1. Basic Information

1.1 CRIS Number: 2002/000-627-01

1.2. Title: Reconstruction of the road No. 4915 between Nyírbátor-Vállaj (Urziceni)

1.3 Sector: Infrastructure development, border-crossing development

1.4 Location: Hungary, Szabolcs-Szatmár-Bereg County

2. Objectives

2.1 Overall Objective:

- Increased economic, trade and cultural cooperation in the border region.

2.2 Project purpose:

- Improvement of local transport infrastructure in the northern part of the Hungarian-Romanian border area.

2.3 Accession Partnership and NPAA priority

The project complies with AP and NPAA. The alignment road safety is medium term priority of the Accession Partnership as stated in chapter 3.2.

2.4 Contribution to National Development Plan

The objectives of the project reflect PNPD priorities, which are based on sectoral strategies and the development strategies of the Northern Great Plain. The development of access infrastructure is a key priority in the region. Improved structures shall contribute to the success of efforts to strengthen the economy of the region and realize its development potential as envisaged by the other Phare Economic and Social Cohesion projects. The project reflects to the 5.5.2. chapter of the PNPD, priority 2 (Developing the Infrastructure of the Region), measure 1 - improvement of arterial access network of the region, construction of roads turning the settlements- and measure 3 – development of infrastructures connected to the international (transit) trade, combined transport possibilities and border stations

2.5. Cross Border Impact

Easier, faster and safer crossing of the Hungarian-Romanian border, more intensive bilateral economic and social relations. Developed co-operation between companies, institutions, and increased number of visitors. The development is in line with the 1st priority of the Joint Programming Document (Infrastructure development, border crossing development) and within this priority it is consistent with the measure - Improvement of the accessibility of the border (roads to crossing points, ringroads, etc.).

The mirror road on the Romanian side is in a good condition, minor reconstruction works are planned from Romanian budget.
3. **Description**

3.1 **Background and justification:**

Road Number 4915 will be reconstructed between Nyírbátor and Vállaj – Csanálos border station as a result of the project.

The reconstruction of this public road is most essential because the Vállaj-Csanálos border station will be opened according to the 2087/2000. (V.4.) Government Act. Opening of the border station is confirmed by the 2013/2001. (I.17.) Government Act. The deadline is 31 December 2002. The site for construction is available for the construction company from 29 October 2001. The technical opening of the border crossing station works is on 15th December 2002. The facilities can be operational by March 2003. The Ministry of Foreign Affairs in Romania confirmed their intention to open the Urziceni in their letter no. CIII/761, 5th June 2002.

At present the border station is only open occasionally on major public holidays. The intention of both Hungarian and Romanian governments with the opening of a new border station on the Hungarian Romanian border is to widening the economic and commercial relations between the two countries, hence reducing the peripheral characteristic and improving the economic potential of the region. The tourism opportunities of the border region highly contribute to the publicity of the region and to the cross border relationship building over the border. Road Nr. 4915, leading through Vállaj, Terem, Nyírlvasvári villages, takes traffic to the center of the county while ensuring easy access between Nyírbátor and the border station.

The distance from the county capital - Nyíregyháza - to the Romanian border will be reduced from 98 (Csengersima) to 56 km. Thus the accessibility of the Nyírbátor Industrial Park and Carei on the Romanian side will be improved.

The access road to the border station, at its present technical state, is not suitable for international transport. The border crossing point will now be opened for international cars and passengers traffic. This will relieve the load of Csengersima Furthermore, it is not adequate to carry the increased traffic generated by the full-time border station. Therefore a reconstruction planned and executed to the new traffic needs is crucial.

Because of the cross-section characteristics of the road, traffic moves slowly creating potential danger. The road widening will result in increased throughput, which reduces the rate of noise and air-pollution in the area. After the implementation of the project the road will become 6,5 meters wide, the carriage way will be strengthened, load on axle will be 11,5 t and leveled into the road profile with asphalt.

The reconstruction is in line with strategic aims of the following documents:

- Development strategies of the villages concerned
- Development Plan of the County Road and Transport Network (1999)
- Settlement Master Plan of Szabolcs-Szatmár-Bereg County (1999)
- Szabolcs-Szatmár-Bereg Regional Development Program (1996)
• Romanian-Hungarian Border Region Development Strategy (2000)
• PNDP (2000)

3.2 Linked activities:

• Government Act Nr. 2087 (V. 4.), lays down the opening of Vállaj-Urziceni border station. This is confirmed by the Government Act Nr. 2013 (I. 17.), in which the deadline for completion of the border crossing station is 31. December 2002. The works of the border crossing point are being finalised. They are supported by the Hungaraiian Customs and Finance Guard and the infrastructure will be shared with the Romanian partners for a transition period.
•  II. phase reconstruction of the cross-border station in Csengersima which enables the station to receive international freight.

