03.05 Border crossing in Kroscienco

1. Basic information
1.1. Désirée number: PL0005.05
1.2. Title: Border crossing in Kroscienco
1.3. Sector: Administration
1.4. Location: Poland, The “Podkarpacie” Voivodship/Province, “Bieszczadzki powiat” (group of gminas), Polish-Ukrainian border

2. Objectives
2.1. Wider objectives: Adjustment of Poland’s Eastern border to EU requirements
2.2. Immediate objective:
   Improve/upgrade border crossing operations, including:
   a. the reduction of the waiting time at the border
   b. enhancement of the performance of customs clearance procedures
   c. the increase of the safety of the future eastern border of the UE with regard to:
      • veterinary and phyto-sanitary, as well as sanitary and standardisation controls on the border
      • fighting with cross border crime - especially the smuggling of goods and people, customs fraud
   d. the improvement of work conditions of customs officers
   e. the improvement of the social conditions for all the users of the border crossing
2.3. Accession Partnership and NPAA priority.
   The project is directly and indirectly consistent with the priorities specified within “NPAA”
   - short-term priorities:
     • priority - administration of justice and internal affairs - acceptation and implementation of the integrated national strategy of border administration with financial needs on the state eastern border underlined;
   - medium-term priorities:
     • priority - administration of justice and internal affairs - implementation of the integrated strategy for protection of the national borders;
     • priority - economic criteria - better education of the eastern border area inhabitants;
     • priority - domestic market - strengthening of the integrated border passport/customs control
     • priority - administration of justice and internal affairs - continuation of the fight against organised crime and against smuggling of drugs;
       implementation of the integrated strategy for protection of the national borders;
   Accession Partnership:
     • priority - transportation – the adjustment to the transportation standards
     • priority - justice and internal affairs – establishing a more efficient border safety system
2.4. Cross Border Impact
   Completion of the project will improve Trans-border co-operation within the “Carpathian Euroregion” development programme. Commercial and cultural contacts between administration units such as “Bieszczadzki powiat” and “Stary Sambor” district will be made easier.

3. Description
3.1. Background and justification:
   Executing resolutions of the agreement dated 18th May 1992, touching border checkpoints, respecting interests of the both parties, acting together for improvements in a border traffic and socio-economic development of border-side areas, Polish Government and Ukrainian Government entered into an agreement in a shape of diplomatic notices, establishing the “Kroscienco/Smolnica” road border checkpoint. Putting into operation of this checkpoint will be an advantage not only for drivers going from Polish territory but also for others, going from Slovakia. Long waiting times on the border will be significantly shortened. Improvements in a road traffic towards the Polish eastern border will decrease impurities in the natural environment and devastation of roads. The project will significantly contribute to Poland’s adjustment efforts on the Eastern border.
3.2. Linked activities:
Polish Government began construction of the Kroscienko/Smolnica checkpoint in 1999. The Ukrainian, infrastructure part of the project was completed last year. The access road on the Polish side has been widened.

3.3. Results:

The completed project will provide ready to use infrastructure of the inbound part of the border checkpoint consisted of:

- the main building with 2000m\(^2\) of an usable area (with accompanied the boiler house), administration rooms for the Border Guard and the Customs, forwarders’ rooms and the passenger traffic hall;
- the dedicated building for a detailed control of vehicles and cargo, the service car garages, the power generators station and additional rooms for cleaning tools;
- the sentry boxes
- the Customs and the Border Guard boxes nearby the checkpoint road lanes;
- the umbrella roof over the checkpoint area;
- the pure circulation drinking water system with drilled deep well and the small sewage treatment plant;
- 5 road lanes: 2 for passenger cars and buses, 2 for lorries and trucks (TIR), 1 reserve or for vehicles of a fast dispatch as ambulances, the police cars, lorries and vans loaded with hazardous or „short-time storage” goods);
- the 20 places parking area;
- the vehicle scales, modern electronic (radiometric) equipment for verification/examination of cargo, barriers.

3.4 Activities:

Construction of two dedicated checkpoint buildings (usable area 714m\(^2\)), the main building (useable area 1971m\(^2\)), road dispatch lanes and parking areas of a total area 16 640m\(^2\).

4. Institutional Framework

State administration - Voivodship Office of Podkarpackie in Rzeszów
Customs administration - Customs Office in Przemysł (town)
Border guard - Territorial Unit of Border Guard in Przemysł

The Engineer will be the “Kroscienska Dyrekcja Inwestycji (Invest Management)”. Procuring entity (Employer) is Voivodship Office of Podkarpackie in Rzeszów. The owner and responsible for maintenance of the completed buildings and other installations is Voivode of Podkarpackie Province (public ownership).

5. Detailed Budget

<table>
<thead>
<tr>
<th>Contract 1</th>
<th>Phare Investment Support 3.0</th>
<th>Phare Institution Building 3.0</th>
<th>Total Phare (I+IB) 3.0</th>
<th>National Cofinancing 1.974</th>
<th>IFI 4.974</th>
<th>TOTAL 4.974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.0</td>
<td>3.0</td>
<td>1.974</td>
<td>4.974</td>
<td></td>
<td>4.974</td>
</tr>
</tbody>
</table>

The Polish authorities have assured that the Government cofinancing is available either through the reserve budget foreseen specifically by the Ministry of Finance for this purpose each year, or directly through the budget of the relevant Ministry.

