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OPERATIONAL PROGRAMME
“ENVIRONMENT 2007 – 2013”



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**MECHANISM FOR
DEVELOPMENT OF THE WASTE
MANAGEMENT INFRASTRUCTURE
WITH THE ASSISTANCE OF
OPERATIONAL PROGRAMME
”ENVIRONMENT 2007-2013”**

Sofia, November 2009

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ABBREVIATIONS USED

DCM	Decree of the Council of Ministers
DG	General Directorate
EC	European Community
EIA	Environmental Impact Assessment
EMEPA	Enterprise for Management of the Environment Protection Activities
EPA	Environmental Protection Act
ERDF	European Regional Development Fund
EU	European Union
FLAG	Fund for Local Authorities and Governments – FLAG EAD
GDP	Gross Domestic Product
LGLAA	Local Government and the Local Administration Act
MBT	Mechanical and Biological Treatment
MOEW	Ministry of Environment and Water
MRDPW	Ministry of Regional Development and Public Works
NWMP	National Waste Management Programme (2009 – 2013)
OP	Operational Programme
OPE	OP “Environment 2007-2013”
PPP	Public Private Partnership
RIEW	Regional Inspectorate of Environment and Water
The Commission	European Commission
WMA	Waste Management Act

INTRODUCTION

The revision of the mechanism for the development of the waste management infrastructure with the assistance of the Operational Programme “Environment 2007-2013” is necessary to reflect the legislative amendments. On 20 August 2009 the Council of Ministers approved Decree Nr. 209 on financing the construction of the regional waste management systems, the regional systems for preliminary treatment of municipal waste and the closure of municipal landfills (Decree No 209/2009). It provides financial resources from the national budget for closing of the regional landfills that do not comply with the requirements, as well as preliminary treatment of municipal waste prior to their disposal, according to the requirements of Directive 1999/31/EO. This allows the resources under the OPE to be focused on the construction of the regional waste management systems.

The revision is also aimed at introducing instruments for active dialogue between the beneficiaries and the Managing Authority in the process of preparation of the project proposals, as well as accelerating the preparation of the project proposals in order to prevent the loss of financial resources under the OPE.

In addition, the medium-term fiscal framework adopted by Decree of the CM Nr. 705 of 31 August 2009 and the main assumptions for the period 2010-2013 also requires revision of the mechanism concerning own participation that shall be provided by the beneficiaries. According to the approach adopted, in the period 2010-2012 it is expected the beneficiaries under the operational programs to provide respectively 5, 8 and 10 % of the eligible costs in the form of own contribution.

A. INTRODUCTION

Assumptions and limitations

The current mechanism is conditioned by several major factors:

1. The requirements and deadlines for implementation of Directive 1999/31/EC on landfill of waste, with respect to the establishment of the municipal waste management system and specifically with respect to the construction of a system of regional landfills, waste treatment facilities and decommissioning and closure of existing municipal landfills;
2. The Waste Framework Directive (2008/98/EC), the requirements of which (including the indicative recycling targets) have been incorporated in the newly adopted National Waste Management Programme.
3. The National Waste Management Programme 2009-2013 that sets the strategic priorities in the management of waste for the next 4 years, including measures needed at regional level, targets to be achieved, etc.
4. The limitations of OP Environment 2007-2013 – insufficient financial resource to cover all needs, as well as certain limitations with respect to eligible activities. Operational Programme „Environment 2007-2013” is focused on finalizing the system of regional facilities providing for environmentally sound disposal of the total quantity of waste generated on the territory of the country and introducing models for management of solid waste, as well as construction and demolition waste, which will contribute to reducing the total quantity of landfilled waste, as well as to their recovery.
5. Suggestions by representatives of DG Regio:
 - a) To introduce obligatory financial participation by the municipalities;
 - b) To establish targets by region in order to ensure the effectiveness of the regional systems which will be designed in terms of their contribution to the fulfillment of national targets;

6. Decree Nr. 209/20.08.2009 of the CM on financing the construction of the regional waste management systems, the regional systems for preliminary treatment of municipal waste and closure of municipal landfills.

Main tasks

By Decree of the CM Nr. 209 financial resources are provided for financing the prepared projects for closure of existing municipal landfills that do not comply with the regulatory requirements. The main task of this mechanism is to provide maximum efficient allocation of the limited financial resources under Operational Programme "Environment 2007-2013 r.", so as to:

1. finalise the system of regional facilities providing the environmentally sound disposal of the total quantity of municipal waste generated in the country with guaranteed partial financing of the 23 regional waste management systems, the construction of which has not started yet. Thus the available resources to fund other activities from the operational programme will be defined;
2. provide financial resources for closure of existing municipal landfills that do not comply with the legislative requirements.

In addition, the mechanism is aimed at stimulating the beneficiaries to duly prepare and implement the projects. In case it is impossible or in case of lack of desire to undertake the necessary preparatory activities, or in case of savings under specific projects, the spare resources shall be reallocated for the remaining projects or could be used for other activities.

B. CONSTRUCTION OF THE REGIONAL SYSTEMS

Scope

Territorial scope of the mechanism

This mechanism refers to the 23 regional waste management systems as they are defined in the National Waste Management Programme.

Table 1: Scope of the regions

Nr	Region	Municipalities	Total area of the region (km ²)	Total quantity of waste generated (t/yr)	Population of the region (number)
	(1)	(2)	(3)	(4)	(5)
1	Botevgrad	Botevgrad, Etropole, Pravets	1201,60	21 726,51	55709
2	Burgas	Burgas, Sredets, Kameno, Nesebar, Pomorie, Aytos, Ruen, Karnobat, Sungurlare	5542,28	147 023,76	384237
3	Byala	Borovo, Byala, Dve mogili, Tsenovo, Polski Trambesh, Opaka	1801,66	24 624,21	63139
4	Varna	Varna, Aksakovo, Beloslav	800,80	138 412,17	354903
5	Veliko Tarnovo	Veliko Tarnovo, Elena, Zlataritsa, Lyaskovets, Gorna Oryahovitsa, Strajitsa	2736,95	71 322,42	182878
6	Vidin	Vidin, Bregovo, Kula, Gramada, Novo selo, Dimovo, Rujintsi, Belogradchiik, Chuprene, Makresh	3026,79	43 915,56	112604
7	Gabrovo	Gabrovo, Tryavna	809,57	32 028,36	82124
8	Dobrich	Dobrich, Dobrich - rural, Tervel, Nikola Kozlevo, Krushari, Kavarna, Shabla, General Toshevo, Balchik	5488,00	81 804,84	209756
9	Kostenets	Kostenets, Ihtiman, Samokov, Dolna banya	2100,39	29 595,15	75885
10	Kostinbrod	Kostinbrod, Svoge, Slivnitsa, Bojurishte, Godech, Dragoman	1956,10	27 274,65	69935
11	Kocherinovo	Kocherinovo, Rila, Bobov dol, Kyustendil, Nevestino, Blagoevgrad, Simitli, Sapareva banya, Boboshevo, Dupnitsa, Treklyano	4241,30	93 388,62	240377
12	Levski	Levski, Belene, Nikopol, Svishtov, Pavlikeni	2349,70	47 422,05	121595
13	Lukovit	Lukovit, Roman, Yablanitsa, Cherven brayg, Teteven	2218,75	34 219,38	87742
14	Malko Tarnovo	Malko Tarnovo	798,50	1 561,56	4004
15	Pazardjik	Pazardjik, Peshtera, Belovo, Lesichevo, Bratsigovo, Septemvri, Rakitovo, Batak, Velingrad	3695,72	102 114,48	261832

Nr	Region	Municipalities	Total area of the region (km ²)	Total quantity of waste generated (t/yr)	Population of the region (number)
	(1)	(2)	(3)	(4)	(5)
16	Panagyurishte	Panagyurishte, Strelcha	823,60	12 579,06	32254
17	Pernik	Pernik, Zemen, Tran, Kovachevtsi, Breznik, Radomir	2413,31	54 121,47	138773
18	Pleven	Pleven, Iskar, Dolni Dabnik, Gulyantsi, Dolna Mitropoliya, Pordim	2751,91	80 490,54	206386
19	Provadiya	Provadiya, Dalgopol, Vetrino, Dolni Chiflik, Avren, Valchidol, Suvorovo, Devnya, Byala	3539,50	40 836,90	104710
20	Razlog	Razlog, Bansko, Belitsa, Yakoruda	1564,45	21 189,87	54333
21	Sofia	Sofia	5593,70	502 699,00	1240788
22	Stara Zagora	Stara Zagora, Radnevo, Opan, Galabovo, Chirpan, Bratya Daskalovi, Kazanlak, Gurkovo, Nikolaevo, Pavel Banya, Maglish, Tvarditsa	1344,00	144 374,10	370190
23	Yambol	Yambol, Nova Zagora, Tundja, Sliven, Straldja	3817,76	114 157,68	292712
TOTAL FOR THE 23 REGIONS			60 616,34	1 866 882,34	4746866
% OF THE TOTAL FOR THE COUNTRY			54,61%	62,65%	62,13%

Source: The data on the population are from the National Statistical Institute as of 31 December 2007.

The quantity of generated waste has been calculated on the basis of accumulation rate 390 kg/person/year.

Regional system for waste management

“The regional system for waste management” is a total of all the measures, the municipality must undertake in order to obtain effective treatment according to the requirements of article 4, point 1 of the Waste management act for the total quantity generated waste on the municipal territory and according to the requirements of article 16 from the same act. The system must guarantee that the waste will be collected, separated, transported, saved, treated and made safe in the most ecological way. The National programme for the period 2009 – 2013 foresees optimization of the systems for collecting and transporting of waste, and at the same time the development of the systems for separate collecting of waste. The development of the waste systems should be aimed to:

- a. Creation of conditions for quality serving of waste possessors – collection, transportation, treatment
 - spreading over all agglomerations in the systems for waste collection and transportation
 - optimization of collection and transportation of waste and assuring of separate collection of specific flows
 - creation of conditions for separate collection of previously separated waste and dangerous waste by the households, including by creation of recycling centers – places for temporary collecting of separated recyclable waste and dangerous waste by the households

- creation of equipment for preliminary waste treatment
- creation of equipment for putting into use of waste
- creation of equipment and installations for dismantling of the collected waste, including specific flows, without risking human health and the environment
- b. Introduction and application of other measures (soft measures, tax stimulation, economic measures, control etc.) such as
 - introduction of practices for separating of recyclable materials, biodecomposing waste, big size waste and dangerous waste
 - implementation of additional measures for the separation of the packaging from the waste in the municipal solid waste stream
 - awareness and other initiatives intended to schedule an application of certain practices
 - application of economic and financial incentives for waste holders to separate and discard them (including the introduction of a system of fees based on the amount of waste dumped into the municipal solid waste mainstream in which the waste collected separately will not be charged)

The beneficiary should keep in mind that according to the requirements of Directive 1999/31/EC on the landfills (incorporated into national legislation by Decree № 8 August 24, 2004 on the conditions and requirements for construction and operation of landfills and other facilities and installations for recovery and disposal) is required to ensure pre-treatment of waste generated prior to their entry into the landfill.

