1. **Basic Information**

1.1 **Désirée Number:** HU 0108-01

1.2 **Title:** Bucsu by-pass road leading from the border to the cross road of the road No 89.

1.3 **Sector:** Transport

1.4 **Location:** Western Transdanubia region, Hungary and Burgenland, Austria

2. **Objectives**

2.1 **Overall objective:**

Improve social and economic integration of the Hungarian-Austrian cross-border area

2.2 **Project Purpose:**

- Improve accessibility of Western Transdanubia region from the European transport network
- Improve cross border transport flows and cross border mobility

2.3 **Accession Partnership and NPAA priority**

The objectives of the project are in line with the short- and medium-term objectives of the Accession Partnership, chapter 3.2 on balanced harmonisation of transport development. The same applies to the relation of the project to the NPAA, which covers the transport development objectives in its chapter 4.5.

2.4 **Contribution to National Development Plan:**

According to the revised PNDP (2001), based on the regional development strategies, the project reflects to one of the most important priorities of the region: Priority 3: “Regional development” measure 1 of “Accessibility – to develop traffic infrastructure” (PNDP 2001, Chapter 5.5.6, priority 3).

2.5 **Cross Border impact**

This project is consistent with priorities defined by the Joint Programming Document (JPD) Austria-Hungary 2000-2006 for Interreg IIIA-Phare CBC. It belongs to priority P2. Accessibility and measure M1. Improvement of Cross-border Transport and telecommunication Infrastructure.

The project will improve the access between the two sides of the cross-border area by improving the link between road No 86 that crosses the Hungarian side in North-South direction and the almost parallel motorway No A2 at the Austrian side. This improved link will also contribute to the economic and tourism development of Burgenland and Western-Transdanubia Region by ensuring quicker access to the Karinthian and North Italian economic space.
3. **Description**

3.1 **Background and justification**

The trans-European transport corridors cross Western Transdanubia (No. V in the very south and No. IV at the northeast border crossing near the city of Győr). The other main characteristics of the transport infrastructure of the region is the lack of a satisfactory internal North-South axis that would connect the two corridors. The link between road No. 86, that crosses the Hungarian side in North-South direction and the almost parallel motorway No. A2 at the Austrian side is not satisfactory either.

The northern parts of the cross-border area (the Vienna-Győr area) are well connected to each other with motorway, while the link between the central and the southern parts is worse.

The Euregio West-Pannonia that is constituted of Burgenland and Western Transdanubia, has also agreed in the framework of its Regional Development, Spatial Planning, Transport and Informatics working Group on a long term transport development strategy that each side will present towards the national governments and towards the European level as a joint proposal. Based on the transport development strategy elaborated at regional level, the Ministry of Transport and Water Management has adopted the improvement of the North-South axis road No. 86, as a proposal of the Hungarian government for the revision of the TINA network.

The road No. 89 links road No. 86 with the border crossing of Bucsu/Schachendorf. The reconstruction of the link on the Austrian side between A2 and the border crossing is going on, thereby, with the reconstruction of the link between road No. 89 and Bucsu/Schachendorf the whole A2-86 connection would be modernized and improved according to the requirements of the current traffic flow. This link will also contribute to the economic and tourism development of the Western Transdanubia region by ensuring quicker access to the Karinthian and North Italian economic space through the A2 highway.

The current line of public road No. 89, is not matching the requirements of modern traffic. The road surface is narrow, series of small radiate bends detain the continuous travelling and make the road dangerous. The current line is bringing the freight traffic through the small villages of Torony and Sé. The proposed project is the first phase of rebuilding the road 89, on a new line avoiding these settlements that will also enable quicker and more secure traffic on this track.

The rebuilding of road No. 89 is planned to be implemented in three phases, the first phase will be 2.2 km long leading from the border to the crossroad of road No. 89 with road No. 8717. The second phase will be constructed on a new line (2.5 km long) and will link this crossroad with the access road to village Torony. The third phase (3 km long) will link the access road to Torony with the by-pass road around Szombathely and thereby with road No. 86 that is crossing the Hungarian side in North-South direction.

