STANDARD SUMMARY PROJECT FICHE

1. **Basic Information**
Desiree Number: BG 01.06.01

Title: CONSTRUCTION OF THE NEW BORDER CROSSING CHECK-POINT IN MAKAZA

Sector: IN

Location: Bulgaria, South Central and West Region.

2. **Objectives:**

2.1 **Overall objectives:**

- To develop the economy of the border regions by enhancing the trade and the economic co-operation
- To motivate the creation and development of corresponding transport links on both sides of the Bulgaria/Greece Border.

2.2. **Purpose of the project:**

- To improve the Cross Border co-operation between Bulgaria and Greece by the construction and opening of the new Border Crossing Check Point.
- To improve the relations between the populations in the border region.
- To improve and facilitate passing through the Border Crossing by travelers and vehicles by means of reducing of waiting time and by streamlining border crossing formalities of the required checks.
- Economic stabilization and sustainable development of the region

2.3. **Accession partnership and NPAA priority:**

This project is in compliance with the Accession Partnership and the National Programme for the Adoption of the Acquis in the transport sector.

The project is in compliance with the national plan for economical development, priority “Establishing of sustainable development in regional aspect”, programme “Infrastructure Improvement”, sub-programme “Construction of new BCCP”

NPAA (Medium-term priority):
Promotion of cross-border co-operation

2.4. **Cross Border Impact:**

- To support road infrastructure works in order to foster cross border co-operation at a local and national level
- Through these improved links and infrastructure to promote cultural exchanges and the integration of the two border regions.
- To encourage economic development on both sides of the border in an economically depressed region.
3. Description:

3.1 Background and justification:

The PHARE Cross Border Co-operation Programme will support the construction of a new Check Point in Makaza at the new Cross Border Crossing between Kardjali and Komotini. According to Bilateral Agreement between the governments of Bulgaria and Greece which was signed on 22.12.1995 both countries agreed to open three new border crossings (Gotse Delchev-Drama, Rudozem- Xanthi, Kardjali-Komotini).

This project is in compliance with the Accession Partnership and the National Programme for the Adoption of the Acquis in the transport sector. The construction of the mirror check point on Greek side in Nimfea is previewed to be financed by INTERREG III Programme.

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

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 Strengthening of cross border transport infrastructures. During the am JCC meeting both sides, Greece and Bulgaria, expressed their willingness for the creation of a single common Check Point but it was decided to proceed with a further investigation by means of a Joint Technical Working Group which is under establishment. The results of this Working Group should be taken into consideration in the design and the construction of the Check Point.

Feasibility assessment and Detailed Technical Design, Environmental Impact Assessment (EIA) are ready. Draft Tender Documents for Works and Supervision Contracts have been prepared and will be updated according to the new “Practical Guide to Phare, Ispa and Sapard contract procedures”.

3.2 Linked activities:

Related projects financed by Phare CBC Programme:

- BG 9511- 02.01.03 Review of Detailed design & Tender documentation for the crossing border Makaza Approach Road: Completed.
- BG9803.01.01 Rehabilitation of E79 road: Under Implementation.
- BG9803 01.02 Rehabilitation of E85 road: Under Implementation.
- BG9803 01.03 Reopening of access road to the new border crossing at Illinden (link Goce-Delcev - Drama): Under Implementation.
- BG9904. 02.01 Construction of cross border check-point Illinden (Supervision and Works Contracts): Under Implementation.
- BG0008. 01 Construction of the Access Road (Podkova-Makaza) to the new Border Crossing between Greece and Bulgaria (Makaza - Nimfea): Under Tender procedure.
- BG0008.02 Construction of Cut & Cover Tunnel at Gotse Deltev – Drama Border Crossing: Under Tender procedure.
Other projects financed by Bulgarian National Budget:
- “Transition and Custom facilities for BBCPs Project financed through Framework Loan Contract between Bulgaria and World Bank
- Establishing of the common border check control system