Main steps and elements of the mechanism:

The elements of the mechanism with respect to the construction of the regional system are:

1. Defining the technical and financial needs of each of the regions.
2. Defining indicative regional recycling targets, aimed at achieving the national targets according to Directive 2008/98/EC.
3. Defining the indicative maximum size of the grant and financial contribution of the municipalities.
4. The difference between the total amount of the available financing under priority axis 2 of the OPE and the total of the defined national amounts of the grant assistance shall be form a common reserve fund. The saving made under specific projects shall also be part of this fund. This mechanism will regulate the rules for its utilisation.
5. Defining of deadlines for preparation and start of the projects implementation. This will guarantee the due construction of all regional systems and the completion of the system of regional facilities for municipal waste treatment.
6. Carrying out direct award procedures through sending a separate invitation to each region.

Needs analysis

The scope of each project is defined in such a way, so as to cover the minimum requirements of Directive 1999/31/EC on the landfill of waste and to support the establishment of effective systems, which will subsequently be self-sustainable including with respect to the necessary reinvestments (e.g. construction of additional landfilling capacity). The following elements have been identified as necessary, while not requiring excessive costs:

- a) construction of 1st stage of the regional landfill with specific capacity (generally between 5 and 7 years). The 1st stage size and scope will be determined by the feasibility study and the design of the landfill;
- b) construction of pre-treatment facilities providing for the separation of burnable and recyclable component of the incoming waste, construction of composting facilities; as well

as where viable construction of recycling installations for construction, demolition and bulky waste and recycling centers (civic community sites for collection and temporary storage of separated recyclable waste and hazardous waste from households)

and/or

Construction of mechanical and biological treatment facility with specified parameters;

c) Transfer station (where there is justified need) including pre-treatment and/or composting facilities where applicable.

Table 3 Indicative contents of the regional systems presents an overview of the identified needs of each of the regional systems. **The actual parameters and technology to be used will be determined in the feasibility study and the design, while considering the specific characteristics of each region, as well as the social affordability of the investment.**

Defining the facilities and installations included in the regional system

The following factors have been considered when defining the necessary facilities for each of the regional landfills:

- a) Total quantity of the generated waste;
- b) Morphological contents of the municipal waste generated in the region depending on the type of settlements and the annual data on the generated waste submitted by the municipalities to the Executive Environmental Agency;

Table 2: Morphological contents of the municipal waste for different type of settlements

Population, number		up to 3 000	from 3 000 to 25 000	from 25 000 to 50 000	abo 50 000
		%	%	%	%
A. Organic					
1.	Food waste	4,86	12,56	20,85	28.80
2.	Paper	3,87	6,55	10,45	11.10
3.	Cardboard	1,30	0,70	1,63	9.70
4.	Plastics	5,21	8,98	9,43	12.00
5.	Textile	3,48	4,70	3,40	3.20
6.	Rubber	1,15	0,45	1,10	0.60
7.	Leather	1,36	1,35	2,10	0.70
8.	Garden waste	14,12	14,00	5,53	6.80
9.	Wooden waste	2,14	2,28	1,58	1.30
B. Non-organic					
1.	Glass	8,85	3,40	8,78	9.90
2.	Metals	2,88	1,30	2,83	1.70
C. Others					
1.	Slag, ashes, inert construction waste, soil, sand and others, including unidentified	50.78	43.73	32.35	14.20

Source: National Waste Management Programme for the period 2009-2013

When defining the necessary facilities and their capacities, related activities performed by the package recovery organizations are also considered, as well as pre-treatment facilities and disposal infrastructure constructed or under construction with private investments (including PPP). Where such installations are in place or their construction is envisaged, the assumption is that the capacity of the installations financed through this mechanism shall be smaller compared with other regions where other measures are not currently implemented.

The analysis shows that the construction of waste pre-treatment facilities is not economically viable and would lead to excessively high investment and operational costs for the population in regions generating less than 22 000 t/yr (or less than 20 000 t/yr

waste for separation). Therefore in such regions (Botevgrad, Malko Tarnovo, Panagyurishte and Razlog) it is not envisaged to construct separation installations for the incoming waste.

- c) The quantity of the biodegradable waste - for determining the capacity of the composting facilities and their economic viability.

In order to reduce the environmental impact of the landfilling of biodegradable municipal waste, Directive 1999/31/EC on the landfill of waste contains provisions for step-wise reducing the quantity of biodegradable waste disposed through landfilling:

- by 2010 the quantity of the biodegradable municipal waste intended for landfilling shall be reduced to 75 % of the total weight quantity of the biodegradable municipal waste generated in 1995;
- by 2013 the quantity of the biodegradable municipal waste intended for landfilling, shall be reduced to 50 % of the total weight quantity of the biodegradable municipal waste generated in 1995.

To this end the National Waste Management Programme envisages different measures that may be summarized into three main elements:

- introducing separate collection and treatment of “green” waste generated from the activities related to the maintenance of the green areas in towns – this measure is especially important since the analysis shows that composting without separate collection is not cost efficient;
- promoting household composting especially in regions that are characterized by great quantity of biodegradable waste such as family houses in villages and in the suburbs. For such places it is appropriate to continue with the introduction of household composting because people often have their own gardens and therefore are better informed of the soil, plants and fertilizers, which renders them more respondent to the idea for collection and composting of biodegradable waste. Moreover such areas are less densely populated and the organized separate collection of “green” waste would increase the operational costs of the system. According to the NWMP it is envisaged this measure to cover 70 000 households by 2010, and by 2013 - a total of 89 000;
- construction of open sites for collection and composting of separately collected “green” waste from parks and gardens on the territory of the municipalities. In this respect it is envisaged such sites to be constructed at least at the transfer stations envisaged in the respective region. In addition sites construction will be encouraged on the territory of all municipalities since apart from the environmental benefits it will result in reducing the municipal transport costs for the transportation of such waste for treatment and landfilling at the regional landfill. At the same time the existence of such sites shall be considered when preparing the feasibility study of the entire regional system, since they impact on the structure of the waste coming in the regional landfill and determines the capacity of the facilities to be constructed.
- construction of composting facilities at the regional landfills. In the general case these will be composting facilities following the open method (Windrow type). In these facilities will be composted both separately collected “green” waste coming in the landfill, and the biodegradable fraction obtained from pre-treatment. The exact capacity and type of the facilities will be determined by the feasibility study. The strategy for regions generating less than 1 000 t/yr of waste for composting will be to promote small-scale household composting of biodegradable waste.

The measures for promoting the household composting and introducing of separate collection are not subject of this mechanism and shall be financed from other sources. However, such measures shall be considered when examining the entire regional system.

- d) Available feasibility studies or investment designs, where such exist. The needs analysis considers the data from the preliminary studies that are carried out in the 23 regions,

financed under the ISPA Programme, Technical Assistance under the OPE or own resources, available by the mid 2009.

- e) Construction of other facilities, e.g. for recycling construction waste and “recycling centers” is envisaged on the basis of elaborated feasibility studies, the results of which have been applied for the other regions with similar characteristics.

Determining the necessity of transfer station/s

- a. The transfer stations are considered as expedient in case there is considerable quantity of generated waste, as well as considerable distance from the landfill.

The inclusion of a transfer station depends on its economic indices and on its capacity to contribute to reducing the total costs for waste management (through reducing the costs for transport, pre-treatment of waste at the transfer station and organizing transfer of the compacted waste to the landfill in an efficient way). The feasibility study of each regional system will define whether a transfer station is to be constructed.

At the transfer stations the construction of composting sites as a minimum. Where it is economically viable (considering the quantity of generated waste) pre-treatment facilities will also be constructed. Some transfer stations are sufficiently small and such facilities is not justified from the economic point of view – facilities for waste compacting is envisaged for them in order to achieve the more efficient transfer of waste to the regional landfill.

Thus the facilities for each of the regions included in the mechanism are defined. The feasibility studies shall cover all facilities and measures for management of different waste flows. The capacity and the specific technological solutions will follow from the results of the feasibility study.

When preparing the feasibility studies each of the regions may also envisage other waste treatment and management facilities that improve the efficiency of the regional system, reduce the waste intended for landfilling and extend the operation period of the regional landfill. The latter shall be indicated in the project proposal and the investment programme for the regional system but it is possible that they do not obtain financing from the operational programme, especially if the investment costs for them exceed the maximum size of the grant defined for the respective region. When preparing of the project proposals it is possible to include installations additional to the regional system and the minimum of installations necessary for ecological waste treatment, to be constructed at a later stage according to investment programme laid down in the feasibility studies. In any case, the included facilities for the region should not lead to unjustified financial burden to the population and shall be financially sustainable for the overall operation period.

The scope of the projects to be financed under the OPE shall be specified through dialogue with the experts from the MA, the IB and “Waste Management” Directorate at the Ministry of Environment and Water on the basis of the prepared feasibility studies and analysis. The main goal will be to complete the construction of the system of regional facilities for waste treatment and to provide the necessary capacity for treatment of the overall quantity of waste generated on the territory of the country. Thus the installations to be constructed with the financial assistance of the OPE will be specified. In case the respective region has additional resources available, other installations above the necessary minimum may be constructed.