3.3 Results:

• Increased accessibility of the local population to Romania;
• Easier access to the Industrial Park in Nyirbátor.

3.4 Activities:

Improving and widening 23 km of public road Nr. 4915, leading to the border crossing point Vállaj.

3.5 Lessons learned

The Road Management Company of Szabolcs-Szatmár-Bereg County successfully took part in many projects financed by PHARE Program. Conclusions and recommendations of previous Interim Evaluations and Monitoring and Evaluation Reports had been considered during project design. The recommendations of the 2001 OMAS report final assessment were taken into account during the programming phase and will be carefully watched in course of the implementation of the programme.

4. Institutional Framework

The engineering tasks during the implementation will be carried out by the Szabolcs-Szatmár-Bereg County State Road Management Public Enterprise. The Ministry of Economics and Transport delegates the right of the ordering party to the Road Management and Coordination Directorate, which thus becomes the Employer/Beneficiary. The Owner will be the Hungarian State.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>M EURO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
</tr>
<tr>
<td>Contract 1</td>
<td>2,115</td>
</tr>
<tr>
<td>Total</td>
<td>2,115</td>
</tr>
</tbody>
</table>
The project will be jointly co-financed between Phare and government resources to be provided by the Ministry of Economics and Transport. The rate of Phare support within the total funding will be 58.5%, while the Hungarian government will contribute 41.5%. The ratio between the Phare and the national amount is binding and has to be applied to the "final contract price".

6. Implementation Arrangements

6.1 Implementing Agency

The National Agency for Regional Development of the Prime Minister’s Office with its Békéscsaba Regional Office will be the Implementing Agency of this project. It will have the overall responsibility for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

Implementing Agency: National Agency for Regional Development (NARD) of the Prime Minister’s Office
PAO: Tamás Lunk,
Address: 1016 Budapest, Gellérthegy u. 30-32.
Phone: +36 1 4887171
Fax: +36 1 4887188

6.2 Twinning

Not applicable.

6.3 Non-standard aspects

The relevant Commission standards for the management of programmes described in the Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) manual will apply during the implementation of the project.

6.4 Contracts

The project will be carried out in the framework of one open international works tendering and contracting operation. The contract value will be 3,615 MEUR. The project will be implemented through 1 local open works tender including 1 LOT. The procedure will be carried out according to the valid rules of the PraG. The Phare support will amount 2,115 M EURO the national co-financing is 1,5 M EURO.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Financing Memorandum</th>
<th>Start of tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
</table>
8. **Equal Opportunity**

Not applicable.

9. **Environment**

Initial environmental screening and environmental impact report has not been completed. An environmental impact report is not required when strengthening public roads according to Government Act Nr.152/1995. (XII. 12.).

After the implementation of the project, since the throughput of the road will increase and the waiting time at the border station will decrease the reduction of air, noise, vibration and dust pollution can be well measured.

10. **Rates of return**

In this type of investment the calculation of the financial rates of return is not applicable, since the project will not generate direct income.

Economic internal rate of return is 14%.

11. **Investment criteria**

11.1 **Catalytic effect:**

The Phare contribution will help meeting the development needs outlined in the Joint Programming Document (JPD) of the Hungarian-Romanian border region. Without Phare support, the steps and objectives included in the programme could be implemented only much later and at a much slower speed.

11.2 **Co-financing:**

The Road Management Company will provide in total 1.5 M EURO own contribution to the total project costs, which is 41.5% of the total project cost.

11.3 **Additionality:**

Phare grants shall not displace other financiers.

11.4 **Project readiness and size:**

The plan and the detailed budget needed for the implementation of the project are available.

The project complies with minimum project size requirements. The Phare support is 2,115 MEuro.

11.5 **Sustainability:**

The economic benefits originated from the road reconstruction will over-compensate the costs of the project.

After the construction the Road Management Company takes care of permanent maintenance of the road.
11.6 Compliance with state aids provisions

All actions financed by Phare will respect the state aid and competition provision of the Europe Agreement.

