STANDARD SUMMARY PROJECT FICHE
LOCAL BUSINESS INFRASTRUCTURE
PROJECT NUMBER HU0008-06-02

1. Basic Information

1.1 Désirée Number: HU 0008.06.02
1.2 Title: Road to the East-West Gate
1.3 Sector: Business related infrastructure
1.4 Location: Záhony in the Northern Great Plain (NGP) of Hungary

2. Objectives

2.1 Wider Objective:
Economic and social cohesion based on increased business activity in the Northern Great Plain region.

2.2 Immediate Objectives
- Safe access to Záhony-Csap border station
- Increased throughput of the public road.
- Easy access to the Euro Gate truck terminal, the Logistic and Trade Centre (under construction), the Industrial Park in Tuzsér and the biggest railway relay station in Central Europe.

2.3 Accession Partnership and NPAA priority
The project complies with AP and NPAA. The alignment in road transport and road safety are medium term priorities of the Accession Partnership as stated in chapter 3.2. Expanding the reliability of the Záhony border crossing station is an NPAA priority (Volume II, page 276.).

2.4 Contribution to National Development Plan
The objectives of the project reflect PNDP priorities, which are based on sectoral strategies and the development strategies of the Northern Great Plain. The development of the 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 realise its development potential as envisaged by the other Phare 2000 Economic and Social Cohesion projects.

2.5 Cross Border Impact
The project will allow an easier, faster and safer crossing of the Hungarian-Ukrainian border, which in turn will lead to more intensive bilateral economic relations. It complies with the complex logistics development plan for the target region that is intended to improve road transport and the accessibility of the industrial park and of the Trade, Logistics and Business Centres.
3. Description

3.1 Background and justification:

As a result of measures taken to enhance economic development in the region the *Euro Gate* truck terminal was constructed. It serves the border crossing of some 120,000-130,000 trucks a year. Several enterprises related to the terminal started their operation in the region.

In addition, the complex development plan for the target area foresees the establishment of a *Logistics, Trade and Business Centre* in Záhony. It is under construction and will provide enterprises involved in east-west trade with business services.

A third important component of the business infrastructure in the target region will be the industrial park at Tuzsér, which also is under construction. Like the truck terminal and the logistics centre it will accelerate the development of the region.

Optimal use of the three facilities and regional development in general are constrained by the low quality of access roads. Due to unfavourable cross-section characteristics the road is obstructing both the transit passenger and freight-traffic. Traffic is blocked on the access road to the truck terminal and to border station as the queuing trucks occupy one of the lanes.

3.2 Linked activities:

In 1995, the Záhony Bridge linking Hungary with the Ukraine as well as the Záhony border station were reconstructed and enlarged with co-funding by the Phare Programme. A truck terminal was constructed on both sides of the border, which are capable to provide full costumes services.

3.3 Results

The project will achieve the following results:

- Construction of hard shoulder on the right of main road No. 4., 336+580-339+320 km sections
- Construction of hard shoulder on the left of main road No. 4., 339+845-341+510 km sections
- Widening municipality road No. 4145 to 6 metres between 30+255-30+755 km sections and strengthening its surface cover
- Reconstruction of the temporary relieve road to the border station in the municipal area of Záhony
- Widening municipality road No. 4145 between 0+000-1+958 km sections and strengthening the surface cover of junctions of roads No. 4145-4115-4.

3.4 Activities

The project will be implemented through 1 open international works tender according to the valid rules of the Phare DIS.

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 Transport Telecommunication and Water Management delegates the right of the ordering party to the Road Management and Co-ordination Directorate, which thus becomes the Employer. The Owner will be the Hungarian State.

5. Detailed Budget (M€)

<table>
<thead>
<tr>
<th>Components</th>
<th>Phare support</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phare (=I+IB)</td>
<td>Government</td>
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<td></td>
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<tr>
<td>Road to the East-West Gate</td>
<td>2.00</td>
<td>0.25</td>
<td>0.964305</td>
<td>3.214305</td>
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</tbody>
</table>

National Co-financing includes:

As indicated in the table above, the national co-financing of the project will amount to 250 000 €, whilst the remaining funding will be provided by the future Beneficiary itself, amounting up to 964 305 €.

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 PMU (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.

6.2 Twinning

Not applicable.

6.3 Non-standard aspects

The rules of the Phare DIS will be strictly followed.

6.4 Contracts

The project will be carried out in the framework of one open international works tendering and contracting operation.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
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<tbody>
<tr>
<td>Road to the East-West Gate</td>
<td>12/2000</td>
<td>04/2001</td>
<td>04/2002</td>
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</tbody>
</table>

8. Equal Opportunity
Not applicable.

9. Environment
The project has positive environmental effects as the throughput of the roads concerned will increase and the waiting time at the border station will decrease. There will be a substantial reduction of air, noise, vibration and dust pollution. An environmental impact study focussing on air quality is available.

10. Rates of Return
The economic internal rate of return is 14%.

Investment Criteria

11.1 Catalytic effect:
Faster and safer border crossing will improve the transit trade, assist national and foreign forwarding companies in making their operation more effective, and will accelerate the economic development of the region.

11.2 Co-financing
The Hungarian Government and the Road Management Company will provide in total 1 210 304 € of own contribution to the project. This represents a share of 38 percent of total project costs.