Table 3: Indicative contents of the regional systems

Nr	REGION	TOTAL QUANTITY OF GENERATED WASTE (t/yr)	WASTE FOR SEPARATION (t/yr)	QUANTITY OF WASTE for COMPOSTING (t/yr)	SYSTEM ELEMENTS INCLUDED IN THE ANALYSIS	OTHER FACILITIES IN THE REGION
1.	Botevgrad	21 726,51	18 709,96	3 016,55	Construction of regional landfill – 1st cell – 10-15 years and base preparation of 2nd cell;	
2.	Burgas	147 023,76	110 817,27	36 206,49	Construction of regional landfill – 1st cell 2010 - 2014; Separation installation; Composting facilities; Construction waste recycling facility; Recycling center 2 transfer stations (Karnobat and Nesebar), including pre-treatment facilities and composting sites	
3.	Byala	24 624,21	23 136,44	1 487,77	Construction of regional landfill – 1st stage; Separation installation; Composting facilities; Recycling center	
4.	Barna	138 412,17	97 254,90	41 157,27	Construction of regional landfill – 1st stage; Composting facilities; Construction waste recycling facility; Recycling center	Separation installation in operation in: Varna 30 000 t <i>The construction of an MBT is envisaged in Beloslav;</i>
5.	Veliko Tyrnovo	71 322,42	57 915,20	13 407,22	Construction of regional landfill – 1st stage; Separation installation; Composting facilities; Recycling center	Separation installation in operation: Gorna Oryahovitsa 9 000 t
6.	Vidin	43 915,56	33 799,38	10 116,18	Construction of regional landfill – 1st cell Separation installation; Composting facilities; Recycling center; Construction waste recycling facility;	
7.	Gabrovo	32 028,36	28 873,93	3 154,43	Construction of regional landfill – 1st stage; Composting facilities	Separation installation in operation in:

Nr	REGION	TOTAL QUANTITY OF GENERATED WASTE (t/yr)	WASTE FOR SEPARATION (t/yr)	QUANTITY OF WASTE for COMPOSTING (t/yr)	SYSTEM ELEMENTS INCLUDED IN THE ANALYSIS	OTHER FACILITIES IN THE REGION
						Gabrovo 50 000 t
8.	Dobrich	81 804,84	62 492,78	19 312,06	Construction of regional landfill – 1st cell 2010 - 2014; Separation installation; Composting facilities; Construction waste recycling facility; Recycling center 1 transfer station (Tervel), including pre-treatment facilities and composting sites	
9.	Kostenets	29 595,15	27 560,96	2 034,19	Construction of regional landfill – 1st stage; Separation installation; Composting facilities; Recycling center Transfer station (the site is not clear yet) including composting facility	Separation installation in operation in: Samokov 4 032 t
10.	Kostinbrod	27 274,65	25 476,91	1 797,74	Transfer station in Svoge, including composting facility	<i>The regional landfill is constructed with PPP*</i>
11.	Kocherino vo	93 388,62	76 179,33	17 209,29	Construction of regional landfill – 1st cell – 7 years; Separation installation; Recycling center; Construction waste recycling facility; Transfer stations – 3 (Blagoevrad, Dupnitsa and Kustendil), including pre-treatment facilities and composting sites at them; <i>Notes: No composting is envisaged at this regional landfill since the municipalities that are envisaged to transport the waste directly to the regional landfill are primarily rural and generate small percent of biodegradable waste. The composting in the region will be carried out at the transfer stations.</i>	At the moment a separation installation is constructed, which will be commissioned on 1 June 2009 Blagoevgrad 10 080 t;
12.	Levski	47 422,05	40 124,27	7 297,78	Construction of regional landfill – 1st stage; Separation installation; Composting facilities;	

Nr	REGION	TOTAL QUANTITY OF GENERATED WASTE (t/yr)	WASTE FOR SEPARATION (t/yr)	QUANTITY OF WASTE for COMPOSTING (t/yr)	SYSTEM ELEMENTS INCLUDED IN THE ANALYSIS	OTHER FACILITIS IN THE REGION
					Recycling center Transfer station (Pavlikeni), including separation facility and composting site	
13.	Lukovit	34 219,38	32 063,07	2 156,31	Construction of regional landfill – 1st stage; separation installation; Composting facilities; Recycling center Transfer station (Teteven), including composting site	
14.	Malko Tarnovo	1 561,56	1 475,69	85,87	Construction of regional landfill	
15.	Pazardjik	102 114,48	79 510,02	22 604,46	Construction of regional landfill – 1st cell Separation installation; Composting facilities; Recycling center; Construction waste recycling facility; Transfer station (Velingrad/Rakitovo), including pre-treatment facilities and composting site	Separation installation in operation: Pazardzhik 50 000 t
16.	Panagyurishte	12 579,06	11 722,56	856,50	Construction of regional landfill	
17.	Pernik	54 121,47	42 871,28	11 250,19	Construction of regional landfill – 1st stage; Separation installation; Composting facilities	
18.	Pleven	80 490,54	64 095,00	16 395,54	Construction of regional landfill – 1st cell; Separation installation; Composting facilities; Recycling center	
19.	Provadiya	40 836,90	33 597,38	7 239,52	Construction of regional landfill – 1st stage 5 yr. capacity; 2 cells for landfilling & pre-landfilling; Separation installation; Composting facilities; Construction waste recycling facility;	

Nr	REGION	TOTAL QUANTITY OF GENERATED WASTE (t/yr)	WASTE FOR SEPARATION (t/yr)	QUANTITY OF WASTE for COMPOSTING (t/yr)	SYSTEM ELEMENTS INCLUDED IN THE ANALYSIS	OTHER FACILITIS IN THE REGION
20.	Razlog	21 189,87	19 805,43	1 384,44	Construction of regional landfill Composting facilities	
21.	Sofia	502 699,00	396 095,39	106 603,61	Construction of landfill; MBT; Composting facilities (including composting of “green” waste);	Separation installation in operation, constructed by the package recovery organizations in Sofia: Bojurishte 7 000 t station Iskyr 10 080 t station Iskyr 64 000 t Suhodol 126 000 t Trebich 100 000 t Filipovtsi 100 000 t
22.	Stara Zagora	144 374,10	115 341,94	29 032,16	Construction of regional landfill – 1st stage; Separation installation; Composting facilities; Recycling center 3 transfer stations - Kazanlyk, Radnevo/Galabovo, Tvyrditsa, including separation installation in Kazanlyk and Radnevo/Galabovo and composting sites at all transfer stations	Separation installation in operation: Stara Zagora 8 000 t
23.	Yambol	114 157,68	90 279,25	23 878,43	Construction of regional landfill – 1st stage; Separation installation; Composting facilities; Recycling center	Separation installation in operation in: Sliven 50 000 t village of Hadzhidimitrovo, Yambol 20 160 t

* Facilities taken into account when calculating the total investment cost.

Investment costs for the project for the integrated system of Metropolitan Municipality

The draft of Integrated Waste Management of Sofia Municipality is a strategic as well as for waste management and in terms of implementing the operational program. It was one of four projects in the waste sector in the indicative list of major projects in the operational program. In this regard, and given the advanced stage of the projects, art. 4, para. 4 of Decree 209/2009, provides "grant for the project to build a regional system for managing household waste in Sofia municipality to be provided by the Operational Program" Environment 2007 - 2013 to the full set of financial analysis and approved under the procedure for the direct granting under Art. 34 of the Decree № 121 of Council of Ministers in 2007 to determine the procedure for granting financial assistance for operational programs financed by the Structural and Cohesion Funds of the European Union Phare Program and the European Union (SG 45. from 2007) and the European Commission under art. 40 of Council Regulation (EO) № 1083/2006 of July 11, 2006 laying down general provisions on the European Regional Development Fund, European Social Fund and the Cohesion Fund and repealing Regulation (EO) № 1260/1999. "

According to the prepared investment projects and financial analysis the total project cost is 183 776 406 euro, of which 180 029 406 euro are eligible for funding under OPOS, including 118 756 536 euro for the construction of the ILO, 20 899 487 euro - for both composting equipment and 18 683 492 euro for the landfill. 3 747 000 euros have been used for purchasing the land before the eligibility period under the operational program, and therefore are ineligible.

The prepared cost benefit analysis Sofia Municipality project establishes the value of the financial deficit of the project amounting to 72.78 percent of eligible costs. In other words, under the operational program will be financed expenditures for the project up to 131 024 429 euros.

Defining the necessary investment costs of the 22 regions

After defining the necessary facilities for each of the systems, the financial resources necessary for their construction have been defined as well.

The data used is from available (by mid 2009) feasibility studies and designs prepared with financing under the ISPA Programme or own financing of the municipalities for the regional systems included in this mechanism. The average data are applied for other regions with similar area, quantity and structure of the waste. The overall amount is cross-checked against other relevant sources of investment costs information such as *Costs for municipal waste management in the EU, Eunomia Research & Consulting Ltd.*, market research, investment costs defined in the NWMP, etc.).

In the preliminary analyses the cost for the project of Sofia is reflected according to the parameters included in the National Waste Management Programme.

- a) The investment costs for separation installations are calculated on the basis of the quantities of municipal waste coming in the landfill. The construction of such installations is envisaged both at the regional landfills and at part of the transfer stations where sufficient quantity of waste will be processed, so as the construction of the facilities to be more cost efficient. Where the quantity of waste generated in the region does not exceed 20 000 t/yr, the construction of separation installations is not envisaged.

Table 4: Defining the necessary financial resources for construction of separation installation

Quantity of waste for separation (t/yr)	Separation facilities (EURO)
80 000 - 120 000 t/yr	2 500 000,00 €
40 000 - 80 000 t/yr	2 000 000,00 €
20 000 - 40 000 t/yr	1 500 000,00 €
< 20 000 t/yr	Not envisaged

In the regions with separation facilities constructed by the waste recovery organizations or where their construction is pending, the capacity of the separation installations included for financing under this mechanism is smaller, as well as the costs for their construction.

- b) The investment costs necessary for construction of the composting facilities

Table 5: Defining the necessary financial resources for construction of composting facilities

Capacity of the facility (t/yr)	Composting facilities (EURO)
under 1000	Household composting, the construction of a facility is not envisaged
1000-3000	210 000
3000-10000	700 000
10000-13000	910 000
13000-19000	1 330 000
19000-23000	1 610 000
23000-30000	2 100 000
above 30 000	2 500 000

Sources: On the basis of data from study carried out in 2006 for the purpose of preparation of a National Strategic Plan for step-wise reducing of the quantities of the biodegradable waste intended for landfilling

- c) The costs for the recycling facilities of construction waste and the „recycling centres” are included in the costs for construction of the 1st stage of the landfills.
- d) The costs for construction of the 1st stage of the landfills is defined from the existing feasibility studies and/ or designs if they are in place and from the quantity of generated waste, if there are no designs.
- e) The costs for construction of the transfer station are defined according to its capacity. For the transfer stations, at which pre-treatment and composting facilities of the incoming waste are envisaged to be constructed, the finances for these facilities are included in the costs defined.

- f) The cost of the technical assistance for design preparation, construction supervision, project management and other expenditures eligible for funding according article 11 of the Decree №249 of the Council of Ministers on October 17th 2007 for acceptance of the detailed rules for eligibility of expenditures under Operational Programme Environment 2007-2013, cofinanced by Cohesion Fund and European Fund for Regional Development of the European Union, is included in the construction cost of the 1st stage.

