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**ANNUAL REPORT OF THE
INSTRUMENT FOR STRUCTURAL POLICY
FOR PRE-ACCESSION (ISPA)
2001**

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Foreword

This annual report on the activities of the ISPA fund covers the calendar year 2001. It provides information on the second year of the pre-accession instrument which was set up as part of Agenda 2000.

The reporting format reflects the requirements of the Instrument for Structural Policy for Pre-Accession Regulation. It has been adapted to take into account the comments made by the European Parliament, the Economic and Social Committee and the Committee of the Regions.

Introduction – Key messages for 2001

This is the second Annual Report by the Commission on the Instrument for Structural Policies for Pre-Accession (ISPA).

The first Annual Report, COM (2001) 616 final included an overview of the strategic priorities that ISPA beneficiary countries were requested to prepare before any funding proposal is decided by the Commission. This annual report focuses on the measures (projects) that were decided in 2001, progress in implementation as well as the efforts to prepare Candidate Countries for the fully decentralised management of ISPA and for improving the financial management and control systems.

KEY MESSAGES FOR 2001

- In 2001, 94 new projects were decided by the Commission. Community funding of these new projects amounts to over € 1.1 billion out of a total cost of € 2.3 billions to be co-financed by the ISPA Beneficiary states¹ and international financial institutions.
- Together with the projects already decided in 2000, the Commission approved a total of 169 ISPA projects, amounting to € 6.6 billion, of which the EU will finance € 3.9 billion (64.4 %).
- With the decisions taken in 2000 and 2001, the Commission has already allocated about more than 40 % of the funds foreseen for environmental projects for the whole ISPA period, and more than 60 % that are set aside for the transport sector.
- The amounts committed in 2001 were divided fairly equally between the environmental and transport sectors: 52% of the 2001 budget were allocated to environmental projects, and 48% for the transport sector. With these commitments the Commission corrected the slight funding inequality between the two sectors that existed in 2000.
- With decisions taken in 2000 and 2001, a total of € 59.9 million for 30 TA measures was mobilised to strengthen the project pipeline for 2002 and beyond, including projects for the Cohesion Fund.
- With the signing of the first works contracts, 2001 was the first year of real progress on the ground.
- ISPA is currently implemented through the Decentralised Implementation System (DIS). With this system, procurement documents are checked in advance (ex ante approval) by the Commission. In 2001, the Commission made technical assistance (TA) funds available to assist Candidate Countries in taking the necessary measures to analyse and improve the capacity of the national implementing agencies to manage Community assistance in a fully decentralised manner.
- In autumn 2001, the Commission undertook systems audits to assess the extent to which the Candidate Countries have established management and control systems that comply with the requirements defined in the ISPA Regulation².

¹ Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia.

² EC n° 1267/1999, as amended.

ISPA budget in 2001

The budget for the Ispa instrument comes from two budget lines B7-020 and B7-020A. The first line foresees the means to be used to co-finance projects (measures)³ in the Candidate Countries in the environment and transport domains as well as for technical assistance (TA) to identify the best projects or for the preparation of projects. TA projects that assist the Candidate Countries to move toward decentralised management can receive funds from this line. From the B7-020A line, funding for projects at the Commission's initiative is possible.

Table 1

Budget line	Budget commitment appropriations	Commitment appropriations incl. Transfer A to B-7020	Commitment implemented	Carry-forward to 2002	Payments implemented
B7-020A	19 440 000	12 047 831	11 989 526	58 305	6 522 427
B7-020	1 060 560 000	1 067 952 169	-	-	-
Total	1 080 000 000	1 016 287 447	-	-	-
Carry-forward from 2000	41 243 301	41 243 301	-	-	-
Total for projects, incl. C.f.	1 101 803 301	1 109 195 470	1 109 195 063	-	196 740 198
Total, incl. C.f.	1 121 243 301	1 121 243 301	1 121 184 589	-	203 262 625

€ 1.080 million was allocated from the Commission budget for the ISPA instrument in 2001. The B7-020 line originally received € 1 060 560 000. This amount was then increased by € 41 243 301, which was carried forward from the 2000 budget, and by € 7 392 169 transferred from budgetary line B7-020A. As a result, for projects on the initiative of the Beneficiary Countries € 1.109 million was available.

From the original B7-020A budget (€ 19.44 million) € 11 989 526 was committed for projects on the Commission's initiative. As mentioned € 7.3 million was transferred to the other line and, for administrative reasons, € 58 305 was carried-forward to line B7-020 A for 2002.

³ The terms "measure" and "project" both refer to the unit of assistance grants to the beneficiary countries and are used interchangeably in this document.

Commitments in 2001

1. PROJECTS PROPOSED BY CANDIDATE COUNTRIES

Overview

Between 2000 and 2001, the European Commission decided, following the favourable opinion of the ISPA Management Committee⁴, a total of 169 projects proposed by the Candidate Countries (B7-020 budget line), amounting to a total eligible cost of € 6,113 million, of which the EU will finance € 3,938 million or 64.3 %. The normal ISPA funding ceiling for projects stands at 75 %, or 85 % in exceptional circumstances. For TA projects (i.e.: to prepare for decentralised management) the funding ceiling is normally to 100 %.

Of these interventions, 100 correspond to environment projects, 64 to transport projects and 5 projects for technical assistance for EDIS. With the funding decisions taken in the first two years of ISPA, the Commission could allocate at this stage more than half of the funds set aside for the period 2000 to 2006.

In 2001 ISPA commitment appropriations from budget line B7-020 were mainly used for the 94 new ISPA measures and second tranches⁵ for projects decided in 2000 (€ 1.109 billion). Of this, € 2.7 million was committed for TA for EDIS, and € 26.1 million for project preparation. A total of 94 new projects with a total project cost of € 2.3 billion were decided on by the Commission, Community funding for these new projects is over € 1.1 billion. The remainder is to be co-financed by the beneficiary states (national sources at central, regional, and local level), and international financial institutions (IFIs). The average Community grant rate stood at 64 % of project cost in 2001.

The amounts committed from the 2001 B7-020 budget were divided fairly equally between environmental and transport sectors: 52 % was allocated to environmental projects, whilst transport projects received 48 %. With these commitments the Commission countered the slight funding inequality between the two sectors that had emerged in 2000.

1.1. ISPA Funds for the Environment

51.92 % of the ISPA budget this year went to environment projects. More than half of ISPA funding in the environmental sector for the year 2001 was dedicated to sewage treatment projects. Primarily the projects focused on sewerage works to extend, replaced or repair current systems in the beneficiary countries. Approximately 26 % of funding was assigned to drinking water projects, the majority in conjunction with waste water treatment projects. About 15 % of the funding in this sector was applied to solid waste management, primarily to landfill projects. As in 2000, air pollution did not receive any funding in 2001.

⁴ The ISPA Management Committee, which is composed of Member States representatives, gives an opinion on ISPA measures before a Commission decision is issued.

⁵ ISPA measures are committed in annual tranches, i.e. committed are spread at least over two years. Consequently, commitments for the budget year 2001 also include second tranches for some projects already decided in 2000.

In 2001, the Commission decided the first “Group of Projects” which allows the Commission to fund smaller projects, following a coherent strategy. For example investments along the same river basin. This approach was endorsed by the Ministers of the Environment of the Candidate Countries at the Informal Ministerial Meeting with Commissioner Wallström in November 2001.

Table 2: ISPA Budget 2001 – Environmental sector by sub-sector

Sub-Sector	ISPA Funds €	% ISPA funds/sector
Drinking Water	2 048 867	0.36%
Drinking and Waste Water	148 858 614	25.85%
Drinking/Sewage Water and Solid Waste	8 547 000	1.48%
Sewage Network Treatment Plant	329 400 105	57.19%
Solid Waste Collection System	87 077 564	15.12%
Air Pollution	0	0
Total ISPA Budget Environment Sector	575 932 150	51.92%

1.2. Funds for Enhancing Trans-European Transport Links

The aim of ISPA in the transport sector is to contribute to the building of the future trans-European transport network. The instrument finances transport infrastructure projects promoting sustainable mobility based on the criteria of Decision N° 1692/96 of the European Parliament and of the Council of 23 July 1996⁶. The measures should enable the beneficiary countries to comply with the objectives of the Accession Partnerships and must ensure interconnection and interoperability within national networks as well as between these networks and the EU's .

The preparation of projects needs to take account of the ten multi-modal Pan-European transport corridors, endorsed at the third Pan-European Transport Conference at Helsinki in June 1997. Projects to be financed by ISPA as a priority need to be on the backbone network, as identified by TINA (Transport Infrastructure Needs Assessment) exercise, but can also relate to projects on the rest of the TINA network.

Technical adaptations were undertaken with the Candidate Countries on Decision 1692/96/EC (guidelines for the development of the TEN-T network). The base for this technical adaptation has been the "TINA" network. When a Candidate Country becomes a Member State this network will form a part of annex 1 the TEN-T guidelines.

⁶ Community guidelines for the development of the trans-European transport network.

Table 3: ISPA Budget 2001 – Transport sector by sub-sector

Sub-Sector		
	ISPA Funds €	% ISPA funds/ sector
Road	303 699 301	57.52%
Rail	210 662 746	39.71%
Airport	12 000 000	2.26%
Rail/Road	4 158 400	0.78%
Total ISPA Budget Transport Sector	530 520 447	47.83%

The ISPA funds spent in the Transport Sector have focused on the extension and improvement of the TINA (Transport Infrastructure Needs Assessment) network, in order to facilitate the connections between the European Union and the Accession countries. Over half of the ISPA Budget for the transport sector in 2001 was dedicated to road projects including new construction and improvements to meet EU capacity and safety standards. About 40% of the funding was assigned to rail projects involving primarily the rehabilitation and upgrading of existing infrastructure to EU standards.

1.3. Technical Assistance – Project Preparation

Project preparation during 1999 and 2000 was mainly financed by the Phare Programme and bilateral aid from Member States. Some projects proposed for funding in 2001 were still prepared in this way, however certain Candidate Countries began in 2000 to use ISPA TA funds for project preparation.

By the end of 2001, 30 TA measures for project preparation were decided – this is separate from TA for EDIS - with a total eligible cost of € 59.9 million (in 2001 the Commission decided on 18 TA measures with a total eligible costs of € 47.9 million). These funds will be used to prepare investment projects for presentation to the Commission for ISPA funding. TA has been an effective mechanism supporting project investments funded by ISPA that helps to ensure to high level project quality, particularly in terms of preparation, management and impact.

The development of a strong and high-quality project pipeline is essential for ensuring the Commission receives a sufficient number of suitable projects, to be presented in 2002 and beyond. The preparation of a strong project pipeline is not only essential for ISPA, but also for the Cohesion Fund for those ISPA beneficiary countries that will join the EU in the first wave. With the Cohesion Fund, Community assistance for infrastructure projects similar to those financed through ISPA will substantially increase. Some Candidate Countries already use ISPA TA funds to finance preparatory studies for projects to be submitted to the Cohesion Fund.

1.4. Technical Assistance - EDIS

The objective of the Commission is that Candidate Countries likely to join the EU in 2004 will mostly operate under the Extended Decentralisation Implementation System (EDIS) in the course of 2003. The Candidate Countries concerned are

currently at the first stage of the implementation of EDIS, the ‘gap assessment’ (as defined in a ‘Road Map to EDIS for PHARE and ISPA’) proposed to Candidate Countries in 2001.

The Commission made available TA funds in order to prepare for EDIS. These funds were approved for the National Authorities in Estonia, the Czech Republic, Poland, Latvia and Lithuania. In the case of Bulgaria, Phare funds are currently allocated to the setting up of EDIS. Hungary, Romania, Slovakia and Slovenia have recently requested such TA funds and will benefit from them in 2002. This assistance will also help in strengthening the implementation structures for the Cohesion Fund.

1.5. Implementation and payments

The projects that ISPA finances are large infrastructure projects that are implemented over several years. They require a certain lead time for preparatory work so as to ensure efficient and proper project implementation. Actual implementation progress on the ground requires, as with any major public infrastructure investment, very detailed preparations, including tender dossiers, and procedures (with the strict application of Community procurement rules). The preparation of high-quality tender documents requires highly skilled expertise, which need building up in Candidate Countries. The tender process for large infrastructure contracts takes, at best, nine months from the publication of a procurement notice to the signing of the contract.

Furthermore, it must be noted that from a legal point of view, ISPA funds only became available in January 2000. For administrative reasons the Commission could only formally decide on the first ISPA measures in the last part of 2000. With the signature of a Financing Memorandum by the Commission (usually signed on the same date as the Decision) expenditures for an ISPA measure become eligible for ISPA funding. Contrary to the Structural Funds and the Cohesion Fund, the Financing Memorandum for a particular measure needs to be countersigned by the national authorities, which in turn must follow their respective constitutional procedures, in some cases involving ratification by Parliament. This is a process, which has proven in the past to take several months, whereby control is entirely outside the powers of the Commission. Only once the Financing Memorandum is counter-signed, can payments be made. The Commission has encouraged Candidate Countries at several occasions to speed up this process, and it is hoped that for projects decided in 2002, the limit between decision and the claim for the first advance will substantially be reduced.

It is therefore not surprising that the first substantial payments were only made in 2001, which total around € 200 million in that year, as the first ISPA projects were decided not much before the end of 2000. These payments include 21 % of the amounts committed in 2000.

ISPA payments in 2001 were mainly advanced payments and these are divided in two parts:

- The first part, normally 10 % of the ISPA assistance is paid to the National Fund in the Candidate Countries at their request after the signature of the Financing Memorandum.
- The second part, normally a further 10 % is released upon fulfilment of certain strict conditions in the implementation cycle such as the award of the first

significant contract comprised in the project, usually a works contract. These conditions are often linked to environmental measures (such as on the completion of the public consultation procedure), technical clarifications, and – most importantly – the establishment of proper project implementation and supervision structures. The payment of the second tranche of the advance reflects real implementation progress on the ground.

Further intermediate payments are paid according to implementation progress (to contractors). Reflecting the early stages of implementation, the Commission has only received a very limited number of intermediate payment claims.

Table 4: project payments scale

Year	Total n° of projects	Projects: 1 st advance	Projects: 2 nd advance	Projects: intermediate	Projects: payment
2000 projects	75	49	7	7	12
2001 projects	94	12	1	3	78
Total	169	61	8	10	90

Table 5

Sector	Payments in 2001		
	Projects committed in 2000 - €	Projects committed in 2001 - €	Total €
EDIS	0	43.576	43.576
Environment	65.933.074	14.105.978	80.039.052
Transport	105.548.396	11.109.174	116.657.570
Total	171.481.470	25.258.728	196.740.198

At present, the procedures for managing measures financed by the ISPA fund require *ex-ante* control, i.e. decisions concerning procurement and award of contracts are taken by the contracting authority and referred to the EC Delegation in the beneficiary country for endorsement.

The DG Regional Policy ensured punctual strategic, and ad hoc advice to the colleagues in the Delegations (responsible, according to the de-centralisation policy of the Commission, for the decisions concerning project implementation) on procurement matters.

2. TECHNICAL ASSISTANCE AT THE COMMUNITY'S INITIATIVE

Overview

The allocation provided under B7 - 020A for the year 2001 amounted to € 19.44 million. Of this amount, the Commission committed € 12 million for activities to be carried out for a period of three years, with disbursement foreseen until end of 2004 (Action Programme 2001). In addition, a contract was signed for revising the application process for environmental projects.

As in 2000, the funds that were not committed for TA measured were transferred to budget line B7-020 and made available for investment measures in the beneficiary countries (€ 7 392 169).

The priorities that are addressed through the Action Programme include:

- (i) to improve the quality of project selection, preparation and appraisal;
- (ii) to facilitate project implementation;
- (iii) to launch and assist the decentralisation process;
- (iv) to elaborate on financial engineering;
- (v) to strengthen information and communication.

The far-reaching scope of these priorities mean that it cannot be expected that the objectives will be fully achieved in one year. The Commission therefore proposed to cover with this Action Programme a period of three years (2001 - 2003).

2.1. Activities in 2001

2.1.1. Action Programme 2001

According to Article 11 (2) CR 1266/99 governing the co-ordination of aid in the pre-accession framework, expenditure related to monitoring shall be eligible for assistance from the Community budget. Consequently, the Commission concluded Financing Memoranda with the national authorities in Candidate Countries to provide financial assistance for certain organisational expenditures of Monitoring Committees. Eligible expenditures include interpretation and translation, leasing of rooms, necessary electronic equipment, travel expenditure for participants coming from outside the location of scheduled meetings, support for the elaboration of monitoring guidelines, and other expenditures necessary for ensuring the smooth operation of the Monitoring Committees.

Total amount allocated for this activity: € 1 000 000.

Supplementary support to EC Delegations

Under the 2000 TA measures for reinforcing the Delegations, resources were made available to recruit additional staff and cover related administrative costs. These resources cover a period of 3 years. The actions continued in 2001 (see below).

Under the 2001 TA funds, additional resources were made available for small-scale technical assistance (SSTA) and, short-term expertise managed by the Heads of Delegation. This technical assistance serves to assist the Commission with (*extra muros*) support for a broad range of expertise including verification of tender documents, supervision of tendering and evaluation procedures, contract preparation, supervision and control of implementation, ad-hoc and small-scale training of the implementing authorities in the beneficiary countries, and country specific information/communication about ISPA related issues.

Total amount for this activity: € 3 500 000.

Framework contract for Public-Private Partnership (PPP)

Given the specificity and complexity of PPP schemes, there is a need for the Commission to have access to specialised consulting firms. Consequently, a multiple framework contract was signed in 2001 with suitable and reputable international consulting firms with experience in assisting countries and institutions in privatisation and concessions. The contract, similar to the technical framework contracts concluded in 2000, allows on a case by case basis to mobilise appropriate human resources for assisting in the identification, appraisal implementation and monitoring of PPP-projects.

This action allows the Commission to rely also on outside support for developing guidelines for dealing with the complex issues involved in PPP schemes such as:

- the choice of the most appropriate type of PPP (BOT [build, operate and transfer], operational concession, privatisation, etc);
- selection of the concessionaire and private partner, respecting the basic principles of transparency, equal access and competition;
- review and advice on concession contracts;
- the monitoring of the implementation of the PPP scheme in order to ensure that the public interest and objectives of PPP schemes are safeguarded.

Total value of the contract: € 3 100 000.

Seminar and training sessions

In order to make applicant countries more familiar with the various concepts of Private Public Partnerships and inter-municipal co-operation in the management and financing of public utilities, the Austrian “Federal Ministry for Agriculture, Forestry, Environment and Water Management” and the Commission (DG Regional Policy and DG Environment) organised a joint seminar in Vienna on 17 and 18 September 2001 with participants from many countries both within the existing European Union and the Candidate Countries. The conference was a good example of sharing experiences between countries and providing the accession countries with new and useful insights based on previous experience.

Experts and professionals from various member states presented a number of co-operation models from their countries. From the models described, the balance between the roles of the state and the private sector differs considerably. There was considerable interest at the conference in the strengths and weaknesses of different kinds of organisation and considerable discussion about the reasons for this diversity in organising and managing basic environmental services within Europe.

One important lesson, which was learned from this seminar, is that there is no universal model of co-operation and no single best-practice example was recommended as the most suitable approach to finding private sector partners. For those responsible for environmental management in the applicant countries there are a number of options for increasing investment and improving efficiency, but each solution must be adapted to the needs and circumstances of each country.

Total value of the grant agreement: € 77 740.

Quality enhancement for environmental project applications

Specialised services were contracted to improve the understanding and the quality of applications in the water sector – the area which receives the largest share of assistance in the environmental sector. The emphasis of work was on environmental issues relating to the design of water projects.

Total value of the contract: € 47 831.

Some of the activities of the Action Programme to be organised for 2002 onwards

In early 2002, DG Regional Policy organised additional information events that were financed by the Action Programme. In January 2002, DG Regional Policy invited national authorities involved in the ISPA process to an “ISPA Partner Meeting” to take stock of the experience gained during the first two years of ISPA and to define near-term priorities related to programming and implementation, and in particular as regards financial management and control issues.

In Spring 2002, DG Regional Policy and DG Environment organised two seminars (in Riga and Prague) to bring together national experts involved in the ISPA process and water officials with responsibilities for implementing the relevant criteria of the *“acquis communautaire”*. The focus was to discuss the possibilities of using ISPA funds (and upon accession, the Cohesion Fund) for preparatory work required under the new Water Framework Directive. Consequently, the focus of the Water Framework Directive workshops was on linking the process of integrated river basin management planning, as required by the newly adopted Water Framework Directive and the process of allocating ISPA funds for improving the quality of water in Candidate Countries.

Early in 2002, DG Regional Policy signed framework contracts for communications and public relations activities for the Cohesion and Structural Funds, as well as for ISPA. ISPA’s contribution was committed from the Action Programme.

2.1.2. Activities already started in 2000 and still ongoing

- Local technical assistance (Deconcentration). In 2000, € 7 million was allocated for the reinforcement of the EC Delegations with qualified technical staff. The commitment is designated to pay the local staff reinforcement, for a period of up to three years. In 2001, about 40 specialised technical staff were recruited to reinforce the delegations’ procurement and supervision capacity.
- Framework contracts for specific technical tasks:
 - Two framework contracts were signed in 2000 and funds committed from the 2000 budget. In 2001, a total of € 112 410 were paid out.
 - Framework contract with the European Investment Bank (EIB): a contract with the EIB was entered into in 2000, securing access to the expert knowledge of the bank's technical staff for a duration of six years. The European Regional Development Fund (ERDF) and

the Cohesion Fund have entered similar parallel arrangements with the Bank.. The budgetary commitment for this assignment was € 210 000.

- Seminars on the Environmental Impact Assessment Directive : in 2001, seminars were organised to enhance the understanding of the national authorities on the requirements of the EIA Directive (see section 3). € 33 434 was paid in 2001 for this activity.

