Project Prioritisation for SSPP: Environment Sector

# Background information

*In the European Commission (EC) Note to the Members of the Steering Committee of the WBIF, outlining the “Support to Western Balkans Infrastructure Investment Projects in the period 2014-2020” (Ref. Ares(2014)2188025 – 02/07/2014), a new working methodology and according requirements for EU support to infrastructure investments in the Western Balkans was defined.*

*This EC Note detailed the need to establish and maintain single sector pipelines for investment projects, which will enhance the identification, preparation and selection of infrastructure projects notably in the energy, transport, environment and social sectors. These Single Sector Project Pipelines (SSPPs) should merge and effectuate the Single Project Pipeline (SPP) of investment projects for the country. An important part of this process will be the prioritisation of projects belonging to all infrastructure sectors; this task should ideally be performed under the National Investment Committee (NIC) framework following an agreed and adopted selection methodology for strategic relevance.*

# Approach to Prioritisation

This approach is general to all countries. It assumes the establishment or existing Sector Working Groups (SWGs) or their establishment if not yet existing. However, individual countries may wish to establish different institutional bodies to perform the role of SWGs in the prioritisation process. For convenience reasons, the term SWG is used throughout this document.

The approach is based on the following mandatory EU requirements:

1. **Ownership**: to be demonstrated by the involvement / signing off of projects by the Ministry of Finance (MoF) or Prime Minister (PM);
2. **Transparency**: to be demonstrated by the structured processing of projects through the project pipelines; which national key stakeholders are involved;
3. **Prioritisation**: of projects and distinction of mature and not mature leading to a single list of prioritised projects ready for submission (followed by ownership) to the NIC;
4. **Structured EU/IFI involvement**: when is the best point of information provision, discussion, coordination, etc. of EU and IFIs; this should be at Line Ministry (LM) level when projects are prioritised and sufficiently mature for implementation and at the NIC level, when the actual decision is taken.

It is emphasised that apart from new projects and project ideas, **existing projects**, i.e. under preparation or under implementation, **should also be included in the assessment**.

# Project Assessment Grid for Sector Working Group Environment

|  |  |  |  |
| --- | --- | --- | --- |
| Beneficiary: |  | Date: |  |
| Sector: | **Environment** | | |
| Sub-sector |  | | |
| Line Ministry: |  | | |
| Proposed infrastructure project: |  | | |

SRA Grid: Environment Sector

**Eligibility Criteria**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Eligibility criteria | Yes | No | Comments |
| e1 | Is the project in line with valid EU policies and strategies? |  |  |  |
| e2 | Does the project contribute to valid countrywide objectives? |  |  |  |
| e3 | Is the project covered by the relevant sector strategy, by a Sector Action Plan or by a Sector Master Plan? |  |  |  |
| Conclusion:  Does the project meet the eligibility criteria? | |  |  |  |
| IF NOT ELIGIBLE, THE ASSESSMENT BELOW IS NOT REQUIRED! | | | | |

**Criteria for Strategic Relevance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No. | Prioritisation criteria for strategic relevance | Score  (1-5) | Scoring guide | Weight | Weighted score (\*x) |
| S1 | The project has direct benefits for the environment |  | Large = 5 Medium = 4 Small = 3 Very Small = 2 No = 1 | **TBD**  *[3]* |  |
| S2 | The project contributes to reduction of harmful emissions  (e.g. noise, effects of reduced energy consumption, a.o) |  | Significant effects = 5 Positive effects = 4  Medium effects = 3 Minimal effects = 2  No (whether there is an increase in emissions) = 1 | **TBD**  *[3]* |  |
| S3 | The number of people who will benefit from the implementation of the project. |  | High = 5 Medium =4 Small = 3 Very Small = 2 No = 1 | **TBD**  *[2]* |  |
| S4 | The project contributes to the reduction of pollution in a wider region around its location |  | Significant area = 5 Medium sized area = 3 No wider effects = 1 | **TBD**  *[5]* |  |
| S5 | The project requires considerable investment |  | Very large = 5 Large = 4 Medium = 3 Small = 2 Very Small = 1 | **TBD**  *[2]* |  |
| S6 | The project will be affordable during the operational phase |  | Affordability is: High = 5 Medium = 4 Small = 3 Very Small = 2 Absent =1 | **TBD**  *[4]* |  |
| S7 | The risks associated with the project are manageable |  | New facilities = 5 Extension project = 4 Replacement project = 3 Upgrading project = 2 | **TBD**  *[2]* |  |
| S8 | The project is prepared by a partnership of organisations and institutions |  | More than 4 partners = 5  Between 2 and 3 partners = 3  No partners = 1 | **TBD**  *[2]* |  |
| S9 | The beneficiary has the necessary capacity to successfully manage the preparation and implementation of the project |  | Good capacity = 5  Medium capacity = 3  No capacity = 1 | **TBD**  *[2]* |  |
| Final score for the project: | | | | |  |