Table 6: Necessary financial resources for construction of the 1st stage of the regional system for municipal waste management

	REGION	SEPARATION INSTALLATION / MBT	COMPOSTING FACILITY	TRANSFER STATIONS	1 ST STAGE OF THE REGIONAL LANDFILS	TOTAL
		(EURO)	(EURO)	(EURO)	(EURO)	(EURO)
	(1)	(3)	(4)	(5)	(6)	(7) = (3)+(4)+(5)+(6)
1.	Botevgrad	0,00	0,00	0,00	6 000 000,00	6 000 000,00
2.	Burgas	2 500 000,00	2 500 000,00	6 000 000,00	7 000 000,00	18 000 000,00
3.	Byala	1 500 000,00	210 000,00	0,00	2 890 000,00	4 600 000,00
4.	Varna	0,00	2 500 000,00	0,00	7 500 000,00	10 000 000,00
5.	Veliko Tarnovo	1 800 000,00	1 330 000,00	0,00	9 870 000,00	13 000 000,00
6.	Vidin	1 500 000,00	910 000,00	0,00	5 590 000,00	8 000 000,00
7.	Gabrovo	0,00	700 000,00	0,00	3 500 000,00	4 200 000,00
8.	Dobrich	2 000 000,00	1 610 000,00	3 000 000,00	4 390 000,00	11 000 000,00
9.	Kostenets	1 400 000,00	210 000,00	1 000 000,00	2 390 000,00	5 000 000,00
10.	Kostinbrod	0,00	0,00	1 000 000,00	0,00	1 000 000,00
11.	Kocherinovo	1 000 000,00	0,00	17 500 000,00	5 500 000,00	24 000 000,00
12.	Levski	2 000 000,00	700 000,00	3 000 000,00	5 500 000,00	11 200 000,00
13.	Lukovit	1 500 000,00	210 000,00	1 000 000,00	3 290 000,00	6 000 000,00
14.	Malko Tarnovo	0,00	0,00	0,00	1 500 000,00	1 500 000,00
15.	Pazardjik	1 000 000,00	1 610 000,00	3 000 000,00	7 390 000,00	13 000 000,00
16.	Panagyurishte	0,00	0,00	0,00	2 500 000,00	2 500 000,00
17.	Pernik	2 000 000,00	1 330 000,00	0,00	7 670 000,00	11 000 000,00
18.	Pleven	2 000 000,00	1 330 000,00	0,00	7 670 000,00	11 000 000,00
19.	Provadiya	1 500 000,00	700 000,00	0,00	5 800 000,00	8 000 000,00
20.	Razlog	0,00	210 000,00	0,00	4 440 000,00	4 650 000,00
21.	Stara Zagora	2 500 000,00	2 100 000,00	7 000 000,00	14 400 000,00	26 000 000,00
22.	Yambol	1 250 000,00	2 100 000,00	0,00	9 250 000,00	12 600 000,00
	TOTAL	25 450 000,00	20 260 000,00	42 500 000,00	124 040 000,00	212 250 000,00

* The distribution of the amounts by type of installations is indicative. In case the feasibility studies prove that some of the indicated installations are not necessary, the resources for it in the present table may be redistributed towards other elements from the regional system for the waste management.

- g) Although the closure of the municipal landfills will be financed from sources different from the operational programme, the size of the necessary financing is a part of the overall investment burden for the region. The capacity of the municipalities to finance the construction of the new facilities also depends on other related costs that they shall incur, because the source of financing is the same – fee “municipal waste”. That is why

the total investment costs also include the necessary financial resources for closure of the municipal landfills.

On the basis of the obligatory technical requirements of Directive 1999/31/EC on the landfill of waste regarding closure of existing landfills and market research carried out, the costs for closure is defined as 14 000 € per decare. On the basis of the available data on the area of the landfills that are subject to closure, the total cost for closure of each region is calculated.

Table 7: Indicative investment costs for closure of municipal landfills in the 22 regions

REGION	MUNICIPALITY	TERRITORY OF THE SETTLEMENT	VICINITY	AREA (dca)	PRICE FOR RECULTIVATION (EURO)
Region Botevgrad	Botevgrad	village of Skravena	Temosha	36,00	504 000,00 €
	Etopole	Etopole	Praveshki vrah	50,00	700 000,00 €
	Pravets			0,00	0,00 €
				86,00	1 204 000,00 €
Region Burgas	Aytos	village of Lyaskovets	Maglenski pat	50,00	700 000,00 €
	Burgas	village of Bratovo		120,00	1 680 000,00 €
	Kameno	Kameno	Do lozyata	10,00	140 000,00 €
	Karnobat	Karnobat	the way to village Eksrh Antimovo	50,00	700 000,00 €
	Nesebar	village of ravda	Cheshme tarla	79,80	1 117 200,00 €
	Pomorie	village of Kamenar	Gerena	33,50	469 000,00 €
	Ruen	village of Ruen	the way Dobra polyana – Snyagovo	3,46	48 440,00 €
	Sredets	Sredets	Koriyata	10,00	140 000,00 €
	Sungurlare	village of Balabanchevo		34,00	476 000,00 €
			390,76	5 470 640,00 €	
Region Byala	Borovo	Borovo	“Kaydjika”	10,00	140 000,00 €
	Byala	Byala	Katri dol/Trapito	25,00	350 000,00 €
	Dve mogili	Dve mogili	“Garka”	15,00	210 000,00 €
	Opaka	village of Opaka		8,60	120 400,00 €
	Polski Trambesh	Polski trambesh	“Ribarnika”	10,00	140 000,00 €
	Tsenovo	Tsenovo	Sart bair (Draka bair)	20,00	280 000,00 €
				88,60	1 240 400,00 €
Region Varna	Aksakovo	village of Vaglen		97,00	the landfill is in operation
	Beloslav	Beloslav	Dalboki dol	15,50	217 000,00 €
	Varna	village of Vaglen		97,00	the landfill is in operation
				15,50	217 000,00 €
Region Veliko Tarnovo	Veliko Tarnovo	village of Sheremetya	“Stublitsa”	119,00	1 666 000,00 €
	Gorna Oryahovitsa	Gorna Oryahovitsa	“Babinets”	150,00	2 100 000,00 €
	Elena	Elena	“Pop Sotirov grob”	10,00	140 000,00 €
	Zlataritsa	Zlataritsa	“Gyaur gech”	3,00	42 000,00 €
	Lyaskovets	<i>The municipality of Lyaskovets uses the landfill of municipality of Gorna Oryahovitsa</i>			

REGION	MUNICIPALITY	TERRITORY OF THE SETTLEMENT	VICINITY	AREA (dca)	PRICE FOR RECULTIVATION (EURO)
	Srajitsa	town of Srajitsa	”Suhoto dere”	10,00	140 000,00 €
				292,00	4 088 000,00 €
Region Vidin	Belogradchik	village of Dabravka	Fusino selishte	16,30	228 200,00 €
	Boynitsa	village of Boynitsa	Kraishte	3,70	51 800,00 €
	Bregovo	Bregovo	Kruch	26,00	364 000,00 €
	Vidin	village of Jeglino	Ramova livada /Kozya garbina	24,00	336 000,00 €
	Gramada	Gramada	Кисинџа	15,70	219 800,00 €
	Dimovo	Dimovo	Дандара	5,00	70 000,00 €
	Kula	Kula	Тоположетс	11,00	154 000,00 €
	Makresh	village of Makresh	Do rekata	7,40	103 600,00 €
	Novo selo	village of Novo selo	Tsarina – в регулация	3,00	42 000,00 €
	Rujintsi	village of Rujintsi	Pesaka	5,00	70 000,00 €
	Chuprene	village of Chuprene	Barbatovets	3,70	51 800,00 €
				120,80	1 691 200,00 €
Region Gabrovo	Gabrovo	<i>The closure of the existing landfill is included in the project for construction of the new regional landfill</i>			
	Tryavna	village of Chernovrah	”Zad gabraka”	16,78	234 920,00 €
				16,78	234 920,00 €
Region Dobrich	Balchik	Balchik	Momchil	150,00	2 100 000,00 €
	General Toshevo	General Toshevo	Pastir	20,00	280 000,00 €
	Dobrich	village of Bogdan			the landfill is in operation
	Dobrich - village	vilage of Bogdan			the landfill is in operation
	Kavarna	Kavarna	H. Dimitar	99,00	1 386 000,00 €
	Krushari	Krushari	Behind Lovniya dom	15,00	210 000,00 €
	Nikola Kozlevo	Village of Nikola Kozlevo	”Panaira”	5,00	70,000,00 €
	Tervel	Tervel	Baltadja	25,00	350 000,00 €
	Shabla	Shabla	Kovanlayuk	20,00	280 000,00 €
					334,00
Region Kostenets	Dolna banya	Town of Dolna banya	”Drenayaka”	6,00	84 000,00 €
	Ihtiman	Ihtiman	Sadinata	15,00	210 000,00 €
	Kostenets	village of Kostenets	Karakas-5	19,00	266 000,00 €
	Samokov	Samokov	Kantradjiya	55,00	770 000,00 €
					95,00
Region Kostinbrod	Bojurishte	village of Herakovo	Kanton	30,00	420 000,00 €
	Godech	village of Razboishte	Smetishte	40,00	560 000,00 €
	Dragoman	village of Chukovezer	Modrilnyak	23,00	322 000,00 €
	Kostinbrod			81,34	1 138 760,00 €
	Svoге	village of Tserovo	Babin dol	7,00	98 000,00 €
	Slivnitsa	village of Aldomirovtsi	Kozyak	32,00	448 000,00 €

REGION	MUNICIPALITY	TERRITORY OF THE SETTLEMENT	VICINITY	AREA (dca)	PRICE FOR RECULTIVATION (EURO)
				213,34	2 986 760,00 €
Region Kocherinovo	Blagoevgrad	village of Buchino		106,00	1 484 000,00 €
	Bobov dol	Bobov dol	Govedarnika	38,97	545 580,00 €
	Boboshevo	village of Slatino	Karo	3,50	49 000,00 €
	Dupnitsa	Dupnitsa	Kurt dere	50,00	700 000,00 €
	Kocherinovo	village of Barakovo	Aydere	7,00	98 000,00 €
	Kyustendil	village of Radlovtsi	Gladni rid	95,00	1 330 000,00 €
	Nevestino	village of Chetirtsii	Leskov dol	5,00	70 000,00 €
	Rila	Rila	Momena	6,50	91 000,00 €
	Sapareva banya	Sapareva banya	Lyuti dol	13,40	187 600,00 €
	Simitli	town of Simitli	vicinity Djoovandak	10,00	140 000,00 €
	Treklyano	village of Ushi	Rudinata	2,00	28 000,00 €
				337,37	4 723 180,00 €
Region Levski	Belene	Belene	“Kodalak”	10,00	140 000,00 €
	Levski	Levski	“Kririnata”/ “Arabadjitsa”	24,00	336 000,00 €
	Nikopol	Nikopol	“Karach dere”	8,00	112 000,00 €
	Pavlikeni	Pavlikeni	“Dryankurust”	20,00	280 000,00 €
	Svishtov	Svishtov	“Nenova shatra”	22,00	308 000,00 €
				84,00	1 176 000,00 €
Region Lukovit	Lukovit	Lukovit	“Goliya vrah”	16,00	224 000,00 €
	Roman	Roman	vicinity “Valchov dol”	4,00	56 000,00 €
	Teteven	village of Glojene	Reznash/ Baynov potok	30,00	420 000,00 €
	Cherven bryag	Cherven bryag	“Dolna bivolitisa”	24,00	336 000,00 €
	Yablanitsa	Yablanitsa	“Zeykov rat”	19,20	268 800,00 €
				93,20	1 304 800,00 €
Region Malko Tarnovo	Malko Tarnovo	Malko Tarnovo	Sushitsa	20,00	280 000,00 €
				20,00	280 000,00 €
Region Pazardzhik	Batak	Batak	“Raleva kashla”	8,10	113 400,00 €
	Belovo	Belovo	“Savovi nivi”	20,00	280 000,00 €
	Bratsigovo	Bratsigovo	“Klisurata”	4,00	56 000,00 €
		village of ravnogor	“Botvitsa”	5,00	70 000,00 €
	Velingrad	Velingrad	“Dalbokoto dere”	33,80	473 200,00 €
	Lesichevo	village of Lesichevo	“Dupkite”	3,00	42 000,00 €
	Pazardzhik	Pazardzhik	“Banikarovski bair” - village of Al. Konstantinovo	<i>The closure of the existing landfill is included in the project for construction of the new regional landfill</i>	
	Peshtera	Peshtera	“Gramadite”	21,42	299 880,00 €
	Rakitovo	Rakitovo	“Katsata”	13,50	189 000,00 €
	Septemvri	Septemvri	“Gorni batali” – village of Vetren	33,42	467 880,00 €
				142,24	1 991 360,00 €
Region Panagyurishte	Panagyurishte	Panagyurishte	“Bratanitsa”	<i>The closure of the existing landfill is included in the project for construction of the new regional landfill</i>	