The data of current and future traffic flow also confirm the necessity of the project. Current average traffic flow of the road No 89, between Bucsu and Szombathely is 2100 unit vehicle/day (1970 vehicle/day):
• Average Car flow: 1546 vehicle/day
• Average Bus flow: 7 vehicle/day
• Average freight traffic flow: 122 vehicle/day
• Average set of trucks traffic flow 112 vehicle/day
• Average motorbike flow: 9 vehicle/day

The data show the heavy burden caused especially by freight traffic and justify the needs of the proposed investment. According to the expert estimations below, the heavy and light traffic flow will continue to increase in the future on both lines of road No 89. The expected tendency of traffic flow between 2005 and 2030 on the road No 89 between Bucsu-Szombathely not taking into account large growth in traffic flow expected after EU accession (calculated by ÚTTESZT Ltd.) is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Average traffic flow/day</th>
<th>Car single Vehicle/day</th>
<th>Bus articulated Vehicle/day</th>
<th>Lorry light Vehicle/day</th>
<th>Set of trucks Vehicle/day</th>
<th>motorbike Vehicle/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>4+400 – 9+850 km No.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>2395</td>
<td>2093</td>
<td>1879</td>
<td>31</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>2010</td>
<td>2651</td>
<td>2313</td>
<td>2078</td>
<td>32</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>2020</td>
<td>3126</td>
<td>2723</td>
<td>2444</td>
<td>33</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>2030</td>
<td>3711</td>
<td>3187</td>
<td>2827</td>
<td>35</td>
<td>11</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Average traffic flow/day</th>
<th>Car single Vehicle/day</th>
<th>Bus articulated Vehicle/day</th>
<th>Lorry light Vehicle/day</th>
<th>Set of trucks Vehicle/day</th>
<th>motorbike Vehicle/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>9+850 – 12+300 km No.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
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<td>1754</td>
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<td>-</td>
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<td>2010</td>
<td>2758</td>
<td>2274</td>
<td>1941</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2020</td>
<td>3283</td>
<td>2689</td>
<td>2282</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2030</td>
<td>3978</td>
<td>3182</td>
<td>2639</td>
<td>8</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Less detailed estimations taking into account the effects of accession have been also calculated:

<table>
<thead>
<tr>
<th>4+400 – 9+850 km No.</th>
<th></th>
<th>9+850 – 12+300 km No.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Unit vehicle/day</td>
<td>Year</td>
<td>Unit vehicle/day</td>
</tr>
<tr>
<td>2005</td>
<td>3593</td>
<td>2005</td>
<td>3720</td>
</tr>
<tr>
<td>2010</td>
<td>4242</td>
<td>2010</td>
<td>4413</td>
</tr>
<tr>
<td>2020</td>
<td>5314</td>
<td>2020</td>
<td>5581</td>
</tr>
<tr>
<td>2030</td>
<td>6494</td>
<td>2030</td>
<td>6962</td>
</tr>
</tbody>
</table>

3.2 Linked activities

The proposed project is a complementary action to the reconstruction and extension of (federal) public road No. B63 currently under preparation in Austria. This latter route leads from Bucsu/Schachendorf border station to motorway No. A2. The reconstructed road No. B63 will avoid Oberwart and Großpetersdorf, the original lines will be rebuilt. All technical parameters of the current project have been harmonised with those of the Austrian project.

Other important projects have been implemented in connection with transport infrastructure on the border region such as following:

• HU 9610-02-03: 1st phase of Szombathely-Zanat by-pass road 325.150 EUR Phare contribution
• HU9913-01-01: 2nd phase of Szombathely-Zanat by-pass road, 2.1 MEUR Phare contribution

3.3 Results

The 1st phase of road No. 89. will be constructed between border crossing Bucsu/Schachendorf and the crossroad with road No. 8717. The first phase is viable even without the second and third phases and will lead to the results described below.

The 1st phase will be 2.2 km long (out of which the 1.3 km will be built on a completely new line) with a crown-width of 12 meters and a road surface width of 8 meters.

The building of related public facilities and the construction of an interchange at the crossing of roads No. 89 and 8717 will be also implemented.

The parameters of the new road will be adjusted to Hungarian and EU standards, the traffic will cease in the two villages (Bucsu and Torony) because of the new alignment will avoid them so that the road safety will be improved. The access of Bucsu/Schachendorf border crossing will be developed and time costs saved.

3.4 Activities

The project will be carried out in the framework of one local works tender. Tender documentation and supervision of the construction work will be provided by the Vas County Road Management Public Company. The Vas County Road Management Public Company will appoint a firm with relevant experience to act as Supervising Engineer prior to the award of the Works contract.

