1. Basic Information

1.1 CRIS Number: 2002/000-623-02
1.2 Title: Rehabilitation and partial reconstruction of road II-15, section Mizia – Oriahovo (Bulgaria/Romania Border Crossing)
1.3 Sector: Infrastructure Transport (IN)
1.4 Location: Bulgaria, North - West region

1 Objectives

1.2 Overall Objectives

- Facilitate the cross-border co-operation between Bulgaria and Romania by improving the communication infrastructure.
- Promotion of local and social cohesion in the border regions.
- Make the Bulgarian road network compatible with the road network of the European Union.

2.2 Project purpose

- Improving the design and operational characteristics and loading capacity of the section of road II-15 from Mizia to the ferryboat of the Bulgaria/Romania Border Crossing.
- Compliance with the EU standards, and in particular as regards the maximum authorised weight of 11.5 T per axle.
- Time and operating cost savings.
- Improvement of road safety.

2.3.1 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

N/A

2.5 Cross Border Impact

- Improve the approach to existing Bulgaria-Romania Border Crossing at Oriahovo and the corresponding transport links on both sides;
- Facilitate and increase the trade links between the two countries;
- Encourage economic development on both sides of the border in an economically depressed region;
- Through these improved links and infrastructure to promote cultural exchanges and the integration of the two border regions.

3 Description

3.1 Background and justification

Background

At present the main border crossing Points between Bulgaria and Romania along Danube River are as following Russe/ Giurgiu bridge, Vidin/ Calafat and Oriahovo/ Bechet ferryboat.

After 1992 with the failure of the communist regime in Eastern Europe the number of transit and local traffic has increased significantly.

In order to facilitate the free movement of passengers and goods between the two countries the Bulgarian and the Romanian governments have signed bilateral agreement to improve and modernise the existing border crossings. Within the framework of that agreement have been planned measures for rehabilitation of the approach roads to the border crossing Points.

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. The key geographical position of the country supposes heavy flow of international traffic to cross its borders. Therefore, from the improvement of existing approach roads to the cross border check points and the construction of new roads will benefit not only the local but also the international transit traffic.

There is a flow of heavy vehicles heading for the cross-border ferryboat connection Oriahovo – Beket. The traffic is using road IV-15023 in order to avoid the nearby road II-11 that is in very poor condition. Due to this increased traffic flow road IV-15023 was reclassified in 1997 into Second Class road II-15 (which is a continuation of the road Vratza – Borovan – Mizia – Oriahovo).

A study on the Intensity of Motor Vehicle Traffic produced in 2000 by the Central Roads’ and Bridges’ Laboratory shows that the average annual traffic intensity is 1000 cars per day.
In accordance with the tests made by Central Laboratory for Roads and Bridges, Sofia for 10 years exploitation period, the necessary modules of elasticity should be minimum 250 Mpa, at dimensioning axis loading 11.5 t/axis and with intensity Re=277 OA/day. The pavement of road II-15 from Mizia to the Bulgaria/Romania border (Oriahovo) is in relatively bad condition and has low road operational characteristics. The section has good horizontal and vertical parameters but is not quite homogeneous in the certain sections. The road width is extremely variable and in its greater parts, outside of the populated areas, it is 6/8 m including a shoulder 1,50 m (1,25 m), asphalt pavement – 6 to 6,20 m from the part of the narrow-gauge line and from the part of the slope at about 3 m the so called “earth trench” including the shoulder. The slope has clear slide processes and spread with shrubs.

The proposed project consists in rehabilitation and improvement of approximately 16 km of road II-15 (from km 61+300 to km 77+872.36). The majority of road rehabilitation involves the strengthening of the existing pavement by means of asphalt overlays of varying thickness depending upon the condition of the pavement structure. The road rehabilitation also includes surface water drainage works, shoulder surface upgrading, road markings, the replacement, refurbishment or provision of new traffic signs, guard-rails and kerbs.

This project is in line with the priorities that are indicated in the general framework for the co-operation between the two countries and was agreed between the Romanian and Bulgarian authorities. Under the priority 1 “Improvement of local trans-national infrastructure”, one of the proposed measures is “the rehabilitation of the communication infrastructures in the CBC region, including the rehabilitation of the roads network”.

This project complies with the Council Regulation 1266/1999 on Co-ordination of pre-accession assistance. Improvement of the concerned road section will encourage the creation and development of corresponding transport links between central Bulgaria and the Pan-European Transport Corridor 7 along Danube River.

3.2 Linked activities

- Phare CBC Bulgaria/Romania Programme 2000: “Facilitation of the Danube River border Crossing”.
- Under current rehabilitation Programme “Transit Roads” III 16 km of road E 79 (Montana – Vratza) and 58 km of road II 15 from Vratza to Mizia, financed by EIB and REA’s funds are to be upgraded. The whole “Transit Road Rehabilitation Programme” III covers refurbishment of more than 700 km of motorway and primary roads.