Table 6: Budgetary allocations and payments for technical assistance - 2001

Company	Type of contract	Area	Commitment	Contracted amount (€)	Payments authorised in 2001(€)
Aquaplus	Contract	Env. Guidelines	47 831	47 831	23 915
Action Programme 2001		Commission Decision	12 000 000		
NIC/NAO	Grant financing	Monitoring Committee		1 000 000	
EC Delegations	Sub-delegation	Supplementary support to EC Deleg. (SSTA)		3 500 000	
PARSONS & Brinckerof Cowi Agriconsulting Deloitte & Touche	Multiple framework -contract	PPP		3 100 000	
Austrian Ministry of Environment	Grant financing	Seminar Co-operation Models for Environmental Infrastructure Projects		77 740	58 305
		Total Action Programme	12 000 000	7 677 740	58 305
		TOTAL	12 047 831	7 725 571	82 220

Table 7: Budgetary allocation for technical assistance - 2000

Company	Type of contract	Area	Contracted amount 2000 (€)	Payments authorised in 2001 (€)
10 EC Delegations	Sub-delegation	Recruitment of personnel	7 000 000	433 570
Kampsax	Framework	Transport	2 000 000	287 335
Brown & Root	Framework	Transport		
Tractebel	Framework	Environment	2 000 000	246 749
Halcrow	Framework	Environment		
EIB	Framework	Project evaluation	210 000	30 000
EIA Seminars in beneficiary countries	Contract	Environment	47 891	33 434
		TOTAL	11 257 891	1 031 087

Specific action points in 2001

3. FINANCIAL MANAGEMENT AND CONTROL

It is a joint responsibility of the Candidate Countries and the Commission that the Community assistance made available under ISPA - € 7,280 million during the period 2000 to 2006 or € 1,040 million per year (in 1999 prices) - is well managed and well spent.

EC Regulation 1267/1999 prescribes⁷ that Candidate Countries should have established by no later than 1 January 2002 an adequate management and control system that can ensure:

- Proper implementation of the ISPA assistance;
- Separation of the functions of management and control; and
- Accurate expenditure declarations, emanating from accounting systems based on verifiable supporting documentation.

The regulation further requires the Candidate Countries to verify that measures have been properly carried out, to prevent irregularities, take actions against them and to recover any amounts lost as a result of irregularity or negligence.

EC Regulations are not directly applicable in Candidate Countries and these requirements are therefore included and expanded in Annex III of each Financing Memorandum.

For all 10 ISPA Candidate Countries, in the period October 2001 until January 2002, systems audits were carried out by the Commission with the objective to assess to what extent the Candidate Countries have established management and control systems that comply with the requirements of Annex III of the Financing Memoranda, to assess the adequacy of these systems and to provide recommendations.

The results of the audits indicate that the Candidate Countries have made significant efforts in setting up management and control systems and that generally there has been good progress towards meeting the requirements of Annex III of the Financing Memoranda. However, further serious steps need to be taken in a number of key areas to deal with the general weaknesses identified below:

- Internal audit does not yet function well in practice, often due to a lack of staff resources and experience;
- It is (in a number of countries) not clear how and by whom checks will be carried out on expenditure to be claimed from the European Commission for reimbursement of interim payments;

⁷ EC No 1267/1999 of 21 June 1999 article 9 (1).

- Lack of a proper segregation of functions between accounting, payment and audit;
- Use of different accounting and reporting systems in the different bodies involved in the execution of a measure;
- Many amendments and additions to the management and control systems have been made. There is a clear need for the NAO in some cases issue a complete package of the Implementation Paper that provides a full and updated description of the management and control system in use in the Candidate Countries;
- Lack of close co-operation and co-ordination between the different ISPA bodies;
- Need for detailed Procedure Manuals in each ISPA body, describing practically the steps for the performance of the different tasks;
- Lack of procedures that can ensure appropriate treatment of irregularities (prevention/detection/recovery/reporting);
- Need to finalise agreements between NAO/SAO (Sectoral Authorising Officer) and SAO/Implementing Agencies that establish the delegation of tasks and the reporting; and
- Need to develop a system of on the spot checks to verify the adequacy of the management and control systems and to check – on a sample basis - project expenditure.

Candidate Countries are now addressing the observations and recommendations included in the audit reports. In 2002 the Commission audit services will follow up on these actions. Also the topics not covered in the first round of missions such as tendering and contracting and the supervision of Final Beneficiaries will be subject of audit in the next round. Finally, financial audits – with the objective to provide reasonable assurance on the legality and regularity of expenditure made in the beneficiary countries – will be started up in the course of 2002.

4. ENHANCING THE UNDERSTANDING OF ENVIRONMENTAL IMPACT ASSESSMENT DIRECTIVES

Projects need to be in line with the main EC environmental policy principles, in particular those concerning preventive action, damage rectified at source and the polluter pays principle. There is also an emphasis on the obligation of combining individual infrastructure development within a broader management plan.

One key element of environmental legislation to be observed in transport and environment projects is the Environmental Impact Assessment (EIA) Directive 85/337/EEC as amended by 97/11/EC. This sets out the legal basis for the assessment of potential effects of large infrastructure projects on the environment and is taken as a reference when assessing compliance in this area of the proposed projects.

It is important to note that the construction of transport and environmental infrastructure eligible for ISPA is in general covered by either Annex I (under which an EIA is compulsory) or by Annex II (under which national authorities have to

decide whether a full EIA is necessary, on the basis of pre-defined criteria) of this directive. An important requirement of the EU Environment Impact Assessment Directives is the consultation of the population concerned, as well as the relevant environmental authorities. From the outset, and in the absence of a concrete legal basis aligned with the EU *acquis* requirements in most of the beneficiary countries, the Commission insisted on some minimum standards to be fulfilled during the different stages of the environmental assessment procedures. In this way, during the course of 2001, most countries will have completed transposition of the EIA Directives (85/337/EEC and 97/11/EC), but continuous checks and concrete advice and support from the Commission are still necessary in order to ensure proper implementation of the rules. EIA procedures are complex, not only because of the technical nature of the necessary impact studies but also because of the need to coordinate and involve many different actors, and can take a long time to be completed. Proper timing and an early start to the procedures are therefore essential in the context of ISPA applications and this is an aspect where countries need to improve.

Another important element related to this analysis of potential environmental impacts of ISPA projects, is the assessment of potential effects on environmentally sensitive areas from the point of view of nature protection. In order to avoid irreversible damage to areas that might become part of the future Natura 2000 network in the beneficiary countries (following implementation of directives 79/409/EEC on the protection of wild birds and 92/43/EC on the protection of habitats), an adequate analysis is requested for each project. To facilitate this analysis, in 2001, the Commission prepared a new version of the Annex I of the ISPA application form. This now includes a more specific questionnaire on the potential impacts to future Natura 2000 areas, in line with the current practice for member states in the context of Cohesion and Structural Fund projects.

To enhance the understanding of national authorities as regards the requirements of the EIA Directive and consequently to improve the quality of funding applications, the Commission funded in 2001, 10 thematic seminars. The objective was to build on the experience gained during the first year of ISPA and to improve the way the authorities in the beneficiary countries carry out EIA studies. Following this, the recommendations produced would then be used in the tendering and contracting phase. The ten seminars were attended by Candidate Countries Ministry representatives, by staff from the Implementing Agencies (the national body responsible for project implementation) who manage the project cycle from the feasibility studies to the tendering and contracting phase and by Commission Officials. Local stakeholders were also involved in the organisation and attended some of the activities. An international consultant delivered general information on the EC Directive and the EIA procedure and produced certain experiences that allowed for overall stock-taking. In particular cases from the experience of the Cohesion Fund process were highlighted. Where possible, the seminars were attended by representatives from the EIB, EBRD and World Bank. These IFIs have shown a strong interest in participating in the development of the ISPA pipeline in all ten Candidate Countries.

5. PUBLIC PROCUREMENT

Measures financed by the Commission with the ISPA fund must be compatible with Community policies; in particular, they must comply with competition and public procurement rules. This relates, more specifically to respect for the principles

concerning tendering rules. In this context, the principles laid down in the provisions of Title IX of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities, must be applied. In addition, each Financing Memorandum concluded with the beneficiary country for a specific project contains in the annexes specific reference to detailed rules on tendering and contracting procedures.

Since the beginning of 2001, the procurement rules which beneficiary countries are obliged to follow for service, works, and supply contracts have been detailed in the “Practical Guide to Phare, ISPA & Sapard Contract Procedures” (PRAG). This does, however allow for the use of “FIDIC” (Fédération internationale des ingénieurs-conseils) conditions of contract for works projects. Limited to beginning of the year 2001, some procedures were authorised to be completed under the previous DIS system as well.

It should be noted that the use of FIDIC conditions of contract allows for the differentiation of projects in which the onus of design and responsibility are best placed on the contractor who therefore has the obligation to deliver accordingly on certain performance criteria (Design and Build Conditions of Contract). These conditions are most suited for certain kinds of works, particularly in the environment sector.

Almost all works contracts are coupled with a service contract for independent supervision (the “Engineer” in FIDIC terminology) who provides appropriate professional independent control in order to ensure the smooth and controlled execution of works.

6. MODIFICATIONS TO THE LEGAL FRAMEWORK

In 2001 there were two modifications of the legal framework in which ISPA operates. These modifications essentially relate to the eligibility of tenders to bid for ISPA contracts.

Council Regulation (EC) No 2500/2001 [Regulation concerning pre-accession financial assistance for Turkey and amending Regulations (EEC) No 3906/89, (EC) No 1267/1999, (EC) No 1268/1999 and (EC) No 555/2000].

Council Regulation (EC) No 2500/2001 of 17 December 2001 concerning pre-accession financial assistance for Turkey amends Regulation (EC) No 1267/1999 by extending the eligibility of participation in ISPA tendering to Cyprus, Malta and Turkey.

Article 12/3 of Council Regulation No 2500/2001 modifies Council Regulation No 1267/1999 (the ISPA Regulation) by inserting a new paragraph to Article 7 which extends to eligibility to participate in invitations to tender and contracts to natural and legal persons of the said countries on the same terms that apply to all natural and legal persons from the Member States and the beneficiary countries. This regulation which entered into force on 30 December 2001, modifies also the other two pre-accession regulations for Phare and Sapard.

This amendment to the ISPA Regulation must be applied to measures already approved for ISPA financing through a corresponding amendment to the Financing

Memoranda that were concluded in 2000 and 2001. These modifications of the Financing Memoranda are undertaken in the first half of 2002.

Council Regulation (EC) N° 2382/2001 amending Council Regulation (EC) N° 1267/99 establishing an Instrument for Structural Policies for Pre-Accession.

After the first year of implementation of ISPA, it became necessary to carry out a technical modification of the Council Regulation establishing this Instrument.

In managing ISPA the Commission seeks - in line with the principle established in the ISPA Regulation - co-financing from international financing institution. This co-financing appreciably improves the quality of project preparation (IFI appraisals), strengthens the leverage effect obtained with Community credits and better ensures effective implementation.

However the majority of these banks (especially EBRD, the World Bank, Nordic Investment Bank etc.) are obliged to apply open public tender procedures to third country nationals, procedures which are incompatible with the provisions of the Financial Regulation applicable to the general budget of the European Communities. As a result, there is a considerable risk that this co-financing may not be taken into consideration as a complement to (or eligible counterpart of) ISPA support.

The applicant countries, given their limited budgetary resources, have significant recourse to international banks to find the counterpart necessary to ISPA funding. The inadmissibility of co-financing provided by international banks as expenditure eligible under ISPA therefore jeopardises the financial set-up and subsequently the implementation of a high proportion of projects proposed to ISPA.

The solution to this problem was to have inserted in the ISPA Regulation a provision allowing in accordance with Article 114 § 2 of the Financial Regulation applicable to the general budget of the European Communities, that in exceptional cases, nationals of third countries may participate in tenders on projects receiving external aid financed from the Community Budget.

This modification should also permit the counterpart financing provided by the international financial institutions to be considered as expenditure eligible under ISPA, each time that this counterpart is indispensable for the co-financing of the ISPA project and even where it arises from public tendering procedures open to third countries (in accordance with the rules to which these financial institutions are bound). The Commission examines the measures concerned on a case-by-case basis and where justified applies the derogation as provided for in Article 6a (2) of the ISPA Regulation as amended.

When the Parliament examined the Commission's proposal to amend the ISPA Regulation with regard to the eligibility rules in the case of IFI-cofinancing, the Parliament delivered a positive opinion but proposed certain amendments concerning financial control and the handling of irregularities. Taking up the concerns expressed by the Parliament, which are fully shared by the Commission, it issued a declaration at the adoption of the amendment by the Council in which the Commission confirmed the reinforcement of the conditions to combat fraud and irregularities which are already foreseen in the Financing Memoranda. Following this request, the Commission is revising in 2002 the relevant annex of the Financing Memorandum to

align it closely with the provision of the draft Commission Regulation⁸ laying down detailed rules as regards the management and control system for assistance granted from the Cohesion Funds and the procedure for making financial corrections to such assistance. With these modifications, to be introduced in 2002, the Commission will strengthen the provisions for the management and control system and the reporting of irregularities, but also reduce the differences that exist between ISPA and the Cohesion Fund. By narrowing the gap between these two financing instruments the Commission will achieve an additional benefit which will facilitate the transition from ISPA to the Cohesion Fund upon accession.

7. PREPARATION FOR “EDIS” (EXTENDED DECENTRALISED IMPLEMENTATION SYSTEM)

Article 12 (2) of Regulation 1266/1999, gives the Commission the power to confer on implementing agencies in Candidate Countries management of aid on a decentralised basis and to waive the requirement of ex ante approval for tendering and contracting procedures. This is known as the “Extended Decentralised Implementation System” – EDIS. The exercise of this power by the Commission is subject to the satisfaction that specific conditions and criteria have been met by the implementing agency(ies) concerned. These requirements cover notably effective internal control, an independent audit function, an effective accounting and financial reporting system, adequate staffing arrangements and respect for the principle of separation of powers. In addition, national procurement rules must be endorsed by the Commission as meeting the requirements of Title IX of the Financial Regulation.

The Commission sent to Candidate Countries in December 2000 the document “Preparing for Extended Decentralisation of PHARE and ISPA Programmes” which sets out guidelines and checklists to assist in the preparation for meeting the conditions for EDIS. During 2001 the Commission prepared a further document giving a more detailed explanation of the procedural stages leading to EDIS. This document “Roadmap to EDIS for ISPA and PHARE” was discussed with candidate countries and formally sent out in its final form in October 2001. It sets out the four stages: gap assessment / gap filling / compliance assessment and / preparation for Commission decision.

For the first 3 stages for ISPA, technical assistance is available. By the end of 2001, five decisions for technical assistance support had been taken (Estonia, the Czech Republic, Poland, Latvia and Lithuania) and 4 were in the pipeline.

Whilst the Candidate Countries are strongly encouraged to move toward EDIS and are supported in this process, it should be recalled that they are in any event responsible for the setting up of adequate management financial control systems by virtue of Article 9 of Regulation 1267/1999 (see section 6).

⁸ Draft Commission Regulation laying down detailed rules for the implementation of Council Regulation (EC) N° 1164/94 as regards the management and control systems for assistance granted from the Cohesion Fund and the procedure for making financial corrections to such assistance.

8. PROJECT MONITORING

All ISPA projects are subject to the provisions of the ISPA Regulation and the Financing Agreement for each ISPA measure in respect of both monitoring and evaluation. Implementation progress is reviewed systematically and periodically by Commission services, in particular through the Monitoring Committees. They are organised twice a year by the national authorities.

Statistical data to monitor the physical and financial progress serves as useful indicators with which to assess the effectiveness of implementation, and in addition to offer an evaluation of the broader economic and social impacts of ISPA.

The National ISPA Co-ordinator (NIC) is responsible for the organisation of the Monitoring Committees.

The main responsibilities of the Committee include:

- monitoring the overall implementation of ISPA projects in the country;
- monitoring the implementation of each ISPA project in the beneficiary country; this monitoring shall use financial and physical indicators;
- examining progress reports, and approving the annual progress reports;
- proposing (for submission to the Commission) any adjustments in terms of amounts and conditions which may be required on the basis of the outcome of the monitoring;
- deciding, with the agreement of the Commission, any additional responsibilities for the Committee.

The first two rounds of Monitoring Committees were organised in 2001 in all Candidate Countries. Summaries from these meetings are communicated to the ISPA Management Committee.

9. THE EVOLUTION OF CO-FINANCING

The ISPA Regulation sets a ceiling for the contribution of ISPA funds for measures. The rate of Community assistance may be up to 75 % of public expenditure. In exceptional cases the assistance rate may be increased to 85 %, even to 100 % in case of TA projects at the initiative of the Commission. The rate of assistance shall be reduced to take into account of the availability of co-financing (and the revenue-generating potential of the investment).

The sources for co-financing are essentially contributions from the national budget or municipal sources (usually in the case of environmental projects). The EIB and other International Financial Institutions, in particular EBRD, continued to remain key partners for providing co-financing. An additional asset of co-financing with these international lending institutions is certainly their expertise in project implementation. With both IFIs, the Commission met regularly both on horizontal level to discuss and co-ordinate policy issues related to programming and implementation, and on country level. As far as possible, joint project identification

and appraisal missions are organised for those sectors and projects for which co-financing is thought. Several such missions were undertaken in 2001.

In 2001, the average grant rate was about 64 % for all projects (almost the same as for 2000), thereby achieving significant leverage already in the first operational years of ISPA.

The actual rate of co-financing for transport investment projects range from 44 % for a rail project in Lithuania to 75 %. For environmental investment projects, the grant rates range from 47% for a drinking and waste water project in Lithuania to 75 %. As in 2000, there were no projects for which a grant rate of 85 % was applied (but this higher rate was applied for some TA projects).

European Investment Bank (EIB)

The results of the first two years of co-operation between ISPA and the EIB are very positive. This co-operation has taken place at two different levels. First of all, several co-ordination meetings were held during the first two years of implementation of ISPA in order to set up the working framework and make the Co-operation Agreement (signed in 2000) operational. The aim of the agreement was to set up the basis for successful co-operation between the Commission and the EIB, in order to identify how best to combine ISPA grants with loans provided by the EIB. The main objective was to maximise the leverage effect of the EC grants and to especially target the EC budget resources towards those projects that require a larger grant contribution.

Secondly, at the project level, the exchange of information was carried out at a very early stage in the procedure of project identification in order to identify possible proposals for co-financing. Collaboration with the EIB resulted in the joint co-financing of several projects in 2001 (see table 8).

In such cases, proposals submitted by the Candidate Countries are appraised by both institutions and the results shared by them during the assessment process. However, in this context it is important to mention some initial difficulties in achieving this efficient co-operation between ISPA and the EIB. These include *inter alia* the complexity of both ISPA and EIB procedures, the problem of timing when the decision-making procedures of both institutions do not run in parallel and the need for the relevant beneficiary country to deal with both institutions on a timely basis to optimise the utilisation of the Commissions' and the banks' resources for its projects.

In the case of the projects that are not co-financed by the EIB, the Co-operation Agreement foresees that the EIB may be consulted or invited by the Commission to participate in appraising some ISPA projects. This allows the Commission to benefit from the EIBs technical assistance. During 2000 and 2001, 19 "first reactions" were sought from the EIB (see table 9).

Table 8: 2001 ISPA Projects co-financed by the EIB

ISPA Projects Co-financed by the EIB		
Country	Transport Projects	Environmental Projects
Bulgaria	Plovdiv-Svilengrad railway – upgrading and electrification	None
Estonia	None	Parnu landfill – waste management ; Tartu Sewage.
Hungary	None	Miskolc waste water treatment plant ; Extension of the sewerage system of Pecs and protection of vulnerable water ressource area ; Communal Solid Water Management system in Mid-Danube-Tisza Region ; Regional Municipal Solid Waste Sajo Bodva Valley ; Sovpron Sewerage and Sewage Treatment ; Development of Municipal Waste Management in Tisza Lake (Through a framework loan).
Latvia	None	Eastern Latvian River Basins ; Jurmala Water.
Lithuania	Modernisation of Telecommunications, Power supply and Signalling on Crete Corridor No IX B.	Alytus Regional Waste Management ; Taurage Regional Waste Management ; Jonava waste water treatment plant ; Neringa town drinking water and waste water treatment; Extension of Kaunas waste water treatment plant; Siauliai Regional Waste Management ;
Poland	Expressway Corridor VI Bielsko Biala – Cieszyn ; Expressway A4 Corridor III (Wroclaw-Krzywa) ; Railway bottlenecks	Warsaw waste water (phase 1) and Lodz waste water (phase 1) through global loan.
Romania	None	Braila sewage network and waste water treatment plant Pascani, water supply, sewerage network and waste water treatment plant Cluj water supply Focsani sewage network and waste water treatment plant
Other ISPA Candidate Countries	None	None

**Table 9: List of first reaction executed by the EIB within the framework contract
Year 2000-2001**

Bulgaria	Transport: 1 Environment: 3	4
Estonia	Environment: 1	1
Hungary	Transport: 1 Environment: 2	3
Romania	Transport: 1 Environment: 4	5
Slovakia	Environment: 5	5
Slovenia	Environment: 1	1
Total reactions	Transport: 3 Environment: 16	19

European Bank for Reconstruction and Development (EBRD)

The good working relationship with the EBRD established at the beginning of ISPA continued in 2001. There were regular exchanges of information and co-ordination meetings, continued harmonisation of approaches to the appraisal of projects and also detailed discussions of methodological issues. The Commission had known since 2000 that it was necessary to modify the ISPA Regulation to enable expenditure financed by the EBRD to be considered as matching eligible expenditure. This modification was completed in December 2001 ensuring that projects could be financed by combinations of ISPA and loan finance from the EBRD (see chapter 7).