3.3. Results:
The main benefits of the project are:
- To improve the existing infrastructure in the field of transport, aimed at complementing the development of Trans-European networks, by upgrading of Pan-European corridor IX, in the framework of the joint development strategy of both regions;
- To strengthen co-operation between the two border regions at a local level. The main municipalities from the Bulgarian side concerned to the construction of the specific Crossing Border are in the Region of Kardjali and Haskovo and consists of the followings: Zlatograd, Nedelino, Ardino, Djebel, Dimitrovgrad, Ivailovgrad, Kirkovo, Krumovgrad, Kardjali, Madjarovo, Mineralni bani, Momchilovgrad, Haskovo, Chernoochene. The overall population concerned is 419,179 inhabitants, the average income per person 469.17 EURO (65% of the national average income per person) and the average rate of unemployment is approx. 14%.
- The distance between Kardjali/Bulgaria Komotini/Greece will be considerably shortened as an alternative to the crossing points Svilengrand/Ormenio and Kulata/Promachonas. More precisely, for the cities of Kardjali and Haskovo the distance to Komotini will be decreased by 228 km. and 112 km. respectively.
- The activities undertaken, the construction of the Border Check Point and the Border crossing road according to European standards will enable heavy traffic and the opening of the border crossing to international traffic.
- Together with the Greek "mirror" projects - "Construction of Komotini Nimfea road, leading to the border crossing point Makaza/Nimfe and Nimfea Check Point the distance between Komotini and Kardjali will be reduced, increasing low cost exchanges and circulation between both countries.

The major sectors for potential expansion resulting from the Makaza Check Point project would include, but not be limited to, the following:
- Construction and maintenance,
- Light industry,
- Forestry and agriculture,
- Tourism, including transit tourists,
- Transport and distribution.

The expansion in these sectors would lead to improvement in local economic factors and would assist in slowing the current demographic exodus from the area. Additionally, increased access to the Aegean ports would similarly stimulate local enterprises by allowing them to market their goods over a wider area both in Greece and internationally.

3.4. Activities:
The proposed project consists of the construction of a check point in Makaza within the new border crossing Kurdjali-Komotini. The project includes two main components:
- Civil works for construction of the Check Point with estimated cost of 8,5 Meuro. The work contract will be tendered and awarded according to the “Practical Guide to Phare, Ispa and Sapard contract procedures”. Civil Works include:
  - Customs control building
  - Passport and visa control building
  - Covered steel structure sheds
- Detailed check customs building
- Vehicle disinfection building
- Road fees and licenses building
- Medical and sanitary control building
- Fence
- Check points cabins
- Public WC and facilities
- Site utility networks
- Utility service buildings
- Paved areas, roads and site leveling
- Water tank
- Water treatment plant

- Works Supervision services with estimated costs of 1 Meuro.

The PHARE contribution will finance up to 7 Meuro, the rest of the financing up to 10.375 Meuro will be financed by the Bulgarian State Budget. For the Bulgarian contribution an additional contract will be signed with the same awarding company by PHARE procedures.

4. **Institutional framework:**

The project is in full relevance with government regional policy to promote and support the population in the regions near by the Crossing Border line 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.

The Beneficiary Institutional of the Project according to the Bulgarian National legislation will be the Ministry of Regional Development and Public Works.

The assets will be given for utilization and exercise of all required services to the Border Control Authorities by means of “Act for replacement of ownership” issued on behalf of the Employer – CBC Phare, MRDPW.

All relevant administrative and maintenance costs linked to the implementation of the project will be covered by the different involved Border Control Authorities.

The Border Police, the Custom Administration, Road Licences and Taxes, Veterinary and Phyto-sanitary control, Committee of Standards will support the preparation and implementation of the proposed project by assuring the necessary organisational environment, making available the necessary information, personnel and covering the cost of the national experts, including staffing training centres, and the related running and administrative costs.

