1. Basic Information
   1.1 Désirée Number: HU0009.01.01
   1.2 Title: Modernisation of border crossing station at Csengersima, phase II.
   1.3 Sector: Infrastructure
   1.4 Location: Border crossing station at Csengersima, Hungary, on the Hungarian-Romanian border
   1.5 Beneficiary: Hungarian Customs and Finance Guard, Szabolcs-Szatmár-Bereg County Self-government

2. Objectives
   2.1 Wider Objective(s):
      - Effective implementation of Customs Acquis concerning the development of efficient border-posts. Modernisation of the border crossing point is designated to satisfy the wider objective of implementing an infrastructure making possible effective control at the future EU external borders of Hungary.

   2.2 Immediate Objectives:
      - Truck crossing point at Csengersima is fully functioning and comparable to the standards of external EU border stations
      - Effective detection and containment of illegal activities
      - Control of traffic without substantial waiting time.

   2.3 Accession Partnership and NPAA priority
   The AP defines the development of efficient border posts as a medium-term priority. Also the reinforcement of administrative and operational capacity to develop efficient border posts.
   Chapter 8.2.3. of the NPAA declares the development of customs offices located at the future external borders of the EU a National priority.

   2.4 Contribution to National Development Plan
   Not applicable.

   2.5 Cross Border Impact
      - Facilitation of trade between the concerned regions of Hungary and Romania, development of trade and cultural relations along the border. Formation of new transportation routes from Moldavia towards the Baltic countries.
3. Description

3.1 Background and justification:
- The border crossing point in its original form was not suitable for the controlling of international passenger and truck traffic. Modernisation is necessary to meet the above mentioned goals set in the NPAA. The Hungarian Government issued Government Decree 2115/1998. (IV.29) in which the decision has been made to upgrade the border crossing point at Csengersima-Petea from an international passenger crossing point to an international passenger and truck crossing point (without phytosanitary and veterinary services).

3.2 Linked activities:
Phare support for the Hungarian Customs and Finance Guard (HCFG) has been made available among other programmes in the context of Phare Cross-Border Co-operation Programmes. The most significant project was the rehabilitation of the Csengersima border station phase I. on the Hungarian-Romanian border. In phase I. international passenger crossing point was rehabilitated, passenger control building, bus inspection and bus lanes were built. In the current project the modernisation will be continued with phase II.: building of an international truck crossing point.

3.3 Results:
- Infrastructure rebuilt at Csengersima border station, all control and inspection buildings are in conformity with the requirements set in the tender
- Effective detection and containment of illegal activities comparable to the standards of external EU border stations
- Waiting time does not exceed pre-set-time limits.

3.4 Activities:
The reconstruction of the border crossing point will be implemented through an open international works tender. International truck terminals will be built. The modernisation activities will include the following:
- Control building for goods traffic (exit and entrance side)
- Inspection building (entrance side)
- Unheated storage (exit and entrance side)
- Weighbridge and weighbridge houses (exit and entrance side)
- Axle-load-scale (exit and entrance side)
- Total weight scale (exit and entrance side)
- Control booths (exit and entrance side)
- Canopies (exit and entrance side)
- Truck terminal according to the scale of traffic.
4. **Institutional Framework**

The project will be managed by the Beneficiary and the Implementing Agency. The Employer will be the Hungarian Customs and Finance Guard. The Engineer will be an independent person (not a member of HCFG staff). The engineer will be chosen by national public procurement rules and financed from the Hungarian budget. Selection will take place prior to the launching of the tenders. The Owner will be the Hungarian State. Trustee of the property will be the Hungarian Customs and Finance Guard.

5. **Detailed Budget**

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works tender-reconstruction of the border crossing point at Csengersima</td>
<td>2,250</td>
<td>0</td>
<td>2,250</td>
<td>5,270</td>
<td>0</td>
<td>7,520</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,250</td>
<td>0</td>
<td>2,250</td>
<td>5,270</td>
<td>0</td>
<td>7,520</td>
</tr>
</tbody>
</table>

6. **Implementation Arrangements**

6.1 Implementing Agency

The Ministry of Agriculture and Regional Development PHARE Regional Development Programme Management Unit
1016 Budapest
Gellérthegy u. 30-32
Phone: +36/1-488-7171
Fax: +36/1-488-7188

PAO: Mr Péter Szaló, state under-secretary

6.2 Twinning

Not applicable.

6.3 Non-standard aspects

The contract will be concluded with international tendering, ensuring competition and and valid procedures of Phare DIS. Technical Specifications of the works will be in line with FIDIC rules.