The EBRD's specialist skills in structuring grant/loan combinations of funding, including public-private partnership arrangements, continued to be useful in preparing projects supported by ISPA. The EBRD can lend directly to municipalities and utility companies without a sovereign guarantee which adds an additional element of flexibility to co-operation with ISPA.

The number of projects which ISPA and the EBRD will co-finance differs greatly from sector to sector and from country to country. For 2001, the projects in which ISPA and the EBRD co-operated are as follows:

Table 10: 2001 ISPA Projects Co-financed by the EBRD

ISPA Projects Co-financed by the EBRD		
Country	Transport Projects	Environmental Projects
Lithuania	None	Extension of Kaunas Wastewater Treatment Plant for Biological Treatment and Network Extensions, Lithuania: the EBRD is responsible for part of the network extensions included in this project: however, for administrative simplicity it has been decided that the EBRD element will be treated as non-eligible cost for the purpose of ISPA grant rate calculation.
Poland	None	Gliwice: waste water treatment plant, Rybnik: waste water treatment EBRD was involved in structuring possible private sector participation in a water project in Poznan
Romania	None	Oradea: sewerage and waste water treatment Targu Mures: water treatment, sewerage and waste water treatment plant. Arad: waste water treatment plant
Other ISPA Candidate Countries	None	None

Other financial institutions

Information at project level was again exchanged in 2001 with the Nordic banks and other institutions. The collaboration with the Nordic Investment Bank (NIB) and with the Nordic Environment Finance Corporation (NEFCO) resulted in the joint co-financing of three measures in Latvia. This entails a total expenditure of € 94.94 million, to which the NIB contributes € 3.411 million and NEFCO € 3.116 million. The Swedish International Development Co-operation Agency (SIDA) finances a parallel twinning arrangement with the solid waste company of the Liepaja region in Latvia. Preparation of projects was also supported in Lithuania: SIDA for the Kaunas WWTP, the Finnish Ministry of Environment for Klaipeda's waste management and DEPA for Vilnius' waste management.

Table 11: ISPA Projects co-financed by the NIB and the NEFCO

Country	Transport Projects	Environmental Projects
Latvia	None	Liepaja Solid Waste (NIB) Ziemeļvidzeme Solid Waste (NIB) Eastern Latvian River Basins (NIB and NEFCO)

In addition, there is one measure in Latvia that involves parallel co-financing with the World Bank (€ 2.378 million - Liepaja Solid Waste).

Public Private Partnerships

One possible solution for mobilising additional funds is to involve the private sector in the provision of public services. This is one of the reasons for which some countries are now beginning to use Public-Private Partnership (PPP) arrangements.

Another important factor for involving the private sector into the ISPA process is the experience that reputable international operators and utility firms can provide. PPP-schemes therefore should generally enhance operational and managerial efficiency.

This trend has gathered momentum as medium-sized and smaller towns and cities have to comply with Community legislation for higher drinking water quality, cleaner waste water treatment and better waste management. But also in the transport sector, the involvement of private partners in the operation, management and investment is becoming an important factor.

Consequently, such PPP-schemes are becoming more and more important also in the framework of ISPA activities. However, there are particular situations where the question is how far the ISPA grant can go into a privatisation situation with the complication of existing concessions already awarded without the necessary guarantees in terms of transparency and fairness. An additional issue is that ISPA should not replace private partners, thus remaining truly 'additional'.

In the case of Candidate Countries, there is certainly a need to provide advice to municipalities and other public entities seeking private partnership arrangements.

It is recognised that there are cases in which there may be a risk whereby the benefits of an ISPA grant are accrued by the private company rather than by the public, e.g. if the national authority has privatised assets with the view that the private investor provides the investment to achieve compliance with environmental legislation or undertaking modernisation. There is the risk that these investments are already calculated into the selling price. Therefore, providing an ISPA grant would effectively mean paying twice.

The EU principles on the public procurement procedure must be followed by all Implementing Agencies in the beneficiary countries in the area of PPP for projects co-financed with ISPA funds.

The extreme weaknesses of the regulatory powers in the Beneficiary Countries was mentioned as a risk building factor against a completely de-regulated approach to markets: during the execution of a concession contract the powers could end up being extremely unbalanced on the side of the Concessionaire. This situation in terms of handling of the contractual parameters such as tariffs could be very dangerous if the regulatory authority does not have the required expertise and capacities to cope with complexity and change.

To address these deficiencies, the Commission mobilised in 2001 a framework contract for € 3.1 million after an open international procedure to analyse, advise and assist the Commission and the public authorities on dealing with PPP issues relevant for ISPA projects (see table 6).

10. CO-ORDINATION AMONG PRE-ACCESSION INSTRUMENTS

As required by Council Regulation (EC) No 1266/1999 Co-ordinating Pre-accession assistance, the Commission ensures close co-ordination among the three pre-accession instruments, Phare, Sapard and ISPA. In line with the provisions of that Regulation, the Phare Management Committee plays a special role in general co-ordination of the three pre-accession instruments.

Co-ordination with the (PHARE) Joint Monitoring Committee

The Joint Monitoring Committee is responsible for co-ordinating the monitoring of each pre-accession instrument (Phare, Sapard and ISPA) and for assessing the overall progress of EU – funded assistance in the beneficiary countries.

The Joint Committee will receive the minutes of the ISPA monitoring committee and may issue recommendations to the ISPA Committee or to the Commission when relevant.

The meetings of the ISPA Monitoring Committee meetings are arranged, when possible, to coincide with the Joint Monitoring Committee meetings.

Co-ordination within the Commission

Within the Commission, an inter-services Co-ordination Committee, including representatives from all relevant Commission services (Enlargement, Agriculture, Regional Policy, Budget, Health and Consumer Protection, Legal Service) have met regularly times since March 2000. The agenda for the meetings in 2001 and early 2002 included financial control and management, procurement issues, stock-taking on moves towards Extended Decentralised Implementation (EDIS), and the issues related to the transition towards Structural Funds and the Cohesion Fund.

Co-ordination with EC Delegations

Periodic meetings were organised by the Commission services (Enlargement, External Relations and Regional Policy) with the experts in EC Delegations responsible for Phare and ISPA implementation to discuss programming and implementation issues, in particular related to tendering and contracting. At present - before EDIS - EC Delegations are responsible for ex-ante approval/endorsement of tender documents, evaluation committees and contracts. Communication and information

11. COMMUNICATION PROGRAMME

A 2001-2006 communication programme was prepared outlining the information to be provided to the different target groups for ISPA. It specified the importance to explain the procedures during the first year and to show results from 2002 on. It will be implemented by using the framework contracts that the Commission (DG Regional Policy) concluded early in 2002 and contracts still to be concluded for carrying information and communication activities in relation to different funds related to the economic and social cohesion (the European Regional Development Fund, the Cohesion Fund and ISPA).

Dialogue with non-governmental organisations (NGOs)

The Commission Services continued to participate in the NGO's Dialogue project, which began in mid-1999. It is a series of meetings between Commission officials from several directorates-general (but predominantly the Directorate-General for Environment) and representatives of environmental NGOs from Member States and Candidate Countries. The objectives of the dialogue are to inform the NGOs of the enlargement process and to enable them to present their opinions on the process to the Commission. The dialogue meetings are organised and facilitated by the

Regional Environmental Centre for Central and Eastern Europe (REC), which is partly funded by the EC.

The Commission also encouraged national authorities to enhance the exchange of information with NGOs, by, for example, organising informal meetings with NGOs with the view to discussing investment priorities and developing an information and communication strategy in which NGOs have a role. Furthermore, the national authorities may invite NGOs to participate in ISPA Monitoring Committees as observers.

Website

The website was updated regularly with information sheets on projects signed by the Commission, new versions of parts of the Financing Memorandum annexes, a revised ISPA Manual (which explains ISPA programming and implementation procedures and practice), and new brochures on ISPA progress (see below). As such it is an important tool to distribute information about the pre-accession instrument.

Towards the end of 2001, this site was also used to welcome the visitors of the Member States and of the Candidate Countries in their own language.

Seminars

Cohesion Fund Forum

At the Second Cohesion Fund Forum (May 2001) organised by the Commission the Commission services presented a broad range of aspects related to the programming and implementation of ISPA, and progress so far.

Seminars on Procurement

In winter 2001, DG Regional Policy commenced a series of seminars in all Candidate Countries with the main focus on procurement issues. The requirements and procedures of PRAG and FIDIC – as well as public procurement principles in general - were explained and guidance was provided on critical tendering and contracting issues, such as selection/award criteria and evaluation. The seminars targeted national authorities, in particular the implementing agencies as well as EC Delegations. This training activity, which will continue in 2002, is a critical element in the Commission's effort to reduce risk related to ISPA implementation.

Seminars on the Environmental Impact Assessment Directive (EIA)

In 2001, seminars were organised to enhance the understanding of national authorities about requirements of the Environmental Impact Assessment (EIA) Directive (see section 3).

Seminar on 'Co-operation Models for Environmental Infrastructure Projects'

Financed by the Technical Assistance funds, the Commission together with the Government of Austria organised a seminar to familiarise national authorities in Candidate Countries with the various concepts of PPP in September 2001 (see section 2.1.4). Notes on proceedings were prepared and made available on the website.

Publications

In February 2001, a brochure was published with the most important data on projects committed and ISPA events in 2000. This brochure was used as a complement to the Annual Report 2000.

The brochure detailing the addresses of EC delegations in the Beneficiary Countries and of the National ISPA Co-ordinators was updated regularly.

Specific brochures were produced with information about the state of play in the different Beneficiary Countries throughout the year.

Global overview of Financial Assistance

This chapter describes the financial assistance and its distribution by sector and sub-sector. The statistics in the tables refer to the total project cost, the total eligible project value, the total ISPA contribution decided by the Commission, the commitments made by the Commission for 2000 and 2001, the total commitment and the payments made in 2001. This data is expressed for each of the 10 beneficiary countries.

The sub sectors for environment and transport are as follows:

- **Environment:**

- Drinking water
- Drinking and Waste Water
- Drinking Water, Sewage Water and Solid Waste
- Waste Water Treatment
- Solid-Waste Management (landfills, incinerators)

- **Transport:**

- Road
- Rail
- Rail and Road
- Aviation

- **Technical Assistance:**

- Project Preparation:

This is a package designed to facilitate development of projects for both the environment and transport sector. Priorities are set out for five key areas:

- Improve the quality of project selection
- Facilitate project implementation
- Launch and assist the decentralisation process
- Elaborate on financial engineering
- Strengthen information and communication

- EDIS:

Technical assistance funds are made available to provide for the setting up of this key aspect in the management of community funds upon accession (see section 5).

Table 12: ISPA Budget 2001: Commitments by Country and Sector

Country	Environment		Transport		EDIS		TOTAL	
	ISPA Funds	% of Country/Sector	ISPA Funds	% of Country/Sector	ISPA Funds	% of Country/Sector	ISPA Funds	% Overall Budget
Bulgaria	44.896.800	42,04%	61.898.400	57,96%	0	0	106.795.200	9,63%
Czech Republic	26.090.980	39,00%	40.271.315	60,19%	544.722	0,18%	66.907.017	6,03%
Estonia	17.345.082	57,97%	12.228.287	40,87%	348.608	1,17%	29.921.977	2,70%
Hungary	42.604.653	46,93%	48.171.347	53,07%	0	0	90.776.000	8,18%
Latvia	25.834.204	53,76%	21.663.645	45,08%	560.000	1,17%	48.057.849	4,33%
Lithuania	35.675.917	70,70%	14.483.464	28,70%	305.136	0,60%	50.464.517	4,55%
Poland	228.021.167	56,08%	177.561.679	43,67%	984.000	0,24%	406.566.846	36,65%
Romania	122.816.509	50,00%	122.812.000	50,00%	0	0	245.628.509	22,14%
Slovakia	23.359.778	48,61%	24.698.070	51,39%	0	0	48.057.848	4,33%
Slovenia	9.287.060	57,97%	6.732.240	42,03%	0	0	16.019.300	1,44%
TOTAL	575.932.150	51,92%	530.520.447	47,83%	2.742.466	0,25%	1.109.195.063	100,00%

The table provides information on the commitments for the 94 projects decided in 2001, and the second tranches for projects decided in 2000.

Overview per country of Financial Assistance

Table 13: Total ISPA Grant for New Projects Decided in 2001: Country and Sector

Country	Environment		Transport		EDIS		TOTAL	
	ISPA FUNDS	%	ISPA FUNDS	%	ISPA FUNDS	%	ISPA FUNDS	%
Bulgaria	33 703 914	17,58%	157 998 000	82,42%	0	0	191 701 914	9,21%
Czech Republic	32 613 725	46,32%	61 724 662	52,71%	680 902	0,97%	70 409 424	3,38%
Estonia	26 738 698	54,99%	21 452 216	44,12%	435 760	0,90%	48 626 674	2,34%
Hungary	53 868 750	71,49%	21 484 540	28,51%	0	0	75 353 290	3,62%
Latvia	59 502 300	42,82%	78 758 664	56,68%	700 000	0,50%	138 960 964	6,68%
Lithuania	45 219 114	57,74%	32 719 210	41,78%	381 420	0,49%	78 319 744	3,76%
Poland	343 305 693	39,50%	525 790 670	60,50%	0	0	869 096 363	41,76%
Romania	190 580 560	39,22%	295 379 403	60,78%	0	0	652 316 305	23,35%
Slovakia	16 484 076	16,15%	85 578 700	83,85%	0	0	102 062 776	4,90%
Slovenia	12 041 592	58,86%	8 415 300	41,14%	0	0	20 456 892	0,98%
TOTAL	814.058.422	39,12%	1.289.301.365	60,77%	2.198.082	0,11%	2080.948.004	100%

Table 13 shows for all projects decided in 2001 the total amount of ISPA funds that are foreseen for these projects, including tranches that will be committed in subsequent years (multi-annual commitment).

Table 14: ISPA Finance by Sector for projects decided in 2000 and 2001

PROJECT TYPE	N° of Projects	Total Project Cost €	Total Eligible Value €	Total ISPA Contribution €	% country/sector	Commitments 2000 €	Commitments 2001 €	Payments 2001 €
Environment								
Drinking Water Pipes/ Plants	3	15.958.176	14.003.827	7.181.930	0,48%	3 696 677	2 048 867	462.085
Drinking/ Sewage Water	21	541.971.073	506.800.360	325.570.745	21,59%	66 407 510	148 858 614	13.467.349
Drinking Water/ Sewage Water/ Solid Waste	3	14.245.000	14.245.000	10.683.750	0,71%	0	8 547 000	60.750
Sewage Network Treatment	50	1.633.639.420	1.505.476.049	942.831.519	62,52%	296 696 243	329 400 105	50.759.024
Solid Waste Collection System	23	386 118 439	338.156.476	221.751.008	14,70%	94 020 967	87 077 564	15.289.844
Sector Total	100	2.591.932.108	2.378.681.712	1.508.018.952	38,30%	460 821 397	575 932 150	80 039 052
Transport								
Airport	1	148.756.000	135 135 135	50 000 000	2,06%	28 000 000	12 000 000	5.000.000
Rail	32	2.154.232.540	2 020 607 044	1 230 824 787	50,74%	283 584 312	210 662 746	68.071.533
Rail and Road	2	6.080.000	6 080 000	5 198 000	0,21%	0	4 158 400	20.000
Road	29	1.756.680.109	1 576 231 688	1 139 915 934	46,99%	224 790 797	303 699 301	43.566.037
Sector Total	64	4.065.748.649	3 738 053 867	2 425 938 721	61,61%	536 375 109	530 520 447	116 657 570
EDIS								
EDIS	5	3 828 082	3 828 082	3 828 082	100%	320 000	2 742 466	43 576
Sector Total	5	3 828 082	3 828 082	3 828 082	0,10%	320 000	2 742 466	43 576
Total	169	6 661 508 839	6 120 563 661	3 937 785 755	100%	997 516 506	1 109 195 063	196 740 198

The table shows the total ISPA funds, that have been committed and decided in 2000 and 2001 (169 projects), as well as the total project costs for these projects.

12. BULGARIA

In 2001, Bulgaria received a total ISPA commitment allocation of € 106.8 million. This was divided between the transport and environment sectors - € 61.9 million and € 44.9 million respectively. Technical assistance measures accounted for € 4 million of these commitments in 2001. The allocation for Bulgaria represents 9.63 % of the overall ISPA budget in 2001.

Programming

The ISPA programming framework is governed by the environment and transport strategies drawn up by the Bulgarian authorities in agreement with the Commission. These strategies contain indicative lists of priority projects and are subject to review.

- In the case of **transport** infrastructure, emphasis is placed on completing or upgrading the main Trans-European Networks and developing border connections (5 of the 10 priority TINA corridors cross Bulgaria). The country is keen to capitalise on its strategic location between Greece, Turkey and Central Europe.

In the case of **environment**, the Bulgarian Government and ISPA focus on the following priorities:

- Water quality - the Government's National Programme for Priority Urban Wastewater Treatment Plants is being implemented with the help of ISPA. The upgrading of sewerage networks and water supply systems is also planned. Other key areas involve improving the quality of drinking water; reducing loss in the water supply network; replacing and upgrading the sewerage network.
- Urban waste - selective collection, recycling, and the construction of new landfills complying to EU standards are essential requirements. The Government's National Waste Management Programme lays down strategic guidelines for this sector. This highlights the need to reduce the quantity of municipal waste; stabilise the amount of industrial waste; utilise biodegradable waste components; install facilities for safe treatment and disposal of waste; increase the share of recycled waste; and promote reusable packaging.
- Air pollution - although emissions have decreased due to the decline of heavy industry, there are still serious problems in 14 identified regional "hotspots". Power generation facilities and heating plants based on low-quality coal are a major source of SO₂ and NO_x emissions.

Implementation

The function of National ISPA Co-ordinator is carried out by the Minister for Regional Development and Public Works and the Deputy Prime Minister.

The Implementing Agencies currently designated for ISPA are the Ministry of Transport, the Ministry of Environment, the Roads Executive Agency and a Joint department of the Ministries of Regional Development and Environment. For the larger projects (Sofia Airport, Plovdiv-Svilengrad railway rehabilitation and the Danube Bridge) dedicated project management and implementation units have been set up supported by technical assistance.

A total of 5 **environmental** investment projects, 3 **transport** investment projects and 1 TA project in the transport sector were approved for funding by ISPA in 2000 and 2001. In 2001, 5 new projects were approved, 3 **environment** projects and 2 **transport** projects, of which 1 was for TA.

The following projects were submitted to receive ISPA financing but were not approved pending further assessment:

- Ljulin motorway – 19 Km section on corridor IV Sofia ring road to Daskalovo junction.
- Maritsa 2 power plant – new FGD units.
- Centre for Hazardous Waste Treatment – new facility for treatment and disposal of hazardous waste.

Preparation for **tendering and contracting** proceeded in the case of all approved projects during the course of 2001.

While the whole of the available ISPA allocations were committed in 2000 and 2001, the **payments** made up to the end of the year amounted to € 15.8 million, representing the first advances on projects approved in 2000.

Monitoring and Evaluation

The work of the monitoring committee will be supplemented by regular meetings in the EC Delegation offices in Sofia, monitoring reports by the implementing bodies and site visits by Commission staff.

The Monitoring Committee met in June and November 2001. Attention was drawn in the meetings to the slow progress in implementing ISPA projects and the limited capacities of some of the implementing agencies. The disruption to the ISPA co-ordinating unit and the implementing agencies in the Ministry of Regional Development following the change of Government in June 2001 was also noted. These deficiencies were acknowledged by the Bulgarian authorities who undertook to reinforce the structures concerned and to report to the Commission on actions taken.

Similar issues were highlighted in the review of the implementing agencies undertaken under the “Twinning Project” BG/98/SPP/02, sub-project 3 “Capacity Review of Implementing Agencies.”

Co-financing with IFIs

Co-operation with the IFIs has been an important feature in the case of Bulgaria where there has been close contact with the EIB in particular. Four of the nine ISPA projects approved in 2000 and 2001 involve EIB financing, with two significant cases of joint co-financing (redevelopment of Sofia airport and Plovdiv-Svilengrad railway electrification and upgrading). In total, co-financed projects account for some € 240 million of ISPA assistance (almost 70% of the total approved). Given the funds’ focus on large-scale infrastructure projects, in which loan and grant assistance are often combined, the need to maximise the leverage of limited ISPA resources is a

crucial objective. The pipeline of projects for 2002 also includes possible co-financing with the EIB and the EBRD.