**Project Manager:**

Plamen Karastoyanov

Head of Division of Phare CBC Programme

Ministry of Regional Development and Public Works

Address: 6, Sv. Nedelya Sq. Sofia 1000

Tel: 00359 2 987 41 55

Fax: 00359 2 986 28 33
5. Detailed Budget, Meuro:

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>PHARE SUPPORT</th>
<th>TOTAL</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investmen t support</td>
<td>Institution Building</td>
<td>Phare (=I+IB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Preparation and Land Acquisition</td>
<td>-</td>
<td>-</td>
<td>0.275</td>
<td>-</td>
<td>0.275</td>
</tr>
<tr>
<td>2. Works Contract</td>
<td>6.0</td>
<td>-</td>
<td>6.0</td>
<td>2.5</td>
<td>8.500</td>
</tr>
<tr>
<td>3. Supervision Contract</td>
<td>1.0</td>
<td>-</td>
<td>1.0</td>
<td>-</td>
<td>1.000</td>
</tr>
<tr>
<td>4. Feeding infrastructure to the BCCP</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
<td>-</td>
<td>0.600</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7.0</td>
<td>-</td>
<td>7.0</td>
<td>3.375</td>
<td>10.375</td>
</tr>
</tbody>
</table>

Where National co-financing contribution is equal to 3.375 Meuro, 32.5% from the total cost.

6. Implementation Arrangements:

6.1 Implementing Agency:

The Bulgaria CBC Implementing Agency is the Ministry of Regional Development and Public Works (MRDPW), which retains overall responsibility for the implementation of the project (approval of terms of reference, of tender documents, of evaluation criteria, of evaluation of offers, signature of contracts, authorisation and payments of invoices).

The Division of Phare Cross Border Cooperation (the previous Foreign Investment Department) within the Ministry of Regional Development and Public Works will be responsible towards the CBC Implementing Agency for the operational and technical management of the project: studies, preparation of terms reference, tender documents, preparation and proceeding of the Tender procedures, evaluation criteria, evaluation of Tenders, award of contracts, invoices for payment, Commissioning and Handing over of the implemented projects. For works contracts under FIDIC rules the Head of FID acts as the Employer and invoices have to be certified by the independent Engineer contracted and financed by the Programme. The Division 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 assessment of progress made and remaining work to be accomplished. It liaises directly with the EC Delegation for all issues related to the operational management of the project. The relevant Division shall be adequately staffed with at least 3 qualified full-time experts.

6.2 Non-standard aspects

Given the urgency to finalise the project in coordination with the completion of the construction of Podgova-Makaza road project, the Tender Announcement for Supervision and Works Contracts to be published immediately after the positive decision for the project from the Phare Management Committee but with “suspension clause”. There are no other “non-standards aspects”. The “Practical Guide to Phare, Ispa and Sapard contract procedures” will strictly be followed.

6.3 Contracts:

1 (One) Contract for Works with amount of 6 Meuro
1(One) Service Contract for Site Supervision with amount of 1 Meuro.
7. Implementation schedule:

<table>
<thead>
<tr>
<th>Start of tendering:</th>
<th>Start of project activity:</th>
<th>Completion:</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2001 – Tender Dossier with ToR submission for check and approval for Service Contract – Site Supervision</td>
<td>January 2002 – Start of Service Contract</td>
<td>September 2005 – completion of project</td>
</tr>
</tbody>
</table>

8. Equal Opportunity

The opportunity for men and women to participate in all the components of the project will be ensured.

9. Environment

Report for Environmental Impact: - Yes

EIA has been produced by the Municipality of Kurdjaly and approved by the Ministry of Environment and Waters. It can be obtained from Phare CBC Foreign Investment Department, MRDPW.

Major Environmental Effects:

The conditional environmental ecological equilibrium will not be significantly affected by this project for the following reasons:

- Available erosion problems on site, which could be restricted by relevant activities, provided in the investment project for changing the territory designation.
- The objects envisaged by the project plan occupy an insignificant territory, organized in limited area and no any other influence to the adjacent area.
- The functional designation of the territories suggests a new aesthetically favorable outlook of the site, whereas the pollution of the environmental components is qualified as insignificant.
- The project is to be equipped with the necessary purification equipment and the investments in environment will prevent any pollution in the area.