11.7 Contribution to National Development Plan

The project is in full compliance with the priorities of the Regional Development Plan and the priorities of the Preliminary National Development Plan. (Regional chapter: 2 Priority: Infrastructure development in the region, 1. Measure: Accessibility improvement of the region. Expected results: regional roads (roads connecting settlements, roads connected to border stations)
**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
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc)
## ANNEX NO. 1.

**Phare log frame**

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>CRIS number</th>
<th>2002/000-627-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project: Reconstruction of the road No. 4915 between Nyírbátor-Vállaj</td>
<td>Contracting period expires- November 2004</td>
<td>Disbursement period expires November 2005</td>
</tr>
<tr>
<td>Total budget : 3,615 M EURO</td>
<td>Phare budget : 2,115 M EURO</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased economic, trade and cultural cooperation in the border region</td>
<td>• Growth of conducive contacts across the border involving social, cultural, and business relations</td>
<td>• Hungarian Central Statistical Office</td>
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<tr>
<td></td>
<td></td>
<td>• Company registry</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>• Improvement of the local transport infrastructure in the northern part of the Hungarian-Romanian border area.</td>
<td>• Number of Romanian visitors in the county increased with 250-300 persons/day by 2004</td>
<td>• Statistics of the National Headquarter of Customs and Duties</td>
<td>• No negative change in the policy of the two countries.</td>
</tr>
<tr>
<td></td>
<td>• About 200 vehicles will cross the border per day by 2004.</td>
<td></td>
<td>• Developing co-operation between Romania and Hungary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased accessibility of local population to Romania</td>
<td>• Decreased travel time, faster and safe access to important destinations in both countries (e.g. Nyíregyháza, Carei distance decreased with 130 km and access faster with 2 hours.)</td>
<td>• The report of Sz-Sz-B County Road Management Company</td>
<td>• Favourable business climate.</td>
</tr>
<tr>
<td>• Easier access to the Industrial Park in Nyírbátor.</td>
<td>• 23 km of road reconstructed and widened to 6.5 metres by 2004.</td>
<td></td>
<td>• Complementary promotional efforts continue as planned.</td>
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<td></td>
<td>• Load on axle 11.5 t by 2004.</td>
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</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strengthening and widening 23 km of public road Nr. 4915 leading to the border crossing point Vállaj</td>
<td>• Engineering background is available</td>
<td>• Normal climatic conditions during construction.</td>
</tr>
<tr>
<td></td>
<td>• 2,115 M EURO PHARE support</td>
<td></td>
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<tr>
<td></td>
<td>• 1.5 National cofinancing</td>
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</tbody>
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<thead>
<tr>
<th>Preconditions</th>
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<tr>
<td>• The plans and own contribution are available.</td>
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<tr>
<td>• Good quality tender documentation</td>
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</tbody>
</table>
ANNEX NO. 2.

Detailed implementation chart

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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</thead>
</table>

- Planning
- Tendering and contracting
- Implementation and disbursement
ANNEX NO. 3.

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

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Contracting</td>
<td>2,115</td>
<td>2,115</td>
<td>2,115</td>
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<tr>
<td>Disbursement</td>
<td>0.423</td>
<td>1.269</td>
<td>2.115</td>
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</table>

*Only for Phare support*
Reference to Feasibility/Pre-feasibility Studies

The project selected for funding under the scheme will be supported by complete plans studies. All necessary preparatory work and documents of the project have been completed and are available at:

Name of the beneficiary: Szabolcs-Szatmár-Bereg Megyei Közútkezelő Kht. (Road Management Company of Szabolcs-Szatmár-Bereg County)
Address: H-4400 Nyíregyháza, Búza tér 20.
Phone: (36) 42 508-790
Fax: (36) 42 504-308
e-mail: Szabmak@mail.kozu.hu
ANNEX NO. 5

List of relevant laws and regulations

1. Act XXI/1996 on Regional Development and Spacial Planning;


3. According to the Act No. 8/1970. (XLI.13.) KPM-ÉVM 2.§./2/ the activities outlined in the authorising plan documentation are not subject to permission.

4. According to the Government Act No. 152/1995. (XII.12.) an environmental impact report is not required when strengthening public roads

5. According to the Government Act No. 2087/2000. (V.4.) cross border station in Vállaj will be opened.

ANNEX NO. 6

Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc)

2. Preliminary Regional Development Program (VIII.31.1999.)
3. Northern Great Plan Development Plan (IV. 2000.)
5. Szabolcs-Szatmár-Bereg County Development Strategy (2000.)