EDIS

The consultants SIGMA have been asked to assist the Bulgarian authorities in reviewing the implications of extended decentralisation of the implementation of the PHARE and ISPA programmes (EDIS) for the Bulgarian administration, in line with the general 'Road Map'. This review will examine the capacity of the National Fund, implementing agencies, public financial control and public procurement, and will take into account the Bulgarian authorities' strategy for the transition to the Structural Funds. ISPA technical assistance will also be made available in 2002 to undertake a full audit of the organisation and capacities of the ISPA Implementing Agencies. This is the first stage or 'gap assessment' of the EDIS Road Map.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken in December 2001 by the Directorate-General for Regional Policy's audit unit. A report on its main findings will be sent to the Bulgarian authorities early in 2002 with recommendations on improvements. The Bulgarian authorities will be given a three month deadline in which to act on the findings. A follow up of the audit will be carried out during 2002.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% of Sector/ Country	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Sewage Network/ Treatment Plant	4	92.497.066	91.725.066	66.253.680	59.3%	15.699.092	40.353.487	56.052.579	3.254.977
Solid Waste Collection System	1*	62.775.837	60.577.513	45.433.135	40.7%	36.346.508	4.543.313	40.889.821	4.543.314
Sector Total	5	155.272.903	152.302.579	111.686.815	31.9%	52.045.600	44.896.800	96.942.400	7.798.291
Transport									
Rail	1	340.000.000	340.000.000	153.000.000	64.3%	0	45.900.000	45.900.000	0
Rail and Road	1	5.880.000	5.880.000	4.998.000	2.1%	0	3.998.400	3.998.400	0
Road	1	40.000.000	40.000.000	30.000.000	12.6%	24.000.000	0	24.000.000	0
Airport	1	148.756.000	135.135.135	50.000.000	21.0%	28.000.000	12.000.000	40.000.000	5.000.000
Sector Total	4	534.636.000	521.015.135	237.998.000	68.1%	52.000.000	61.898.400	113.898.400	8.000.000
TOTAL	9	689.908.903	673.317.714	349.684.815	8.88%	104.045.600	106.795.200	210.840.800	15.798.291

* group of 6 projects

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Committed 2001
Environment					
Sewage Network/ Treatment Plant	3	49.097.378	48.325.378	33.703.914	26.757.790
Sector Total	3	49.097.378	48.325.378	33.703.914	26.757.790
Transport					
Rail	1	340.000.000	340.000.000	153.000.000	45.900.000
Rail and Road	1	5.880.000	5.880.000	4.998.000	3.998.400
Sector Total	2	345.880.000	345.880.000	157.998.000	49.898.400
TOTAL	5	394.977.378	394.205.378	191.701.914	76.656.190

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA Transport projects	1	5.880.000	5.880.000	4.998.000	0	3.998.400	3.998.400

13. CZECH REPUBLIC

In 2001, commitments amounting to € 66.9 were made to the Czech Republic, which represents 6.03 % of the annual ISPA budget. € 26.1 million was committed to environment projects and € 40.3 million to transport projects. Technical assistance was granted to assist the Ministry of Transport in project preparation. The commitment made for this in 2001 was € 160 000. In addition, € 544 722 was committed to support the introduction of EDIS for ISPA in the Czech Republic.

Programming

From a strategic point of view, priority was given to road **transport** in 2001, thus complementing the emphasis placed on rail transport in 2000. For environment, as in 2000, the projects adopted were almost exclusively related to the waste water sector, with some ancillary work on drinking water infrastructure being financed.

Although the commitments in the transport sector reflected the priorities in the ISPA transport strategy paper, with which the Commission is satisfied, in the environment sector a recurring element in 2001 was the lack of applications received for areas other than water.

In 2001 the Commission has urged the Czech Republic to revise the **environment** strategy paper to take account both of the results of the accession negotiations on the environment chapter and the conclusions of PHARE projects designed to assist in the development of investment strategies for the solid waste and air pollution sectors.

Implementation

The function of National ISPA Co-ordinator is carried out by the Deputy Minister for Tourism and European Integration.

The Implementing Agency for the 2000 environment projects, the Centre for Regional Development, was replaced by the State Environment Fund for all ISPA projects from 2001 onwards. Given the lack of experience of this body in large scale infrastructure projects, the Commission, in particular through the Prague Delegation, will provide advice as and when is necessary.

With regard to implementation, work on the projects adopted in 2000 was restricted to the preparation of tender files and, for the transport sector, to the publication of call for tender for the works contracts. Whilst it is expected that contracts can be awarded in the transport sector in the first half of 2002, a significant delay has occurred in the advancement of environment projects. Accordingly only service contract assignments for project preparation, for which ISPA assistance was granted in 2000, were awarded in 2001.

A total of 6 **environmental** investment projects and 1 TA measure were approved in 2000-2001. In the **transport** sector, 6 investment projects and 1 TA measure were approved. In total, 7 new projects were approved (decided) in 2001. This included 3 environment projects, 2 transport projects, 1 transport TA, and 1 horizontal TA measure for preparation of EDIS.

Payments in 2001 were confined to first advance payments, as a consequence of tender procedures not being completed during this period. Payment in 2001 amounted to € 10.1 million.

Monitoring and Evaluation

The work of the monitoring committee will be supplemented by regular meetings in the EC Delegation offices in Prague, monitoring reports by the implementing bodies and site visits by Commission staff. The first two ISPA monitoring committees were held in 2001.

Co-financing with IFIs

In the course of 2001 co-operation intensified between the Commission and EIB regarding the co-financing of two large projects in the transport sector. Applications were received for one of these projects, namely completion of the Prague-Dresden motorway, but adoption of the project has been postponed due to environmental considerations and the need to revise the cost-benefit analysis. So far there are no specific plans for co-financing with EBRD in the Czech Republic, although this situation is subject to regular review.

EDIS

As the Financing Memorandum for EDIS was only signed at the end of 2001, the main implementation of this important measure is expected in 2002. Some progress has been made. A core group has been established under the auspices of the NIC, and the Czech authorities have started Stage I of the ISPA Road-Map by means of a self-assessment exercise.

Financial Management and Control

An audit visit was conducted by the audit services of the Directorate General for Regional Policy to the Czech Republic in November 2001. This visit had as its objectives to assess to what extent the Czech Republic has established a management and control system in compliance with the provisions of the ISPA Regulation as well as to follow up on the progress made for the implementation of EDIS for ISPA. The main conclusions of this audit were that further progress needs to be made in completing the legal framework of the ISPA implementation structure, improving internal audit capacity, establishing procedures for the handling of irregularities as well as finalising written procedures.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% Country/ Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking Water	1	380.000	380.000	285.000	0,42%	228.000	0	228.000	0
Drinking Water/ Sewage Water	1	21.569.700	19.800.500	12.870.325	19,10%	0	10.296.260	10.296.260	28.500
Sewage Network/ Treatment Plant	4	110.055.468	82.424.450	54.229.455	80,48%	27.588.844	15.794.720	43.383.564	3.448.605
Sector Total	6	132.005.168	102.604.950	67.384.780	39,31%	27.816.844	26.090.980	53.907.824	3.477.105
Transport									
Rail	2	103.714.340	98.083.840	45.207.500	43,75%	31.620.130	4.317.870	35.938.000	4.520.750
Rail and Road	1	200.000	200.000	200.000	0,19%	0	160.000	160.000	20.000
Road	4	103.683.500	96.344.123	57.931.474	56,06%	10.551.734	35.793.445	46.345.179	2.101.668
Sector Total	7	207.597.840	194.627.963	103.338.974	60,29%	42.171.864	40.271.315	82.443.179	6.642.418
EDIS									
EDIS	1	680.902	680.902	680.902	100%	0	544.722	544.722	0
Sector Total	1	680.902	680.902	680.902	0,40%	0	544.722	544.722	0
TOTAL	14	340.283.910	297.913.815	171.404.656	4,35%	69.988.708	66.907.017	136.895.725	10.119.523

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water	1	21.569.700	19.800.500	12.870.325	10.296.260
Sewage Network/ Treatment Plant	2	30.062.000	29.262.000	19.743.400	15.794.720
Sector Total	3	51.631.700	49.062.500	32.613.725	26.090.980
Transport					
Rail and Road	1	200.000	200.000	200.000	160.000
Road	2	66.508.175	61.524.662	36.914.797	29.531.837
Sector Total	3	66.708.175	61.724.662	37.114.797	29.691.837
EDIS					
EDIS	1	680.902	680.902	680.902	544.722
Sector Total	1	680.902	680.902	680.902	544.722
TOTAL	7	119.020.777	111.468.064	70.409.424	56.327.539

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA for the preparation of environment projects	1	380.000	380.000	285.000	228.000	0	228.000
TA for transport project management	1	200.000	200.000	200.000	0	160.000	160.000
TA for transport project preparation	1	833.333	833.333	625.000	500.000	0	500.000
Total	3	1.413.333	1.413.333	1.110.000	730.000	160.000	888.000

14. ESTONIA

In 2001, Estonia received a total ISPA commitment allocation of € 29.9 million. This was divided between the transport and environment sectors - € 12.2 million and € 17.3 million respectively. TA measures in both sectors accounted for € 996 000. In addition one TA measure concerned the preparation for EDIS and € 348 608 was committed in 2001. The allocation for Estonia represents 2.70 % of the overall ISPA budget in 2001.

Programming

The ISPA programming framework is governed by environment and transport strategies drawn up by the Estonian authorities in agreement with the Commission. These strategies contain indicative lists of priority projects and were reviewed at the end of 2001.

In the case of **transport** infrastructure, emphasis is placed on upgrading the main trans-European networks as Corridor I and connecting links between Corridor I and Corridor IX. Priorities in the road sector include upgrading the Via Baltica and Tallinn-Narva road. Priorities in the rail sector focus on the modernisation of railway lines in the mentioned Corridors and construction of a border station to Russia. The Commission endeavours to foster sustainable transport structures with adequate ISPA support to invest in rail infrastructure. Due to the privatisation of the main rail-links and the particularities of the privatisation legislation, the Commission has not yet found the opportunity to support rail projects in Estonia, with the exception of one measure for technical assistance.

In the **environment** sector, the main priorities are related to the insufficient water and waste water treatment systems. A major negative environmental impact relates to the inadequate water and waste management systems. The main sources of hazardous waste are the oil shale industry and power production in the North-East of the country. The revised ISPA strategy presents a valuable attempt by the Estonian authorities to improve the previous version.

Implementation

The function of National ISPA Co-ordinator in 2001 was carried out by the Minister of Finance.

The Implementing Agencies currently designated for ISPA are the Estonian National Road Administration, Estonian National Railway Administration and the Environmental Investment Centre.

A total of 4 investment projects and 1 TA measure were approved in the **environment** sector, 1 investment project and 1 TA measure in the **transport** sector and 1 horizontal project for EDIS (TA) in 2001. Overall, throughout the period 2000-2001, 9 environment projects (including 2 for TA) and 4 transport projects (including 2 for TA), as well as the TA for EDIS were approved.

The following projects were submitted in 2001 for financing by ISPA but were not approved pending further assessment:

- Pärnu water management
- Narva water management

Preparation for **tendering and contracting** proceeded in the case of all approved projects during the course of 2001. Two works contracts and one service contract have been signed (value € 16.96 million). In addition two tenders for service contracts were launched during the course of the year.

Payments made up to the end of the year amounted to € 7.9 million, representing the first advances on projects approved in 2000 and early 2001.

Monitoring and Evaluation

The work of the monitoring committee will be supplemented by regular meetings in the EC Delegation offices in Tallinn, monitoring reports by the implementing bodies and site visits by Commission staff. The Monitoring Committee met in May and October 2001.

Co-financing with IFIs

One transport project (Via Baltica) out of six ISPA projects approved in 2000 involves EIB financing. Two environment projects (Pärnu landfill and Tartu waste water system) and one road project of eight ISPA projects approved in 2001 involve EIB financing. In total, co-financed projects account for some € 51 million of ISPA assistance (62 % of the total approved in 2000 and 2001). The Nordic Banks (NIB, NEFCO) and Nordic environmental protection agencies not only actively contribute to projects invested in by ISPA, but also play a useful role in the provision of technical expertise to help produce high quality applications for ISPA assistance. As a concrete example, NEFCO will provide co-financing for the improvement of the Narva water and wastewater network renovations that are both financed by ISPA.

EDIS

Estonia is well advanced in the EDIS process. ISPA technical assistance was granted in 2001 to support stages I to III of the Road Map to EDIS. Tendering for stages I and III were concluded in 2001 and the contract was signed in January 2002. Stage I was finalised in April 2002. Stage II, 'gap plugging', will start in April or May 2002. It is envisaged that full EDIS status for ISPA should be achieved in Estonia before the end of 2002.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken in October 2001 by the audit unit of the Directorate-General for Regional Policy. As a general conclusion, Estonia has developed a comprehensive organisation structure and procedures for the implementation of ISPA projects, even though some tasks remain to be clarified and improved upon.

The main findings of the audit mission were sent to the Estonian authorities early in 2002 which set out recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% of sector/country	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking Water/ Sewage Water	3	18.180.000	18.180.000	12.954.200	27.86%	0	6.317.484	6.317.484	0
Sewage Network/ Treatment Plant	3	24.516.150	22.996.150	15.177.851	32.64%	12.142.281	0	12.142.281	1.517.785
Solid Waste Collection System	3	27.243.489	25.883.489	18.366.998	39.50%	3.666.000	11.027.598	14.693.598	1.287.750
Sector Total	9	69.939.639	67.059.639	46.499.049	56.39%	15.808.281	17.345.082	33.153.363	2.805.535
Transport									
Rail	2	30.002.955	29.902.955	22.427.216	63.13%	1.080.000	10.538.608	11.618.608	2.242.721
Road	2	17.671.073	17.461.073	13.095.805	36.87%	11.331.126	1.689.679	13.020.805	2.832.782
Sector Total	4	47.674.028	47.364.028	35.523.021	43.08%	12.411.126	12.228.287	24.639.413	5.075.503
EDIS									
EDIS	1	435.760	435.760	435.760	100%	0	348.608	348.608	43 576
Sector Total	1	435.760	435.760	435.760	0.53%	0	348.608	348.608	43 576
TOTAL	14	118.049.427	114.859.427	82.457.830	2.09%	28.219.407	29.921.977	58.141.384	7.924.614

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Committed 2001
Environment					
Drinking Water/Sewage Water	3	18.180.000	18.180.000	12.954.200	6.317.484
Solid Waste Collection System	2	20.093.489	19.773.489	13.784.498	11.027.598
Sector Total	5	38.273.489	37.953.489	26.738.698	17.345.082
Transport					
Rail	1	28.202.955	28.102.955	21.077.216	10.528.608
Road	1	500.000	500.000	375.000	300.000
Sector Total	2	28.702.955	28.602.955	21.452.216	10.838.608
EDIS					
EDIS	1	435.760	435.760	435.760	348.608
TOTAL	8	67.412.204	66.992.204	48.626.474	28.532.298

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA Drinking and sewage water	2	1.160.000	1.160.000	870.000	0	696.000	120.000
TA EIA for Rail	1	1.800.000	1.800.000	1.350.000	1.080.000	0	1.080.000
TA Road	1	500.000	500.000	375.000	0	300.000	300.000
Total	4	3.460.000	3.460.000	2.595.000	1.080.000	998.001	1.500.000

15. HUNGARY

In 2001, Hungary received a total commitment allocation of € 90.8 million. Of this, € 48.2 million was assigned to transport projects and € 42.6 million to environment projects. Commitments for technical assistance measures in both sectors accounted for € 2.4 million. The overall allocation for Hungary consists of 8.18% of the total ISPA budget for the year.

Programming

The ISPA programming framework is governed by the environment and transport strategies drawn up by the Hungarian authorities in agreement with the Commission. These strategies contain indicative lists of priority projects and are subject to review.

In the case of **transport** infrastructure, the main objectives are:

- Promotion of integration into the EU;
- Improved co-operation with neighbouring countries;
- Contribution to balanced regional development; protection of human life and the environment;
- Effective, market-oriented transport regulations.

In the case of **environment**, the main priorities for ISPA are for the initial stage of ISPA financing (2000-2001) water protection and municipal waste treatment. In addition to these, the priorities for the programming period 2000 – 2006 include the incorporation into the ISPA environment projects of measures to improve air quality. The Hungarian authority's strategic objective is to achieve sustainable development by integrating environmental protection considerations into all sectoral policies.

Implementation

The Implementing Agencies currently designated for ISPA are the Ministry of Transport and Water Management and the Ministry of Environment.

In the **environment** sector, a total of 9 projects, of which 3 are for TA, were approved for ISPA funding in 2001 and a total of 2 projects were approved in the **transport** sector, which includes 1 TA measure. Overall throughout the period 2000-2001, 15 environment projects were approved, where 4 were for technical assistance, and 8 projects were approved in the transport sector, of which TA accounted for 4 projects.

Preparation for **tendering and contracting** proceeded in the case of all approved projects during the course of 2001. In the transport sector, one works contract and three service contracts have been signed, and four additional works tenders have been launched. In the environment sector, one technical assistance project was contracted.

While the whole of the available ISPA allocations were committed in 2000 and 2001, the **payments** made up to the end of the year amounted to only € 27.2 million, representing the first advances on projects approved in 2000.

Monitoring and Evaluation

The work of the monitoring committee is supplemented by monthly meetings in the EC Delegation offices in Budapest, monitoring reports by the implementing bodies and site visits by Commission staff. The Monitoring Committee met in April and October 2001.

Co-financing with IFIs

Co-operation with IFIs has been an important feature in Hungary where there has been close contact with the EIB in particular. At the request of the Hungarian government, the EIB approved two framework loans in December 2000, one for each sector, for the projects approved in 2000 to complement ISPA co-financing. The relevant loan documentation was signed in September 2001 and in December 2001 respectively. Furthermore, six environmental projects and one transport project decided in 2001 will, in principle, be co-financed with EIB. All the ISPA projects approved in 2000 involve EIB financing. In total, co-financed projects accounted for some € 524 million of ISPA assistance in 2000. For the projects approved in 2001 the appraisal of the EIB is still on-going.

EDIS

The stage I: 'Gap Assessment' which concerns the organisation and capacities of the ISPA Implementing Agencies, was carried out by the Hungarian Government Control Office. It was sent to the Commission in March 2002. The stage II: 'Gap plugging' will be finished by the end of 2002 and stage III 'Compliance assessment' will be launched by the Hungarian authorities at the beginning of 2003.

Financial Management and Control

An audit of the financial management and control systems of the ISPA Implementing Agencies was undertaken in October 2001 by the Directorate-General for Regional Policy's audit unit. The main findings were sent to the Hungarian authorities early in 2002 with recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% of Sector/ Country	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking and Sewage Water	2	21.945.000	21.897.000	10.996.000	8.76%	0	8.796.800	8.796.800	60.750
Drinking/Sewage Water/ Solid Waste	1	405.000	405.000	303.750	0.24%	0	243.000	243.000	
Sewage Network/ Treatment Plant	5	124.669.450	103.368.200	52.568.150	41.86%	20.176.320	7.846.453	28.022.773	4.214.715
Solid Waste Collection System	7	115.776.546	99.323.930	61.716.154	49.14%	23.654.523	25.718.400	49.372.923	3.859.815
Sector Total	15	262.795.996	224.994.130	125.584.054	37.25%	43.830.843	42.604.653	86.435.496	8.135.280
Transport									
Rail	6	387.877.796	381.716.100	191.442.575	90.48%	44.039.860	32.171.715	76.211.575	9.022.615
Road	2	45.841.654	40.199.080	20.149.540	9.52%	120.000	15.999.632	16.119.632	30.000
Sector Total	8	433.719.450	421.915.180	211.592.115	62.75%	44.159.860	48.171.347	92.331.207	9.052.615
TOTAL	23	696.515.446	646.909.310	337.176.169	8.56%	87.990.703	90.776.000	178.766.703	27.187.895

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitment 2001
Environment					
Drinking and Sewage Water	2	21.945.000	21.897.000	10.996.000	8.796.800
Drinking/ Sewage Water and Solid Waste	1	405.000	405.000	303.750	243.000
Sewage Network/ Treatment Plant	2	20.122.000	20.122.000	10.421.000	7.846.453
Solid Waste Collection System	4	61.447.000	57.508.000	32.148.000	25.718.400
Sector Total	9	103.919.000	99.932.000	53.868.750	42.604.653
Transport					
Rail	1	1.980.000	1.980.000	1.485.000	1.188.000
Road	1	45.641.654	39.999.080	19.999.540	15.999.632
Sector Total	2	47.621.654	41.979.080	21.484.540	17.187.632
TOTAL	11	151.540.654	141.911.080	75.353.290	59.792.285

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA Drinking and Sewage Water	1	190.000	190.000	142.500	0	114.000	114.000
TA Drinking/ Sewage Water & Solid Waste	1	405.000	405.000	303.750	0	243.000	243.000
TA Sewage Network Treatment Plant	1	1.440.000	1.440.000	1.080.000	0	864.000	864.000
TA Rail	2	2.138.100	2.138.100	1.603.575	94.860	1.211.715	1.306.575
TA Road	1	200.000	200.000	150.000	120.000	0	120.000
Total	6	4.373.100	4.373.100	3.279.825	216.860	2.434.716	2.647.575

16. LATVIA

In 2001, Latvia received a total commitment allocation of € 48.1 million in ISPA assistance. Of this, € 21.7 was assigned to transport projects, while € 25.8 went to environment projects. Technical assistance measures totalled € 3.3 million for both sectors. One TA measure concerned the preparation for EDIS, which amounted to a total ISPA contribution of € 700 000. In 2001, € 560 000 was committed in 2001. The overall allocation for Latvia consists of 4.33% of the total ISPA budget for the year.

Programming

The ISPA programming framework is governed by environment and transport strategies drawn up by the Latvian authorities in agreement with the Commission. The strategic objectives in the field of **transport** are as follows:

- The Transport Infrastructure Needs Assessment (TINA) network development (Road Corridor I) is the main focus for large-scale investments.
- The existing rail infrastructure is sufficient for the current traffic flows and for an increase in volume. Rehabilitation and upgrading of the existing east-west railway infrastructure as well as safety improvements are the priority in the medium term.

As concerns the **environment strategy**, Latvia faces problems concerning water and waste treatment, which requires large scale investment:

- The major environmental concerns relate to the low levels of wastewater treatment and connection to the sewage network. The water supply systems need to be upgraded in order to expand population coverage. Drinking water quality needs to be improved and the issue of leakage within the water system needs to be addressed.
- The second cause of environmental damage and related health hazards concerns the disposal of mainly urban waste. The 558 known landfills in Latvia at present do not meet European standards, waste is not collected selectively and there is no organised recycling system.

Implementation

The function of National ISPA Co-ordinator is carried out by the Minister for Special Assignment for Co-operation with International Financial Agencies.

The Implementing Agencies designated for ISPA are the Ministry of Transport and the Ministry of Environment. For all measures dedicated project management and implementation units have been set up, often supported by technical assistance.