6.4 Contracts

The reconstruction of the border crossing point will be implemented through one open international works tender in the approximate amount of 7,520 Meur.

7. **Implementation Schedule**

Start of tendering/call for proposals: 10/2000
Start of project activity: 01/2001
Project Completion: 10/2002
8. **Equal Opportunity**

HCFG is an equal opportunity employer.

9. **Environment**

The construction work at the border crossing point is subject to the usual environmental impact assessment that will be completed by September 2000. All HCFG building projects are in line with national and international environmental legislation. Permission plans, which are the bases of construction works are ready and need to be authorised by the Ministry of Transport, Communication and Water Management. The modernisation will reduce negative environmental effects that congested border posts are causing.

10. **Rates of return**

Financial rates of return are not applicable. Economic rates of return for the works project can be calculated after completion of the current detailed project.

11. **Investment criteria**

11.1 Catalytic effect:

The Phare contribution acts as a catalyst for a priority accession driven action in the field of border management. It will bring the operational capacity of the HCFG in important fields to the level of customs services of EU member states. Without Phare support the modernisation of the border station would take place much later.

11.2 Cofinancing: HCFG will contribute with about 70% of the project cost.

11.3 Additionality: The Phare intervention will displace no other financiers.

11.4 Project readiness and size: All important technical studies are ready. Contract size meets Phare requirements.

11.5 Sustainability: All work will be in accordance with EU norms and standards. It will respect the principles of sustainable and environmentally sound development enshrined in Article 2. of the Amsterdam Treaty. The HCFG is in a position to maintain and operate buildings and structures effectively in the long run. Funds for the operation and maintenance will be provided by the regular HCFG budget.

11.6 Compliance with state aids provisions

Not applicable.
11.7 Contribution to National Development Plan
The Preliminary National Development Plan identifies the region as being disadvantaged. The region badly served by transport infrastructure. The project is in line with the investment promotion objectives of the PNDP as to improve productivity and international competitiveness of the enterprises in the border region.

12. Conditionalities and sequencing

The upgrading of the border crossing point at Csengersima-Petea to an international passenger and truck crossing point entails a modification of the relevant international agreement. By the time when construction work starts the Environmental Impact Assessment has to be completed (September 2000).
From: Hungarian Customs and Finance Guard
To: Phare Regional Office Békéscsaba
Number: 7009/8 - 2000

LETTER OF COMMITMENT

Subject: Csengersima Phase II.

Dear Mr. Galovicz,

Hereby I would like to inform you about the schedule of the Hungarian budget allocation for Truck Terminal Phase II. in Csengersima

<table>
<thead>
<tr>
<th>Year</th>
<th>Sum of money</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>HUF 850 000 000</td>
</tr>
<tr>
<td>2001</td>
<td>HUF 620 000 000</td>
</tr>
</tbody>
</table>

Financial cover for 2000 is at our disposal. The sum scheduled for the year of 2001 is planned according to the shifting planning principal of the Ministry of Finance. There has not been any disapproval regarding this project financing.


Yours sincerely

signature, stamp

Zsolt Várkonyi
Major
Head of Investment Department
**ANNEXES TO PROJECT FICHE**

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached
5. List of relevant Laws and Regulations
ANNEX NO. 1.

LOG-FRAME PLANNING MATRIX FOR INFRASTRUCTURE

<table>
<thead>
<tr>
<th>Project Number: HU-RO Phare CBC 2000-01-01</th>
<th>Project Title: Modernisation of the border crossing point Csengersima, phase II.</th>
<th>Total Phare Budget</th>
<th>2,250,000 EUR</th>
</tr>
</thead>
</table>

### Wider Objectives

<table>
<thead>
<tr>
<th>Indicators of Achievements</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective implementation of Customs Acquis as required in 8.2.3. chapter for Customs System of the NPAA</td>
<td>HCFG performance reports</td>
<td>(4)</td>
</tr>
<tr>
<td>Safe transport and traffic in the eastern borders of Hungary</td>
<td>Transporters’s association reports</td>
<td>(4)</td>
</tr>
</tbody>
</table>