REGION	MUNICIPALITY	TERRITORY OF THE SETTLEMENT	VICINITY	AREA (dca)	PRICE FOR RECULTIVATION (EURO)
	Strelcha	Strelcha	”Okopana”	5,00	70 000,00 €
				5,00	70 000,00 €
Region Pernik	Breznik	Breznik	Chiflik	15,83	221 620,00 €
	Zemen	village of Blateshnitsa	Shumaka	3,50	49 000,00 €
	Kvachevtsi	village of Kovachevtsi	Puzalka	11,00	154 000,00 €
	Pernik	village of Lyulin	Markovi egrets	65,00	910 000,00 €
	Radomir	village of Kosharite	Petrovo	192,67	2 697 380,00 €
	Tran	Tran	Mechi dol	5,00	70 000,00 €
				293,00	4 102 000,00 €
Region Pleven	Gulyantsi	Gulyantsi	”Beglika”	19,80	277 200,00 €
	Dolna Mitropoliya	Dolna Mitropoliya	”Vyrbaka”	13,00	182 000,00 €
	Dolni Dabnik	Dolni Dabnik	”Pogledets”	29,00	406 000,00 €
	Iskar	Iskar	”Vlashki lak”	5,00	70 000,00 €
	Pleven	village of Bukovlak	”Kacamunska pyteka”	170,00	2 380 000,00 €
	Pordim	Pordim	”Otsreshta”	13,00	182 000,00 €
				249,80	3 497 200,00 €
Region Provadiya	Avren	Village of Avren	”Karaasan”	9,00	126 000,00 €
	Vyala (V)	Byala	”Turta dere”	13,55	189 700,00 €
	Vetrino	Vetrino	Patekite	52,00	490 000,00 €
	Valchi dol	Valchi dol	Besh punar	38,20	534 800,00 €
	Devnya	Devnya	Dyulger bahcha	40,00	560 000,00 €
	Dolni chiflik	Dolni chiflik	Mateeva cheshma	29,00	406 000,00 €
	Dalgopol	Dalgopol	”Kazanlashki pat”	8,00	recultivated
	Provadia	Provadiya	Studena voda	<i>The closure of the existing landfill is included in the project for construction of the new regional landfill</i>	
	Suvorovo	Suvorovo	Banska voda	27,00	378 000,00 €
			208,75	2 922 500,00 €	
Region Razlog	Bansko	Bansko	vicinity of Vakoviya	51,50	721 000,00 €
	Belitsa	village of Kraishite	vicinity of Valtata	5,00	70 000,00 €
	Razlog	Town of Razlog	Vicinity of Sredorek	17,00	238 000,00 €
	Yakoruda		vicinity of Bela Mesta	8,00	112 000,00 €
				81,50	1 141 000,00 €
Region Sofia	Dolni Bogrov		Dolni bogrov	360,00	5 040 000,00 €
	Stolichna		Suhodol	330,00	4 620 000,00 €
				690,00	9 660 000,00 €
Region Stara Zagora	Bratya Daskalovi	village of Bratya Daskalovi	”Agovata staya”	2,00	28 000,00 €
	Gurkovo	Gurkovo	”Ivanchov pat”	30,00	420 000,00 €
	Galabovo	Galabovo	”Erkesene”	28,70	401 800,00 €
	Kazanlak	village of Cherganovo	”Karakos’	87,18	1 220 520,00 €
	Maglish			<i>No municipal landfill</i>	
	Nikolaevo	<i>The municipality of Nikolaevo does not have an own landfill but uses the landfill of</i>			

REGION	MUNICIPALITY	TERRITORY OF THE SETTLEMENT	VICINITY	AREA (dca)	PRICE FOR RECULTIVATION (EURO)
		<i>the municipality of Gurkovo</i>			
	Opan	village of Opan	”Do selo”	9,80	137 200,00 €
	Pavel banya	Pavel banya	”Bonin dol”	5,00	70 000,00 €
	Radnevo	Radnevo	town of Radnevo	93,00	1 302 000,00 €
	Stara Zagora	Землището of the villages Hristiyanovo and Bogomilovo	”Mandra bair”	128,00	1 792 000,00 €
	Tvarditsa	Tvarditsa	”Lagun”	14,65	205 100,00 €
	Chirpan	Chirpan	”Shahtova pesht”	60,00	840 000,00 €
				458,33	6 416 620,00 €
Region Yambol	Nova Zagora	village of Ezero	”Noviyat kladenets”	45,00	630 000,00 €
	Sliven	village of Sotirya	village of Sotirya	57,55	805 700,00 €
	Straldja	town of Straldja	”Druzha”	36,75	514 500,00 €
	Tundja	<i>The municipality of Tundja uses the landfill of the municipality of Yambol, which is on its territory</i>			
	Yambol			71,00	994 000,00 €
					210,30

Sources: Plans for bringing of the existing waste landfills into compliance with the legislative requirements.

- h) When defining the total investment cost for the region, other facilities being constructed with the participation of the municipalities in the region, are also considered. Although they are not financed by the OPE, they increase the investment burden for the region and the information is necessary when calculating the maximum size of the grant following the mathematical model described below.
- i) Thus the total investment costs for achieving compliance with the requirements of Directive 1999/31/EC on the landfill of waste are calculated for each of the regions.

Table 8: Total investment costs in the 22 regions

REGION	CLOSURE OF THE MUNICIPAL LANDFILLS	1 ST STAGE OF THE REGIONAL SYSTEM	ADDITIONAL FACILITIES CONSTRUCTED WITH THE PARTICIPATION OF MUNICIPALITIES	TOTAL INVESTMENT COSTS FOR THE REGION
(1)	(EURO)	(EURO)	(EURO)	(EURO)
Botevgrad	1 204 000,00	6 000 000,00		7 204 000,00
Burgas	5 470 640,00	18 000 000,00		23 470 640,00
Byala	1 240 400,00	4 600 000,00		5 840 400,00
Varna	217 000,00	10 000 000,00		10 217 000,00
Veliko Tarnovo	4 088 000,00	13 000 000,00		17 088 000,00
Vidin	1 691 200,00	8 000 000,00		9 691 200,00
Gabrovo	234 920,00	4 200 000,00		4 434 920,00
Dobrich	4 676 000,00	11 000 000,00		15 676 000,00
Kostenets	1 330 000,00	5 000 000,00		6 330 000,00
Kostinbrod	2 986 760,00	1 000 000,00	2 500 000,00	3 986 760,00
Kocherinovo	4 723 180,00	24 000 000,00		28 723 180,00
Levski	1 176 000,00	11 200 000,00		12 376 000,00
Lukovit	1 304 800,00	6 000 000,00		7 304 800,00
Malko Tarnovo	280 000,00	1 500 000,00		1 780 000,00

Pazardjik	1 991 360,00	13 000 000,00		14 991 360,00
Panagyurishte	70 000,00	2 500 000,00		2 570 000,00
Pernik	4 102 000,00	11 000 000,00		15 102 000,00
Pleven	3 497 200,00	11 000 000,00		14 497 200,00
Provadiya	2 922 500,00	8 000 000,00		10 922 500,00
Razlog	1 141 000,00	4 650 000,00		5 791 000,00
Stara Zagora	6 416 620,00	26 000 000,00		32 416 620,00
Yambol	2 944 200,00	12 600 000,00		15 544 200,00
TOTAL	53 707 780,00	212 250 000,00	2 500 000,00	265 957 780,00

Defining of indicative regional targets

Indicative regional targets are defined for recycling of municipal waste depending on the constructed facilities. Thus it will be guaranteed that:

- The targets are achievable for each region;
- Each region contributes in the maximum efficient way to the fulfillment of the targets at national level;
- The facilities constructed with funding under the operational programme, will be efficient not only regarding price and affordability (i.e. not very expensive), but also regarding the fulfillment of the environmental targets and reducing the quantity of waste intended for landfill;
- Additional costs for treatment (related to the construction and operation of separation and composting facilities) will be comparable or lower than other methods of disposal.

Increase of the quantities of recycled and recovered waste is one of the main goals of the NWMP. The recycling by materials is priority before the energy reuse. In order to promote measures and initiatives aimed at the preparation for recycling, recycling and reuse of materials from the municipal waste flow in the period of implementation of the NWMP, the costs for disposal through landfill are envisaged to be increased, including by introducing “disposal” fee.

Table 9: National targets for recycling and recovery of municipal and construction waste according to the NWMP

Types of waste	by 2010	by 2011	by 2012	by 2013
Municipal waste	at least 17% of all waste are recycled	at least 25% of all waste are recycled	at least 30% of all waste are recycled	at least 33% of all waste are recycled
Construction waste	increase of the recycling, recovery and reuse to 20%	increase of the recycling, recovery and reuse to 25%	increase of the recycling, recovery and reuse to 30%	increase of the recycling, recovery and reuse to 35%

Source: National Waste Management Programme

The regional targets for recycling of the municipal waste are defined considering the specific characteristics of the separate regions (the quantity and morphological contents of the waste generated on their territory, the facilities envisaged to be constructed under the OPE, facilities constructed or envisaged to be constructed with other financial resources). The targets shall be differentiated, so as to guarantee that the targets at national level will be achieved without imposing of “unbearably” high investment and operation costs for the population in regions where the construction of special separation facilities is not cost efficient.

The recycling targets in regions where construction of facilities is not envisaged will be achieved through other measures, including household composting and “green” waste sites, separate collection, etc.

The regional targets set below are indicative and achieving them shall not impair the social affordability and sustainability of the project.

Assumptions for the calculations in the forecast model for fulfillment of the national waste recycling targets.