The implementation of ISPA measures began in 2001 with the signature of 5 contracts in the field of transport concerning the works under the measure 'Via Baltica Road: Gauja-Lilaste', the related supervision contract as well as technical assistance in the rail sector (3 contracts). Two tenders for transport and environment measures (one each) were published in 2001.

A total of 5 new **environment** projects were approved (decided) in 2001, of which 1 was for technical assistance for water and waste. In the **transport** sector, 3 projects

were approved. Finally, one technical assistance measure concerned the preparation of EDIS. Overall, throughout the period 2000-2001, 17 projects were approved. 8 for environment, 8 for transport and in addition, one for EDIS.

While the whole of the available ISPA allocations were committed in 2000 and 2001, the **payments** made up to the end of the year amounted to €9.1 million, representing the first advances on projects approved in 2000, two second advances as well as one interim payment.

Monitoring and Evaluation

The first two ISPA Monitoring Committee meetings were held in May and October 2001. Attention was drawn in the meetings to the slow progress in the implementation of ISPA projects (especially at the tendering and contracting phases) and the limited capacities of the implementing agencies. The overall outcome has been a positive improvement of the implementing agencies and the necessary steps have been taken to reinforce the structures.

Co-financing with IFIs

All the environment infrastructure measures approved for ISPA funds are co-financed with IFIs. These include four measures with the EIB (Riga and Ventspils Water, Ventspils Solid Waste and East Latvian River basins), four measures with the NIB (Jelgava Water, Liepaja and Ziemeļvidzeme Solid Waste and East Latvian River basins), three measures with the NEFCO (Jelgava and Ventspils Water and East Latvian River basins), one measure with the EBRD (Riga Water) and one measure with the World Bank (Liepaja Solid Waste). In the transport sector, the EIB, the EBRD and the World Bank finance parallel projects. In total, joint co-financed measures accounted for some € 88.7 million of ISPA assistance (this concerns the environment sector only).

EDIS

A technical assistance measure was approved for EDIS at the end of 2001. The tendering of the first stage (or 'gap assessment' of the EDIS Road Map) was launched early in 2002 and should begin in May 2002. This is to examine the capacity of the National Fund, implementing agencies, public financial control and public procurement. The target date for the implementation of EDIS for ISPA is mid 2003.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken in December 2001 by the Directorate-General for Regional Policy's audit unit. The main findings were sent in April 2002 to the Latvian authorities with recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999. A follow up of the audit will be carried out.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% Country/ Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking and Sewage Water	4	135.810.000	126.973.000	82.308.350	84.68%	26.568.260	13.925.164	40.493.424	3.769.235
Drinking/Sewage Water/Solid Waste	1	4.510.000	4.510.000	3.382.500	3.48%	0	2.706.000	2.706.000	
Solid Waste Collection System	3	29.397.000	19.100.000	11.503.800	11.84%	0	9.203.040	9.203.040	303.310
Sector Total	8	169.717.000	150.583.000	97.194.650	44.24%	26.568.260	25.834.204	52.402.464	4.072.545
Transport									
Rail	4	144.522.669	135.791.301	101.843.476	83.61%	12.955.328	11.927.293	24.882.621	3.641.195
Road	4	27.616.938	26.615.388	19.961.541	16.39%	7.225.000	9.736.352	16.961.352	1.371.937
Sector Total	8	172.139.607	162.406.689	121.805.017	55.44%	20.180.328	21.663.645	41.843.973	5.013.132
EDIS									
EDIS	1	700.000	700.000	700.000	100%	0	560.000	60.000	0
Sector Total	1	700.000	700.000	700.000	0.32%	0	560.000	60.000	0
TOTAL	17	342.446.608	313.689.690	219.699.667	5.58%	46.748.588	48.057.849	94.806.437	9.085.677

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Committed 2001
Environment					
Drinking/ Sewage water	1	71.737.000	67.600.000	44.616.000	10.339.544
Solid Waste Collection System	3	29.397.000	19.100.000	11.503.800	9.203.040
Drinking/ sewage water/ solid waste	1	4.510.000	4.510.000	3.382.500	2.706.000
Sector Total	5	105.644.000	91.210.000	59.502.300	22.248.584
Transport					
Rail	1	89.950.964	89.950.964	67.463.223	9.654.378
Road	2	15.672.138	15.060.588	11.295.441	9.036.352
Sector Total	3	105.623.102	105.011.552	78.758.664	18.690.730
EDIS					
EDIS	1	700.000	700.000	700.000	560.000
TOTAL	9	211.967.102	196.921.552	138.960.964	41.499.314

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA for environment projects	1	4.510.000	4.510.000	3.382.500	0	2.706.000	2.706.000
TA for rail signaling and safety	1	386.991	386.991	290.243	255.000	35.243	290.243
TA for transport projects	1	860.000	860.000	645.000	0	516.000	516.000
Total	3	5.756.991	5.756.991	4.317.743	255.000	3.259.244	3.512.243

17. LITHUANIA

In 2001, Lithuania received a total commitment allocation of € 50.5 million. This was divided between the transport and environment sectors - € 14.5 million and € 35.7 million respectively. Technical assistance measures in both sectors accounted for € 6.3 million. In addition, one TA measure was committed for the preparation of EDIS for which € 305.136 was committed in 2001. The allocation for Lithuania represents 4.55 % of the overall ISPA budget in 2001.

Programming

In the **transport** sector, the strategy presented to the Commission in December 1999 complies with EU guidelines. The Commission and the Lithuanian authorities have identified the following main priorities for ISPA funding:

- Completing and improving the European Corridors that pass through Lithuania (I, IA, IXB, IXD).
- Rail projects are of particular significance, with plans to completely renew the East-West Corridors IXB and IXD.
- Development of a European gauge track linking the Polish border to a Logistics and Interchange centre at Kaunas: outline agreement has been reached with Poland on a strategy to upgrade the route.

In the **environment** sector, the strategy was presented to the Commission in September 2000 and includes an outline of the project pipeline for the first three years of the programme. This has identified projects in the field of:

- Water
- Waste water
- Solid waste

A strategy for air quality is now under development and the first projects are expected in 2003-2004.

For water and waste water improvements, an approach by catchment/drainage area has been adopted and the first projects are due in 2002

Implementation

In June 2001 the function of National ISPA Co-ordinator was transferred from the Ministry of Foreign Affairs to the Ministry of Finance.

The Implementing Agencies currently designated for ISPA are the Transport Investments Directorate in the Ministry of Transport and the ISPA Implementing Agency of the Ministry of Environment. However, the CFCU is also responsible for the implementation of ISPA environmental projects until the Implementing Agency established by the Ministry of Environment is fully operational.

Preparation for **tendering and contracting** proceeded well as outlined here.

Only one project achieved significant physical progress in 2001: the first phase of 2000/LT/16/P/PT/001, Upgrading of IXB Transport Corridor (Stage 1), was

tendered, contracted and largely implemented during the summer months. Tenders were published for 2000/LT/16/P/PT/002, Development of Via Baltica road in 2000 – 2003 (Pan European Corridor I), 2000/LT/16/P/PT/003, Development of Pan-European Corridor IA in the Years 2001-2004 and 2000/LT/16/P/PT/004, Modernisation of Telecommunications, Power Supply and Signalling on Crete Corridor No IX B but it was not possible to sign contracts for these projects during the year. On the environment side, tenders were published for 2000/LT/16/P/PE/001 Rehabilitation and Extension of Water Supply and Sewage Collection Systems in Vilnius (Stages I and II), and 2001/LT/16/P/PA/002 (support to the project preparation activities for ISPA environment projects).

A total of 9 **environment** projects, 6 **transport** projects and 1 TA for EDIS were approved for funding by ISPA between 2000 and 2001. In 2001, a total of 11 projects were approved (decided). This included 6 investment and 1 TA project in the environment sector, and 2 investment and 1 TA project in the transport sector, as well as a TA measure for EDIS.

The ISPA contribution to projects in 200 and 2001 was largely committed and **payments** made up to the end of the year amounted to € 12.39 million, representing the first advances on projects approved in 2000 and notably the second advance and first intermediate payment for the project 2000/LT/16/P/PT/001.

Monitoring and Evaluation

ISPA Co-ordinator to review the technical and financial progress of projects. The work of the monitoring committee will be supplemented by regular meetings in the EC Delegation offices in Lithuania, monitoring reports by the implementing bodies and site visits by Commission staff.

The ISPA Co-ordinator is responsible for ensuring that the reports on implementation of each project are drawn up, for submission in draft to the Joint Monitoring Committee and, ultimately, to the Commission. The first two meetings were held in May and October 2001.

Co-financing with IFIs

All the projects approved for financing in 2000 were co-financed with the EIB, normally through allocations from global loan agreements.

In 2001, the EBRD also co-financed a project in the environment sector, while the EIB continued to be present. The same situation is expected in 2002. The Nordic Investment Bank and other Nordic financing institutions are involved in project preparation at present – specifically they are involved in an environmental framework facility for investments in the municipal sector.

EDIS

Lithuania presented its proposals in response to the Commissions' Road Map for EDIS in 2001. Support for these was agreed in the form of technical assistance, allocated at the end of the year for implementation of Stage I. It is hoped that EDIS will be in place for ISPA by end 2002.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken in December 2001 by the Directorate-General for Regional Policy's audit unit. The main findings were sent to the Lithuanian authorities early in 2002 with recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999. A follow up of the audit will be carried out during 2002.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% Country/ Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking Water/ sewage water	3	60.075.400	56.412.900	28.527.850	41,97%	16.000.000	6.822.280	22.822.280	2.000.000
Drinking/ Sewage Water/ Solid Waste	1	9.330.000	9.330.000	6.997.500	10,30%	0	5.598.000	5.598.000	0
Sewage Network/ Treatment Plant	2	37.414.000	27.859.000	18.624.890	27,40%	2.200.000	12.699.912	14.899.912	0
Solid Waste Collection System	3	23.857.594	23.857.594	13.818.874	20,33%	0	10.555.725	10.555.725	0
Sector Total	9	130.676.994	117.459.494	67.969.114	47,32%	18.200.000	35.675.917	53.875.917	2.000.000
Transport									
Rail	3	61.463.000	60.144.000	24.314.780	32,30%	9.129.888	10.321.936	19.451.824	1.234.986
Road	3	72.631.226	67.943.787	50.957.590	67,70%	24.912.640	4.161.528	29.074.168	5.070.260
Sector Total	6	134.094.226	128.087.787	75.272.370	52,41%	34.042.528	14.483.464	48.525.992	6.305.246
EDIS									
EDIS	1	381.420	381.420	381.420	100,00%	0	305.136	305.136	0
Sector Total	1	381.420	381.420	381.420	0,27%	0	305.136	305.136	0
TOTAL	16	265.152.640	245.928.701	143.522.904	3,65%	52.242.528	50.464.517	102.707.045	8.305.246

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water/Sewage Water	2	16.790.900	16.412.900	8.527.850	6.822.280
Drinking/ Sewage Water/ Solid Waste	1	9.330.000	9.330.000	6.997.500	5.598.000
Sewage Network/ Treatment Plant	1	31.914.000	22.359.000	15.874.890	12.699.912
Solid Waste Collection System	3	23.857.594	23.857.594	13.818.874	10.555.725
Sector Total	7	81.892.494	71.959.494	45.219.114	35.675.917
Transport					
Rail	2	29.762.000	28.443.000	12.902.420	10.321.936
Road	1	29.671.945	26.422.387	19.816.790	4.161.528
Sector Total	3	59.433.945	54.865.387	32.719.210	14.483.464
EDIS					
EDIS	1	381.420	381.420	381.420	305.136
Sector Total	1	381.420	381.420	381.420	305.136
TOTAL	11	141.707.859	127.206.301	78.319.744	50.464.517

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA for environment projects	1	9.330.000	9.330.000	6.997.500	0	5.598.000	5.598.000
TA for rail Projects	1	2.160.000	1.250.000	937.500	0	750.000	750.000
Total	2	11.490.000	10.580.000	7.935.000	0	6.350.001	6.348.000

18. POLAND

In 2001, Poland received a commitment total of € 406.6 million. Of this, € 228.0 million was assigned to environment projects, while € 177.6 million went to transport projects. Technical assistance measures in both sectors received € 5.5 million. One TA measure concerned the preparation for EDIS. The total amount committed in 2001 was € 984 000. The overall allocation for Poland consists of 36.65% of the total ISPA budget for the year.

Programming

The Polish Government has prepared national strategy papers for priorities in the transport and environment sectors which form the basis for the selection of large scale multi-annual projects. The environment strategy has been up-dated since ISPA began in 2000 to reflect new information and recent developments.

For **transport**, the allocation of funds in 2001 followed the same pattern as in the year 2000. The focus remained on large scale projects on the major routes and particular effort was made to successfully achieve an appropriate balance between road and rail projects. Therefore in 2001, the balance of project financing stood at 54% for road and 46% for rail.

In the **environment** sector, again in line with the environment strategy, ISPA continued to provide funding in 2001 for major projects in three of the four areas which are eligible for support. These were waste water, which produced the largest number of projects and received the largest allocation of assistance, drinking water provision and solid waste treatment. As in 2000, assistance continued to be targeted toward the largest population centres. The projects approved included combined drinking water and waste water projects in Poznan, Wroclaw and Suwalki, and Bialystok, of which the Poznan project is intended to be implemented based on a public-private partnership approach, waste water projects in Katowice, Gliwice, Warsaw, Gdynia, Rybnik, Olsztyn and Przemysl and finally two solid waste project in Lodz.

Implementation

The function of the National ISPA Co-ordinator is carried out by the Under-secretary of State Office of the Committee for European Integration.

In the environment sector the National Fund for Environmental Protection and Water Management is the implementing body for the sector and, in general, municipalities are the final beneficiaries.

For some projects the implementing bodies and the final beneficiaries are the same. This is the case as regards the transport sector, where the General Directorate for Public Roads (GDDP) is at the same time the implementing agency and the final beneficiary for road projects and the Polish railway company (PKP) for rail projects.

A total of 21 **environment** projects, 13 **transport** projects and one TA for EDIS were approved for ISPA funding in 2000 and 2001. This included 2 transport project TA measures and 1 TA for environment projects. 19 new projects were approved

(decided) in 2001. This included 13 environment projects, 5 transport projects and 1 TA for the preparation of transport projects.

While the preparation and approval of projects has been proceeding reasonably well - particularly for environment projects - implementation in both sectors has been slow. No works have yet commenced. The first contracts for supervision of transport projects were approved in late December 2001. (For the environment sector this took place in January 2002). The first contracts for construction are likely to be signed in the first half of 2002 in both sectors. The main reason for the slow progress of implementation has been the lack of experience of the Polish contracting authorities with tendering and contracting procedures. However, this is being addressed and reinforced with technical assistance measures over time.

The situation concerning **payments** reflects the slow pace of implementation. To date only € 46 million has been paid (€ 26 million on transport and € 20 million on environment). Further delay is due to the fact that the request for the first advance payment is only put forward after the signature of an internal financing agreement between the Ministry of Finance and the sectoral ministries (either the Ministry of the Environment or the Ministry of Infrastructure) on a project-by-project basis.

Monitoring and Evaluation

Overall monitoring and evaluation is supported by regular meetings in the EC Delegation offices monitoring reports by the implementing bodies and site visits by Commission staff. The participants include the National ISPA Co-ordinator (UKIE - Office of the Committee for European Integration), the sectoral co-ordinators, the Ministries of Infrastructure and Environment, the National Fund for Environmental Protection and the final beneficiaries. The IFIs which are involved financially in many of the ISPA projects also attend these meetings.

The first meeting of the Committee in 2001 was held in April and the second in October. For one of the rail measures it has been agreed that an ad hoc monitoring committee should be set up to take into account the various projects included under this measure.

Co-financing with IFIs

There is a close working relationship between ISPA and IFIs - the EBRD in particular, who is providing loan finance to one of the eleven ISPA projects approved last year - waste water, Rybnik. The EBRD also structured and co-ordinated a public-private partnership framework which is intended to be the basis for the implementation of the Poznan water project.

The EIB will provide a global loan for three of the environment projects approved last year for Katowice and Lodz and a waste water project in Warsaw.

In the transport sector the EIB plays an active role by means of joint co-financing for road and rail projects. In 2001 one rail and two road projects were approved.

EDIS

Technical assistance was agreed upon to support the Polish authorities with their preparation for EDIS. The Financing Memorandum was signed by the Commission in early December 2001. This Financing Memorandum covers the first three stages of EDIS: the gap assessment, EDIS preparation, and the compliance assessment; it also provides indicative Terms of Reference for Phases I and III.

The EDIS exercise may be completed by the end of 2002. This would be in time for the application of the system prior enlargement. However, this largely depends on the capacity of the Polish authorities to contract the required external assistance in good time.

Financial Management and Control

At the end of October 2001, the audit unit of the Directorate General for Regional Policy carried out a review of the adequacy of the ISPA management and control systems in Poland. The findings were sent to the Polish authorities early in 2002 with recommendations for improvements to be made in compliance with Article 9 of Council Regulation (EC) N° 1267/1999. During the course of 2002, a follow-up audit is to be carried out.

Table 1: Projects Decided and Commitments in 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% of Country/ Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking Water	4	9.034.712	8.501.659	4.335.846	0,80%	3.468.677	0	3.468.677	433.585
Drinking Water/ Sewage Water	7	126.029.000	119.960.000	70.231.300	13,88%	0	55.719.200	55.719.200	3.654.000
Sewage Network/ Treatment Plant	9	741.633.700	702.166.900	415.018.186	76,13%	107.473.576	149.903.466	257.377.042	7.680.878
Solid Waste Collection System	4	94.586.910	85.624.950	55.556.047	10,19%	22.046.336	22.398.501	44.444.837	4.257.205
Sector Total	21	971.284.322	916.253.509	545.141.379	38,88%	132.988.589	228.021.167	361.009.756	16.025.668
Transport									
Rail	7	538.555.393	466.284.640	344.498.499	40,28%	72.846.465	82.579.454	155.425.919	9.344.672
Road	6	735.315.076	680.993.000	510.744.750	59,72%	100.802.601	94.982.225	195.784.826	20.878.225
Sector Total	13	1.273.870.469	1.447.277.640	855.243.249	61,00%	173.649.066	177.561.679	351.210.745	30.222.897
EDIS									
EDIS	1	1.630.000	1.630.000	1.630.000	100,00%	320.000	984.000	1.304.000	0
Sector Total	1	1.630.000	1.630.000	1.630.000	0,12%	320.000	984.000	1.304.000	0
Total	35	2.246.784.791	2.065.161.149	1.402.014.628	35,60%	306.957.655	406.566.846	713.524.501	46.248.565

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water/ waste Water	4	126.029.000	119.960.000	70.231.300	55.719.200
Sewage Network/ Treatment Plant	7	455.584.200	427.030.400	245.076.266	145.114.286
Solid Waste Collection System	2	50.372.910	42.492.950	27.998.127	22.398.501
Sector Total	13	631.986.110	589.483.350	343.305.693	223.231.987
Transport					
Rail	4	380.360.489	317.122.560	232.626.920	57.898.798
Road	2	430.867.000	390.885.000	293.163.750	59.211.000
Sector Total	6	811.227.489	708.007.560	525.790.670	117.109.798
Total	19	1.443.213.599	1.297.490.910	869.096.363	340.341.785

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA Sewage Network Treatment Plant	1	3.412.500	3.412.500	3.412.500	2.730.000	682.500	3.412.500
TA for rail Projects	2	15.840.000	15.840.000	6.665.000	564.000	4.768.000	5.332.000
Total	3	19.252.500	19.252.500	10.077.500	5.452.501	5.452.501	8.744.500

19. ROMANIA

In 2001, Romania received a total commitment of € 245.6 million of ISPA assistance. Of the 2001 allocation, € 122.8 million was assigned to transport projects and € 122.8 went to environment projects. Technical assistance commitments in 2001 accounted for € 2.5 million. The allocation for Romania represents 22.14 % of the overall ISPA budget in 2001.

Programming

The ISPA programming framework is governed by transport and environment sectoral strategies drawn up by the Romanian authorities in agreement with the Commission. This success in programming has benefited from good and timely preparation of projects, most of the related technical assistance having been provided by the Phare programme.

Strategic objectives in the field of transport stem from serious weaknesses in the network of roads and railways. At the same time, there is the necessity of upgrading to European standards and of dealing with increased traffic capacity around urban areas. The use of waterways should also be developed for sustainability.

The Romanian Government has defined as a priority for ISPA financing the modernisation of well travelled sections of the three trans-European corridors crossing the country while maintaining a reasonable balance between road, rail and waterways:

- **Corridor IV:** from Hungary to Constanta (East Branch) and from Hungary to Bulgaria (South Branch) with a view of raising most of this rail/road corridor to EU standards.
- **Corridor VII:** Danube River from the Yugoslavian border to the delta (Ukrainian border), where navigability has to be improved, fluvial ports modernised and intermodal nodes developed.
- **Corridor IX:** from the Ukrainian and Moldavian borders to the Bulgarian border, an accent being put on the road and rail accesses to the new bridge on the Danube in Calafat-Vidin.

In the field of **environment**, Romania faces acute problems concerning air, water and soil pollution, which require large investment as well as the participation of both the public and the private sector.

The major environmental impact relates to the poor quality of water, which results from the discharge of untreated or partially treated wastewater. A second cause of environmental damages and related health hazards is the uncontrolled disposal of mainly urban waste.. The Commission favours an integrated river basin approach for water and waste management projects.

Implementation

The function of National ISPA Co-ordinator is carried out by the Minister for European Integration.

As in the current state of play, most of the final beneficiaries in the environment sector (utility companies or municipalities) do not yet have the capacity to successfully carry out large-scale contracts, the CFCU is also the contracting authority for most of the contracts for ISPA environment projects. A number of tasks relating to technical monitoring will be delegated from the CFCU to the final beneficiaries through implementing agreements.

