedlice to Antoniów.

2. **Assumptions**
   - No threats identified.

### Preconditions
Resolution of the Town Council on financing the investment No. XLII/280/02 of 31 Jan. 2002
Annexe 2-3: Implementation, contracting and disbursement schedules

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**Implementation Schedule**
- D,C
- C
- C,I
- I
- I
- I
- I
- I
- I
- I

**Disbursement Schedule**
- 0.1
- 0.3
- 0.8
- 1.4
- 1.6
- 1.8
- 1.9
- 2.0
- 2.0

**Legend:**
- D = design of sub-projects
- C = tendering and contracting
- I = contract implementation and payment
- * quote accruing values in MEUR