- Increase in the accumulation rate of the municipal waste – 5% (accumulation rate for 2013 – 390 ton/ yr/person).
- Morphological structure of the municipal waste in each region reflects the type of settlement.
- Country population at the end of 2007, according to National Statistical Institute – 7 640 238.
- Decrease of the population – 0.5% per year.
- Recycling is considered as the quantity of recycled materials and composted biodegradable waste.
- It is assumed that 80% of plastic materials, glass, metals and 10 % of cardboard are suitable for recycling
- It is assumed that 100% of “green” waste and food; 50% of the wood, 20% of the textile, 25% of the leather and 70% of the cardboard are suitable for composting.
- Increase in collection and delivered packaging waste in 32 regions of 10%.
- Indicative recycling targets are introduced for 2013, when it is expected that the systems constructed with financial resources from the OPE will be fully operating.
- The following indicative regional targets for recycling will be reported as required by law and when the system is fully operational facilities.

Table 10: Indicative regional targets for recycling and recovery of municipal waste in 23 regions (% of the overall quantity of waste generated within the region)

Регион	Индикативни цели за рециклиране
Botevgrad	16.82%
Burgas	35.76%
Byala	27.47%
Varna	41.37%
Veliko Tarnovo	34.36%
Vidin	34.15%
Gabrovo	39.37%
Dobrich	33.98%
Kostenets	30.31%
Konstinbrod	28.08%
Kocherinovo	34.37%
Levski	29.63%
Lukovit	27.75%
Malko Tarnovo	16.81%
Pazardzhik	32.34%
Panagyurishte	16.75%
Pernik	36.47%

Pleven	35.98%
Provadiya	27.68%
Razlog	16.60%
Sofia	48.43%
Stara Zagora	35.54%
Yambol	36.70%

Defining the indicative maximum size of the grant

The maximum size of the grant that the project may obtain from the operational programme is defined on the basis of the identified investment needs, as well as objective economic, demographic and ecological criteria. **The calculated amount will be reduced by the value of the technical assistance obtained for preparation of the project under competitive selection procedure BG161PO005/08/2.30/01/03 „Technical assistance for preparation of investment projects under priority axis 2 of operational programme „Environment 2007 – 2013”**

Sources of information

In the preparation of the model the following sources were used:

- National Statistical Institute;
- State Budget Act (2005, 2006 and 2007);
- Order № ПД-02-14-256/31 May 2004 of the Minister of regional development and public works for the identification of criteria and indicators to categorize municipalities in Bulgaria;
- Data on the credit potential of the municipalities collected and published by FLAG;
- Geographical data.

Factors determining the size of the grant

The chosen indicators aim to determine the comparative value of two factors:

1. The investment resources availability, i.e. the ability of the region to cover the investment costs – the indicators used are:

- investment burden – this represents investment costs as a percentage of the municipal income in the region. The investment costs are taken in their totality (including construction and closure of existing landfills). The second element is based on the municipal **own** income in the region rather than overall municipal budget. This is based on the limitation of the Municipal Debt Act, which limits the size of annual credit payments in the municipality to 25% of the own municipal income (art. 12, (1)). The state budget allocation portion of the municipal budgets is strictly distributed along different budget lines and cannot be used freely by municipalities;
- average credit pool of the municipalities in the region – this is an indicator which provides information on the comparative capacity of municipalities to service and pay off a debt. The credit pool consists of the income which municipalities can decide what to do with:

- Local taxes
- Non-tax incomes;

- Leveling state subsidy;

- investment per capita – this indicator provides information on the comparative burden of the investment per capita. The investment costs used include closure.

- average population density for the municipalities in the region – the underlining assumption is that region with less population density will have higher operational costs, and thus less available resources to service credits they need to borrow in order to construct the system. In addition investment costs in less populated regions are more expensive, thus less affordable.

The above criteria are recalculated based on the average for all regions. It is decided to use average instead of (min/max) in order to avoid great disparities. Each region whose value for a specific indicator are worse than the average for all regions receives 100% for this specific indicator, while regions having better values are recalculated as a percentage of the average.

The so calculated ratings are then summed up to establish the composite coefficient for investment resources availability. The formula used places equal weight to the above mentioned indicators, i.e. the **composite investment resources availability coefficient = (investment burden + credit pool + investment per capita+ population density)/4**

2. The overall affordability (of waste management systems in the region) – the indicators used are:

- GDP per capita – the lowest level on which data is aggregated is NUTS3 – this average data is attributed to the municipalities depending on which NUTS3 region they belong. The values are then used to establish the average for the respective waste management region.

- concentration of waste – tons/sq. km. is used again to compare the affordability of the systems with respect to the other regions.

- average monetary income per household – this provides indication of the affordability levels in the region. The income per household was chosen over income per capita, due to the fact that overall in Bulgaria waste tariffs are determined per household as a percentage of the value of a house. The lowest level on which data is aggregated is NUTS3 – this average data is attributed to the municipalities depending on which NUTS3 region they belong to. The values are then used to establish the average for the respective waste management region.

The above criteria are recalculated based on the average for all regions. It is decided to use average instead of (min/max) in order to avoid great disparities. Each region whose value for a specific indicator are worse than the average for all regions receives 100% for this specific indicator, while regions having better values are recalculated as a percentage of the average.

The so calculated ratings are then summed up to establish the composite coefficient for affordability. The formula used places equal weight to the above mentioned indicators, i.e. the **composite affordability coefficient = (GDP per capita + concentration of waste + monetary income per household)/3**

3. In addition a third factor is taken into account which is the categorization of the municipality according to the Order № ПД-02-14-256/31 May 2004 of the Minister of regional development and public works for the identification of criteria and indicators to categorize municipalities in Bulgaria.

These categories are calculated by the MRDPW based on the following criteria:

- demographic potential – including: population - number; coefficient of age dependency - % of people below 15 yrs. and above 65 yr.;
- urbanization – including: population density – person/sq. km; housing with metal and concrete construction - % of the total housing constructed;

- infrastructure – determines the basic infrastructure for the development of the municipality – technical (transport, energy, water and sewerage, communication) – represented in terms of % of population serviced by the infrastructure; medical facilities, kindergartens, schools, services - number;
- social and economic – determines the level of social and economic development and includes tax income per capita and the employment rate - % of population in working age.
- administrative functions – including territory – sq. km. and decentralized services – number.

Based on these criteria and **their correlation** each municipality received a category from 1-5, where 1 is best and 5 is least. It is understood that these categories present valuable information on the potential and capacity of the region, which is why they are also used in the calculation of the maximum size of the grant. The factor reflects other social and economic conditions faced by the regions that are not taken into account in the indicators of the first and the second factor. Although some of the indicators are repeated in the overall appraisal of the municipality's category, these are interrelated with other aspects of local development, such as social services, urbanization etc. To some extent this factor corrects some statistical distortions that might occur by only using the other two factors, which are mostly monetary.

The category is calculated average for the region as well as the overall average for all 23 regions. The average for all regions is defined as standard and gets coefficient 1. Since the category is not based on absolute numbers, but is already a composite rating, it is not possible to directly compare the separate regions, therefore the following scaling is used.

Category rating of the region (average 3,3)	Coefficient value
>3,3	1
>2,8	0,97
>2,3	0,94
>1,8	0,91
=<1,8	0,88

The above described elements make up a composite coefficient based on the following assumptions:

- the investment resources availability is considered to be most important in determining the maximum size of the grant – thus it carries 60% of the weight;
- affordability considerations – make up 30% of the overall assessment;
- the category of the municipality – 10%

Thus the formula used to calculate is

Overall coefficient = 0,6* composite investment resources availability coefficient + 0,3* composite affordability + 0,1 *category
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This coefficient is then applied to the investment costs as identified by the needs analysis to determine the maximum size of the grant per region.

