

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

CRIS Number: **2003/005-630-02**
Title: **Construction of Access Road to the Rudozem Border Crossing between Bulgaria and Greece**

Sector: **Infrastructure - Transport (IN)**

Location: **Bulgaria, South region**

2. Objectives

2.1 Overall Objectives

- Reduce isolation of border regions and encourage investments and cross-border trade.
- Through this improved communication link, development of both regional and national economic co-operation.
- Preparation of Bulgarian border regions for the implementation of the structural policies applied by the EU Member States through the development of strategies and programmes for sustainable social and economic development.
- Make the Bulgarian road network compatible with the road network of the European Union.

2.2 Project purpose

- Facilitate the increased traffic flow between Bulgaria and Greece through the new BCCP Rudozem – Xanthi.
- Strengthening the co-operation between the two border regions at local level.
The main municipality from the Bulgarian side concerned with the need for construction of a suitable approach road to the proposed new Cross Border Checkpoint is Smolyan. It consist of the following principal towns: Smolyan, Rudozem, Chepelare, Devin, Zlatograd, Madan, Borino, Nedelino The overall population concerned is about 144 518 inhabitants.
- Promotion of local and national economic development.
- Development of the natural potential for tourism of this attractive area and thus provide the conditions for economic and social exchange between the CBC regions.
- Time and operating cost savings, improved traffic safety and comfort.

2.3 Accession Partnership and NPAA priority

- Development and implementation of complex regional structures, programmes and projects for the integrated development of problem areas in the country – underdeveloped, rural, depressive and cross-border areas;
- Preparation of Bulgarian regions for the implementation of the structural policies applied by the EU Member States through the development of strategies and programmes for sustainable social and economic development.

NPAA (Medium-term priority):

- Promotion of cross-border co-operation.

2.4 Contribution to National Development Plan

CBC regions, a part of which is the area of the project, are treated in the National Development Plan (NDP) as a high priority target. The proposed project fully complies with the objectives defined in the NDP, which classifies CBC regions in a separate target group.

2.5 Cross Border Impact

- Support road infrastructure works in order to foster cross border co-operation at a local and national level.
- Facilitate an increase in the trade and cultural links between the two countries.
- Encourage the economic development on both sides of the border in the region.

3. Description

3.1 Background and justification

Background

The Southern Border region is acknowledged to be isolated by its geographical situation. This combined with a general lack of access has severely disadvantaged the population in the region.

To reduce the isolation of the border region and encourage investment and cross-border trade Bulgaria and Greece signed on 22.12.1995 an Agreement to open three new Border crossing between the two countries (Gotse Deltchev – Drama, Rudozem – Xanthi, Kardjali - Komotini). In addition, each country has undertaken to carry out the necessary feasibility and technical studies in order to provide road links to the proposed crossing points and to provide the border facilities.

Only two operational border crossing points exist at Kulata and Novo Selo, the access to which is to be upgraded by the rehabilitation works to the existing E79 and E85 roads under the PHARE funded Southern Border Regions Road Project. In addition a new Border Crossing Check Point and new access road at Ilinden are constructed. This is also mirrored by similar new construction on the Greek side.

Currently the main communications between the towns Kardjali, Smolyan, Ardino and Zlatograd are the roads III-508, III- 865 and III-867, which are passing through difficult mountainous terrain. The elements of the horizontal and vertical alignment permit a design speed of about 40 km/h. The class IV roads in the area, similarly, cannot be used by transit traffic because of their extremely poor condition.

Road II-86 Plovdiv - Smolian - Rudozem is the only existing high class road, which goes south and ends at the Bulgarian-Greek Border. The road also passes through very difficult mountainous terrain and currently is not in good condition due to lack of funds for maintenance and repair. The anticipation is that the majority of the traffic will use road II-86 as a main link to the new Rudozem Border Crossing Check Point.

The proposed project consists of new construction of an I class approach road to the new Rudozem Border Crossing Check Point between Bulgaria and Greece. The new road is a continuation of the existing road II-86 along “Rudozem – Chepintzi – Xanthi” direction. It begins from km 125+074 on road II-86, south of Rudozem, to km 134+664 with a total length of 9,66 km.

