1. Basic information:
1.1 CRIS Number: 2002/000-605-03.02
1.2 Title: Extension of Road Border Crossing in Hrebenne, stage 2
1.3 Sector: Justice and Home Affairs
1.4 Location: Republic of Poland, Lubelskie voivodship, Polish – Ukrainian border, Hrebenne

2. Objectives:
2.1. Wider objectives: Achievement of EU standards on the Polish eastern border
Stimulation of cross-border co-operation between Poland and Ukraine.

2.2. Immediate objectives:
- increase of the border crossing capacity
- increased safety of the future eastern border of the UE, particularly in respect of quantity and value of illegal or smuggled goods and / or people discovered;
- improved border crossing efficiency including reduction of the waiting time at the border and better social conditions for customs officers, border guards and other users alike.

2.3. Accession Partnership and the National Programme for the Adoption of the Acquis
The project is in compliance with AP in the objective:
- implement integrated border strategy
NPAA policy priority:
- Justice and Internal Affairs - achievement of efficient border safety system in line with EU standards; Transportation - the adjustment of the road transportation standards to the Acquis Communataire and the necessary investment as part of Trans-European transportation system;

2.4. Cross Border Impact:
Implementation of the project will positively influence the development process of the local societies on Polish and Ukrainian sides of the border, both in the economic and cultural aspects through enhanced cross-border co-operation. Road Border Crossing in Hrebenne is one of the large border points on Polish-Ukrainian border which is situated along national road No. 17 Warsaw- Lublin- Hrebenne, which is the shortest road link between Warsaw and Lvov. Through Road Border Crossing in Hrebenne runs steady traffic flow, which positively influences the regional economy stimulating development of local trade and services etc.

3. Description:
3.1. Background and justification:
Existing Road Border Crossing at Hrebenne was opened to International traffic in 1992. It is both a passenger and cargo border crossing occupying an area of 3,02 ha, of which 2,0 ha are paved surfaces. Border crossing operates non-stop 24 hours a day. It is located along the national road No.17 Warsaw - Lublin – Lvov which it is the shortest road link Odessa-Warsaw-Gdansk. Implementation of the project will increase the border crossing capacity, eliminate existing queues and upgrade the operation principles to European Union standards required for external borders.

In the year 2001 the actual traffic through the border crossing was as follows:
- Passenger cars - 801 170
- Lorries - 35 469
- Coaches - 21 510
- Passengers - 2 594 582

At present Hrebenne Border Crossing is one of the most important Polish border crossings with Ukraine, but due to limited capacity the waiting time is up to tens of hours.
The Polish and Ukrainian governments concluded an agreement on 18 May 1992 which a.o. includes the border crossing in Hrebenne. In this agreement both sides declared to make all efforts necessary to improve the flow of people and goods across the border, including infrastructure measures, to inform each other and agree on the steps taken to achieve this objective (a copy of this agreement in Polish is enclosed).

In addition, both governments concluded on 25.06.2001 an agreement on co-operation in the scope of controlling the passengers, goods and vehicles crossing the Polish-Ukrainian border (English translation of this agreement is attached to this project fiche as the Annex. 6). In accordance with the agreement,
the border facilities will be adjusted to make the joint clearance of the Ukrainian and Polish border services possible. To achieve this result, the proper rooms and facilities have already been envisaged. Because this agreement does not specify in detail on which border crossings the joint clearance will be performed (specific border crossings will be agreed on by exchange of diplomatic notes between the national governments), there have not been made so far any detailed settlements with the Ukrainian side concerning the joint clearance on this particular border crossing. However, it is planned to create there the proper conditions to carry out such joint actions. It is envisaged that the customs control on this border crossing will take place on the Polish side. Nevertheless, taking into consideration the above agreement, all facilities needed for customs control are planned in this way that the customs control could be carried out – if both sides reach an agreement regarding this particular border crossing - jointly by the Polish and Ukrainian services. The infrastructure envisaged to be built there would make such a joint control possible. A description of the functioning of the border crossing in Hrebenne after extension is presented in the Annex 5.

The Ukrainian side will not participate in project implementation and will not finance it in any way. However, the Ukrainian authorities plan to modernise the border crossing on their side and they have already developed the design (initial documentation). In accordance with this documentation, the infrastructure already in existence will be used for the passenger cars and coaches, while for lorries it is envisaged to build a terminal. The commencement of the works depends on the availability of funds – it is possible to start the works in 2003.

The Polish side has informed the Ukrainian partners on this project. The investment discussed during the meeting of the Polish-Ukrainian Intergovernmental Council on Cross Border Co-operation that was held on 6 May 2002. The Ukrainian partners confirmed then great significance of extension of the border crossing for improving the traffic flow and communication among the inhabitants on both sides of the border. The report from the Polish-Ukrainian meeting of 6th May 2002 is attached to this project fiche as the Annex 7.