### Immediate Objectives

<table>
<thead>
<tr>
<th>Indicators of Achievements</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border post at Csengersima fully functioning and comparable to external EU border stations</td>
<td>HCFG performance reports</td>
<td>(8)</td>
</tr>
<tr>
<td>Effective detection and containment of illegal activities</td>
<td>Reports of international transporters’s and forwarders’s reports</td>
<td>(8)</td>
</tr>
<tr>
<td>Control of traffic without substantial waiting time.</td>
<td>Stable situation at Hungary’s state borders</td>
<td>(8)</td>
</tr>
<tr>
<td>Controlling time in the case of passenger traffic does not exceed 30 minutes</td>
<td>Continued political will to ensure close political and economic integration with neighbour countries and the EU</td>
<td>(8)</td>
</tr>
<tr>
<td>Average truck waiting time does not exceed 3 hours</td>
<td>Continuation of Hungary’s liberal open market policies</td>
<td>(8)</td>
</tr>
<tr>
<td>Lane selections according to EU norms (passenger traffic: at least 2 lanes, truck traffic: 3 lanes).</td>
<td>Continuation of national customs modernisation programmes</td>
<td>(8)</td>
</tr>
</tbody>
</table>

### Result of Projects

<table>
<thead>
<tr>
<th>Indicators of Achievements</th>
<th>Sources of Information</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure rebuilt at Csengersima border station, all control and inspection buildings and terminals are in conformity with the requirements set in the tender</td>
<td>HCFG progress reports and completion report</td>
<td>(10)</td>
</tr>
<tr>
<td>Effective detection and containment of illegal activities comparable to the standards of other external EU border stations</td>
<td>General programme documentation</td>
<td>(10)</td>
</tr>
<tr>
<td>Waiting time does not exceed pre-set time limits</td>
<td>High-quality co-ordination between Hungarian institutions and with international partner institutions ensured</td>
<td>(10)</td>
</tr>
<tr>
<td>All work completed in time and at high level of quality, as planned.</td>
<td>Staff as sufficient numbers and of the right qualification available for the modernised border stations and the supplied equipment</td>
<td>(10)</td>
</tr>
<tr>
<td></td>
<td>Funds for the operation of the stations and the equipment available when required</td>
<td>(10)</td>
</tr>
</tbody>
</table>

### Inputs

(13)
ANNEX NO. 2.

Detailed implementation chart

Modernisation of the border crossing point at Csengersima, Phase II.
Project Number: HU-RO Phare CBC 2000-01-01

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Tendering and contracting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation and disbursement</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
ANNEX NO. 3.

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER FOR FULL DURATION OF PROGRAMME (MEUR)*

Modernisation of the border crossing point at Csengersima, Phase II.  
Project Number: HU-RO Phare CBC 2000-01-01

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Contracting</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.225</td>
<td>0.605</td>
<td>0.985</td>
<td>1.365</td>
<td>1.745</td>
<td>2.25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Only for Phare support
N.B: 1 All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM
2 All disbursements must be completed within 36 months of signature of the FM
ANNEX NO. 4

Reference to Feasibility/Pre-feasibility Studies

Modernisation of the border crossing point at Csengersima, Phase II.  
Project Number: HU-RO Phare CBC 2000-01-01

The HCFG Integration Strategic Plan (1998) examines in detail the necessity for further investment projects. Proposed calculations for upgrading border crossing stations and other projects also take into account the earlier experiences of similar sized projects. Construction works at the border crossing points are subject to the usual environmental impact assessment. All HCFG building projects are in line with national and international environmental legislation. Permission plans, which are the bases of construction works need to be authorised by the Ministry of Transport, Communication and Water Management. Environmental impact assessment will be completed before the start of tendering.
ANNEX NO. 5

List of relevant laws and regulations

Modernisation of the border crossing point at Csengersima, Phase II.
Project Number: HU-RO Phare CBC 2000-01-01

- Hungarian National Plan for the Adoption of the Acquis
- Agenda 2000- Commission Opinion on Hungary’s Accession to the European Union
- Declaration of endorsement of the Pre-Accession Strategy for Customs and Tax Administration in Hungary (Endorsed by Commissioner Mario Monti and the Hungarian Ministry of Finance)
- Community Customs Code and its Implementing Provisions
- Schengen Acquis
- Blueprint managed by DG XXI of the EC
- Government Decree 45/1996 (III.25.) (Korm), modified by Government Decree 219/1999 (XII.28.) (Korm)
- Act No. XXXII of 1997 on border control and the Border Guard
- Government Decree 2212/1998 (IV. 29) (Korm) on Legal Harmonisation (the implementation of concrete elements of the Acquis)
- Government Decree 2115/1998 (IV. 29) (Korm) on the upgrading of the border crossing point at Csengersima-Petea to an International passenger and truck crossing point.