The road consists of two traffic lanes – 2 x 3.50 m = 7.00 m and two stabilized shoulders – 2 x 1.50 m, consisting of different elements, according to the different types of cross-section. The road construction includes also surface water drainage works, road markings, new traffic signs, guardrails, kerbs and landscaping. Structure of the road pavement is for ‘heavy’ traffic. A number of structures and culverts will be constructed.

There is a Detailed Design available (beginning of 2001) and the land acquisition is ongoing which will be completed till the end of 2003.

Duration of the construction – 24 months.

Justification

Bulgaria is currently in the process of conversion to a market led economic system. As an integral part of this process, the country is actively pursuing a policy of greater accessibility to trade and economic links with its neighbouring countries Greece, Romania, FYROM and Turkey. Its key geographical position supposes heavy flow of international traffic to cross the Bulgarian borders. Therefore, with the improvement of existing approach roads to the cross border checkpoints and the construction of new roads will benefit not only the national but also the international existing and future traffic.

The proposed project is in compliance with the priorities established in the Joint Programming Document (JPD), agreed during the Joint Cooperation Committee (JCC) between Greece and Bulgaria (Athens, 20 Nov. 2000) and especially with the AXIS 1 CROSS BORDER INFRASTRUCTURES, Measure 1.1 *Transport Infrastructures*. During the a. m. JCC meeting both sides, Greece and Bulgaria, expressed their willingness for the creation of a single common Check Point. Joint Technical Working Group was established to conduct further investigations on this matter.

This project complies also with the provision of Council Regulation 1266/1999 on co-ordination of pre-accession assistance.

3.2 Linked activities

- BG9803.01.01: Lot 3 Rehabilitation of E-79 road “Dupnitca –Kulata”: Completed.
- BG9803 01.02: Lot 4 Rehabilitation of E-85 road “Harmanli – Svilengrad’: Under Implementation (completed date August 2003).
- BG9803 01.03: Lot 5 Construction of the Access Road to the new border crossing at Illinden (link Goce-Delcev - Drama): Completed.
- BG9904.02.01 Construction of Border Crossing Check Point Ilinden: Completed.
- BG0008.01 Construction of the Access Road (Podkova - Makaza) to the new Border Crossing between Greece and Bulgaria (Makaza - Nimfea): Under Implementation.
- BG0008.02 Construction of Cut & Cover Tunnel at Gotse Deltsev – Drama Border Crossing: Under Implementation.

3.3 Results

- Provide access road of approx. 10 km to a new BCCP Rudozem – Xanthi.
- The travel distance between the villages in the region and Greece will be considerably shortened as an alternative to the existing crossing point Kulata/ Promachonas and Svilengrad/ Ormenion. Part of the traffic from Central Bulgaria to Greece will also take advantage of the improved road link.
For instance, to get from Smolyan (the biggest town in the municipality) to Xanthi via Kulata border crossing check point currently takes approximately 12 hours (~500 km) when with the new cross border approach road it will take only 2 hours (~90 km).
- Provision of employment during the construction period.

3.4 Activities

The project consists of new construction of an I class approach road (9 km) to the new Rudozem Border Crossing Check Point between Bulgaria and Greece.

The Project consists of two main components:

- **Construction Supervision Services.**
Estimated budget: **0.750 MEUR.**

This contract shall be awarded according to the “Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions (May 2003)” through **restricted** tender procedure.

REA will undertake the preparation of the Tender Dossier for the Service Contract and tender procedure for which no additional funding will be required.

- **Construction Works**
Estimated budget: **10.250 MEUR.**

The Works consists of new construction of an I class approach road with length of 10 km. The contract shall be awarded under FIDIC 1999 conditions for construction through an **open** tender procedure.

REA will undertake the preparation of the Tender Dossier for the Works Contract and tender procedure for which no additional funding will be required.

The PHARE contribution will finance up to **8.000 MEUR**, the rest of the financing up to **11.000 MEUR** will be financed by the Bulgarian State Budget.