6. Implementation Arrangements

6.1 Implementing Agency: The Implementing Authority for Phare Cross Border Co-operation Programme; Krucza 36 Street; 00-522 Warsaw; phone +48 (0)22 695 99 10-11; fax: +48 22 695 99 12-13; e-mail: Phare@wwwp.ip.pl
Project Authorising Officer (PAO): Under-secretary of State in the Ministry of Interior and Administration, S. Batorego 5 Street; 02-591 Warsaw, phone +48 (0)22 621 03 91; fax: +48 22 849 52 13, e-mail: wydzei@die.mswia.gov.pl

6.2 Non-standard aspects

Tender procedures will strictly be carried out according to the DIS Manual hints.
6.3 **Contracts**  
An international open tender will be carried out. One contract of a total value 4.974 MEUR will be signed.

7. **Implementation Schedule**  
7.1 Start of tendering/call for proposals  
4th quarter 2000  
7.2 Start of project activity  
3rd quarter 2001  
7.3 Project Completion  
1st quarter 2003

8. **Equal Opportunity**  
No preferences will be taken into account.  
Only professional qualifications are essential while enrolling of personnel.

9. **Environment**  
The preliminary analysis of this project impact on local environment is available at the beneficiary (Voivode of Podkarpacie Province). According to this analysis, the investment will not have a negative impact on the environment.  
During design work relating the project, question of minimal negative influence on the environment has been taken into account as a one of priorities. This concerns the construction process as well as further regular exploitation.

10. **Rates of return**  
FIRR profit rate is 38%.  
EIRR internal profit rate is 55%.  
The feasibility study had been prepared at the central (national) level and handed over to designing units before the construction design stage began.

11. **Investment criteria**  
11.1 Catalytic effect:  
Due to financial support provided by Phare programme, border traffic through the Kroscienko/Smolnica checkpoint will start soon. This will improve trans-border co-operation, generate increase in number of SMEs around there. This will contribute to faster realisation of the outbound road platform, financed by state budget means.

11.2 Co-financing:  
Apart from the Phare financial means, a significant role of state budget is planned for the total value of 1 974 MEUR, which makes 39.7% of the whole investment.

11.3 Additionality:  
Financing by a Phare programme does not eliminate any other sources of capital means but it will be complementary to them.

11.4 Project readiness and Size:  
The project of a total value of 4.97 MEUR is ready to be launched/executed immediately. Complete technical documentation is prepared, including necessary agreements and the construction permit (according to the Polish Construction Law). Economic and environmental analyses have been prepared.

11.5 Sustainability:  
Construction of the border checkpoint is a long-term project, meeting EU regulations and standards, consistent with overall European policy. Voivode Office is responsible for further maintenance of the objects and appropriate financial means will be secured each year for this purpose in the Voivode budget.

11.6 Compliance with state aids provisions. N.a.

11.7 Contribution to National Development Programme.  
The project constitutes part of the integrated development strategy as defined in The Strategy for the Integrated Border Management by the Ministry of Internal Affairs and Administration, January 2000.
# LOGFRAME PLANNING MATRIX FOR PROJECT

## Wider Objective
Adjustment of Poland's border management operations and JHA requirements
Socio-economic development of the border region in particular "Bieszczady" sub-region
Implementation of the Polish-Ukrainian bilateral agreement.

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Measurement Indicators</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in per capita gross product of the region.</td>
<td>Data published by the Chief Statistical Office, in 3 years after the construction works are completed, on a basis of information collected by Voivodship Office of Podkarpackie and reports prepared by the Border Guard</td>
<td>Stable development of the areas on both side of the border</td>
</tr>
<tr>
<td>Better safety conditions along the borderline.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Immediate Objective
Increasing of a trans-border international traffic, shortening of waiting time while passing a road border checkpoints in the province of "Podkarpacie"

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Measurement Indicators</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. one thousand of vehicles passing the border per 24hrs.</td>
<td>Indicators will be checked yearly using data provided by the Chief Statistical Office, on a basis of information collected by the Border Guard and the Customs</td>
<td>Stable development of the areas on both side of the border</td>
</tr>
<tr>
<td>Reduction (assumed 15%) of queue time at the twin border checkpoint in Medyka</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Outputs
A ready to use inbound road platform at the Kroszenko/Smolnica checkpoint

<table>
<thead>
<tr>
<th>Indicators of Achievement</th>
<th>Measurement Indicators</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-directional border traffic</td>
<td>Indicators calculated by Voivodship Office of Podkarpacie, directly after the completion of the construction works, on a base of the Engineer in Chief reports</td>
<td>Construction of light wave-guide line to the national border by the Polish Telecom. Co.</td>
</tr>
</tbody>
</table>

## Inputs
Two special checkpoint buildings, the main building, Five road dispatch lanes, parking area of 8700m². Equipping of the Border Guard and Customs Chambers with control appliances