The Commission will provide in 2002 appropriate technical assistance to these agencies to ensure effective project management and implementation in line with EU requirements for tendering, contracting, monitoring and financial control.

The Ministry of Public Works, Transport and Housing and the Ministry of Waters and Environment Protection are the line ministries and act as Implementing Authorities.

As regards implementation, a total of 19 service contracts for design, supervision and technical assistance were launched in 2001 (9 in the transport and 10 in the environment sectors) of which nine were signed within the year (7 in the transport and 2 in the environment sector). Five works tenders were launched in 2001 of which 1 in the transport sector and 4 in the environment sector.

A total of 14 new projects were approved in 2001. These included 9 **environment** projects and 5 **transport** projects. Throughout the whole of 2000-2001, there were 22 projects, of which 14 were for the environment and 8 for transport. Amongst these, there were 3 TA projects, 2 for transport and 1 for environment project preparation.

While the whole of the available ISPA allocations were fully committed in 2000 and 2001, the **payments** made up to the end of the year amounted to € 65.6 million, representing the first advances on all projects approved in 2000 and some projects approved in the early part of 2002.

Monitoring and Evaluation

The first two ISPA Monitoring Committee meetings were held in June and October 2001.

Attention was drawn in the meetings to the slow progress in the implementation of ISPA measures (especially in the tendering and contracting phases), the slow progress in fulfilling the conditionalities under Art. 8 of the Financing Memoranda in the environment sector, the need to improve the quality of the monitoring reports prepared for the Monitoring Committees and the need to strengthen the management capacity of the implementing agencies.

Co-financing with IFIs

Overall, all but two of the ISPA environment measures are co-financed with IFIs. These include five measures with the EIB (two in 2000, i.e. Craiova and Braila, and three in 2001, i.e. Cluj, Focsani and Pascani) and six measures with the EBRD (two in 2000, i.e. Constanta and Iasi, and four in 2001, i.e. Arad, Oradea, Timisoara and Targu Mures). One measure approved in 2000 (Piatra Neamt) will be co-financed by the Danish Environmental Protection Agency. In the transport sector, the EIB and the EBRD finance parallel projects. In total, joint co-financed measures accounted for some € 352.9 million of ISPA assistance (in the environment sector).

It is anticipated that this co-operation will continue throughout the whole ISPA programming period given that the level of investment needs stand well above the ISPA allocation.

EDIS

Initial moves towards completing Stage I of the EDIS Road Map have been made in 2001 with a final gap assessment report produced in January 2002. However, the 'gap assessment' was commissioned by the EC Delegation in Romania and not by the Romanian authorities as required by the EDIS Road Map. So "de facto" a gap assessment exists, but the Romanian authorities must now confirm that the National Authorising Officer can accept the Gap Assessment report study initiated by the EC Delegation as the outcome of Stage I of the EDIS Road Map and it should then initiate the next stages of the Road Map, in particular with a view to establishing a timetable for the moves to EDIS. Technical Assistance under ISPA will be approved in 2002 for the first phase of 'gap plugging'.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken only in early January 2002 by the Directorate General for Regional Policy' audit unit. The main findings were sent in May 2002 to the Romanian authorities with recommendations on improvements needed to meet the requirements of Art. 9 of Council Regulation (EC) N° 1267/1999. A follow-up of the audit will be carried out at the end of 2002 to cover more detailed assessment of public procurement procedures and the final beneficiaries in the environment sector.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% Country/Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking Water/ Sewage Water	4	157.090.213	142.305.200	106.728.900	28,69%	23.839.250	46.218.370	70.057.620	3.853.350
Sewage Network/ Treatment Plant	9	346.864.553	344.164.553	254.846.150	68,51%	88.454.483	76.598.139	165.052.622	9.222.654
Solid Waste Collection System	1	14.575.000	13.846.000	10.384.500	2,79%	8.307.600	0	8.307.600	1.038.450
Sector Total	14	518.529.566	500.315.753	371.959.550	36,67%	120.601.333	122.816.509	243.417.842	24.114.454
Transport									
Rail	2	323.378.192	309.772.608	232.329.441	36,17%	72.779.441	480.000	73.259.441	23.172.944
Road	6	642.982.642	554.465.237	409.926.024	63,83%	45.847.696	122.332.000	168.179.696	18.281.165
Sector Total	8	966.360.834	864.237.845	642.255.465	63,33%	118.627.137	122.812.000	241.439.137	41.454.109
TOTAL	22	1.484.890.400	1.356.656.394	782.118.015	25,76%	239.228.470	245.628.509	493.164.579	65.568.563

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water/ Sewage Water	2	44.211.400	44.171.400	33.128.550	14.684.025
Sewage Network/ Treatment Plant	7	231.228.713	214.305.700	157.452.010	83.853.763
Sector Total	9	275.440.113	258.477.100	190.580.560	98.537.788
Transport					
Rail	1	850.000	800.000	600.000	480.000
Road	4	444.289.499	393.039.205	393.039.205	114.690.000
Sector Total	5	445.139.499	393.839.205	393.639.205	115.170.000
TOTAL	14	720.579.612	652.316.305	584.219.765	213.707.788

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA Sewage Network Treatment Plant	1	1.810.000	1.810.000	1.357.500	0	1.086.000	1.086.000
TA for Rail Projects	1	850.000	800.000	600.000	0	480.000	480.000
TA Road Projects	1	1.500.000	1.500.000	1.125.000	0	900.000	900.000
Total	3	4.160.000	4.110.000	3.082.500	0	2.468.001	2.466.000

20. SLOVAKIA

In 2001, Slovakia received a total commitment allocation of € 48.1 million. This was divided between the transport and environment sectors - € 24.7 million and € 23.4 million respectively. Technical Assistance accounted for € 763 056. The allocation for Slovakia represents 4.33% of the overall ISPA budget in 2001.

Programming

The programming framework for transport in 2001 followed the strategy drawn up by the Slovak authorities and the Commission. In December 2001 the Slovak government updated its national ISPA strategy for this sector, however the overall principles for establishing these priorities were not changed. The priorities focused on the following objectives:

- Build-up and modernisation of transport infrastructure in the multi-modal corridors in line with European norms
- Development of international roads and their interconnection with the European Roads network
- Integration of passenger transportation systems
- Promotion of combined road/rail transport
- Ensure compliance of transport infrastructure with environmental concerns.

In the field of **environment**, the Slovak government's strategic objective is to preserve the current quality of the environment and to restore the condition of damaged and contaminated areas. Legislative reform, institutional restructuring and environmental investment programmes are all involved in meeting this objective. The priorities include a number of areas:

- Water quality improvement is a priority given the widespread discharge of untreated or partially treated wastewater from the main population centres. This requires first of all, construction and re-construction of sewerage networks and waste water treatment plants, as well as further measures focusing on selected industries.
- For waste management, measures centre on building a network of regional waste landfills and incinerators for disposal of hazardous and non-hazardous wastes, systematic re-cultivation of landfill locations, reduction of production of hazardous wastes, intensification of separated waste collection and increased use of separated elements of municipal waste.
- As regards air pollution, although emissions have decreased due to the decline of heavy industry and reductions in the use of brown coal, there are still serious problems in some 20 identified regional "hotspots".

The European Commission has suggested to the Slovak government to diversify the project pipeline, as in reality all projects prepared so far have focused on water management.

Programming in the environment area is currently hampered by a lack of resources within the Ministry of Environment as well as by the lack of transparency in the ongoing water management reform. The finalisation of this reform – which foresees the establishment of municipally owned regional water companies – would no doubt remove an important obstacle to systematic, needs and efficiency based programming.

Implementation

The function of National ISPA Co-ordinator is carried out by the Deputy Prime Minister.

Three ISPA Implementing Agencies have been established for the areas of environment and transport:

- The Implementing Agency for Environment Projects
- The Implementing Agency for Road Projects
- The Implementing Agency for Rail Projects

All three Implementing Agencies are now operational.

In the **environment** sector, a total of 6 investment projects and 1 TA measure were approved for funding by ISPA in 2000-2001. For the **transport** sector, 3 investment projects were approved in 2000-2001. For the year 2001 alone, 3 environment and 1 transport project were approved. This included 1 TA measure and 3 investment projects in the environment sector and 2 transport investment projects. One project application concerning waste water treatment in the town Topolčany, was not approved, as it did not correspond to the ISPA strategy.

Preparation of **tendering** and **contracting** has continued throughout the year. One tender for works was launched by the Railway Implementing Agency (Budget: € 51m). The preparation of environment tenders has been slow, and apart from a few tenders for technical assistance, no tenders have been launched in this sector

The technical assistance project for project preparation (Total cost: € 1.3m) has been partially implemented, and has led so far to three finished project proposals, out of which two were presented to the Commission and one approved. Further project applications are under preparation and will be presented to the Commission in 2002.

The **payments** made up to the end of the year amounted to € 4 million linked to first advances for projects approved in 2000.

Monitoring and Evaluation

In 2001 there were two ISPA Monitoring Committees, held in June and November. The quality of the monitoring documentation varied substantially from one project to the next. However, the discussions of the committee were fruitful and enabled a good perspective of the implementation of each project.

Co-financing with IFIs

Close co-operation with the EIB continued in the environment sector. A global framework loan through a Slovakian state guaranteed bank has been under negotiation, but no agreement was finalized.

An agreement with the EIB was reached over the co-financing of the transport project. Whilst ISPA finances € 27 million, the EIB agreed to finance € 40 million and the Slovak government € 19 million. At the end of 2001, the Slovak government had, however, not yet made a final decision on whether or not to actually use this loan.

Other EIB loan facilities are in principle available (though a global loan) for co-financing of the railway projects 'Bratislava – Senkvice' and 'Senkvice – Cífer'. However, the Slovak government has yet to decide whether such loans are needed.

EDIS

Towards the end of 2001 the Slovak government was negotiating a technical assistance project with the European Commission, in order to accelerate the preparation of the extended decentralisation of ISPA management.

Considerable strengthening of capacity will be required, particularly in the environment sector. Provisions for Internal Control and Audit have been made within the Slovakian Central Administration. Some of the structures established for these purposes, however, still need to become fully operational in order to move towards EDIS.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was scheduled for January 2002 by the Directorate-General for Regional Policy's audit unit. The main findings will be sent to the Slovak authorities following this with recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999. A follow up of the audit will be carried out later in 2002.

Table 1: Projects Decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% Country/ Sector	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking/ Sewage Water	1	1.271.760	1.271.760	953.820	1,97%	0	763.056	763.056	190.764
Sewage Network/ Treatment Plant	6	111.142.843	95.066.025	47.410.056	98,03%	11.606.372	22.596.722	34.203.094	0
Sector Total	7	112.414.603	96.337.785	48.363.876	28,04%	11.606.372	23.359.778	34.966.150	190.764
Transport									
Rail	2	193.692.000	168.281.000	96.996.000	78,13%	30.853.200	5.693.630	36.546.830	3.856.650
Road	1	70.938.000	52.210.000	27.149.200	21,87%	0	19.004.440	19.004.440	0
Sector Total	3	264.630.000	220.491.000	124.145.200	71,96%	30.853.200	24.698.070	55.551.270	3.856.650
TOTAL	10	377.044.603	316.828.785	172.509.076	4,38%	42.459.572	48.057.848	90.517.420	4.047.414

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water/ Sewage Water	1	1.271.760	1.271.760	953.820	763.056
Sewage Network/ Treatment Plant	3	34.229.120	31.306.426	15.530.256	12.424.205
Sector Total	4	25.500.880	32.578.186	16.484.076	13.187.261
Transport					
Rail	1	136.329.000	116.859.000	58.429.500	5.693.630
Road	1	70.938.000	52.210.000	27.149.200	19.004.440
Sector Total	2	207.267.000	169.069.000	85.578.700	24.698.070
TOTAL	6	242.767.880	201.647.186	102.062.776	37.885.331

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2000	Commitments 2001	Total Commitments
TA environment project preparation	1	1.271.760	1.271.760	953.820	0	763.056	763.056

21. SLOVENIA

In 2001, Slovenia received a total commitment allocation of € 16.0 million. This was divided between the transport and environment sectors - € 6.7 million and € 9.3 million respectively. The allocation for Slovenia represents 1.44 % of the overall ISPA budget in 2001.

Programming

The environment and transport strategies drawn up by the Slovenian authorities in agreement with the Commission govern the ISPA programming framework. These strategies contain indicative lists of priority projects and are reviewed from time to time.

In the case of **transport** infrastructure, emphasis is placed on completing or upgrading the main Trans-European networks and developing border connections (2 of the 10 priority TINA corridors cross Slovenia). The country is keen to capitalise on its strategic location between Italy, Austria, Croatia and Hungary. The Slovenian Government's transport strategy concentrates its efforts exclusively on the railways which, considering their poor state, need a high level of renovation works.

In the case of **environment**, Slovenia faces acute problems mainly concerning water and waste, which require large financial investment and the participation of both the public and the private sector. The major environmental issues relate to the poor quality of water. Furthermore, there are no waste water treatment plants providing tertiary treatment, which has resulted in eutrophication in many lakes and reservoirs.

Priorities focus on the need to address the disposal of mainly urban waste. Landfills do not yet meet EU standards, waste incinerators are at present inadequate, waste is not collected selectively and there is no organised recycling system.

Implementation

The function of National ISPA Co-ordinator is carried out by the Minister for European Affairs (Government Office for European Affairs).

The Implementing Agency currently designated for ISPA is the Central Finance and Contract Unit (CFCU). The CFCU may delegate some of its responsibilities for procurement and other matters to the Final Beneficiary and/or the body responsible for implementation (the Ministry of Transport and Ministry of Environment and Spatial Planning).

In 2001 five new projects (4 **environment** and 1 **transport**) received a favourable opinion by the Members of the Management Committee. The Commission has approved four out of them and one (Paka River) should be signed in 2002. Overall, in the period 200-2001, 9 projects were approved. 5 investment and 1 TA project in the environment sector, and 2 investment and 1 TA in the transport sector.

Preparation for **tendering and contracting** proceeded in the case of all approved projects during the course of 2001. Two works contracts (value € 9.78 million) were signed during the year.

While the whole of the available ISPA allocations were committed in 2000 and 2001, the **payments** made up to the end of the year amounted to € 2.45 million, representing the first advances on projects approved in 2000.

Monitoring and Evaluation

The work of the monitoring committee is supplemented by regular meetings with the staff of the EC Delegation in Ljubljana, monitoring reports by the implementing bodies and some site visits by Commission staff.

One of the main issues raised in the reports on Slovenia was related to delays in tendering. This was caused mainly by the changes in the tendering procedure from DIS (Decentralised Implementation System) to PRAG (Practical Guide to PHARE, ISPA and SAPARD). Tender dossiers prepared with DIS rules have been revised to achieve compliance with the new PRAG rules. This issue was resolved towards the end of 2001.

Co-financing with IFIs

In 2002 Slovenia intends to finalise an agreement with the EIB on two framework loans. Accordingly, an additional € 35 and € 30 million will be available for environment and transport projects respectively. These credits will substantially contribute to the leverage of ISPA funds taking into account the closer co-operation that this will entail between the EIB and Commission services in the appraisal of project application.

EDIS

The mechanisms of EDIS in Slovenia are under clarification, but at this stage it is already clear that the tasks and responsibilities of the Central Financing and Contracting Unit (CFCU) will be taken over by the line ministries. This shift is planned to take effect before accession so as to establish a test period in the run-up to the implementation of the Cohesion Fund.

A similar re-organisation will apply to tasks of the National ISPA Co-ordinator, which will see a shift from the Government Office for European Affairs to the National Agency for Reconstruction and Development in the Ministry of Economics.

At the end of 2001 no stage of the EDIS Road Map had been completed. The Slovenian authorities with their own resources will carry out the 'gap assessment' (1st stage). Concerning the 'gap plugging' and 'compliance assessment', stages II and III of the Road Map, the Slovenian authorities submitted in 2002 a proposal for Technical Assistance under the ISPA programme.

Financial Management and Control

An audit of the financial management and control systems of the ISPA implementing agencies was undertaken in November 2001 by the relevant Commission's audit unit. The main findings were sent to the Slovenian authorities in 2002 with recommendations on improvements needed to meet the requirements of Article 9 of Council Regulation (EC) N° 1267/1999. A follow up of the audit will be carried out during 2002.

Table 1: Projects decided and Commitments 2000-2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	% of sector/ country	Commitments 2000	Commitments 2001	Total Commitments	Payments 2001
Environment									
Drinking/ Sewage Water	1	6.543.464	5.122.168	2.561.084	9.76%	0	3.630.987	3.630.987	0
Sewage Network/ Treatment Plant	4	44.846.190	35.705.705	18.703.101	71.29%	11.175.275	2.048.867	13.224.142	1.419.410
Solid Waste Collection System	1	17.873.063	9.943.000	4.971.500	18.95%	0	3.630.987	3.630.987	0
Sector Total	6	69.262.717	50.770.873	26.235.685	58.30%	11.355.275	9.310.841	20.666.116	1.419.410
Transport									
Rail	3	31.026.195	30.630.600	18.765.300	100%	8.280.000	6.732.240	15.012.240	1.035.000
Sector Total	3	31.026.195	30.630.600	18.765.300	41.70%	8.280.000	6.732.240	15.012.240	1.035.000
TOTAL	9	100.288.912	81.401.473	45.000.985	1.14%	19.635.275	16.043.081	35.678.356	2.454.410

Table 2: Projects Decided in 2001

Sector	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001
Environment					
Drinking Water	1	6.543.464	5.122.168	2.561.084	2.048.867
Sewage Network/ Treatment Plant	1	11.777.660	9.018.015	4.509.008	3.607.206
Solid Waste Collection System	1	17.873.063	9.943.000	4.971.500	3.630.987
Sector Total	3	36.194.187	24.083.183	12.041.592	9.287.060
Transport					
Rail	1	17.226.195	16.830.600	8.415.300	6.732.240
Sector Total	1	17.226.195	16.830.600	8.415.300	6.732.240
TOTAL	4	53.420.382	40.913.783	20.456.892	16.019.300

Table 3: Technical Assistance Measures 2000-2001

PROJECT	N° of Projects	Total Cost	Total Eligible Value	Total ISPA Contribution	Commitments 2001	Commitments 2001	Total Commitments
TA Sewage Network Treatment Plant	1	400.000	300.000	225.000	180.000	0	180.000
TA for rail Projects	1	1.300.000	1.300.000	975.000	780.000	0	780.000
Total	2	1.700.000	1.600.000	1.200.000	960.000	0	960.000

List of Abbreviations

BOT	Build Operate Transfer
CFCU	Central Financing and Contracting Unit
DIS	Decentralised Implementation System
EBRD	European Bank for Reconstruction and Development
EDIS	Extended Decentralised Implementation System
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ERDF	European Regional Development Fund
FIDIC	International Confederation of Consulting Engineers
IA	Implementing Agency
IFI	International Financial Institution
ISPA	Instrument for Structural Policy for Pre-Accession
NAO	National Authorising Officer
NEFCO	Nordic Environment Finance Co-operation
NF	National Fund
NIB	Nordic Investment Bank
NIC	National ISPA Representative
NPAA	National Programmes for the Adoption of the Acquis
PPP	Public Private Partnership
PHARE	Community program for assistance for economic restructuring in the countries of Central and Eastern Europe
SAO	Sectoral Authorising Officer
SAPARD	Special Accession Programme for Agriculture and Rural Development
TEN-T	Trans-European Transport Network
TINA	Transport Infrastructure Needs Assessment

Useful Information Sources

ISPA On-Line:

http://www.europa.eu.int/comm/regional_policy/funds/ispa/ispa_en.htm

DG Regional Policy On-Line:

http://www.europa.eu.int/comm/regional_policy/index_en.htm

Documentation Centre:

The European Commission
DG Regional Policy
B-1049Bruxelles/Brussel
Tel: + 32.2.2960634
Fax: + 32.2.2966003
E-mail: regio-info@cec.eu.int

European Union Website:

www.europa.eu.int

DG Enlargement Website:

<http://europa.eu.int/comm/enlargement/index.htm>

The EBRD Website:

www.ebrd.com

The EIB Website:

www.eib.org



Projects signed - per country per (sub)sector

Committed between 1/1/2000 and 31/12/2001

amounts are in euro and only

Page 1 of 8

project number:	name project:	number of projects	Comm.decision signature:	est. total eligible value	% grant	est.total lspa grant contribution	% of country % of all	lspa buget 2000	% of country % of all	lspa buget 2001	% of country % of all
country: Bulgaria											
subsector: Sewage network/treatment plant											
2000/BG/16/P/PE/003	Stara Zagora - Dimitrovgrad: construction of new wastewater		18/12/2000	43.399.688	75,00	32.549.766		15.699.092		13.595.697	
2001/BG/16/P/PE/005	Gorna: wastewater collection and treatment		17/12/2001	16.633.945	75,00	12.475.459		0		9.775.027	
2001/BG/16/P/PE/006	Pazardjik wastewater collection and treatment		6/12/2001	19.110.968	65,00	12.422.129		0		9.937.703	
2001/BG/16/P/PE/008	Blagoevgrad wastewater treatment plant		20/11/2001	12.580.465	70,00	8.806.326		0		7.045.060	
Total number of projects for subsector:		4		91.725.066	72,23	66.253.680	18,95	15.699.092	15,09	40.353.487	37,79
subsector: Solid waste collection system											
2000/BG/16/P/PE/002	Regional landfills (group) - waste management:Sozopol,		18/12/2000	60.577.513	75,00	45.433.135		36.346.508		4.543.313	
Total number of projects for subsector:		1		60.577.513	75,00	45.433.135	12,99	36.346.508	34,93	4.543.313	4,25
Total number of projects for sector:		5		152.302.579	73,33	111.686.815	31,94	52.045.600	50,02	44.896.800	42,04
subsector: Airport											
2000/BG/16/P/PT/002	Sofia airport: reconstruction, development and extension		12/10/2000	135.135.135	37,00	50.000.000		28.000.000		12.000.000	
Total number of projects for subsector:		1		135.135.135	37,00	50.000.000	14,30	28.000.000	26,91	12.000.000	11,24

subsector:		Rail									
2001/BG/16/P/PT/003	Plovdiv-Svilengrad: rail electrification and upgrading	20/11/2001	340.000.000	45,00	153.000.000		0		45.900.000		
Total number of projects for subsector:		1	340.000.000	45,00	153.000.000	43,75	0	0,00	45.900.000	42,98	
subsector:		Rail and Road									
2001/BG/16/P/PA/001	Technical assistance Danube bridge	9/08/2001	5.880.000	85,00	4.998.000		0		3.998.400		
Total number of projects for subsector:		1	5.880.000	85,00	4.998.000	1,43	0	0,00	3.998.400	3,74	
subsector:		Road									
2000/BG/16/P/PT/001	Transit Roads Rehabilitation project III	12/10/2000	40.000.000	75,00	30.000.000		24.000.000		0		
Total number of projects for subsector:		1	40.000.000	75,00	30.000.000	8,58	24.000.000	23,07	0	0,00	
<i>Total number of projects for sector:</i>		<i>4</i>	<i>521.015.135</i>	<i>45,68</i>	<i>237.998.000</i>	<i>68,06</i>	<i>52.000.000</i>	<i>49,98</i>	<i>61.898.400</i>	<i>57,96</i>	
Total number of signed projects for Bulgaria:		9	673.317.714	51,93	349.684.815	8,88	104.045.600	10,43	106.795.200	9,63	

country: Czech Republic

subsector:		Decentralisation									
2001/CZ/16/P/PA/004	Technical assistance: assessment of capacity to implement	14/12/2001	680.902	100,00	680.902		0		544.722		
Total number of projects for subsector:		1	680.902	100,00	680.902	0,40	0	0,00	544.722	0,81	
<i>Total number of projects for sector:</i>		<i>1</i>	<i>680.902</i>	<i>100,00</i>	<i>680.902</i>	<i>0,40</i>	<i>0</i>	<i>0,00</i>	<i>544.722</i>	<i>0,81</i>	

subsector:		Drinking water pipes/plant									
2000/CZ/16/P/PA/002	Technical assistance in the field of environment	29/12/2000	380.000	75,00	285.000		228.000		0		
Total number of projects for subsector:		1	380.000	75,00	285.000	0,17	228.000	0,33	0		

subsector:		Drinking and sewage water									
2001/CZ/16/P/PE/004	Podkrusnohori: Reconstruction drinking water supply	23/10/2001	19.800.500	65,00	12.870.325		0		10.296.260		
Total number of projects for subsector:		1	19.800.500	65,00	12.870.325	7,51	0	0,00	10.296.260	15,39	

project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total Ispa			Page 2 of 8					
				eligible value	% grant	% of country contribution	Ispa budget 2000	% of country % of all	Ispa budget 2001	% of country % of all			
subsector: Sewage network/treatment plant													
2000/CZ/16/P/PE/001	Ostrava City - sewage system upgrading in the Ostrava		21/12/2000	24.842.810	67,00	16.644.682	13.315.746			0			
2000/CZ/16/P/PE/002	Brno City, Reconstruction of sewerage and sewers		29/12/2000	28.319.640	63,00	17.841.373	14.273.098			0			
2001/CZ/16/P/PE/005	Jihlava waste water treatment plant and sewer upgrading		17/12/2001	14.800.000	65,00	9.620.000	0			7.696.000			
2001/CZ/16/P/PE/008	Olomouc sewer system upgrading		18/12/2001	14.462.000	70,00	10.123.400	0			8.098.720			
Total number of projects for subsector:		4		82.424.450	65,79	54.229.455	31,64	27.588.844	39,42	15.794.720	23,61		
<i>Total number of projects for sector:</i>		<i>6</i>		<i>102.604.950</i>	<i>65,67</i>	<i>67.384.780</i>	<i>39,31</i>	<i>27.816.844</i>	<i>39,74</i>	<i>26.090.980</i>	<i>39,00</i>		
subsector: Rail													
2000/CZ/16/P/PT/002	Ústí nad Orlicí - Česká Třebová: Modernisation of the line		29/12/2000	36.269.000	39,43	14.300.080	11.212.064			0			
2000/CZ/16/P/PT/006	Modernisation of the line section Zabori-Prelouc		22/12/2000	61.814.840	50,00	30.907.420	20.408.066			4.317.870			
Total number of projects for subsector:		2		98.083.840	46,09	45.207.500	26,37	31.620.130	45,18	4.317.870	6,45		
subsector: Rail and Road													
2001/CZ/16/P/PA/003	Technical assistance in transport project management and		8/05/2001	200.000	100,00	200.000	0			160.000			
Total number of projects for subsector:		1		200.000	100,00	200.000	0,12	0	0,00	160.000	0,24%		
subsector: Road													
2000/CZ/16/P/PA/001	Technical assistance for the project preparation in field of		29/12/2000	833.333	75,00	625.000	500.000			0			
2000/CZ/16/P/PT/001	Road I/48 Belotín By-pass		26/10/2001	28.528.535	60,00	17.117.121	0			13.693.697			
2000/CZ/16/P/PT/003	Road I/48 Frýdek-Místek-Dobrá		22/12/2000	33.986.128	60,00	20.391.677	10.051.734			6.261.608			
2001/CZ/16/P/PT/012	Dobruška-Tosanovice-Zukov R48 expressway: stage 1		17/12/2001	32.996.127	60,00	19.797.676	0			15.838.140			
Total number of projects for subsector:		4		96.344.123	60,13	57.931.474	33,80	10.551.734	15,08	35.793.445	53,50		
<i>Total number of projects for sector:</i>		<i>7</i>		<i>194.627.963</i>	<i>53,10</i>	<i>103.338.974</i>	<i>60,29</i>	<i>42.171.864</i>	<i>60,26</i>	<i>40.271.315</i>	<i>60,19</i>		
Total number of signed projects for Czech Republic:		14		297.913.815	57,53	171.404.656	4,35	69.988.708	7,02	66.907.017	6,03		

country: Estonia**subsector: Decentralisation**

2001/EE/16/P/PA/002	Technical assistance decentralisation	14/05/2001	435.760	100,00	435.760		0		348.608
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Total number of projects for subsector:		1	435.760	100,00	435.760	0,53	0	0,00	348.608	1,17
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<i>Total number of projects for sector:</i>		<i>1</i>	<i>435.760</i>	<i>100,00</i>	<i>435.760</i>	<i>0,53</i>	<i>0</i>	<i>0,00</i>	<i>348.608</i>	<i>1,17</i>
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subsector: Drinking and sewage water

2001/EE/16/P/PA/003	Pärnu: technical assistance for water resources plan for	17/12/2001	200.000	75,00	150.000		0		120.000
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2001/EE/16/P/PA/005-	Technical assistance for East-Harju and Keila water	14/12/2001	960.000	75,00	720.000		0		576.000
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2001/EE/16/P/PE/007	Tartu: expansion and rehabilitation of water and sewage	13/12/2001	17.020.000	71,00	12.084.200		0		5.621.484
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Total number of projects for subsector:		3	18.180.000	71,26	12.954.200	15,71	0	0,00	6.317.484	21,11
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subsector: Sewage network/treatment plant

2000/EE/16/P/PE/001	Tartu Tunnel Collector project, K2	1/12/2000	7.700.000	71,00	5.467.000		4.373.600		0
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2000/EE/16/P/PE/002	Viljandi: Establishment of a central municipal wastewater	29/12/2000	6.361.150	74,00	4.707.251		3.765.801		0
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2000/EE/16/P/PE/003	Narva City Sewage Treatment Plant Rehabilitation	1/12/2000	8.935.000	56,00	5.003.600		4.002.880		0
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Total number of projects for subsector:		3	22.996.150	66,00	15.177.851	18,41	12.142.281	43,03	0	0,00
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subsector: Solid waste collection system

2000/EE/16/P/PE/004	Tallinn waste management: phase 1- establishment of new	29/12/2000	6.110.000	75,00	4.582.500		3.666.000		0
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2001/EE/16/P/PE/005	Tallinn waste management Phase II: closing down Pääskula	8/06/2001	11.060.000	75,00	8.295.000		0		6.636.000
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2001/EE/16/P/PE/006	Parnu waste management: establishment of sanitary landfill	14/12/2001	8.713.489	63,00	5.489.498		0		4.391.598
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Total number of projects for subsector:		3	25.883.489	70,96	18.366.998	22,27	3.666.000	12,99	11.027.598	36,85
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<i>Total number of projects for sector:</i>		<i>9</i>	<i>67.059.639</i>	<i>69,34</i>	<i>46.499.049</i>	<i>56,39</i>	<i>15.808.281</i>	<i>56,02</i>	<i>17.345.082</i>	<i>57,97</i>
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project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total Ispa			Page 3 of 8					
				eligible value	% grant	% of country contribution	% of country Ispa budget	% of country Ispa budget	% of country	% of country			
subsector: Rail													
2000/EE/16/P/PA/001	Technical assistance for detailed environmental impact		28/12/2000	1.800.000	75,00	1.350.000		1.080.000		0			
2001/EE/16/P/PT/002	Via Baltica: rehabilitation of Ikla-Tallinn-Narva Road, Phase		14/08/2001	28.102.955	75,00	21.077.216		0		10.538.608			
Total number of projects for subsector:		2		29.902.955	75,00	22.427.216	27,20	1.080.000	3,83	10.538.608	35,22		
subsector: Road													
2000/EE/16/P/PT/001	Ikla-Tallinn-Narva section: Via Baltica road rehabilitation		21/12/2001	16.961.073	75,00	12.720.805		11.331.126		1.389.679			
2001/EE/16/P/PA/004	Technical assistance Via Baltica assessment and EIA		29/11/2001	500.000	75,00	375.000		0		300.000			
Total number of projects for subsector:		2		17.461.073	75,00	13.095.805	15,88	11.331.126	40,15	1.689.679	5,65		
<i>Total number of projects for sector:</i>		<i>4</i>		<i>47.364.028</i>	<i>75,00</i>	<i>35.523.021</i>	<i>43,08</i>	<i>12.411.126</i>	<i>43,98</i>	<i>12.228.287</i>	<i>40,87</i>		
Total number of signed projects for Estonia:		14		114.859.427	71,79	82.457.830	2,09	28.219.407	2,83	29.921.977	2,70		

country: Hungary**subsector: Drinking and sewage water**

2001/HU/16/P/PA/008	Technical assistance for implementation of urban waste		14/12/2001	190.000	75,00	142.500		0		114.000			
2001/HU/16/P/PE/009	Pécs: extension of city's sewer system; protection of water		13/12/2001	21.707.000	50,00	10.853.500		0		8.682.800			
Total number of projects for subsector:		2		21.897.000	50,22	10.996.000	3,26	0	0,00	8.796.800	9,69		

subsector: Drinking and sewage water and solid waste

2000/HU/16/P/PA/005	Technical assistance improvement 2001 project documents -		11/12/2001	405.000	75,00	303.750		0		243.000			
Total number of projects for subsector:		1		405.000	75,00	303.750	0,09	0	0,00	243.000	0,27		

subsector: Sewage network/treatment plant

2000/HU/16/P/PA/001	Budapest: technical assistance for waste water treatment	13/12/2001	2.096.200	75,00	1.572.150	1.257.720	0			
2000/HU/16/P/PE/001	Győr: upgrading of Sewage Treatment Plant	21/12/2000	14.500.000	50,00	7.250.000	4.350.000	0			
2000/HU/16/P/PE/003	Szeged: waste water collection and treatment plant	22/12/2000	66.650.000	50,00	33.325.000	14.568.600	0			
2001/HU/16/P/PA/009	Technical assistance for preparation Ispa projects	13/12/2001	1.440.000	75,00	1.080.000	0	864.000			
2001/HU/16/P/PE/011	Sopron: sewerage and sewage treatment programme	14/12/2001	18.682.000	50,00	9.341.000	0	6.982.453			
Total number of projects for subsector:		5	103.368.200	50,86	52.568.150	15,59	20.176.320	22,93	7.846.453	8,64

subsector: Solid waste collection system

2000/HU/16/P/PE/002	Hajdú-Bihar: selective waste collection and solid waste	10/11/2000	18.738.000	75,00	14.053.500	11.242.800	0			
2000/HU/16/P/PE/004	Miskolc: regional waste management project	15/03/2001	12.900.000	70,00	9.030.000	0	7.224.000			
2000/HU/16/P/PE/005	Szeged: regional waste management programme	22/12/2000	12.797.930	65,00	8.318.654	6.654.923	0			
2000/HU/16/P/PE/006	Tisza Lake: municipal waste management system	17/12/2001	8.140.000	60,00	4.884.000	0	3.907.200			
2000/HU/16/P/PE/007	Szolnok: solid waste management system	22/12/2000	10.280.000	70,00	7.196.000	5.756.800	0			
2001/HU/16/P/PE/008	Mid-Danube-Tisza Plain Regional solid waste management	13/12/2001	23.739.000	50,00	11.869.500	0	9.495.600			
2001/HU/16/P/PE/010	Sajó-Bodva: regional solid waste management system	17/12/2001	12.729.000	50,00	6.364.500	0	5.091.600			
Total number of projects for subsector:		7	99.323.930	62,14	61.716.154	18,30	23.654.523	26,88	25.718.400	28,33

Total number of projects for sector: 15 224.994.130 55,82 125.584.054 37,25 43.830.843 49,81 42.604.653 46,93

subsector: Rail

2000/HU/16/P/PA/002	Assistance in the tendering procedure for railway projects	13/12/2001	158.100	75,00	118.575	94.860	23.715			
2000/HU/16/P/PA/003	Rehabilitation of Szolnok-Lökösjaza railway line	21/12/2000	200.000	75,00	150.000	120.000	30.000			
2000/HU/16/P/PT/001	Budapest-Szolnok-Romania: rail upgrading (stage 1:	13/12/2001	126.000.000	50,00	63.000.000	14.900.000	11.400.000			
2000/HU/16/P/PT/002	Hegyeshalom-Győr-Budapest rail rehabilitation	20/12/2001	85.988.000	50,00	42.994.000	16.594.000	6.000.000			
2000/HU/16/P/PT/003	Boba-Zalaegerszeg-Zalalövő rail upgrading	20/12/2001	167.390.000	50,00	83.695.000	12.331.000	13.530.000			
2001/HU/16/P/PA/006	Technical assistance for the tendering and supervision of	11/12/2001	1.980.000	75,00	1.485.000	0	1.188.000			
Total number of projects for subsector:		6	381.716.100	50,15	191.442.575	56,78	44.039.860	50,05	32.171.715	35,44

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project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total Ispa		Ispa buget		% of country	
				eligible value	% grant	% of country	2000	% of all	2001	% of all
subsector: Road										
2000/HU/16/P/PA/004	Technical assistance for "Road rehabilitation programme for		28/09/2001	200.000	75,00	150.000	120.000			0
2001/HU/16/P/PT/006	Road rehabilitation programme for 11,5tons bearing		14/12/2001	39.999.080	50,00	19.999.540	0			15.999.632
Total number of projects for subsector:		2		40.199.080	50,12	20.149.540	5,98	120.000	0,14	15.999.632 17,63
<i>Total number of projects for sector:</i>		<i>8</i>		<i>421.915.180</i>	<i>50,15</i>	<i>211.592.115</i>	<i>62,75</i>	<i>44.159.860</i>	<i>50,1</i>	<i>48.171.347 53,07</i>
Total number of signed projects for Hungary:		23		646.909.310	52,12	337.176.169	8,56	87.990.703	8,82	90.776.000 8,18

country: Latvia**subsector: Decentralisation**

2001/LV/16/P/PA/006	Technical assistance introduction of EDIS		11/12/2001	700.000	100,00	700.000	0			560.000
Total number of projects for subsector:		1		700.000	100,00	700.000	0,32	0	0,00	560.000 1,17
<i>Total number of projects for sector:</i>		<i>1</i>		<i>700.000</i>	<i>100,00</i>	<i>700.000</i>	<i>0,32</i>	<i>0</i>	<i>0,00</i>	<i>560.000 1,17</i>

subsector: Drinking and sewage water

2000/LV/16/P/PE/001	Riga water & environment project, phase II		22/12/2000	24.300.000	70,00	17.010.000	11.056.500			2.551.500
2000/LV/16/P/PE/002	Jelgava development of water services		22/12/2000	14.993.000	75,00	11.244.750	8.433.560			562.240
2000/LV/16/P/PE/003	Ventspils improvement of water supply, waste water		22/12/2000	20.080.000	47,00	9.437.600	7.078.200			471.880
2001/LV/16/P/PE/007	Development of water services in river basins of Eastern		13/12/2001	67.600.000	66,00	44.616.000	0			10.339.544
Total number of projects for subsector:		4		126.973.000	64,82	82.308.350	37,46	26.568.260	56,83	13.925.164 28,98

subsector: Drinking and sewage water and solid waste

2000/LV/16/P/PA/001	Technical assistance for environmental projects	12/09/2001	4.510.000	75,00	3.382.500		0		2.706.000	
Total number of projects for subsector:		1	4.510.000	75,00	3.382.500	1,54	0	0,00	2.706.000	5,63
subsector: Solid waste collection system										
2000/LV/16/P/PE/004	Sustainable waste management in Ventspils region	15/06/2001	6.190.000	49,00	3.033.100		0		2.426.480	
2001/LV/16/P/PE/005	Liepaja region solid waste management project	5/09/2001	8.090.000	63,00	5.096.700		0		4.077.360	
2001/LV/16/P/PE/006	North Vidzeme region solid waste management	14/09/2001	4.820.000	70,00	3.374.000		0		2.699.200	
Total number of projects for subsector:		3	19.100.000	60,23	11.503.800	5,24	0	0,00	9.203.040	19,15
<i>Total number of projects for sector:</i>		<i>8</i>	<i>150.583.000</i>	<i>64,55</i>	<i>97.194.650</i>	<i>44,24</i>	<i>26.568.260</i>	<i>56,83</i>	<i>25.834.204</i>	<i>53,76</i>
subsector: Rail										
2000/LV/16/P/PA/005	Technical assistance in the rail sector: signalling and safety	22/12/2000	386.991	75,00	290.243		255.000		35.243	
2000/LV/16/P/PT/003	Replacements of track turnouts on the W-E railway corridor	28/12/2000	35.240.000	75,00	26.430.000		6.572.328		2.237.672	
2000/LV/16/P/PT/004	Rezekne rail marshalling yard: rail upgrading	28/12/2000	10.213.346	75,00	7.660.010		6.128.000		0	
2001/LV/16/P/PT/006	Modernisation of signalling systems on East-West rail	27/12/2001	89.950.964	75,00	67.463.223		0		9.654.378	
Total number of projects for subsector:		4	135.791.301	75,00	101.843.476	46,36	12.955.328	27,71	11.927.293	24,82
subsector: Road										
2000/LV/16/P/PT/001	Via Baltica road: Gauja-Lilaste - km 13 to km 21,2	23/10/2000	5.762.300	75,00	4.321.725		3.750.000		0	
2000/LV/16/P/PT/002	Access road to Riga airport (P133) and a related section of	28/12/2000	5.792.500	75,00	4.344.375		3.475.000		700.000	
2001/LV/16/P/PA/007	Technical assistance transport	18/10/2001	860.000	75,00	645.000		0		516.000	
2001/LV/16/P/PT/005	Via Baltica: improvements of part Riga-Adazi (km 0 to 6,3)	17/12/2001	14.200.588	75,00	10.650.441		0		8.520.352	
Total number of projects for subsector:		4	26.615.388	75,00	19.961.541	9,09	7.225.000	15,46	9.736.352	20,26
<i>Total number of projects for sector:</i>		<i>8</i>	<i>162.406.689</i>	<i>75,00</i>	<i>121.805.017</i>	<i>55,44</i>	<i>20.180.328</i>	<i>43,17</i>	<i>21.663.645</i>	<i>45,08</i>
Total number of signed projects for Latvia		17	313.689.689	70,04	219.699.667	5,58%	46.748.588	4,69	48.057.849	4,33

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project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total Ispa			Page 5 of 8			
				eligible value	% grant	% of country contribution	Ispa buget 2000	% of country % of all	Ispa budget 2001	% of country % of all	

country: Lithuania

subsector: DE Decentralisation

2001/LT/16/P/PA/003 Technical assistance for EDIS 20/12/2001 381.420 100,00 381.420 0 305.136

Total number of projects for subsector: 1 381.420 100,00 381.420 0,27 0 0,00 305.136 0,60

Total number of projects for sector: 1 381.420 100,00 381.420 0,27 0 0,00 305.136 0,60

subsector: Drinking and sewage water

2000/LT/16/P/PE/001 Vilnius Rehabilitation and extension of water supply and 10/11/2000 40.000.000 50,00 20.000.000 16.000.000 0

2001/LT/16/P/PE/005 Jonava: wastewater treatment plant, sewer network 13/12/2001 6.259.900 60,00 3.755.940 0 3.004.752

2001/LT/16/P/PE/006 Neringa: drinking water and waste water treatment systems 18/12/2001 10.153.000 47,00 4.771.910 0 3.817.528

Total number of projects for subsector: 3 56.412.900 50,57 28.527.850 19,86 16.000.000 30,63 6.822.280 13,52

subsector: Drinking and sewage water and solid waste

2001/LT/16/P/PA/002 TA project preparation in environment sector 26/10/2001 9.330.000 75,00 6.997.500 0 5.598.000