Lessons learned

Cost and time overruns were highlighted in recent Monitoring and Assessment reports. Expenditure will be controlled more closely, by ensuring that variation orders are issued in good time and that the Engineer does not certify payments exceeding the Contract amounts without prior approval. Delays caused by slow land acquisitions to be avoid.

The staff within the department has been increased and training of the staff has been carried out.

4. Institutional Framework

Recipient country – Bulgaria

- **Beneficiary Institution** – Road Executive Agency (REA).
- **Engineer** – the Engineer will be appointed after restricted International Tender Procedure for the supervision contract according to “Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions”.
- **Contracting Authority** - Ministry of Regional Development and Public Works (Phare CBC IA, hereafter).
- **Owner of the asset after project completion:** Road Executive Agency

The Regional Road Administration will bear the responsibility to cover all operational, administrative and maintenance costs.

The project is in full relevance with government regional policy to promote and support the population in the border regions and with relevant Legal Framework.

It is also in compliance with all existing relevant bilateral agreements between Bulgaria and Greece, concerning Border links and relationships (agreements achieved between Prier Ministers of Bulgaria and Greece during the meeting on 31 October – 1 November 2002) .

5. Detailed Budget (in EUR)

	PHARE Support					
Components	Investment Support	Institution Building	Total Phare (=I+IB)	National Co-financing	IFI	TOTAL
Construction Supervision Services	0,750		0,750			0,750
Construction works	7.250		7.250	3.00		10.250
TOTAL	8.000		8.000	3.00		11.000

6. Implementation Arrangements

6.1 Implementing Agency

The CBC Implementing Agency is the Ministry of Regional Development and Public Works (MRDPW), which retain overall responsibility for the implementation of the project (signature of contracts, authorisation and payments of invoices).

The project beneficiary institution is Roads Executive Agency (REA). It is responsible towards the CBC Implementing Agency for the operational management of the project: preparation of terms of reference, of tender documents, of evaluation criteria, of evaluation of offers, of contracts and of invoices for payment.

For Work Contracts under FIDIC 1999 rules, an official of the REA acts as the Employer and the invoices have to be certified by an independent Engineer contracted and financed by Phare Programme. REA reports monthly to the CBC Implementing Agency (with direct copies to the EC Delegation) with monthly disbursement and commitment schedules and with sufficient detail to

allow for assessment of progress made and remaining work to be done. Works will be tendered to contractors with appropriate financial capacity, and technical and FIDIC experience.

6.2. Twinning
N/A

6.3. Non-standard aspects

There are no “non-standards aspects”. The ‘Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions” will strictly be followed.

6.4. Contracts

Two contracts are anticipated:

Service Contract for Construction Supervision.
Estimated value of contract: 0.750 MEUR.

The duration of the Supervision Contract is expected to be **42 months** :
1 month - mobilization, 24 – supervision during construction, 12 months - Defect Notification Period,
5 months – Final Payment

Works Contract for Construction Works.
Estimated value of contract: 10.25 MEUR.

The duration of the Works Contract is expected to be **41 months**:
24 months - construction, 12 months - Defect Notification Period, 5 months – Final Payment

7. Implementation Schedule

Start of tendering	Start of project activity	Completion
October 2003	May 2004	September 2007

8. Equal Opportunity

The project implementation procedures will ensure that the project brings benefits to men and women and to ethnic groups in equal measure. Special attention will be paid to guarantee that women and members of ethnic groups are included in the project activities.

9. Environment

An Environmental Impact Assessment Study has been prepared on the base of the existing Feasibility Study. The Ministry of Environment and Waters has approved the EIA in 2000. The land acquisition procedure has started before 2 years and will be finished till the end of 2003. No additional funding required.

10. Rates of return

All results from the study of the economic efficiency of the necessary capital investments for realisation of the project are presented in the Feasibility study.

11. Investment criteria

11.1 Catalytic Effect

Without PHARE assistance the project will not be implemented in the near future, because of lack of funds. Thus EU Phare funds are appearing as the economic assistance to the country and will mobilise economy during Pre-Accession period achieving better socio-economic effect.

