

**Delegation of the European Union
to the Republic of Croatia**

**OPPORTUNITIES FOR THE PRIVATE SECTOR IN
PRE-ACCESSION COUNTRIES**

**Richard Masa
Head of Operations Section II**

Brussels, 24 November 2010

Delegation of the European Union to the Republic of Croatia

1. Pre-Accession Instrument (IPA)

- IPA components
- De-centralized management

2. EU assistance for water supply and wastewater treatment in Croatia

- Environmental Operational Programme 2007-11
 - Preparation for Structural Funds
 - Project examples

1. Pre-Accession Instrument (IPA)

- 2007-2013
 - Programme management
- Candidate and potential candidate countries

Five Components:

I. Institution and Capacity Building

II. Regional and Cross-Border Cooperation

III. Regional Development

- Transport

- Environment

- Regional Competitiveness

IV. Human Resources Development

V. Rural Development

- De-centralized management & Roadmap to full decentralization

2. EU assistance for water supply and wastewater treatment in Croatia

IPA III B Regional development – Environment

- **Environmental Protection Operational Programme (EPOP)**
- **adopted by Croatian Government in Sept 2007**
- **positive opinion on EPOP given by EU MS in Nov 2007**
- **Financing Agreement for EPOP signed in November 2008 between the Croatian Government and the European Commission (and ratified by Croatian Parliament in Nov 2008)**
- **Conferral of management powers issued by EC in Oct 2008**
- **Modification extending the programme to 2011 adopted by the Croatian Government and the Commission, ratification by Parliament expected during next weeks.**

2. EU assistance for water supply and wastewater treatment in Croatia

Environmental Protection Operational Programme (EPOP), 2007-2011

PRIORITY	MEASURE	ALLOCATION 2007-2009	ALLOCATION 2010-2011
1. Developing waste management infrastructure for establishing an integrated waste management system in Croatia	1.1. Establishment of new waste management centres at county/regional levels	M€ 26.4	M€ 21.2
	1.2. Remediation of sites highly polluted by waste (hot spots)		
2. Protecting Croatia's Water resources through improved water supply and integrated wastewater management systems	2.1. Establishment of modern water supply systems and networks	M€ 26.4	M€ 21.2
	2.2. Construction of WWTPs for domestic and industrial wastewaters and building / upgrading of sewerage network		
3. Technical Assistance	3.1. OP Management and capacity building	M€ 0.7	M€ 0.7

2. EU assistance for water supply and wastewater treatment in Croatia

Implementation Structure:

EPOP – Operating structure (OS)			
Body Responsible for Operational Programme	Ministry of Environmental Protection, Physical Planning and Construction (MEPPPC) (Head of Operating Structure = State Secretary)		
Body Responsible for Priority / Measure	Priority Axis 1 (waste) MEPPPC <i>Directorate for EU</i>	Priority Axis 2 (water) Ministry of Regional Development, Forestry and Water Management <i>Directorate for water policy and international projects</i>	Priority Axis 3 (TA) MEPPPC <i>Directorate for EU</i>
Implementing Bodies / Final Beneficiaries	Environmental Protection and Energy Efficiency Fund	Hrvatske Vode (Croatian Waters)	Central Finance & Contracting Agency (CFCA)

2. EU assistance for water supply and wastewater treatment in Croatia

Priority Axis 2 – Protecting Croatia's water resources through improved water supply and integrated waste water management systems

Measure 2.1. Establishment of modern water supply and networks
Measure 2.2. Construction of WWTP for domestic and industrial wastewater and upgrading the sewerage network

**Financial framework Water sector:
2007 – 2009: 26,4 MEUR IPA + 8.8 MEUR HR**



Slavonski Brod, Knin, Drniš

Modification 2010 – 2011: 21,25 MEUR IPA + 7.1 MEUR RH



Sisak

2. EU assistance for water supply and wastewater treatment in Croatia

Project Pipeline 2007 – 2011 – 2013...

1/3

	Project	Type	Previous support	Estim. costs	measure
1	Slavonski Brod	WWTP/W W/WS	DABLAS	29.7	Measure 2.1. Measure 2.2.
2	Knin	WWTP/W W/WS	CARDS 2005	15.7	Measure 2.1. Measure 2.2.
3	Osijek	WWTP/W W/WS	PHARE 2006	60	Measure 2.1. Measure 2.2.
4	Vukovar	WWTP/W W/WS	PHARE 2006	19	Measure 2.2.

2. EU assistance for water supply and wastewater treatment in Croatia

Project Pipeline 2007 – 2011 – 2013...