The different types of works will be done under road reconstruction. The detailed activities supported by EU sources will be as follows:

• Preparation of construction work: losing or appropriation needed grounds, country-planning
• Architectural works
• Road construction
• Bridge construction: creating an interchange by constructing a road-bridge with 210 m² long-panel and 25 m bay at by-pass road No 8717
• Protecting utilities: works for protecting and guarding telecommunication cables (with a length of about 800 meters) and conduit-pipes (with a length about 40 meters)

4. Institutional Framework

The beneficiary and employer will be the Vas County Road Management Public Company. The Company is owned 100% by the Ministry of Transport and Water Management, and is responsible for the maintenance and development of the Vas county’s road network. The beneficiary has already participated in a number of successfully implemented Phare projects between 1995-2000.

The project manager will be Mr. László Horváth II. (9700 Szombathely, Március 15. tér. 2. Telephone: + 26 94 312 945; Fax: + 36 94 313 061).
The owner of the asset after project completion will be the Hungarian State. The Vas County Road Management Public Company will appoint the engineer with relevant experience.

All management activities (managing the preparatory and construction works, making contracts, connecting with partners, co-ordinating the sub-contractors’ activity, technical and financial checking) shall be financed by the beneficiary’s own resources.

5. **Detailed budget (million €)**

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Phare Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Works</td>
<td>2.5</td>
<td>-</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td><strong>2.5</strong></td>
<td>-</td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

**National co-financing** will be provided by the Ministry of Transport and Water Management in an amount of 1.678 MEUR that is 40 percent of the total project cost.

The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national amount is also binding and has to be applied to the final contract price. The national co-financing commitment indicated in the budget is a tax excluded net amount.

6. **Implementation arrangements**

6.1 **Implementing Agency**

The project will be implemented under the overall co-ordination and supervision of the Ministry of Agriculture and Regional Development, whose representative, Dr. Peter Szaló, Deputy Secretary of State, will be designated as PAO.

The Ministry for Agriculture and Regional Development, through its Phare Regional Development Implementing Agency (H- 1016 Budapest, Gellérthegy u. 30-32), will be responsible for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

**Address:** Ministry for Agriculture and Regional Development
Phare Regional Development IA
1016 Budapest, Gellérthegy u. 30-32.
Phone: 488-7171
Fax: 488-7188

6.2 **Twinning**

Not applicable.

6.3 **Non-standard aspects**

The Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) valid from January 2001 will strictly be followed.

6.4 **Contracts**
The project will be carried out in the framework of one (see above 3.4) works tender, which will be awarded through open tendering according to the relevant PRAG rules. The contract will have an estimated value of € 4.178 million.

7. **Implementation schedule**

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>November 2001</td>
<td>June 2002</td>
<td>October 2003</td>
</tr>
</tbody>
</table>

8. **Equal opportunity**

Equal participation by women and men will be assured during project implementation and after project completion.

9. **Environment**

All construction plans have been designed according to the findings of the environmental impact study prepared by Tetthely Ltd. in 2001. The project will be carried out in full respect of all valid Hungarian and Community legislation and environmental regulations.

No major discernible environmental effects have been found:
- No noise protection is needed, since the road will be built outside the inhabited areas.
- Vibration caused by the traffic will not have negative effects since no buildings are in the immediate vicinity of the road.
- The air pollution caused by increased traffic will be not higher than the values allowed by Hungarian and EU regulations.

10. **Rates of return**

The feasibility study prepared by Tetthely Ltd. proved that the project will have an economic rate of return of 7.20 percent. The benefit-cost ratio (BCR) will be 1.142 percent.

The cost-benefit analysis uses a fixed trip matrix (called CODE), which is a special appraisal methodology operating on the assumption that when a new road is built, only vehicle reassignment takes place. Based on this method, the expenditures of the schemes were compared (scheme costs and maintenance expenditures) with the expected benefits (travel time savings, vehicle operating and accident costs). The calculation was based on the assumption that the first year of operation of the new road is 2005, the last year of the examined period is 2034. The costs and benefits were discounted to year 2000, with a discount rate of 6%.