11.2 Co-financing

The project is to be co-financed by Bulgarian Government who will provide **27 %** of the total cost of the project, which is **3.000 MEUR**.

11.3 Additionally

No other financing sources from the private sector or from IFIs will be available for financing of the project.

11.4 Project readiness and Size

The existing Feasibility Study produced by REA (Road Executive Agency), 1997 has examined two alternative alignments described as “Blue” and “Red” variants. Both alternatives commence at km 125+074 on road II-86, south of Rudozem town. The “Red” alternative satisfies the requirements for economic efficiency of the necessary capital investments and environmental sensitivity.. The Detailed Design has been prepared on the base of “Red” variant. It permits a design speed 60 km/h, width 7,50/10,50 m, max. longitudinal gradient 6 % (by exemption 7 %) and pavement structure according to the requirements of the expected future traffic.

The Detailed Design is completed. The land acquisition procedure has started before 2 years and will be finished till the end of 2003. No additional funding required.

REA will be responsible for the preparation of the Tender Dossier for the Works (including Technical Specification) and Service Contracts and tendering procedure.

The project complies with the 2 MEUR minimum PHARE allocation requirements.

11.5 Sustainability

Road Executive Agency as a specialized institution will be responsible for the future maintenance and operational costs of the constructed road.

11.6 Compliance with the state aids provisions

The project complies with the state aids provisions.

11.7 Contribution to National Development Plan

The proposed project will contribute to the achievement of the objectives declared in the National Development Plan.

12. Conditionality and sequencing

- The Bulgarian authorities undertakes the obligation to cover any additional cost, above the envisaged **MEUR 11.00**, necessary for the completion of the whole project during its implementation timeframe. If the total cost of the project is greater than the amount envisaged in the project fiche, the extra support required will be provided by additional national co-financing. The additional national co-financing will be provided by:
 - either allocating extra national funds to conclude a contract with the contractor proposed further to the completion of the procurement process following the Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions,
 - or increasing of the cost of the on-going Phare financed contract via an addendum.
- Land acquisition is financed by the Bulgarian authorities. The Bulgarian authorities undertake to notify to the European Commission before the signature of the works contracts that related land
- All measures for the traffic management during construction will be taken to allow maximum safety of all persons legally engaged in the works, the traveling public and third parties.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement
4. Reference to feasibility /pre-feasibility studies

Annex 1 – Logical framework matrix in standard format		Contracting period expires: May 2005	Disbursement period expires: September 2007
<i>Construction of Acces Road to the Rudozem Border Crossing between Bulgaria and Greece</i>		Total Budget: 11.000 MEUR	Phare Budget: 8,000 MEUR
Overall Objective	Objectively verifiable indicators	Sources of Information	
<ul style="list-style-type: none"> • Reduce isolation of border regions and encourage investments and cross-border trade. • Through this improved communication link, development of both regional and national economic co-operation. • Preparation of Bulgarian border regions for the implementation of the structural policies applied by the EU Member States through the development of strategies and programmes for sustainable social and economic development. <p>Make the Bulgarian road network compatible with the road network of the European Union.</p>	<ul style="list-style-type: none"> • Increased GDP regional share • Increase Greek and other foreign investment in the region • Increase in the level of transport links between two countries by the end of 2006. • Correspondence with EU requirements and regulations 	<ul style="list-style-type: none"> • Governmental and international statistic • National GDP statistic 	