10. Rates of return

Rates of return:

Economic rate of return – Not applicable
Economic internal rate of return – Not applicable

Given the fact that the construction of the border crossing check point is an indispensable condition for the operation of the border crossing, it is not applicable the estimation of the am rates. But for the construction of the access road Podgova -Makaza financed by BG0008 CBC Programme a road traffic evaluation study (1999) has been performed and the financial rate of return is as following:

Optim. Scenario: 20%
Pessim. Scenario: 17.5%
11. **Investment criteria**

11.1. Catalytic effect: Without Phare assistance, the project will not be implemented in the near future, because of the lack of funds. Thus EU Phare funds appear as the economic assistance to the country and will mobilize economy during Pre-Accession period achieving better socio – economic effect. Bulgaria is currently in the process of conversion to a market led economic system. As an integral part of this process, Bulgaria is actively pursuing a policy of greater accessibility to trade and economic links with its neighbors Greece, Romania, FYROM, Romania and Turkey. Its geographical position inevitably means that international traffic will cross its borders. Therefore the construction of the new Border Check Point is important, like the need for existing Check Points to upgrade their provided services to a sufficient level in order to meet EU standards.

11.2. Co-financing:
- The Project is co-financed by BG Government - 3.375 Meuro, as given in item 5, which is 32.5% of the total project cost (10.375 Meuro).
- EU CBC Phare – 7.0 Meuro

11.3. Additionality:
No other financing sources from the private sector or from IFIs are available for financing this project.

11.4. Project readiness and Size:
The preliminary studies are completed and the implementation of the project can start according to the implementation chart (Annex 2). The project complies with the 2 Meuro minimum Phare allocation requirement.
- Technical Detail Design – Available
- Draft Tender Dossier – Works – Available
- ToR for Site Supervision - Available

11.5. Sustainability: The Southern Border Regions is acknowledged to be isolated by its geographical situation. This combined with a general lack of access has severely disadvantaged the Region. It is estimated that approx. one third of all PHARE funding to Bulgaria is allocated to the Region. Following studies by international consultants it is expected that an increase in communication and transport facilities will stimulate the economic activity of the region. The area has had a certain degree of success in attracting foreign investment. With its acknowledged educated workforce and huge potential for tourism the development initiated by the improved services providing by the relevant Check Points and so it will be self sustaining particularly as the democratic and financial changes within the country as a whole continue. All Border Check Authorities involved in Border Crossing Checkpoint are obliged to pay for maintenance and operation costs during the entire period of BCCP activities.

11.6. Compliance with state aids provisions: The project respects the state aids provisions.

12. **Conditionality and sequencing:**
- Bulgarian authorities undertakes the obligation to cover any additional cost, above the envisaged Meuro 10.375, necessary for the completion of the whole project during its implementation timeframe.
- Bulgarian authorities undertake the obligation to ensure that utilities (e.g. water, sewage, electricity) are connected to the site.
- 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 acquisitions have been completed.
• Every infrastructure project will be publicized according to a publicity action plan to be prepared by the Ministry of Regional Development and Public Works and endorsed by the Commission before tendering the works.

• Bulgarian authorities undertake the obligation to ensure normal working conditions in the border region, to ensure access road to the site, water and electricity access during the construction and to ensure provision of utilities (telephone, water supply, electricity etc.) simultaneously with the commissioning of the BCCP.