2/3

5	Bjelovarsko-bilogorska County	WW TA just launched	ISPA TA	55	Measure 2.1.
6	Koprivnicko-krizevacka County	WW TA to be launched	ISPA TA	52	Measure 2.1.
7	Nova Gradiska	WW//WWTP IPA Application ready	ISPA TA	13	Measure 2.2.
8	Đakovo	WW//WWTP IPA Application ready	ISPA TA	25	Measure 2.2.
9	Sisak	WW//WWTP Appraised by EC	EBRD	31,2	Measure 2.2.
10	Vrbovec	WW//WWTP IPA application ready	DABLAS	17	Measure 2.2.

2. EU assistance for water supply and wastewater treatment in Croatia

Project Pipeline 2007 – 2011 – 2013...

3/3

11	Krapina	WW/WWTP	EBRD	5.8	Measure 2.2.
12	Velika Gorica	WW/WWTP	NF	30	Measure 2.2.
13	Samobor	WW/WWTP	NF	16	Measure 2.2.
14	Dugo Selo	WW/WWTP	NF	14.8	Measure 2.2.
15	Virovitica	WW/WWTP	NF	17	Measure 2.2.
16	Drniš	WW/WWTP/W S	CARDS 2005	6.5	Measure 2.1. Measure 2.2.

OK

2. EU assistance for water supply and wastewater treatment in Croatia

Project Pipeline 2007 – 2011 – 2013...

3/3

11	Krapina	WW/WWTP	EBRD	5.8	Measure 2.2.
12	Velika Gorica	WW/WWTP	NF	30	Measure 2.2.
13	Samobor	WW/WWTP	NF	16	Measure 2.2.
14	Dugo Selo	WW/WWTP	NF	14.8	Measure 2.2.
15	Virovitica	WW/WWTP	NF	17	Measure 2.2.
16	Drniš	WW/WWTP/W S	CARDS 2005	6.5	Measure 2.1. Measure 2.2.

OK

2. EU assistance for water supply and wastewater treatment in Croatia

The youngest IPA Water Project - Sisak:

1/2

- **Final Project Application was submitted to the Commission at end of July 2010**
- **Scope of project:**
 - **Construction of sewerage network (7 km)**
 - **Construction of waste water treatment plant for the city of Sisak (capacity 60.000 PE, tertiary treatment)**
 - **Equipment for sewerage network maintenance**

Estimated total cost	Community contribution (IPA)	Public contribution
33.528.649 EUR	24.967.642 EUR	8.561.007 EUR

2. EU assistance for water supply and wastewater treatment in Croatia

The youngest IPA Water Project - Sisak:

2/2

Procurement plan:

- **FIDIC Yellow Book Works for WWTP**
- **FIDIC Red Book for Construction of sewerage network**
- **Supply contract (PRAG) for Equipment for sewerage network maintenance**
- **Service contract (PRAG) for supervision**
- **Co-financing with the European Bank for Reconstruction and Development (€7.3 million loan), derogation given by the Bank to use FIDIC and PRAG**
- **Derogation given by the Commission to expand the eligibility rules concerning the “Rules of Origin” to EBRD rules**
- **Estimated launch of tenders: 1.Q / 2011**

2. EU assistance for water supply and wastewater treatment in Croatia

**Operational Programme » ENVIRONMENT AND ENERGY«
2012 – 2013 – DRAFT!**

Priority Axis 2 – Interventions in Water Management Sector

Measure 2.1 - Water utility infrastructure development

- **To fulfil requirements of heavy investment water directives (WFD, UWWTD, DWD) for agglomerations of more than 2.000 PE**
- **Projects that offer integral solution for water supply, public sewerage and waste water treatment**

Measure 2.2 –Water infrastructure improvement

- **Projects which will contribute to achievement of good water status according the Water Framework Directive requirements (agglomerations less than 2.000 PE)**
- **Small projects (interventions) of water supply/sewerage systems**
- **Technical assistance for the flood protection and irrigation projects (studies, applications for next programming period)**

2. EU assistance for water supply and wastewater treatment in Croatia

**Operational Programme » ENVIRONMENT AND ENERGY«
2012 – 2013 – DRAFT!**

Next steps:

MRDFWM is preparing for 36 projects; of which:

- 29 waste water projects (estimated value of 568 million)**
- 7 regional water supply system (estimated value of 328 million)**

⇒ 896 mil EUR of projects to be prepared during upcoming years

- 30, 6 mil. EUR assured via Croatian Waters (Water Management Plan for 2010 and 2011) for Project and Study documentation preparation**

2. EU assistance for water supply and wastewater treatment in Croatia

**Operational Programme » ENVIRONMENT AND ENERGY«
2012 – 2013 – DRAFT!**

Application with studies:

- **Feasibility Study**
- **Cost-benefit analysis**
- **Environmental Impact Assessment Study**
- **Application form for EU funds**

Project documentation:

- **preliminary design and EIA for WWTP**
- **preliminary and main design for sewerage and water supply network**