Project Purpose	Objectively verifiable indicators	Sources of Information	Assumptions
<ul style="list-style-type: none"> • Facilitate the increased traffic flow between Bulgaria and Greece through the new BCCP Rudozem – Xanthi. • Strengthening the co-operation between the two border regions at local level. <p><i>The main municipality from the Bulgarian side concerned with the need for construction of a suitable approach road to the proposed new Cross Border Checkpoint is Smolyan. It consist of the following principal towns: Smolyan, Rudozem, Chepelare, Devin, Zlatograd, Madan, Borino, Nedelino The overall population concerned is about 144 518 inhabitants.</i></p> <ul style="list-style-type: none"> • Promotion of local and national economic development. • Development of the natural potential for tourism of this attractive area and thus provide the conditions for economic and social exchange between the CBC regions. • Time and operating cost savings, improved traffic safety and comfort. 	<ul style="list-style-type: none"> • Increased traffic flow crossing the border • Reduced cross border journey duration • Increased number of tourists 	<ul style="list-style-type: none"> • Traffic survey • Annual Statistical Guide. 	<ul style="list-style-type: none"> • Economic growth in other sectors • Bulgarian Government continues its current commitment to reform and to accession to the EU
Results	Objectively verifiable indicators	Sources of Information	Assumptions
<ul style="list-style-type: none"> • Provide access road of approx. 10 km to a new BCCP Rudozem – Xanthi. • The travel distance between the villages in the region and Greece will be considerably shortened as an alternative to the existing crossing point Kulata/ Promachonas and Svilengrand/ Ormenion. Part of the traffic from Central Bulgaria to Greece will also take advantage of the improved road link. • Provision of employment during the construction period. 	<ul style="list-style-type: none"> • Volume of traffic • Reduction of average travel time • 200 employed during the construction period 	<ul style="list-style-type: none"> • Reports issued by REA • Central Laboratory for Roads and Bridges studies • Site inspections 	<ul style="list-style-type: none"> • Most of constructions works does not exceed cost estimates and no major contingency during construction • Parallel progress in Greece for access road and BCCP construction • Adherence to work schedules, construction norms and standards. • Coordination for building of common BCCP.

Activities	Means	Sources of Information	Assumptions
<ul style="list-style-type: none"> • Construction Supervision Services. Estimated budget: 0.750 MEUR. <p>This contract shall be awarded according to the ‘Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions’ through restricted tender procedure. REA will undertake the preparation of the Tender Dossier for the Service Contract and tendering procedure for which no additional funding will be required.</p> <ul style="list-style-type: none"> • Construction Works Estimated budget: 10.250 MEUR. <p>The Works consists of new construction of an I class approach road with length of 10 km. The contract shall be awarded under FIDIC 1999 conditions for construction through an open tender procedure. REA will undertake the preparation of the Tender Dossier for the Works Contract and tendering procedure for which no additional funding will be required.</p>	<ul style="list-style-type: none"> • Tender documents available, incl. Technical Specification for construction • Adequately staffed contractor’s and Engineer’s teams 	<ul style="list-style-type: none"> • Tender Evaluation Reports • Project Progress Reports • Project Final Report • T.S.; • As-built documents 	<ul style="list-style-type: none"> • Land acquisition completed • Geological study well prepared. • Continuity of staff and policy in MRDPW and REA enabling implementation of the project without delays. • Construction companies have capacity • No unforeseen technical or construction problems.

Annex 3 – Contracting and disbursement schedule by quarter

Project: Construction of Acces Road to the Rudozem Border Crossing between Bulgaria and Greece

Components	Cumulative contracting schedule by quarter in MEUR (planned)															Total Phare Allocation
	2004				2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
1. Supervision Services		0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750	0,750
2. Construction Works			0.60	1.20	2.50	3.10	4.00	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7,250
Total contracting:		0.10	0.75	1.40	2.75	3.40	4.35	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.000