The cost-benefit analysis produced the following findings:
- Net Economic Present Value, NPV=1,65 MEUR
- Economic Rate of Return=7,2%
- Benefit-Cost Ratio, BCR=1,142

The NPV of the investment is positive, and the BCR is greater than 1.00 that means that the project is to be considered efficient The results of the economic evaluation justify the investment on pure economical bases.
11. **Investment criteria**

11.1 **Catalytic effect**
The project accelerates economic development and cross border co-operations in the area. Without Phare support, the investment and the expected positive effects would take place much later.

11.2 **Co-financing**
Co-financing totalling 40 percent of the project cost is ensured by the Ministry of Transport and Water Management.

11.3 **Additionality**
The Phare intervention does not displace other financiers, neither from the private sector nor from IFIs.

11.4 **Project readiness and size**
The project complies with the minimum project size requirements. A detailed economic feasibility study has been prepared. All the required permits have been granted. The tender documentation will be prepared until the signature of the Financing Memorandum.

11.5 **Sustainability**
The investment will be sustainable in the long term and complies with EU norms and standards and is in line with EU sector policy acquis. Future maintenance, as prescribed by law, will be ensured the beneficiary, the Vas County Road Management Public Company who is responsible for the maintenance and development of the road network in Vas County. The Road Maintenance and Development Target Fund of the Ministry of Transport and Water Management will finance the maintenance costs.

The first phase of rebuilding road No. 89 that is the current project is viable even without the second and third phases and will lead to the results described in section 3.3.

For the second and third phases all necessary studies are available.

11.6 **Compliance with state aids provisions**
All actions financed will respect the competition provisions of the European Agreement.

12. **Conditionality and sequencing**
No conditionalities are foreseen.
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
4. Reference to feasibility /pre-feasibility studies.
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Statement of the beneficiary on the availability of the co-financing
8. Statement of the beneficiary on the availability of the necessary permits
Logframe Planning Matrix for

**Programme Name and Number:** HU0108-01  
**Contracting Period Expires:** 11/2003  
**Disbursement Period Expires:** 11/2004  
**Total Budget:** € 4.178 million  
**Phare Budget:** € 2.5 million

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators:</th>
<th>Sources of Verification:</th>
<th>Assumptions:</th>
</tr>
</thead>
</table>
| Improved social and economic integration of the Hungarian-Austrian cross-border area | • Income growth in the project areas exceed Hungarian averages  
• Growth of conductive contacts across the border involving social, cultural, and business relations | • Reports of the Central Statistical Office  
• Reports and statistics of the county and local authorities as well as Chambers of commerce and industry | • Ongoing commitment of local, regional and central authorities to the integration of the cross-border area.  
• Improved accessibility catalyses the process of creating new links between business organisations on both sides of the border |

<table>
<thead>
<tr>
<th>Project Purpose:</th>
<th>Objectively Verifiable Indicators:</th>
<th>Sources of Verification:</th>
<th>Assumptions:</th>
</tr>
</thead>
</table>
| Improved accessibility of Western Transdanubia region to the European transport network  
• Improved cross border transport flows and cross border mobility | • Accessibility gains reduction of average Equivalent Straight-line Speed between the major cities of the region and those on the Austrian side connected to the European transport network  
• Improved passenger and freight cost/frequency ratio | • Traffic surveys | |

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators:</th>
<th>Sources of Verification:</th>
<th>Assumptions:</th>
</tr>
</thead>
</table>
| 1st. phase of Bucsu-Szombathely road Nr. 89 in place in a length of 2.2 km between border crossing Bucsu/Schachendorf and the cross-road with road No. 8717.  
• The traffic safety of the road will be improved  
• The access of Bucsu/Schachendorf border crossing will be developed and time costs saved | • Time saved between border crossing Bucsu/Schachendorf and Szombathely  
• Reduction of road accidents | • Traffic surveys  
• Accident statistics | Information on the new road is made available on maps and traffic signs |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means:</th>
<th>Sources of Verification:</th>
<th>Assumptions:</th>
</tr>
</thead>
</table>
| Completion of plans, tendering and conclusion of one works contract covering  
• Site preparation, architectural works,  
• Construction works including road construction (2.2 km with a crown-width of 12 meters and a road surface width of 8 meters), bridge construction (with 210 m² long-panel and 25 m bay) and protecting utilities | All contracts carried out in time, within budget, and at the contracted level of quality.  
€ 2.5 million of Phare support to be matched by co-finance contribution of € 1.678 million from budgets of the Ministry of Transport and Water Management | • Project reports of the stakeholders  
• Intermediary reports, Monitoring reports | • High quality project management  
• Co-finance contributions available when required |

| Preconditions | | | |
|---------------|| | |
| • Feasibility study and other preparation studies have been completed  
• All required permits have been obtained  
• Institutional structure to implement and operate the project is in place | | |
ANNEX 2.