2. EU assistance for water supply and wastewater treatment in Croatia

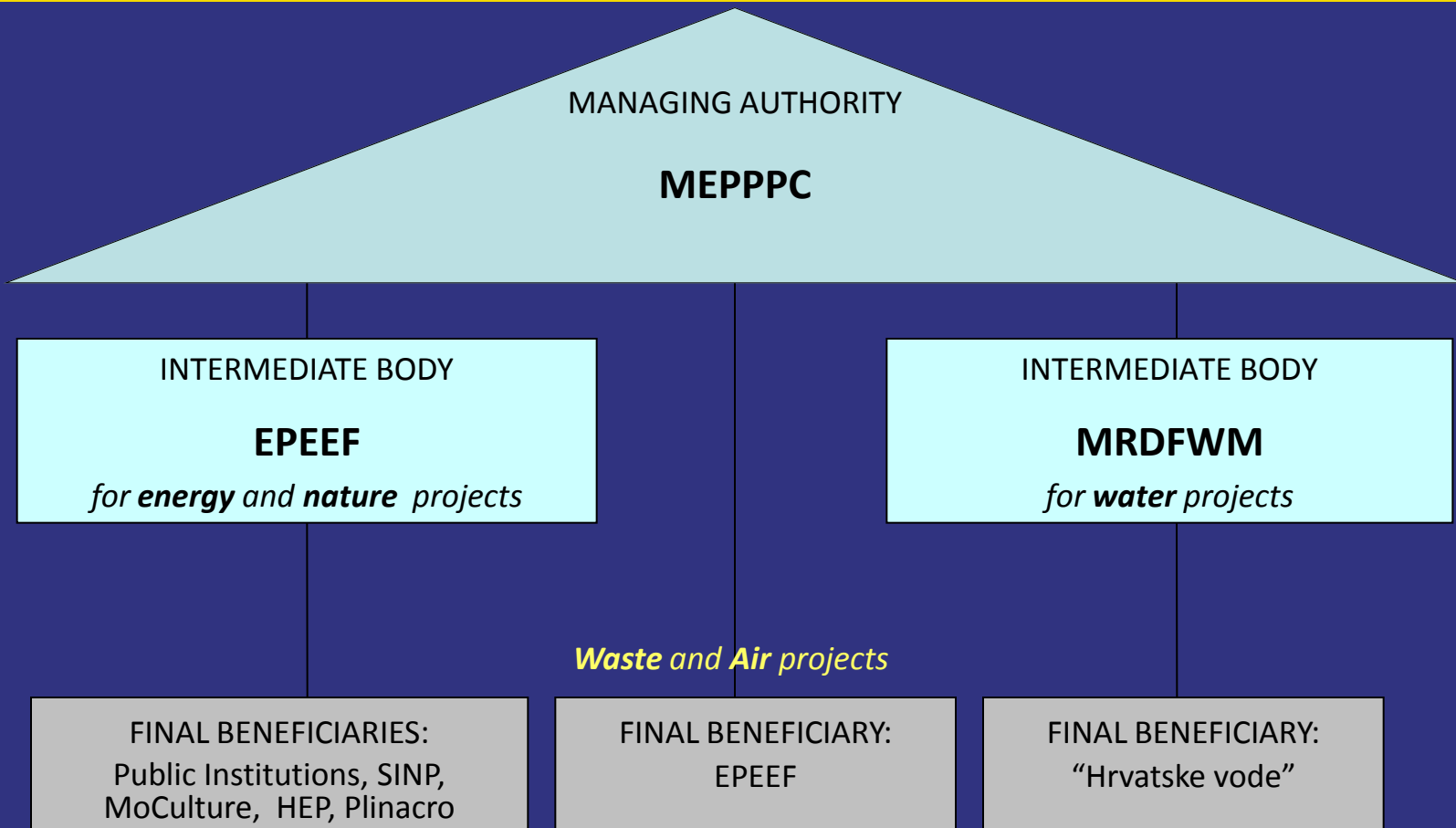
**Operational Programme » ENVIRONMENT AND ENERGY«
2012 – 2013 – DRAFT!**

SF/CF OP possible allocation for 2012-2013:

Cohesion Fund:	cca 370 MEUR
ERDF:	cca 200-300 MEUR
Total:	570 – 670 MEUR

2. EU assistance for water supply and wastewater treatment in Croatia

Future structure of Operational Programme » ENVIRONMENT AND ENERGY «



THANK YOU FOR YOUR ATTENTION

Delegation of the European Union to the Republic of Croatia

Trg žrtava fašizma 6 - 10000 Zagreb, Croatia

e-mail: richard.masa@ec.europa.eu

<http://www.delhrv.ec.europa.eu>

Useful websites:

<http://www.mzopu.hr> – Ministry of Environment

<http://www.mrrsvg.hr> – Ministry of Regional Development

<http://www.voda.hr> – Croatian Waters

www.strategija.hr – National IPA Coordinator