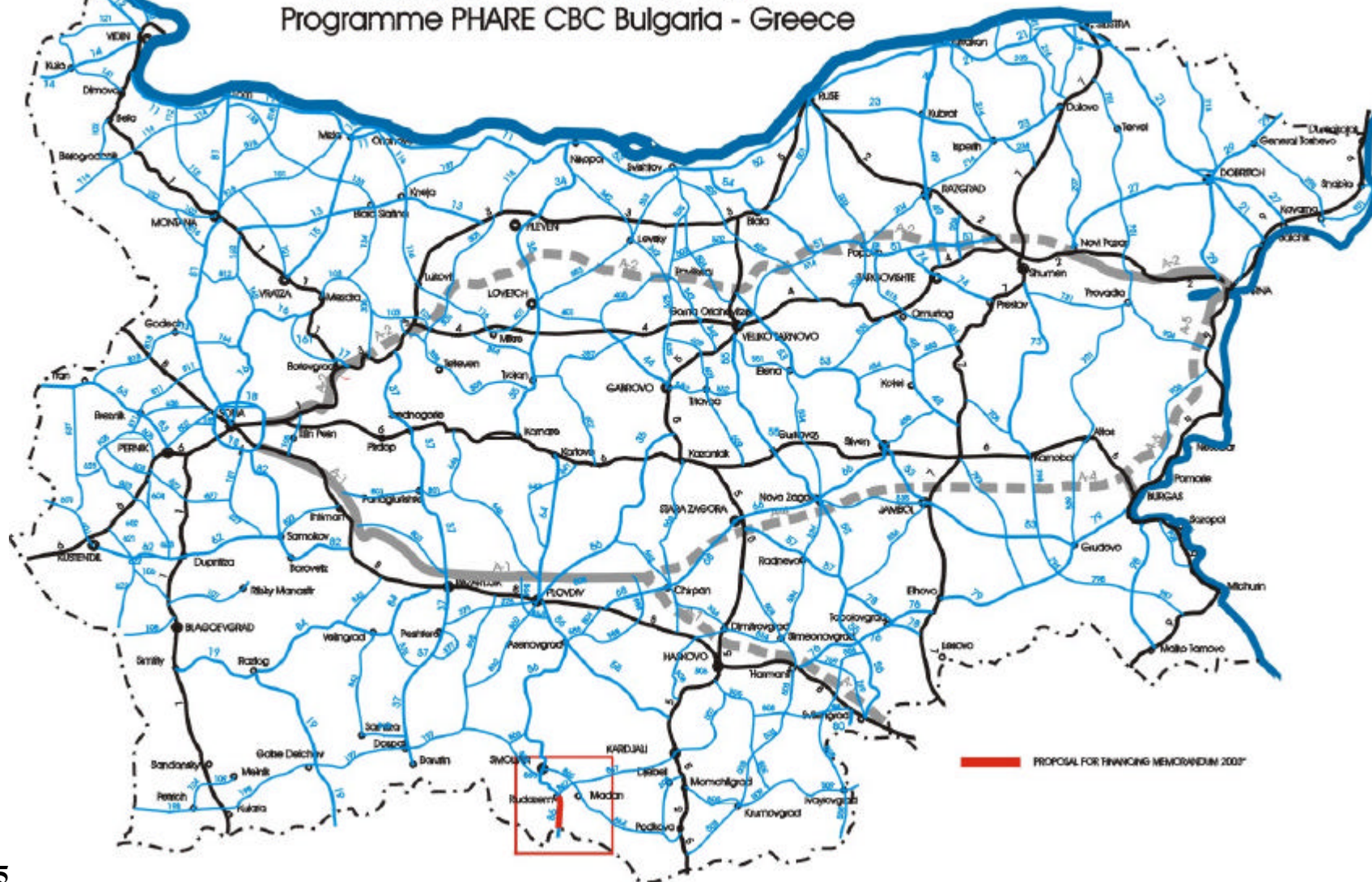
Components	Cumulative disbursement schedule by quarter in MEUR (planned)															Total Phare Allocation
	2004				2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
1. Supervision Services		0,10	0,15	0.20	0.25	0.30	0.35	0.40	0.45	0.50	0,55	0.60	0.65	0.70	0,75	0.750
2. Construction Works			0.60	1.20	2.50	3.10	4.00	4.80	5.20	5.50	5.80	6.10	6.50	7.00	7,25	7.250
Total contracting:		0.10	0.75	1.40	2.75	3.40	4.35	5.20	5.65	6.00	6.34	6.70	7.15	7.70	8.00	8.000

Annex 4 - Reference to feasibility /pre-feasibility studies

The Project is supported by Pre-Feasibility Study prepared by REA in 1997 (Copy is attached).

REPUBLIC OF BULGARIA

Programme PHARE CBC Bulgaria - Greece



Annex 5