Table 11: Calculation of the maximum size of the grant

Region	Necessary investment for the 1 st stage of the regional system (without closure)	investment burden (%)	Credit pool €/per capita)	Investment per capita (€/per capita)	population density (person/sq. km.)	investment burden	Credit opol	Investment per capita	population density	composite investment resources availability coefficient	GDP per capita (€/capita)	concentration of waste (ton/sq. km.)	average annual income (€)	GDP per capita	concentration of waste	average annual income	Composite affordability coefficient	category	Coefficient for category	Overall coefficient	Maximum size of the grant
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Botevgrad	6 000 000,00	225,16%	191,37	129,31	46,36	1,00	0,79	1,00	1,00	0,947	3 773,85	18,08	2 825,40	0,73	1,00	1,00	0,909	2,7	0,94	0,935	5 611 128,97
Burgas	18 000 000,00	80,15%	177,25	61,08	69,33	0,48	0,85	0,72	1,00	0,764	3 232,90	26,53	3 963,53	0,85	1,00	0,85	0,901	2,9	0,97	0,825	14 857 030,24
Byala	4 600 000,00	468,35%	88,24	92,50	35,04	1,00	1,00	1,00	1,00	1,000	2 514,45	13,67	3 537,12	1,00	1,00	0,96	0,986	3,8	1,00	0,996	4 580 252,18
Varna	10 000 000,00	42,37%	160,85	28,79	443,19	0,26	0,94	0,34	0,18	0,428	3 610,74	172,84	4 009,55	0,76	0,18	0,84	0,594	2,3	0,94	0,529	5 288 002,75
Veliko Tarnovo	13 000 000,00	195,24%	108,07	93,44	66,82	1,00	1,00	1,00	1,00	1,000	2 335,58	26,06	2 836,14	1,00	1,00	1,00	1,000	2,8	0,97	0,997	12 961 000,00
Vidin	8 000 000,00	297,42%	101,93	86,06	37,20	1,00	1,00	1,00	1,00	1,000	1 976,14	14,51	2 583,56	1,00	1,00	1,00	1,000	4,4	1,00	1,000	8 000 000,00
Gabrovo	4 200 000,00	128,48%	119,02	54,00	101,44	0,78	1,00	0,63	0,77	0,796	2 854,03	39,56	3 930,81	0,96	0,78	0,86	0,867	2,0	0,91	0,828	3 479 335,26
Dobrich	11 000 000,00	121,71%	203,49	74,73	38,22	0,74	0,74	0,88	1,00	0,839	2 213,44	14,91	2 941,75	1,00	1,00	1,00	1,000	3,1	0,97	0,900	9 903 733,41
Kostenets	5 000 000,00	464,69%	403,22	83,42	36,13	1,00	0,37	0,98	1,00	0,839	3 773,85	14,09	2 825,40	0,73	1,00	1,00	0,909	3,0	0,97	0,873	4 363 981,02
Kostenets	1 000 000,00	100,88%	193,15	57,01	35,75	0,61	0,78	0,67	1,00	0,765	3 773,85	13,94	2 825,40	0,73	1,00	1,00	0,909	3,3	1,00	0,832	831 895,58
Kocherinovo	24 000 000,00	308,31%	117,19	119,49	56,68	1,00	1,00	1,00	1,00	1,000	2 295,37	22,02	3 155,18	1,00	1,00	1,00	1,000	3,4	1,00	1,000	24 000 000,00
Levski	11 200 000,00	375,43%	85,25	101,78	51,75	1,00	1,00	1,00	1,00	1,000	2 238,33	20,18	3 278,51	1,00	1,00	1,00	1,000	2,8	0,94	0,994	11 132 800,00
Lukovit	6 000 000,00	338,27%	85,94	83,25	39,55	1,00	1,00	0,98	1,00	0,994	2 431,60	15,42	3 399,07	1,00	1,00	1,00	0,999	3,2	0,97	0,993	5 959 032,08
Malko Tarnovo	1 500 000,00	613,49%	472,97	444,56	5,01	1,00	0,32	1,00	1,00	0,830	3 232,90	1,96	3 963,53	0,85	1,00	0,85	0,901	3,0	0,97	0,865	1 297 817,62
Pazardjik	13 000 000,00	182,69%	88,97	57,26	70,85	1,00	1,00	0,67	1,00	0,918	2 623,44	27,63	3 627,10	1,00	1,00	0,93	0,978	3,2	0,97	0,941	12 234 800,70
Panagyurishte	2 500 000,00	257,97%	98,30	79,68	39,16	1,00	1,00	0,94	1,00	0,984	2 623,44	15,27	3 627,10	1,00	1,00	0,93	0,978	3,5	1,00	0,984	2 459 048,92
Pernik	11 000 000,00	283,33%	100,78	108,83	57,50	1,00	1,00	1,00	1,00	1,000	2 562,08	22,43	3 729,87	1,00	1,00	0,91	0,969	3,5	1,00	0,991	10 898 370,25
Pleven	11 000 000,00	169,98%	91,42	70,24	75,00	1,00	1,00	0,82	1,00	0,956	2 173,50	29,25	3 573,42	1,00	1,00	0,95	0,982	3,8	1,00	0,968	10 652 475,56
Provadiya	8 000 000,00	258,33%	154,49	104,31	29,58	1,00	0,98	1,00	1,00	0,995	3 483,76	11,54	3 977,01	0,79	1,00	0,85	0,880	3,7	1,00	0,961	7 685 244,95
Razlog	4 650 000,00	108,88%	312,75	106,58	34,73	0,66	0,48	1,00	1,00	0,785	2 282,41	13,54	3 808,61	1,00	1,00	0,89	0,963	3,5	1,00	0,860	3 999 373,08
Sofia	128 800 000,00	153,69%	192,85	111,59	923,21	0,93	0,78	1,00	0,08	0,699	6 809,39	374,03	4 598,05	0,40	0,08	0,74	0,407	1,0	0,88	0,630	81 112 236,48
Stara Zagora	26 000 000,00	524,09%	111,36	87,57	66,18	1,00	1,00	1,00	1,00	1,000	3 105,03	25,81	3 525,83	0,88	1,00	0,96	0,948	3,4	1,00	0,984	25 593 421,68
Yambol	12 600 000,00	174,33%	93,74	53,10	76,67	1,00	1,00	0,62	1,00	0,906	1 949,66	29,90	3 337,92	1,00	1,00	1,00	1,000	2,2	0,91	0,934	11 774 657,22
TOTAL	341 050 000,00	165,50%	151,18	85,20	78,31						2 743,27	30,80	3 385,27					3,3			278 675 637,97

Note: The financial deficite of the Sofia Municipality project is 72.78%, the size of the grant is 131 024 429 euro.

Obligatory financial contribution of the municipalities in the region

Following the EC proposal and in relation to the adopted medium-term fiscal framework for the period 2010-2013, an obligatory own contribution of the municipalities is introduced. Thus the beneficiaries – public authorities will contribute to the national co-financing, by providing their own resources amounting to 5% of the eligible costs for projects that will be contracted in 2010. When the amount of the financial deficit, estimated in the cost benefit analysis is greater than 95%, the beneficiary states in the application form 5% own contribution and sources of its funding, which must be different from the waste fee, as it is this fee to set out the financial deficit.

Additional financial reserve and redistribution of the resources from savings made under the projects

As described above, indicative maximum amounts for financing for each of the 22 regions. The total amount of the resources distributed in this way is equal to **197 563 401,47 Euro**. The amount of the grant is set for the Sofia project and it amounts to **€ 131 024 429**. In other words the amount set for the 23 regions is **€ 328 587 830,47**. In addition, so far under priority axis 2 of the OPE one competitive selection procedure for technical assistance has been carried out and 35 projects have been contracted. Out of these 33 projects are under implementation at the moment at the total amount of **10 74 143,15 Euro**. The total amount of the grants is **€ 338 961 973,62**.

The amount of the resources under priority axis 2 is **366 743 574 EURO**, which are planned to be spent for project preparation and construction of the regional systems included in this mechanism. In this respect, the resources under priority axis 2 of the OPE that are not contracted under the technical assistance and are not distributed according to Table 11 above, will form a financial reserve.

In addition, in case that in the process of preparation, contracting or implementation of the projects some resources are saved, these will be added to the financial reserve, for redistribution to the other projects.

The financial reserve will be used for additional resources for financing the projects, in case of proven and well justified necessity of additional resources, exceeding the indicative maximum amount of the grant defined in this mechanism. For example, in case during the preparation of the project for construction of the regional waste management system, it is decided the new landfill to be constructed on the site of the existing landfill or in proximity to it, and the feasibility studies prove that it is more expedient to merge the two projects, then the defined maximum amount of the grant for the regional system may be increased by the fixed amount for recultivation of the existing landfill.

The increase of the maximum amount of the grant will be admissible **only after consultation** with the MA.

Direct awarding procedures

Description of the procedure

Direct awarding procedures will be carried out for disbursing the grants. The main stages of the procedures will be:

- a) Preliminary consultations between the Managing Authority and the beneficiaries to specify the scope of the projects, as well as to complement and clarify the prepared documentation.
- b) The Managing Authority prepares and sends to the specific beneficiary invitation for submission of the project proposal. Specific beneficiary for construction of the regional waste management systems are the **“associations of municipalities established for waste**

management and/or the municipalities in the regions defined according to the national Waste management Programme” (§. 1, p. 9 of the Additional provisions of the Decree of the Council of Ministers 121). Each of the regions envisaged will receive invitation to submit project proposal. The invitation will define:

- the scope of the project - investment measures according to the specifics of the project, including infrastructure serving only objects included in the regional system
 - the eligible costs for which the beneficiary may apply;
 - the requirements to the facilities and the regional system as a whole (including the indicative recycling targets);
 - the amount of the that the beneficiary may obtain and the requirements for the financial contribution;
 - The legally set restraints and other instructions for budget preparation:
 1. The costs of land acquisition can not exceed 10 percent of eligible project costs and should be directly related to the objectives of the project;
 2. the amount of the technical assistance for the project (including design, construction surveillance, project management and others, according to Art. 11 of Decree of the CM Nr. 249) **will be limited to 10% of the total eligible costs** under the project. This technical assistance includes also costs financed under approved technical assistance project under the competitive selection procedure BG161PO005/08/2.30/01/03.
 3. The costs for project management should not exceed 2% of the total project eligible cost
 4. The costs for audit of the project should not exceed 0,5% of the total project eligible cost
 5. The costs for information and publicity should not exceed 0,5% of the total project eligible cost and it most of the cases the amount should be set to up to 0,2%
 6. Contingencies should not exceed 10 percent of the value of construction works;
 7. Ineligible costs inherent in the project should be evaluated in details and set in the project budget;
 8. VAT should be noted as a whole amount on a separate row.
- c) Prior to the official submission of the project proposal, upon request by the beneficiary, additional consultations may be carried out regarding the elaboration and preparation of the full set of documents.
- d) The beneficiary prepares and submits project proposal according to the requirements defined in the invitation. The project proposal for construction of the regional systems for municipal waste management will include as a minimum:
- e) application form;
 - f) detailed feasibility study of the overall system;
 - g) cost benefit analysis for the overall regional system that proves the financial sustainability of the investment and it capacity to maintain itself. Cost benefit analysis is not required for projects below 1 mil Euro. The economic analysis will be required only for major projects under Art. 39 of Regulation 1083/2006;
 - h) EIA decision or EIA and IPPC permit where the EIA does not contain best available techniques according to the EPA;
 - i) agreement between the municipalities or statute of the association;
 - j) documents for ownership of the site/ sites;
 - k) entered into force Detailed Urban Plan, with which the site is defined for construction of waste treatment facilities;
 - l) evidence of the availability of the funding to cover costs that will not be financed under the operational programme;
- m) The submitted project proposals will be evaluated for compliance with the requirements defined in the invitation. In case of discrepancies identified during the evaluation of the project proposal, the MA may return the latter to the beneficiary to be corrected according to the requirements defined, and may also require additional documents and clarifications. In order to achieve greater flexibility, clarification meeting with the beneficiary may be

organized, if necessary. The selection criteria for project proposals were approved by the Monitoring Committee of Operational Programme “Environment 2007-2013” of 24 March 2009.

Table 12: Evaluation criteria for project proposals for construction of infrastructure

Nr	Criteria
1.	The application form is completed and submitted in the specified format and is duly signed and sealed
2.	The applicant has completed and presented all required documents following the forms attached to the invitation for application and according to the requirements for their preparation specified in the invitation for application
3.	All documents have been submitted according to the list of documents of the applicant included in the project proposal
4.	The project is planned to be implemented on the territory of the Republic of Bulgaria
5.	The project refers to the regional waste management system the construction of which is subject of the invitation for application
6.	The applicant and the partners (if any) are eligible beneficiaries under the procedure
7.	The requested financing is within the specified limits according to the invitation for application
8.	The duration of the project is within the specified period, according to the invitation for application
9.	The costs that are requested for reimbursement under the project, are not subject to financing by another project, programme or scheme, financed by public funds, funds from the national budget and/ or the budget of the European communities
10.	The terrain on which the construction of the respective facilities is planned, is property of the beneficiary or the beneficiary has established right of construction
11.	The terrain for construction of the regional landfill is sufficiently large, in order to allow the construction of more cells and/ or facilities and to guarantee at least 20 years lifetime of the facilities
12.	The applicant has provided a source of financing of the project costs that are not covered by the operational programme, including own contribution, when such is required.
13.	The applicant has provided sufficient available funds in order to effect payments related to the project implementation, prior to their reimbursement
14.	The applicant does not fall within the scope of Art. 93, Par. 1, Art. 94 and Art. 96 Par. 2 item „a” of Regulation (EC) Nr 1605/2002
15.	The municipalities in the region have been associated/ have entered into an agreement according to Art. 19a of the Waste Management Act and the association/ agreement concluded between the municipalities with the purpose of waste management, is in line with the requirements of the invitation for application
16.	The investment proposal has obtained a positive EIA decision or screening decision that it will not impact the environment or a statement that it does not fall within the scope of the EPA and may be implemented according to the Ordinance on the terms and conditions for performing compliance assessment of plans, programmes, projects and investment proposals with the subject and purposes of protection of the protected zones
17.	The project observes the principles of preventive action and environmental protection
18.	The project corresponds to the measures for the respective region envisaged in the acting National Waste Management Programme
19.	The scope of the project is according to the invitation for application
20.	The project contributes to the fulfillment of the national targets for waste management and of the specific targets defined in the invitation for application