3.3 Results

- To strengthen co-operation between the two border regions at local level.
- To create new job opportunities in the area. The main municipality from the Bulgarian side concerned is Vratza and consists of the followings principal towns: Vratza, Oriahovo, Mizia, Biala Slatina, Kozloduy, Kneja, Borovan, Mezdra, Roman. The overall population concerned is 253 032 inhabitants.
- To improve the safety and comfort of the travel along the rehabilitated section.
3.4 Activities

The Project consist of two main components:

- **Construction Supervision Services**
  REA will undertake the preparation of the Tender Dossier for the Service Contract and tendering procedure. No additional funding required.

  This contract shall be awarded according to the “Practical Guide to Phare, Ispa and Sapard contract procedures” through restricted tender procedure. Estimated budget: 0.200 MEUR.

- **Construction Works**
  REA will undertake the preparation of the Tender Dossier for the Works Contract and tendering procedure. No additional funding required.

  The Works consists of rehabilitation of 16 km section of an existing road. The rehabilitated section shall comply with the EU standards - increasing in pavement structure load-bearing capacity in compliance with Council Directive 96/53/EC of 25 July 1996 concerning the maximum size and weight of vehicles.

  The contract shall be awarded under FIDIC conditions through an open tender.

3.5 Lessons learned

N/A

4 Institutional Framework

*Recipient country – Bulgaria*

- **Beneficiary Institution** – Road Executive Agency.
- **Engineer** – the Engineer will be appointed after restricted International Tender Procedure for the supervision contract according to “Practical Guide to Phare, Ispa & Sapard contract procedures”.
- **Contracting Authority** - Ministry of Regional Development and Public Works (MRDPW, hereafter).
- **Owner of the asset after project completion**: REA. The Regional Department of the Agency will bear the responsibility to cover all future operational, administrative and maintenance costs.

5 Detailed Budget

| (MEUR) |
|---|---|---|---|---|---|
| PHARE Support | National Co financing | IFI | TOTAL |
| Components | Institution Building | Investment Support | Total Phare (=IS+IB) | |
| Supervision | 0 | 0 | 0 | 0,200 | 0 | 0,200 |
| Construction works | 0 | 2,500 | 2,500 | 0,634 | 0 | 3,134 |
| TOTAL | 0 | 2,500 | 2,500 | 0,834 | 0 | 3,334 |
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 (approval of terms of reference, of tender documents, of evaluation criteria, of evaluation of offers, signature of contracts, authorisation and payments of invoices).

The project beneficiary institution is the 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 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 the 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.

Ministry RDPW
Deputy Minister Mr Hasan Hasan
17-19 Cyril and Metodius St.
1202 Sofia
Phone  +359 2 988 1849 or 940 5576
Fax  +359 2 988 4364

6.2 Twinning: N/A

6.3 Non-standard aspects

There are no “non-standards aspects”. The “Practical Guide to Phare, Ispa and Sapard contract procedures” shall be strictly applied. As the supervision will require permanent presence of a Resident Engineer for more then 2 years, it will be contracted via Simplified procedure not through the FWC.

6.4 Contracts

Two contracts are anticipated:

- Service Contract for Supervision
  Estimated value of contract: 0.200 MEUR.
- Works Contract for rehabilitation and reconstruction works.
  Estimated value of contract: 3,134 MEUR
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>October 2002</td>
<td>May 2003</td>
<td>November 2006</td>
</tr>
</tbody>
</table>

The extension of disbursement period up to November 2006 is needed to take into account the duration of works (impossibility to work in winter during several months) and the Defect Liability Period of one year after the completion of works.

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
Pursuant to Article 20, Paragraph 1, item 3 of the Law for Preservation of the Environment, rehabilitation and reconstruction of an existing road, (where the road class remains unchanged) is not subject to a mandatory Environmental Impact Assessment Report (EIA).

Similarly, there is no requirement for environmental screening.

The project will be executed with noise absorbing texture wearing course pavement through the selection of appropriate asphalt concrete mix types and sources of aggregates.

Landscaping activities are envisaged, which involve planting of trees, shrubs and grassing. Firstly these will prevent soil erosion and second – will reduce the noise and dust pollution to the surrounding environment.

10 Rates of return
The socio-economic analyses shows project benefit from the sections to be rehabilitated - about 17 % IRR.

This socio-economic analysis is based on the typical “Methodology for determination of the feasibility of repair works design for Bulgarian roads” from 1993 of the Central Laboratory of Roads and Bridges. This is based on the World Bank HDM-III methodology and accounts for the vehicles operating costs before and after the activities.

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 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 25% or 0.834 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 Detailed Design is completed. REA will check the design by its own services or will appoint an independent consultant to review the Detailed Design in order to ensure compliance with the international standards and norms. REA will be responsible for the preparation of the Tender Dossier for the Works and Service Contracts. Contracting Authority will be responsible for the tendering procedure.

The implementation of the project can start according to the implementation chart (Annex 2). The project complies with the 2 M Euro minimum PHARE allocation requirement.

11.5 Sustainability

Road Executive Agency as an institution will be responsible for the future routine and periodic maintenance activities and operational costs of the rehabilitated road. Internal Administration’s regulations specify the lowest allowable level of serviceability before maintenance type of activity is undertaken. With regard the winter maintenance there are fixed periods of time for the motorways and the different classes of roads to be ice and snow cleared.

