Romania EU Accession process

WATER SUPPLY AND SEWERAGE SYSTEMS

- NEEDS AND COSTS -

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Office Head
Romania key figures:

- 2007 - accession in EU
- 22 million inhabitants
- 54% - Population served by water supply systems and waste water treatment plants
- 16% - Population served only by drinking water supply systems
- 30% - Population without public service
- Hole territory (238.391 km²) of Romania sensitive area in the Danube catchments area
Position Document Chapter 22 - Environment

Negotiations opening chapter 22 - 21 March 2002

Informal consultation - July 2002 - March 2003

First technical consultations – 20 - 21 January 2004

Finalization of the complementary position document – 1st part and official submitting to start the negotiations – June 2004

Closing of the 1st part of chapter 22 – Environment – with the approval of 5 proposed transition periods - 23 September 2004

Closing of the 2nd part of the chapter 22 – Environment – with the approval of 6 proposed transition periods – 26 November 2004
Total value: 29.3 billions Euro
Distribution of implementation costs

Implementation costs for the most expensive environment sectors (MEuro)

- Air: 18279 MEuro
- Waste: 3107 MEuro
- Water: 1044 MEuro
- IPPC: 4644 MEuro
Wastewater treatment:
The Urban Wastewater Treatment Directive implementation requires investments of **9.5 billions Euro** necessary to:

Implementation of measures:
- Construction of new urban waste water treatment plants;
- Up-grading of the existing urban waste water treatment plants;
- Up-grading of the existing waste water treatment plants in the agro-food industry;
- Rehabilitation of the existing urban sewerage collecting systems;
- Construction and/or extension of urban sewerage collecting systems.
## Costs for Drinking Water Directive implementation:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
<th>Time / period</th>
</tr>
</thead>
<tbody>
<tr>
<td>County-wide monitoring of drinking water quality – new analytical equipment for 5 regional and 42 territorial laboratories of the MH</td>
<td>EUR 2.5 million</td>
<td>2004 - 2005</td>
</tr>
<tr>
<td>Investment in equipment for control monitoring performed by the producers</td>
<td>EUR 5.6 million</td>
<td>2004 - until the rehabilitation of the water treatment plants</td>
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<td>Improvement of technologies and extension of the water treatment</td>
<td>EUR 2,000 million</td>
<td>2004 – 2015</td>
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<td>Rehabilitation and extension of the water supply networks</td>
<td>EUR 3, 600 million</td>
<td>2004 - 2015</td>
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<td>Replacement of the domestic distribution systems</td>
<td>Not estimated yet</td>
<td>2004 - 2015</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>EUR 5,608.1 million</strong></td>
<td><strong>2004-31.12.2015</strong></td>
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LONG TERM OBJECTIVES

Population access to the water supply

Sewerage and WW treatment
**MEDIUM TERM OBJECTIVES**

Gradual fulfillment of the EU requirements

<table>
<thead>
<tr>
<th>EU Directives</th>
<th>Transition Period</th>
<th>Associated costs (billions EURO)</th>
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<tbody>
<tr>
<td><strong>Drinking Water</strong></td>
<td>2015</td>
<td>5.6</td>
</tr>
<tr>
<td>98/83</td>
<td></td>
<td></td>
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<tr>
<td><strong>Waste Water</strong></td>
<td>2018</td>
<td>9.5</td>
</tr>
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<td>91/271</td>
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INVESTMENTS FINANCING STRUCTURE

TARGETED SOURCES BETWEEN 2005 – 2006
(million Euro/Year)

- Loans: 150 million Euro/Year
- Private: 115 million Euro/Year
- Grant - EU: 300 million Euro/Year
- Local: 20 million Euro/Year
- State Budget: 40 million Euro/Year
EU FINANCIAL INSTRUMENTS

EU GRANTS

PREACCESSION PERIOD

✓ PHARE (MUDP, SAMTID)
✓ ISPA
✓ SAPARD – Measure 2.1

POSTACCESSION

COHESION FUND – FOLLOWING ISPA

STRUCTURAL FUNDS
MUNICIPAL UTILITY DEVELOPMENT PROGRAMME

- 15 towns ≥ 150,000 inhabitants
  
  *Public Private Partnership*
  
  - on-going concession contracts: BUCURESTI, PLOIESTI
  - under development: ARAD, CRAIOVA, CONSTANTA, TIMISOARA

- Total investment Value: about 200 mil. Euro
Small and Medium Towns Infrastructure Development
(SAMTID)

14 Association of Municipalities (aprox. 80 towns)
  - total investments value: 140 mil. Euro
  - pilot phase: started in 2004
  - counties: Alba, Calarasi, Botosani, Cluj-Salaj, Hunedoara
  - investment costs: 40 mil. Euro

Consolidation phase:
  - started in 2005
  - investments costs: aprox. 100 mil. euro
ISPA & Cohesion Funds

- ISPA
  Period: 2000-2004
  - 30 investment projects
  - Value—approx. 1 billion Euro
  - Under development
  - 5 projects

- Cohesion Funds
  - 3 times larger than ISPA
  - Under development
RURAL DEVELOPMENT PROGRAMME
( RDP )

- Financed by World Bank
- Total investment value: 100 mil. US$
- Starting date: 2005
- Pilot phase: 5 counties
INVESTING IN ROMANIA IS AN OPPORTUNITY