**Annexes to Project Fiche**

1. Logical framework matrix.
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter.
4. Reference to feasibility/pre-feasibility studies.
**Annex 1 : Logframe Matrix for project:**

**CONSTRUCTION OF THE NEW BORDER CROSS CHECKPOINT IN MAKAZA**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Indicators of Achievement</th>
<th>Sources of Information</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To establish and open a new Cross Border Control Check Point between Bulgaria and Greece in order to strengthen and accelerate the economic cooperation between the two countries and further between Bulgaria and EU.</td>
<td>Increased GDP regional share • Increased Greek and foreign investment in the region</td>
<td>Government and international statistics</td>
<td></td>
</tr>
<tr>
<td>1) To upgrade the Cross Border Check Points level of services which will correspond to EU requirements in the relevant sectors - customs, border police, veterinary and phytosanitary controls.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Indicators of Achievements</th>
<th>Sources of Information</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. To improve the Cross Border co-operation between Bulgaria and Greece by the construction and opening of the new Border Crossing Checkpoint. • To improve the relation between the population in the respective regions near to the new Border Crossing from the both sides of the Borderline. • To allow and facilitate the traffic flow in the regions close to the new Border Crossing and other parts of both countries. • To improve and facilitate passing through the Border Crossing by travelers and vehicles by means of reducing of waiting time and by streamlining border crossing formalities of the required checks.</td>
<td>– Increased cross border traffic – Reduced cross border journey duration – Correspondence with EU requirements and regulations</td>
<td>– users</td>
<td>– economic growth in other sectors – Bulgarian Government continues its current commitment to reform and to accession to the European Union</td>
</tr>
</tbody>
</table>
### Results

After Implementation of the project the main achievements are expected to be the following:

- Opening and putting in operation of the new BCCP in the region of Kurdjaly.
- Immediate improvement of the Border Crossing cooperation in all aspects.
- Update and improvement of the Border Control services with regard of capacity of travelers, vehicles, goods and formalities for passing through the Border.

### Indicators of Achievement

- Taking over certificates

### Sources of Information

- MRDPW
- Resident Engineers
- Contractors

### Assumptions

- Taking over certificates
- MRDPW
- MRDPW bank statements
- Greek authorities

### Activities

1. Civil Works include:
   - Customs control building
   - Passport and visa control building
   - Covered steel structure sheds
   - Thorough customs check building
   - Vehicle disinfection building
   - Road fees and licenses building
   - Veterinary and Phyto sanitary control building laboratory (optional)
   - Medical and sanitary control building
   - Fence
   - Check points cabins
   - Public WC and facilities
   - Site utility networks
   - Utility service buildings
   - Paved areas, roads and site leveling
   - Water tank
   - Water treatment plant
   - Connecting utility lines - optional

2. Works Supervision services

### Means

- 7 Meuro contracted and disbursed
- Team adequate staffed with 3 qualified full-time experts

### Assumptions

- Land acquisition completed
- Continuity of staff and policy in MRDPW enabling implementation of the project without delays
- Effective project Engineer
- Capable Contractors
## Annex 2 – Detailed implementation chart

**CONSTRUCTION OF THE NEW BORDER CHECK POINT IN MAKAZZA**

<table>
<thead>
<tr>
<th>Components</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>updating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review /</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluatio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementa-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tion of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| D = Design/Tender preparation | C = Contracting | I = Implementation/works | R = Review/evaluation
### Annex 3 – Contracting and disbursement schedule by quarter

**ION OF THE NEW BORDER CROSS CHECKPOINT IN MAKAZA**

#### Components

<table>
<thead>
<tr>
<th>Components</th>
<th>Cumulative contracting schedule by quarter in Meuro (planned)</th>
<th>Total Phare Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>01-01 Civil Works</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>01-02 Site Supervision</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total contracting</strong></td>
<td>7.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

#### Cumulative disbursement schedule by quarter in Meuro (planned)

<table>
<thead>
<tr>
<th>Components</th>
<th>Cumulative disbursement schedule by quarter in Meuro (planned)</th>
<th>Total Phare Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>01-01 Civil Works</td>
<td>0.7</td>
<td>1.0</td>
</tr>
<tr>
<td>01-02 Site Supervision</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total disbursement</strong></td>
<td>0.8</td>
<td>1.2</td>
</tr>
</tbody>
</table>