11.3 Additionality
The Phare intervention does not displace other financiers.

11.4 Project readiness and Size
All plans for the implementation of the project are available.

11.5 Sustainability
The Government and the Szabolcs-Szatmár-Bereg Road Management Company ensure the maintenance of the road in the long term.

11.6 Compliance with state aids provisions
All actions financed by Phare will be carried out in line with the Phare DIS and will respect the state aid and competition provisions of the Europe Agreement.

11.7 Contribution to National Development Plan
The scheme is in full compliance with the priorities of the PNDP.

12. Conditionality and Sequencing
The Project beneficiary provides adequate guarantee of the availability of funds for the required co-finance contribution and for the subsequent operation and maintenance.
Annexes to Project Fiche

1. Logical framework matrix in standard format
2. Detailed Implementation Chart
3. Cumulative contracting and disbursement schedule
4. Reference to feasibility/pre-feasibility studies
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
<table>
<thead>
<tr>
<th>Programme Number:</th>
<th>HU 0008-06.02-</th>
<th>Document:</th>
<th>Section:</th>
<th>Annex 1</th>
<th>Version:</th>
<th>Page</th>
</tr>
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<tbody>
<tr>
<td><strong>LOGFRAME PLANNING MATRIX FOR PROGRAMME</strong></td>
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<td><strong>Programme Number:</strong></td>
<td>HU 0008-06.02-</td>
<td><strong>Programme Title:</strong></td>
<td>Road to the <em>East-West Gate</em></td>
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<tr>
<td><strong>Planning Period:</strong></td>
<td>2000-2003</td>
<td><strong>Date of Drafting:</strong></td>
<td>8 May 2000</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total budget:</strong></td>
<td>3.214 M€</td>
<td><strong>Total Phare Budget:</strong></td>
<td>2.0 M€</td>
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### Wider Objectives

<table>
<thead>
<tr>
<th>(1)</th>
<th>Indicators of Achievement</th>
<th>(2)</th>
<th>Source of Information</th>
<th>(3)</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Economic and social cohesion based on increased business activity in the Northern Great Plain region.</td>
<td>• Regional GDP/capita and rate of employment grows faster than national average</td>
<td>• Hungarian Central Statistical Office</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Amount of new capital investments in NGP</td>
<td>• Regional economic statistics</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Number of business start-ups in NGP</td>
<td>• Company registry</td>
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</tbody>
</table>

### Immediate Objectives

<table>
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<tr>
<th>(5)</th>
<th>Indicators of Achievement</th>
<th>(6)</th>
<th>Source of Information</th>
<th>(7)</th>
<th>Assumption and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase throughput of public road</td>
<td>• Reduction of average waiting time at the border crossing point</td>
<td>• Regional economic statistics</td>
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</tr>
<tr>
<td>• To provide easy access to the “Euro Gate” track terminal, the Logistic and Trade Centre, which is under construction, the Industrial Park in Tuzsér and the biggest railway transfer station in Central Europe.</td>
<td>• The number of the clients of Euro Gate, Logistic and Trade Centre, and the Industrial Park in Tuzsér increases</td>
<td>• Customs Statistics</td>
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<td></td>
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<tr>
<td></td>
<td>• Volume of transit traffic increases</td>
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### Results of Projects

<table>
<thead>
<tr>
<th>(9)</th>
<th>Indicators of Achievement</th>
<th>(10)</th>
<th>Source of Information</th>
<th>(11)</th>
<th>Assumptions and Risks</th>
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<tbody>
<tr>
<td>• Construction of hard shoulder on the right of main road Nr.4., 336+580-339+320 km sections</td>
<td>• All construction works carried out on time, at the required quality level and as planned</td>
<td>• Reports of the County Road Management Company</td>
<td></td>
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<tr>
<td>• Construction of hard shoulder on the left of main road Nr.4., 339+845-341+510 km sections</td>
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<td>• Widening road Nr.4 between 0+000-1+958 km and strengthening the surface cover of junctions of roads 4145-4115-4.</td>
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<td>• Widening municipality road Nr.4145 to 6 metres between 30+255-30+755 km sections and strengthening its surface cover</td>
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</tbody>
</table>

### Assumptions and Risks

- No negative change in the East-West trade development.
- Continuation of the favourable business climate.

### Inputs

| (13) | 2 M€ of Phare funding, 1.214 M€ co-financing from national public and private funds | | | | |

\[END\]
<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>2000</th>
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<th>2002</th>
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<table>
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<th>Activity</th>
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<th>2001</th>
<th>2002</th>
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<tbody>
<tr>
<td>Design (20% shadowing)</td>
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<tr>
<td>Tendering and contracting (50%)</td>
<td>50%</td>
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<tr>
<td>Contract Implementation and Payments (100%)</td>
<td>100%</td>
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<td></td>
</tr>
</tbody>
</table>
## ANNEX 3

- **CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (M€)**

|------------------------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
Reference to Feasibility/Pre-feasibility Studies

The Road to the *East-West Gate* project is supported by complete plans and studies. All necessary preparatory work and documents of the project have been completed and are available at the future Beneficiary of the project.
ANNEX 5

List of relevant Laws and Regulations

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

Annex 6

Relevant Government Strategic Plans and Studies

4. Szabolcs-Szatmár-Bereg County Development Strategy (1999.)