**Scoring Guide**

*S1: The project has direct benefits for the environment*

* **Remark:** The criteria take the type of investment as a basic measurement.
* **Note:** The scores given below are indicative. Depending on the national priorities, the SWG will establish scores for each type of investment; for instance:

|  |  |
| --- | --- |
| Type of Investment | Score *[TBD by the SWG]* |
| Water Supply Projects | *1* |
| Waste collection system, including transfer stations | *2* |
| Mechanical Wastewater Treatment Plant (WWTP) | *2* |
| Biological WWTP | *3* |
| Advanced WWTP | *4* |
| Sewerage system | *3* |
| Sewerage system together with treatment (WWTP) | *5* |
| Construction of sanitary landfill | *4* |
| Collection, transfer and disposal of hazardous waste | *4* |
| Processing facilities for sorting and recycling of waste | *5* |
| Waste treatment plants | *4* |
| Integrated solid waste management system (collection, recycling, regional waste management center) | *5* |
| Closure of dumpsite (non-compliant landfill) | *5* |
| Air pollution abatement projects | *5* |
| Collection, transfer and disposal of hazardous waste. Remediation of hotspots. Hazardous waste incineration plant, energy recovery | *5* |
| The project provides flood protection | *5* |
| The project impacts nature protection | *5* |
| The project provides reducing risk of natural disasters (forest fires, earthquakes, floods, landslides and other natural disasters | *5* |

*S2: The project contributes to reduction of harmful emissions*

* **Remark:** Environmental infrastructure usually provides benefits to the environment, but in a number of cases also harmful effects. Harmful effects can be the consequence of the construction and/or the operation of the project.
* **Note:** The scores given below are indicative. Depending on the national priorities, the SWG will establish scores for each type of investment:

|  |  |
| --- | --- |
| Type of Investment | Score *[TBD by the SWG]* |
| Sanitary landfills, incineration plants | *1* |
| Hazardous waste treatment plants | *2* |
| Industrial Wastewater Treatment Plants | *2* |
| Waste collection systems and including transfer stations | *3* |
| Waste recycling, composting and biogas plants | *4* |
| Wastewater treatment plants | *5* |
| Integrated solid waste management system | *5* |
| Water and wastewater networks | *5* |
| Air pollution abatement projects | *5* |
| Air monitoring projects | *5* |

|  |  |
| --- | --- |
| Infrastructure for flood protection | *4* |
| Infrastructure which impacts nature protection | *5* |
| Investment infrastructure reducing risk of natural disasters (forest fires, earthquakes, floods, landslides and other natural disasters) | *5* |

*S3: The number of people which will benefit from the implementation of the project*

* **Remark:** Specifically, for WWT the concept of population equivalent is not usually equal to number of people benefited.
* **Note:** Population brackets and scores to be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Number of people which will benefit *[TBD by the SWG]* | Score *[TBD by the SWG]* |
| *< 10,000* | *1* |
| *10,001 – 50,000* | *2* |
| *50,001 - 100,000* | *3* |
| *100,001 – 150,000* | *4* |
| *> 150,001* | *5* |

*S4: The project contributes to the reduction of pollution in a wider region around its location*

* **Remark:** Environmental projects in general gain in impact if the infrastructure is used for an as wide as possible area.
* **Note:** To be defined by the beneficiary country; for example:

1. The project affects more than three municipalities = 5;
2. The project affects two or three municipalities = 3;
3. The project affects one municipality only = 1.

*S5: The project requires considerable investment*

* **Remark:** The capital cost includes construction costs as well as land and cost of preparation, design supervision, etc.
* **Note:** Cost brackets and scores to be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Investment costs (€)  *[TBD by the SWG]* | Score *[TBD by the SWG]* |
| *> 20,000,001* | *5* |
| *12,000,001 – 20,000,000* | *4* |
| *6,000,001 – 12,000,000* | *3* |
| *1,000,001 – 6,000,000* | *2* |
| *< 1,000,000* | *1* |

*S6: The project will be affordable during the operational phase*

* **Remark:** Affordability of charges is a function of the income of the population benefiting from the investment.
* **Note:** Cost brackets and scores to be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Investment costs per capita (€)  *[TBD by the SWG]* | Score *[TBD by the SWG]* |
| *0 - 200* | *5* |
| *201 - 350* | *4* |
| *351 - 600* | *3* |
| *601 - 1000* | *2* |
| *> 1000* | *1* |
| *Projects that are not charging tariff to the population receive a standard score of 3.* | *3* |

*S7: The risks associated with the project are manageable*

* **Remark:** This criterion concerns the implementation approach. New investments carry always less risk since they are using newer technologies and the engineering is always more reliable for new facilities. However, upgrading and/or extension of existing installations is more difficult and therefore the risk is higher, even if lower capital expense appear be to an advantage.
* **Note:** Scores to be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Type of Project | Score *[TBD by the SWG]* |
| *New facilities* | *5* |
| *Extension project* | *4* |
| *Replacement project* | *3* |
| *Upgrading project* | *2* |

*S8: The project is prepared by a partnership of organisations and institutions*

* **Remark:** The partnerships are generally considered strong and engines for development. The wider the partnerships, the greater the consensus on the implementation of the project, enhancing its chances of sustainability.
* **Note:** To be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Project owner  *[TBD by the SWG]* | Score *[TBD by the SWG]* |
| *> 4 partners* | *5* |
| *2 - 3 partners* | *3* |
| *No partners* | *1* |

*S9: The beneficiary has the necessary capacity to successfully manage the preparation and implementation of the project*

* **Remark:** The capacity of the project owner is crucial to successful implementation (and later on also very important for successful operation). The ability to access financial and technical sources is a prerequisite for carrying out projects successfully.
* **Note:** To be defined by the beneficiary country; for instance:

|  |  |
| --- | --- |
| Past experience  *[TBD by the SWG]* | Score *[TBD by the SWG]* |
| *More than one project of similar size successfully implemented* | *5* |
| *One project of similar size successfully implemented* | *3* |
| *No experience with projects of similar size* | *1* |

**Environment subsectors**

* **Waste**
* **Wastewater**
* **Water**
* **Flood protection**
* **Air abatement**
* **Nature protection**
* **Civil protection (protection of forest fires, earthquakes, floods and other natural disasters)**

\*\*\*