Total number of projects for subsector: 1 9.330.000 75,00 6.997.500 4,87 0 0,00 5.598.000 11,09

subsector: Sewage network/treatment plant

2000/LT/16/P/PE/002 Druskinninkai: wastewater treatment, upgrading and 22/12/2000 5.500.000 50,00 2.750.000 2.200.000 0

2001/LT/16/P/PE/007 Kaunas: extension of wastewater treatment plant for 13/12/2001 22.359.000 71,00 15.874.890 0 12.699.912

Total number of projects for subsector: 2 27.859.000 66,85 18.624.890 12,97 2.200.000 4,21 12.699.912 25,17

subsector: Solid waste collection system

2001/LT/16/P/PE/003 Alytus: development of regional waste management system 13/12/2001 7.825.808 50,00 3.912.904 0 3.130.323

2001/LT/16/P/PE/004 Taurage: regional waste management system 13/12/2001 6.629.786 70,00 4.640.850 0 3.712.680

2001/LT/16/P/PE/008 Siauliai: regional waste management system development 21/12/2001 9.402.000 56,00 5.265.120 0 3.712.722

Total number of projects for subsector:	3	23.857.594	57,92	13.818.874	9,62	0	0,00	10.555.725	20,92
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<i>Total number of projects for sector:</i>	<i>9</i>	<i>117.459.494</i>	<i>57,87</i>	<i>67.969.114</i>	<i>47,32</i>	<i>18.200.000</i>	<i>34,84</i>	<i>35.675.917</i>	<i>70,70</i>
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subsector: Rail

2000/LT/16/P/PA/001	Technical assistance for project preparation on development	22/06/2001	1.250.000	75,00	937.500	0	750.000
2000/LT/16/P/PT/004	Modernisation of telecommunications, signalling and power	22/12/2000	31.701.000	36,00	11.412.360	9.129.888	0
2001/LT/16/P/PT/006	Power supply sector 3 - Modernisation on Crete Corridor IXB	20/11/2001	27.193.000	44,00	11.964.920	0	9.571.936

Total number of projects for subsector:	3	60.144.000	40,43	24.314.780	16,93	9.129.888	17,48	10.321.936	20,45
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subsector: Road

2000/LT/16/P/PT/001	Upgrading of IXB Transport Corridor (Vilnius-Klaipeda)	10/11/2000	26.082.400	75,00	19.561.800	15.649.440	0
2000/LT/16/P/PT/002	Development of Via Baltica road in 2000-2006 (Pan	10/11/2000	15.439.000	75,00	11.579.000	9.263.200	0
2000/LT/16/P/PT/003	Development of Corridor 1A (2001-2004)	10/10/2001	26.422.387	75,00	19.816.790	0	4.161.528

Total number of projects for subsector:	3	67.943.787	75,00	50.957.590	35,48	24.912.640	47,69	4.161.528	8,25
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<i>Total number of projects for sector:</i>	<i>6</i>	<i>128.087.787</i>	<i>58,77</i>	<i>75.272.370</i>	<i>52,41</i>	<i>34.042.528</i>	<i>65,16</i>	<i>14.483.464</i>	<i>28,70</i>
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Total number of signed projects for Lithuania:	16	245.928.701	58,40	143.622.904	3,65	52.242.528	5,24	50.464.517	4,55
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country: Poland

subsector: Decentralisation

2000/PL/16/P/PA/001	Technical assistance for training EDIS	4/12/2001	1.630.000	100,00	1.630.000	320.000	984.000
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Total number of projects for subsector:	1	1.630.000	100,00	1.630.000	0,12	320.000	0,10	984.000	0,24
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<i>Total number of projects for sector:</i>	<i>1</i>	<i>1.630.000</i>	<i>100,00</i>	<i>1.630.000</i>	<i>0,12</i>	<i>320.000</i>	<i>0,10</i>	<i>984.000</i>	<i>0,24</i>
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project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total Ispa			Ispa budget % of country Ispa budget % of country			
				eligible value	% grant	% of country contribution	% of all	2000	% of all	2001	% of all

subsector: Drinking water pipes/plant

2000/PL/16/P/PE/008	Pila: Water pipe network for Pila town from water intake in		28/12/2000	8.501.659	51,00	4.335.846		3.468.677		0
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Total number of projects for subsector:		1		8.501.659	51,00	4.335.846	0,31	3.468.677	1,13	0 0,00
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subsector: Drinking and sewage water

2000/PL/16/P/PE/019	Wroclaw collectors/water supply		15/03/2001	65.250.000	56,00	36.540.000		0		29.232.000
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2000/PL/16/P/PE/020	Warsaw waste water treatment plant + drinking water		5/09/2001	42.242.000	65,00	27.457.300		0		21.500.000
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2000/PL/16/P/PE/021	Suwalki: water quality improvement		7/09/2001	12.468.000	50,00	6.234.000		0		4.987.200
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Total number of projects for subsector:		3		119.960.000	58,55	70.231.300	5,01	0	0,00	55.719.200 13,70
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subsector: Sewage network/treatment plant

2000/PL/16/P/PA/003	Nowy Targ: Technical assistance for the project preparation		27/12/2000	3.412.500	100,00	3.412.500		2.730.000		682.500
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2000/PL/16/P/PE/001	Bydgoszcz: Water supply and sewage services		19/09/2000	66.240.000	49,00	32.457.600		25.966.080		0
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2000/PL/16/P/PE/003	Gliwice: waste water treatment		7/09/2001	66.395.000	53,00	35.189.350		0		27.000.000
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2000/PL/16/P/PE/004	Katowice: waste water treatment		7/09/2001	50.520.000	60,00	30.312.000		0		23.000.000
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2000/PL/16/P/PE/009	Przemysl: Second stage in construction of sewage		7/09/2001	17.444.000	50,00	8.722.000		0		6.977.600
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2000/PL/16/P/PE/010	Torun: Modernisation and development of water and sewage		18/12/2000	79.111.000	60,00	47.466.600		9.493.320		4.106.680
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2000/PL/16/P/PE/012	Krakow waste water treatment plant		28/12/2000	79.976.000	70,00	55.983.200		44.786.560		0
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2000/PL/16/P/PE/013	Lodz waste water treatment plant		7/09/2001	45.799.000	50,00	22.899.500		0		18.000.000
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2000/PL/16/P/PE/014	Olsztyn: modernisation waste water treatment plant "Lyna"		15/03/2001	12.716.400	54,00	6.866.856		0		5.493.485
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2000/PL/16/P/PE/015	Poznan: extension and improvement of the sewage system		7/09/2001	104.400.000	57,00	59.508.000		0		45.000.000
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2000/PL/16/P/PE/016- Szczecin sewage disposal	28/12/2000	46.397.000	66,00	30.622.020	24.497.616	0	
2001/PL/16/P/PE/024 Bialystok water quality improvement	13/12/2001	18.316.000	56,00	10.256.960	0	8.205.568	
2001/PL/16/P/PE/025 Rybnik waste water collection system	13/12/2001	111.440.000	64,00	71.321.600	0	11.437.633	

Total number of projects for subsector:	13	702.166.900	59,11	415.018.186	29,60	107.473.576	35,01	149.903.466	36,87
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subsector: Solid waste collection system

2000/PL/16/P/PE/002 Gdynia: Waste treatment plant for Community Union	12/03/2001	20.852.950	72,00	15.014.127	0	12.011.301	
2000/PL/16/P/PE/005 Kraków: Municipal waste management in municipality	18/12/2000	22.730.000	62,00	14.092.600	11.274.080	0	
2000/PL/16/P/PE/006 Lodz: solid waste treatment	7/09/2001	21.640.000	60,00	12.984.000	0	10.387.200	
2000/PL/16/P/PE/018 Wroclaw solid waste	18/12/2000	20.402.000	66,00	13.465.320	10.772.256	0	

Total number of projects for subsector:	4	85.624.950	64,88	55.556.047	3,96	22.046.336	7,18	22.398.501	5,51
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<i>Total number of projects for sector:</i>	<i>21</i>	<i>916.253.509</i>	<i>59,50</i>	<i>545.141.379</i>	<i>38,88</i>	<i>132.988.589</i>	<i>43,32</i>	<i>228.021.167</i>	<i>56,08</i>
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Subsector: Rail

2000/PL/16/P/PA/002 Technical assistance for pre-feasibility study for the	29/12/2000	940.000	75,00	705.000	564.000	0	
2000/PL/16/P/PT/002 Minsk-Siedlce (E20): rail upgrading	19/09/2000	124.595.600	75,00	93.446.719	67.852.500	16.706.719	
2000/PL/16/P/PT/003 Rzepin-Kunowice (E20): rail upgrading	12/12/2000	23.626.480	75,00	17.719.860	4.429.965	7.973.937	
2001/PL/16/P/PA/005 Technical assistance for preparation of the project	12/09/2001	14.900.000	40,00	5.960.000	0	4.768.000	
2001/PL/16/P/PT/013 Wegliniec-Legnica Modernisation of E30 rail section	17/12/2001	123.783.000	75,00	92.837.250	0	19.014.864	
2001/PL/16/P/PT/014 Poznan modernisation rail node E20	22/11/2001	67.439.560	75,00	50.579.670	0	10.115.934	
2001/PL/16/P/PT/015 Improvement of railway infrastructure and liquidation of	28/11/2001	111.000.000	75,00	83.250.000	0	24.000.000	

Total number of projects for subsector:	7	466.284.640	73,88	344.498.499	24,57	72.846.465	23,73	82.579.454	20,31
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subsector: Road

2000/PL/16/P/PT/001 Kleszczow-Sosnica A4: construction motorway section	19/09/2000	112.282.000	75,00	84.211.500	66.975.000	8.400.000	
2000/PL/16/P/PT/004 Sochaczew-Grojec: reinforcement of surface pavement (NR	1/12/2000	32.761.000	75,00	24.570.750	7.371.225	7.371.225	

2000/PL/16/P/PT/005	Bielsko-Biala-Cieszyn: construction of expressway	12/06/2001	138.185.000	75,00	103.638.750	0	28.011.000		
2000/PL/16/P/PT/007	Gdansk-Jazowa: Pavement strengthening on the Corridor 1	29/12/2000	82.832.000	75,00	62.124.000	15.000.000	20.000.000		
2000/PL/16/P/PT/008	Krakow-Tarnow: road rehabilitation on Corridor III	29/12/2000	62.233.000	75,00	46.674.750	11.456.376	0		
2001/PL/16/P/PT/009	Wroclaw-Krzyzowa Rehabilitation A4	20/08/2001	252.700.000	75,00	189.525.000	0	31.200.000		
Total number of projects for subsector:			680.993.000	75,00	510.744.750	36,43	100.802.601	32,84	94.982.225 23,36
Total number of projects for sector:			1.147.277.640	74,55	855.243.249	61,00	173.649.066	56,57	177.561.679 43,67
Total number of signed projects for Poland:			2.065.161.149	67,89	1.402.014.628	35,60	306.957.655	30,77	406.566.846 36,65

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project number:	name project:	number of projects	Comm.decision signature:	est. total	est.total lspa			Page 7 of 8			
				eligible value	% grant	% of country contribution	% of all	lspa buget 2000	% of country % of all	lspa budget 2001	% of country % of all

country: Romania

subsector: Drinking water pipes/plant

2000/RO/16/P/PE/006	Iasi: Upgrading of water & waste water system	22/12/2000	51.378.000	75,00	38.533.500	23.839.250	6.987.550
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Total number of projects for subsector:	1		51.378.000	75,00	38.533.500	3,80	23.839.250	9,97	6.987.550	2,84
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subsector: Drinking and sewage water

2000/RO/16/P/PE/005	Pascani: Upgrading of water & waste water system	18/12/2001	16.262.000	75,00	12.196.500	0	4.218.000
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2001/RO/16/P/PE/015	Targu Mures: rehabilitation of drinking water supply and	20/11/2001	27.909.400	75,00	20.932.050	0	10.466.025
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Total number of projects for subsector:	2		44.171.400	75,00	33.128.550	3,27	0	0,00	14.684.025	5,98
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subsector: Sewage network/treatment plant

2000/RO/16/P/PA/001	Technical assistance for completion and upgrading of	22/02/2001	1.810.000	75,00	1.357.500	0	1.086.000
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2000/RO/16/P/PE/002	Craiova: Rehabilitation of sewerage network and wastewater	22/12/2000	70.378.000	75,00	52.783.500	38.342.250	3.884.550
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2000/RO/16/P/PE/003	Constanta: sewerage and wastewater treatment rehabilitation	16/11/2000	96.556.653	75,00	72.417.490	44.304.233	12.680.621
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2000/RO/16/P/PE/004	Timisoara: rehabilitation of wastewater treatment technology	4/12/2001	48.080.000	71,00	34.136.800	0	13.654.720
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2000/RO/16/P/PE/008	Cluj: Rehabilitation and modernisation of the water supply	31/05/2001	46.755.800	75,00	35.066.850	0	24.546.795
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2000/RO/16/P/PE/009	Valea Jiului: Danutoni waste water treatment plant extension	11/12/2001	9.680.000	75,00	7.260.000	5.808.000	726.000
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2000/RO/16/P/PE/010	Braila: Integrated sewerage development and wastewater	15/02/2001	59.877.400	75,00	44.908.050	0	13.680.000
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2000/RO/16/P/PE/011	Arad: Rehabilitation and modification of sewerage network	15/02/2001	18.000.000	75,00	13.500.000	0	8.100.000
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2001/RO/16/P/PE/012	Focsani: Rehabilitation of the sewerage network and	14/08/2001	15.876.500	74,00	11.748.610	0	9.398.888
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2001/RO/16/P/PE/013	Oradea: Rehabilitation of the sewerage network and	14/08/2001	23.906.000	70,00	16.734.200	0	13.387.360
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Total number of projects for subsector:	10	390.920.353	74,16	289.913.000	28,58	88.454.483	36,97	101.144.934	41,18
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subsector: Solid waste collection system

2000/RO/16/P/PE/001 Piatra Neamt: waste management programme	23/10/2000	13.846.000	75,00	10.384.500		8.307.600		0	
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Total number of projects for subsector:	1	13.846.000	75,00	10.384.500	1,02	8.307.600	3,47	0	0,00
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Total number of projects for sector:	14	500.315.753	74,34	371.959.550	36,67	120.601.333	50,41	122.816.509	50,00
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subsector: Rail

2000/RO/16/P/PT/001 Bucharest-Fetesti: Rehabilitation and upgrading of four	23/10/2000	308.972.608	75,00	231.729.441		72.779.441		0	
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2001/RO/16/P/PA/008 Technical assistance for rehabilitation of the railway line HU	20/12/2001	800.000	75,00	600.000		0		480.000	
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Total number of projects for subsector:	2	309.772.608	75,00	232.329.441	22,91	72.779.441	30,42	480.000	0,20
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subsector: Road

2000/RO/16/P/PA/002 Technical Assistance preparation Drobeta-Lugoj project	29/11/2001	1.500.000	75,00	1.125.000		0		900.000	
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2000/RO/16/P/PT/002 Bucharest-Giurgiu: Widening to four lanes of the National	23/10/2000	57.912.828	75,00	43.434.621		34.747.696		0	
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2000/RO/16/P/PT/003 Bucharest-Cernavoda - Rehabilitation and construction of	23/10/2000	95.616.000	75,00	71.712.000		11.100.000		7.642.000	
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2000/RO/16/P/PT/004 Turnu Severin-Craiova: Rehabilitation road Craiova-Lugoj:	22/02/2001	117.002.705	75,00	87.752.028		0		67.270.000	
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2001/RO/16/P/PT/005 Construction of motorway bypasses Corridor IV	14/08/2001	90.521.000	75,00	67.890.750		0		35.730.000	
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2001/RO/16/P/PT/006 Lugoj-Drobeta Turnu Severin: Rehabilitation route - phase 2:	13/12/2001	184.015.500	75,00	138.011.625		0		10.790.000	
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Total number of projects for subsector:	6	546.568.033	75,00	409.926.024	40,42	45.847.696	19,16	122.332.000	49,80
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Total number of projects for sector:	8	856.340.641	75,00	642.255.465	63,33	118.627.137	49,59	122.812.000	50,00
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Total number of signed projects for Romania:	22	1.356.656.394	74,76	1.014.215.015	25,76	239.228.470	23,98	245.628.509	22,14
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project number:	name project:	number of projects	Comm.decision signature:	eligible value	% grant	% of country contribution	Ispa budget 2000	% of country % of all	Ispa budget 2001	% of country % of all
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country: Slovakia**subsector: Drinking and sewage water**

2000/SK/16/P/PA/001	Technical assistance: preparation environment projects		26/04/2001	1.271.760	75,00	953.820	0		763.056	
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Total number of projects for subsector:		1		1.271.760	75,00	953.820	0,55	0	0,00	763.056 1,59
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subsector: PE-SE Sewage network/treatment plant

2000/SK/16/P/PE/001	Trencin: sewerage and waste water treatment plant - right		5/12/2000	7.936.732	50,00	3.968.366	3.174.692		0	
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2000/SK/16/P/PE/002	Nitra: waste water treatment plant - sewerage system		18/12/2000	10.354.200	50,00	5.177.100	4.141.680		0	
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2000/SK/16/P/PE/003	Banska Bystrica: waste water disposal system		7/12/2001	45.468.671	50,00	22.734.334	4.290.000		10.172.517	
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2000/SK/16/P/PE/004	Komarno I: upgrade and extension of public sewerage		14/05/2001	8.043.700	50,00	4.021.850	0		3.217.480	
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2001/SK/16/P/PE/005	Zvolen: reconstruction and extension of the wastewater		6/12/2001	10.967.050	50,00	5.483.525	0		4.386.820	
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2001/SK/16/P/PE/007	Dolny Turiec region and Martin: sewerage and wastewater		17/12/2001	12.364.474	48,73	6.024.881	0		4.819.905	
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Total number of projects for subsector:		6		95.134.827	49,83	47.410.056	27,48	11.606.372	27,34	22.596.722 47,02
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Total number of projects for sector:		7		96.406.587	50,17	48.363.876	28,04	11.606.372	27,34	23.359.778 48,61
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subsector: Rail

2000/SK/16/P/PT/001	Bratislava-Trnava:section Bratislava-Senkvice Modernisation		12/10/2000	51.422.000	75,00	38.566.500	30.853.200		0	
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2001/SK/16/P/PT/003	Bratislava-Trnava: Modernisation of rail Senkvice-Cifer and		13/12/2001	116.859.000	50,00	58.429.500	0		5.693.630	
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Total number of projects for subsector:		2		168.281.000	57,64	96.996.000	56,23	30.853.200	72,66	5.693.630 11,85
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subsector: Road

2001/SK/16/P/PT/002	Bratislava: motorway D61, section Vienna Road-Riverport	6/12/2001	52.210.000	52,00	27.149.200		0		19.004.440	
Total number of projects for subsector:		1	52.210.000	52,00	27.149.200	15,74	0	0,00	19.004.440	39,54
Total number of projects for sector:		3	220.491.000	56,30	124.145.200	71,96	30.853.200	72,66	24.698.070	51,39
Total number of signed projects for Slovakia:		10	316.897.587	54,44	172.509.076	4,38	42.459.572	4,26	48.057.848	4,33

country: Slovenia

subsector: Drinking water pipes/plant

2000/SI/16/P/PE/004	Gora Area: sustainable water supply of Trnovsko-Banjiski	26/11/2001	5.122.168	50,00	2.561.084		0		2.048.867	
Total number of projects for subsector:		1	5.122.168	50,00	2.561.084	5,69	0	0,00	2.048.867	12,79
subsector: PE-SE Sewage network/treatment plant										
2000/SI/16/P/PA/001	Sava: request for technical assistance	7/12/2001	300.000	75,00	225.000		180.000		0	
2000/SI/16/P/PE/001	Celje: waste water treatment plant	18/12/2000	14.740.680	60,00	8.844.407		7.075.526		0	
2000/SI/16/P/PE/002	Lendava: sewerage system and central waste water	18/12/2000	11.647.010	44,00	5.124.686		4.099.749		0	
2000/SI/16/P/PE/005	Slovenj Gradec: wastewater treatment in the Mislinja River	7/12/2001	9.018.015	50,00	4.509.008		0		3.607.206	
Total number of projects for subsector:		4	35.705.705	52,38	18.703.101	41,56	11.355.275	57,83	3.607.206	22,52

subsector: Solid waste collection system

2000/SI/16/P/PE/006	Dolensjka region: waste management centre (Novo Mesto)	13/12/2001	9.943.000	50,00	4.971.500		0		3.630.987	
Total number of projects for subsector:		1	9.943.000	50,00	4.971.500	11,05	0	0,00	3.630.987	22,67
Total number of projects for sector:		6	50.770.873	51,67	26.235.685	58,30	11.355.275	57,83	9.287.060	57,97

subsector: Rail

2000/SI/16/P/PA/002	Implementation of GSM-R and ERTLS/ETCS system on	18/12/2000	1.300.000	75,00	975.000		780.000		0	
2000/SI/16/P/PT/001	Renewal of cut Križni vrh with renewal of line section from	10/11/2000	12.500.000	75,00	9.375.000		7.500.000		0	

2001/SI/16/P/PT/002	Divaca-Koper: Modernisation of signalling and safety	20/11/2001	16.830.600	50,00	8.415.300		0	6.732.240	
Total number of projects for subsector:		3	30.630.600	61,26	18.765.300	41,70	8.280.000	42,17	6.732.240 42,03
Total number of projects for sector:		3	30.630.600	61,26	18.765.300	41,70	8.280.000	42,17	6.732.240 42,03
Total number of signed projects for Slovenia:		9	81.401.473	55,28	45.000.985	1,14	19.635.275	1,97	16.019.300 1,44
Report total:		169	6.112.735.259	64,42	3.937.785.745		997.516.506		1.109.195.063

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