<table>
<thead>
<tr>
<th>Means</th>
<th>Costs</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering works relating to the all of planned objects (enclosed in 1 contract)</td>
<td>EU: EUR 3 000 000 Own input EUR 1 974 000 Total EUR 4 974 000</td>
<td>Not identified Preliminary assumptions: Decision of construction of the border checkpoint made by Polish Government on grounds of the diplomatic notice dated 25th Sept 1997 between Ukraine and Poland</td>
</tr>
</tbody>
</table>

## Programme
<table>
<thead>
<tr>
<th>Date of drafting: March 2000</th>
<th>Contracting period expires:</th>
<th>Disbursement period expires:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget (MEUR): 4.974</td>
<td>Phare contribution (MEUR): 3.0</td>
<td></td>
</tr>
</tbody>
</table>

## Annex 2: Cumulative implementation, contracting and disbursement schedule

<table>
<thead>
<tr>
<th>Date of drafting</th>
<th>06.04.2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning period</td>
<td>01.2001-12.2002</td>
</tr>
<tr>
<td>Budget allocation</td>
<td></td>
</tr>
</tbody>
</table>

| PLANNED |  |
|---------|  |
| Implementation | C | I | I | I | I | I | I | I | I | | |
| Contracting | 3.0 | | | | | | | | | | |
| Disbursement | 0.3 | 0.9 | 1.5 | 2.2 | 2.5 | 2.8 | 3.0 | | | | 3.0 | 03.05 Border crossing in Krosnienco / 5 |
Appendix No 4. Summary of financial analysis and impact on environment.

Introduction
This document contains a summary of a feasibility study (including also effectiveness analysis) of a project “The construction of border crossing in Kroscienko”, which was originally produced to support the application for project financing from Phare Cross-Border Co-operation Programme. This summary concentrates on financial aspects of the project because technical aspects have been described in detail in the main part of project fiche and also because the technical design aspects of the project have been already verified through the obtaining of necessary building permit.

The financial feasibility analysis relates to the entire project life span, and includes the availability of funds for project implementation as well as for the future operation of the border crossing. The analysis is based on the technical documentation and the estimation of future operating costs. Its objective was to prove the financial feasibility of the proposed project. Its outputs include basic discounted feasibility indicators i.e. NPV, FIRR and EIRR.

Economic effectiveness indicators
In the process of an economic analysis of the project the following indicators were calculated:
1. FNPV – Financial Net Present Value - was calculated as discounted for each year difference between financial revenues and costs during the entire life span of the border crossing at the assumed discount rate.

The life span of the crossing was assumed to be 20 years and the discount rate used was 10%.

FNPV = 9 057 000 EUR

2. FIRR - Finansowa Internal Rate of Return – was calculated as the true rate of return from investment over the entire life span of project. IRR is the discount rate at which the NPV equals 0. FIRR takes into account only real cash flows and does not take into account external socio-economic costs and benefits created by the project.

FIRR = 38 %

3. EIRR – Economic Internal Rate of Return was calculated in the same way as FIRR except it took into account external socio-economic costs and benefits created by the project.

EIRR = 55 %

Conclusions
The above indicators prove the feasibility of the project. In fact the FNPV well above 0 at 9 057 000 EUR, FIRR of 38% and EIRR of 55% indicate that the project is indeed a very good investment, which will provide good returns for the society in general.
The document was made so as to help evaluate influence of the constructed Road Border Checkpoint onto the local natural environment. The scope of the document is given in the decree of Natural Environment Ministry dated 14 July 1998. This decree refers to a kind of construction investments especially danger as for the natural environment and requirements concerning evaluation methods being used to detect potential hazards.

This document includes detailed calculations of this project’s influence on the environment at the construction works, normal exploitation or closing down stages. The particular problems have been presented in text or graphical form, including a brief description of applied technologies. Evaluation is made with the help of measurement and calculation-analytical methods.

Selected threats for the natural environment appear below in brief:

<table>
<thead>
<tr>
<th>Hazards for environment</th>
<th>Post-analyse conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Emission of gases to the atmosphere</td>
<td>The calculations prove that predicted emissions meet regulations in the protection of atmosphere</td>
</tr>
<tr>
<td>2. Generation of noise</td>
<td>Completed according the technical documentation constructions meet requirements of the acoustical protection</td>
</tr>
<tr>
<td>3. Pollution from sewage systems</td>
<td>Completed according to the technical documentation water-sewage systems will not be a threat for the local environment</td>
</tr>
<tr>
<td>4. Hazards for arable grounds, soil and surface waters</td>
<td>Modern solutions will efficiently prevent soils and waters from impurities</td>
</tr>
<tr>
<td>5. Waste and garbage</td>
<td>Segregation and utilisation of garbage programme meet requirements of environmental protection</td>
</tr>
</tbody>
</table>

**General conclusions:**

a) Utilisation of the natural environment will not break the defined protective limits, regarding every element of this environment and sort of bad influence.

b) Potentially bad factors are enclosed within the geometric limits of the Investor’s plot.

c) Any interests of third parties will remain intact (incl. the closest neighbours).