Bucsu by-pass road (linking the border to the cross road of No 89.)

Detailed Implementation Chart

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction works</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Design

Tendering and contracting

Contract implementation and payments
ANNEX 3.

Bucsu by-pass road (linking the border to the cross road of No 89.)
Cumulative contracting and disbursement schedule (€ Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Commitment</td>
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<td>2.5</td>
<td>2.5</td>
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<td>2.5</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0</td>
<td>0</td>
<td>1.2</td>
<td>1.8</td>
<td>1.8</td>
<td>2.0</td>
<td>2.5</td>
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<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>
ANNEX 4.

Bucsu by-pass road (linking the border to the cross road of No 89. )

Reference to feasibility/pre-feasibility studies

1. The feasibility study has been prepared by ÜTTESZT Engineering Service Ltd. in 1997,
2. Cost-benefit analysis has been prepared by Tetthely Ltd. in 2001,
3. The environmental impact study has been prepared by Tetthely Ltd. in 2001,
4. The plan for approval has been prepared by Tetthely Ltd. in 2001

The studies have been prepared under the request of Vas County Road Management Public Company (9700 Szombathely, Március 15. Tér 2. Telephone: +36 94 313 061)
ANNEX 5.

**Bucsu by-pass road (linking the border to the cross road of No 89.)**

**List of relevant Laws and Regulations**

1. Act XXI/1996 on Regional Development and Physical Planning;
3. Act. LXXVIII/1997 on Environmental Actions
ANNEX 6.

Bucsu by-pass road (linking the border to the cross road of No 89.)

Reference to relevant Government Strategic plans and studies

2. The project is part of the development plans concerning the public road network of the Ministry of Transport and Water Management prepared in 1997.
4. Regional Development Programme for Economic and Transport Lines of West-Transdanubian Region
5. Regional Development Programme of Szombathely Small Region
ANNEX 7.

Bucsu by-pass road (linking the border to the cross road of No 89.)
Statement of the Vas County Road Management Company on the availability of the co-financing

a./ Own contribution totalling 40 percent of the project cost is ensured by the Vas County Road Management Company for constructing 1st phase of road No 89. Between Bucsu and Szombathely.

b./ National co-financing will be provided by the Ministry of Transport and Water Management, the owner of Vas County Road Management Company.

Szombathely, 2001. February

Jeno Kovács
managing director
Constructing of the Bucsu by-pass road (linking the border to the cross road of No 89.)

Statement of the Vas County Road Management Company on the availability of the permits

I hereby confirm that the availability of the permits that are required for starting the road construction is ensured.

The following professional permits made by various authorities have been granted:

- Permission of the National Board of the Protection of Historical Monuments
- Permission of the National Geological Office
- Statement of the VASI VOLÁN Co.
- Statement of the VÁTI National Urbanistic Public Association
- Statement of the National Defence General Staff Operational Directorate
- Statement of the Catastrophe Protection Directorate of Vas County
- Permission of Directorate of Museums of County Vas
- Statement of the Telecommunication Authority
- Permission of the Mining Authority of Veszprém County
- Permission of the Ferto-Hanság National Park
- Permission of the National Power Line Company Ltd.
- Statement of the Local Government Office of Torony
- Statement of the Police Office of Vas County

The permits that will have been granted by the beginning of July are as followed: (The permission process has already been started with the submission of the required documents and permits.)

- Statement of the Local Government Office of Szombathely
- Statement of the Local Government Office of Sé
- Permission of the Water Authority of Western Transdanubia
- Permission of the Environmental Protection Inspectorate of Western Transdanubia
- Permission of the National Public Health and Medical Officer Service Vas County Institute
- Permission of the National Agency for Wood and Forest Protection
- Permission of the Land Office of Szombathely

The final construction permit will be available by the beginning of October 2001. This authorizing process is in accordance with the planned start of the road building. The construction works could begin in the year 2002 as it was planned in the implementation schedule of the project.


Katona Ferenc
deputy-manager