11.6 Compliance with state aids provisions

The project complies with the state aids provisions.

11.7 Contribution to National Development Plan: N/A

12 Conditionally and sequencing

- Bulgarian authorities undertakes the obligation to cover any additional cost, above the envisaged MEUR 3.333, 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 Phare, Ispa and Sapard Contract Procedures,
  - or increasing of the cost of the on-going Phare financed contract via an addendum.
- Every infrastructure project will be publicised 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.
- The Bulgarian authorities finance Land acquisition. The Bulgarian authorities undertake to notify to the European Commission before the signature of the works contracts that related land acquisitions have been completed.

ANNEXES TO PROJECT FICHE
1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
### Annex 1 – Logical framework matrix in standard format

**Project:** Rehabilitation and partial reconstruction of road II-15, section Mizia – Oriahovo (Bulgaria/Romania Border Crossing)

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Facilitate the cross-border co-operation between Bulgaria and Romania by improving the communication infrastructure.</td>
<td>• Increased GDP regional share</td>
<td>National Traffic statistic</td>
</tr>
<tr>
<td>• Promotion of local and social cohesion in the border regions.</td>
<td>• Increased Romanian and foreign investment in the region</td>
<td></td>
</tr>
<tr>
<td>• Make the Bulgarian road network compatible with the road network of the European Union.</td>
<td>•</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improving the design and operational characteristics and loading capacity of the section of road II-15 from Mizia to the ferryboat of the Bulgaria/Romania Border Crossing.</td>
<td>• Increased cross border traffic.</td>
<td>• Beneficiaries.</td>
<td>Availability of finance Commitment of recipients to fulfil their obligations</td>
</tr>
<tr>
<td>• Compliance with the EU standards, and in particular as regards the maximum authorised weight of 11.5 T per axle.</td>
<td>• Reduced cross border journey duration.</td>
<td>• Community liaison groups on both sides of the border.</td>
<td>Adherence to work schedules and construction norms</td>
</tr>
<tr>
<td>• Time and operating cost savings.</td>
<td>• Correspondence with EU requirements and regulations.</td>
<td></td>
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<tr>
<td>• Improvement of road safety.</td>
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<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
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<tr>
<td>• To strengthen co-operation between the two border regions at local level. To create new job opportunities in the area. The overall population concerned is 253,032 inhabitants. • To improve the comfort of the travel along the rehabilitated section.</td>
<td>Taking over certificates of an improved II class road</td>
<td>• Reports issued by MRDPW and REA  • CRBL (Central Roads’ and Bridges’ Laboratory) Studies  • Traffic police reports and statistics</td>
<td>• Most of constructions does not exceed cost estimates and no major contingency during construction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Supervision services</strong>  A consultant will be contracted according to the “Practical Guide to Phare, etc.” through restricted tender.  <strong>Construction Works</strong>  Rehabilitation of 16 km section of an existing road according to EU standards. The contract shall be awarded under FIDIC conditions through an open tender.</td>
<td>• 2.5 MEUR contracted and disbursed  • Contractor’s team adequately staffed</td>
<td>• Tender Evaluation Reports  • Project Progress Reports  • Project Final Report  • Technical Specification and As-built documents  • Reports issued by the MRDPW and REA  • Reports issued by the Romanian authorities</td>
<td>• Continuity of staff and policy in MPDPW enabling implementation of the project without delays  • Land acquisition completed</td>
</tr>
</tbody>
</table>
## Annex 2 – Detailed implementation chart
Rehabilitation and reconstruction of road II-15, section Mizia – Oriahovo (Bulgaria/Romania Border Crossing)

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tbody>
<tr>
<td>1. Construction Supervision</td>
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<tr>
<td>Services</td>
<td>C</td>
<td>I</td>
<td>I</td>
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<td>I</td>
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<tr>
<td>2. Construction Services</td>
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<td>I</td>
<td>I</td>
<td>I</td>
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<tr>
<td>D = Design/Tender preparation</td>
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<tr>
<td>C = Contracting</td>
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<td>I = Implementation/works</td>
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<td>R = Review/evaluation</td>
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<td>DLP = Defects Liability Period</td>
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<td>FP = Final Payment</td>
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</tbody>
</table>

## Annex 3 – Contracting and disbursement schedule by quarter
Rehabilitation and reconstruction of road II-15, section Mizia – Oriahovo (Bulgaria/Romania Border Crossing)

### Cumulative contracting schedule by quarter in MEUR (planned)

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
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<tr>
<td>Works Contract</td>
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<tr>
<td>Total contracting:</td>
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</table>

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

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Works Contract</td>
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<tr>
<td>Total disbursement:</td>
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</tbody>
</table>
Annex 4 - Reference to feasibility /pre-feasibility studies

Rehabilitation and reconstruction of road II-15, section Mizia – Oriahovo (Bulgaria/Romania Border Crossing)

Feasibility Study is required only when a new road is constructed. Therefore for this Project, which is a rehabilitation of an existing road, no Feasibility Study has been prepared.