21.	The structure of the fees within the regional system meets the requirements of the legislation and the fees are affordable
22.	When defining the scope of the project, the cost benefit analysis includes only costs according to the requirements defined in the invitation for application
23.	The submitted financial analysis demonstrates the financial stability of the investment, incl. provides sufficient resources for necessary reinvestments during the entire reference period of the regional landfill
24.	The cost benefit analysis has been prepared according to the requirements defined the invitation for application
25.	The monitoring output and result indicators included in the project are clearly defined and quantified, and meet the requirements set in the invitation for application
26.	The budget of the project is clear and detailed and corresponds to the planned activities
27.	The requested grant will finance only eligible costs and eligible activities, according to the invitation for application
28.	The applicant has provided an organizational structure/ unit for project implementation according to the requirements defined in the invitation for application and has envisaged mechanisms that allow monitoring and ongoing control on the project implementation and timely undertaking of corrective measures
29.	The project envisages the ex-post operation of the landfill to be performed while observing the Waste Management Act and Ordinance №8 on the terms and conditions for construction and operation of landfills and other facilities and installations for waste recovery and disposal
30.	Information and publicity activities have been planned, according to the requirements of Regulation (EC) Nr 1828/2006

n) For the approved project proposals grant contracts will be concluded.

Preparedness for construction of regional systems

All projects are currently in different stage of preparation. Under part of the projects the tendering is on-going for detailed designs in accordance with the Public Procurement Act. Botevgrad region has already started construction.

According to the indicative annual working programme by the end of 2009 it is envisaged to send invitations to the regions *Sofia, Botevgrad, Pernik, Burgas, Malko Tarnovo*, since their projects are most mature. The meetings with the beneficiaries are on-going and they demonstrate willingness to specify the documents and introduce the corrections.

Invitations will be sent to the remaining regions whenever they achieve project maturity. At present under the ISPA Programme the projects for 7 of these regions are prepared (*Byala, Varna, Veliko Tarnovo, Kostenets, Levski, Lukovit and Stara Zagora*). According to the schedule of the activities it is expected that their feasibility studies, analyses and the application form will be ready by the beginning of next year. It is necessary that the regional associations and the municipalities in the region undertake all measures to finalise the EIA procedures and obtain all required documents regarding the sites, despite that the projects are prepared under the ISPA Programme.

During the preparation of the projects the Managing Authority of the Operational Programme is in constant contact with the regional associations and the municipalities and will follow the progress of each project. It is envisaged to carry out accompanying activities for education and exchange of experience among the regions. Thus the municipal administrations will be supported and higher quality of the project proposals will be guaranteed.

Deadline for submission of the project proposals for all the 23 projects

It is expected all the project proposals to be prepared for application by mid 2010. Nevertheless, subjective and objective reasons may lead to delay in the project preparation. Such of delay may threaten the absorption of the resources under priority axe 2 of OPE as a whole. Therefore, a deadline by the end of 2010 is set for sending all invitations to the municipalities for the construction of regional systems. This requirement also corresponds to the fact that the transitional period for the applying the requirements of Directive 1999/31/EC expired on 16 July this year.

In case that after expiry of this deadline under priority axis 2 of the OPE there are resources available, they will be used for other activities in the area of waste management according to the sector policy and the priorities defined in the National Waste Management Programme, This will prevent the loss of resources under the OPE, due to delay in the projects for construction of the regional systems.

C. ACCOMPANYING MEASURES AND ACTIVITIES

The current mechanism for development of the waste management infrastructure by the operational programme is not aimed at and could not possibly cover all measures in the waste sector. The model described above is focused on the construction of facilities and installations, which together with the existing facilities constructed with financing different from the operational programme, as well as different “*soft*” measures and initiatives, will establish integrated regional systems, compliant with the waste management hierarchy introduced with the Waste Framework Directive (2008/98/EC).

Some of the measures that will supplement the current mechanism are:

- Updating the municipal waste management programmes and elaboration of regional waste management programmes, which will contribute to integrated approach in the management of the waste flows and achieving the regional and national targets;
- Elaboration of a strategy for construction waste;
- Use of the separation installations constructed by the package recovery organisations;
- Introducing separate collection of “green” waste;
- Construction of municipal “green” waste sites;
- Promotion of measures for household composting;
- Economic and financial incentives and sanctions promoting the reuse and prevention the waste generation - by the end of 2013 according to the requirements of Directive 2008/98/EC on the waste, a national programme for prevention of the waste generation shall be elaborated;
- Control and sanctioning of responsible persons according to the Waste Management Act in case of failure to fulfill the waste management obligations;
- Construction of facilities for processing of recycled waste;

These measures and facilities may be financed by the following sources:

- State budget;
- EMEPA;
- Other EU programmes;
- Public private partnership etc.

D. CLOSURE OF EXISTING MUNICIPAL LANDFILLS

After the resources necessary for the construction of the 23 regional systems are determined and/or contracted the remaining funds from the priority axis will be allocated entirely or partially through competitive calls for proposals for the closure of municipal landfills.

Eligible beneficiaries who may apply are municipalities (either on their own or in partnership if necessary). Upon submission of the project proposals the candidates shall present feasibility studies and financial analysis, including options analysis for closure of the municipal landfill defining the most optimal option on the point of view of achieving the ecological targets in the most cost efficient possible way. In this sense, it is possible the project for closure to consist only re-landfill of the lanfilled waste at another landfill (regional in operation or one subject to closure) and recultivation of the terrain or taking all measures according to Ordinance Nr 8 of 24 August 2004 on the conditions and requirements for construction and operation of landfills and other facilities and installations for recovery and disposal of waste and Ordinance Nr. 26 on the recultivation of damaged terrains, improvement of low productiove land, taking and use of the humus layer.

Projects which will close landfills *in situ* will be required to adhere to the minimal technical parameters:

1. Congestion of waste in order to decrease the area for recultivation;
2. Construction of drainage canals in order to prevent surface/slope water entering the body of the landfill (on the perimeter of the area if necessary)
3. Technical recultivation including:
 - a. Surface sealing with isolation screen and recultivation layer of a meter (the lower 50 cm of which in clay material);
 - b. Construction of gas system – taking away generated gas, including vertical wells every 100 m. and torch;
4. Biological recultivation of the landfill – planting with local species;
5. For landfills above 15 000 cubic m. control and monitoring:
 - a. Level and content of underground water;
 - b. Emitted gases from the landfill body;
 - c. Subsiding of the landfill surface
6. Maintenance and after care

When announcing the project selection procedure, together with the guidelines for applicants a **list of the landfills subject to closure with funding from the operational programme will be published.** It will not include:

- Unregulated landfills;
- Village landfills;
- Cnstruction waste landfills;
- Landfills which have obtained financing for closure from other sources including the ISPA Programme;

In order to guarantee maximum effective allocation of the financial resources and financial support for the greatest possible number of municipal landfills, the size of the grant will be limited to a maximum of 14 000 € per decare, which according to the analysis are sufficient to fulfill the requirements of Directive 1999/31/EC on the landfill of waste without excessively expensive solutions.

The size of the technical assistance (including preparation, management and construction surveillance) according to Art. 11 of Decree of the Council of Ministers Nr 249 will be limited to 10% of the total eligible costs under the project.

E. MEASURES NOT ENVISAGED IN THE MECHANISM

At the moment due to the limited financing, the mechanism described above does not envisage:

- Closure of the existing municipal landfills that do not comply with the requirements of Ordinance Nr. 8 on the conditions and requirements for construction and operation of landfills and other facilities for waste recovery and disposal (Promulgated SG Nr. 83 of 24 Sept 2004, amended SG Nr. 87 of 30 October 2007). At present the financial resources for this purpose are provided by Decree of the CM Nr. 209/2009.
- Construction of pre-treatment facilities on existing regional landfills. In case financial resources are available, future procedures may be organized for financing the construction of pre-treatment and composting facilities of already constructed regional landfills with more than **30 000 t/yr.** incoming waste. At present, for 7 regions (Vratsa, Montana, Shumen, Haskovo, Razgrad, Ruse and Silistra) with already constructed regional landfills the financial resources are provided by Decree 209/2009.
- Construction of facilities for treatment/ recycling of construction and demolition waste in the regions, that are not included in the mechanism. In case financial resources are available some of these needs may be supported.
- According to the NWMP it is not envisaged to provide financing from the State Budget Act of the Republic of Bulgaria or other national or international financing for construction of municipal waste landfills outside the scope of the above listed. Construction of additional capacity of the regional landfills in operation is not envisaged under the current mechanism, since they have already been financed with public funds and the fees collected from them shall include the costs for reinvestment and construction of additional cells.

F. AUTHORITIES

Institutions

- Environmental Executive Agency
- National Statistical Institute;

Legislative and strategic documents

- Directive 1999/31/EC of the Council of 26 April 1999 on the landfill of waste
- Directive 2008/98/EC of the European Parliament and the Council of 19 November 2008 on waste and repealing certain directives
- State Budget Act (2005, 2006 and 2007);
- Waste Management Act;
- Order Nr ПД-02-14-256/31 May 2004 of the Minister of Regional development and Public Works on identifying criteria and indicators for categorization of the municipalities in Bulgaria;
- Ordinance Nr 8 of 24 August 2004 on the conditions and requirements for construction and operation of landfills and other facilities and installations for recovery and disposal of waste
- Decree Nr 121 of the Council of Ministers of 31 May 2007 laying down the provisions for awarding of grants under the operational programmes co-financed by the Structural Funds and the Cohesion Fund of the European Union, and under the PHARE Programme of the European Union

- Decree Nr 249 of the Council of Ministers of 17 October 2007 on adopting detailed rules for eligibility of costs under the operational programme “Environment 2007-2013” co-financed by the Cohesion fund and the European Regional Development Fund
- Decree Nr. 209 on financing the construction of the regional waste management systems, the regional systems for preliminary treatment of municipal waste and the closure of municipal landfills
- Regulation (EC, Euratom) Nr 1605/2002 of the Council of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities
- Regulation (EC) Nr 1828/2006 of the Commission of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund
- National Waste Management Programme for the period 2009-2013
- National Strategic Plan for Step-wise Reducing the Quantities of the Biodegradable Waste intended for Landfill

Other documents

- Costs for municipal waste management in the EU, Eunomia Research & Consulting Ltd.
- Data on the credit pool of the municipalities collected and published by FLAG;
- Plans for bringing into compliance of the landfills
- Feasibility studies prepared with financing from ISPA.