3.2 Linked activities:
Extension of Hrebenne Border Crossing is planned in three stages:

Stage 1
The previous edition of PHARE 2001 involved construction of the embankments, building of the main administration for Border Guards and Customs Office (no 33 on the map enclosed), phyto-sanitary and veterinary buildings (no 9), umbrella roofing over road lanes clearance area (no 14 and 30), building of technical base (no 34) and area fitting. The above mentioned items are in progress. Contract value amounts to 8 MEUR including 6 MUER from the PHARE funds. The range of work is marked in green on the plan of the extension of the crossing.

Stage 2
PHARE 2002 will involve construction of buildings such as: passport control booths (no 13,21,29), umbrella roofing over road lanes clearance area (no 22), storehouses (no 24), customs individual control building (no 26), customs clearance building for coaches and buses (no 28), sanitary facilities (no 23 and 31), roads and areas (precisely marked on the plan enclosed), a water intake point (W) and a sewage treatment plant (K).
Contract value amounts to 6.7 MUER including 5 MUER from the PHARE funds. The range of work is marked in red on the plan of the extension of the crossing.

Stage 3
Moreover, within the range of the PHARE 2003, other capacity buildings, roads and areas will be constructed, area fitting, fence, rain water treatment plant (not for sewage, only for rain water) and tele-information networks will be finished.
Expected contract value is 5.5 MUER including 4 MUER from the PHARE funds. The range of work is marked in yellow on the plan of the extension of the crossing.
To avoid duplication of facilities that could be shared by different services, all 3 stages have been prepared in close co-operation with all the services acting at the border crossing.

3.3 Results
Project implementation will result in new border facilities constructed (described in detail in point 3.4). The effects will be as follows:
• improvement of the traffic flow through the Road Border Crossing at Hrebenne (capacity of 3,000 vehicles per day; assumed waiting time reduced by at least 20%)
• providing optimal working conditions both for Border Guards and Customs
• improvement of the sanitary conditions for border crossing personnel and travellers
• creating new work places (ca.120).
In addition, the project will contribute significantly to the improvement of the cross-border co-operation with Ukraine and economic development of the region.

3.4 Activities:
Extension of Hrebenne Border Crossing Stage 2, which is foreseen for co-financing within PHARE 2002 Programme, shall be performed in the framework of one single contract of a total value of 6,67 MEUR. It is envisaged that during implementation of the project the border crossing shall operate normally on the basis of the existing infrastructure. The scope of works, envisaged within the Extension of Road Border Crossing in Hrebenne Stage 2 project, include:
- passport control booths (no 13, 21, 29)
- customs individual control building (no 26)
- customs clearance building for coaches and buses (no 28)
- customs store building (no 24)
- sanitary facilities (no 23 and 31)
- extension of umbrella roofing over road lanes area used for custom clearance (no 22),
- a water intake point (W)
- a sewage treatment plant (K).

This project (and the contract) will concern only works. Immediately after completion of construction works the necessary equipment will be provided and installed. Supply and installation of the equipment for the border crossing will be financed from budgetary means (no equipment for the border services will be financed by PHARE, but from the own budget. The equipment will be financed within a separate contract and it is not subject of this project). The European Commission recommends that the whole Phare project should be financed within one contract, which would include the self-contribution. Thus it is not advisable to define very precisely within this project which items will be supported from the Phare funds and which ones from the self-contribution.

Implementation schedule of the above actions is provided in the Annex 2. The plan of extension of the Road Border Crossing in Hrebenne is enclosed with this project fiche.

The plans for the different sectors foreseen at this location were designed in agreement with all the border services to avoid duplication of facilities that could be shared. The Governor of Lublin Voivodship is responsible for proper co-ordination of works conducted by these services and for proper operation of this border crossing. The details regarding the functioning of this border crossing are included in an annex to this project.

The Polish side has been using the own resources all the time also to finance training of staff in the basic requirements of veterinary controls on imports to assist in intelligence gathering for the operation of veterinary border controls and avoid possible evasion of the rules. It is planned to intensify the training before completion of the project.

4. Institutional framework:
4.1 Institutions involved and responsible for the project implementation will be Implementing Authority for PHARE Programme, Governor of Lublin Voivodship (Employer and future owner of the property on behalf of State Treasury represented by Lubelski Zarzad Drogowych Przejsc Granicznych w Chełmie). Assigned responsibilities for the institutions involved will be as follows:

a) **Beneficiary** - Governor of Lublin Voivodship.
b) **Engineer** - Lubelski Zarzad Drogowych Przejsc Granicznych w Chełm (for Phare 2001 and Phare 2002 projects)
c) **Owner** - of the property constructed under the contract is State Treasury
d) **Co-ordinator** - of the project is Implementing Authority for PHARE Cross Border Co-operation Programme.

4.2 Project results will not change the institutional framework described above;
5. Detailed budget.

<table>
<thead>
<tr>
<th></th>
<th>Phare funding</th>
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<tbody>
<tr>
<td></td>
<td>Investment</td>
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<td></td>
<td>(I)</td>
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<tr>
<td>Contract</td>
<td>5.0</td>
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<tr>
<td>Totals</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Polish authorities assure that co-financing is available through the reserve budget foreseen specially 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 authorities:

Implementing Authority for Phare Cross Border Co-operation Programme
Director, Ms Grazyna Weclewska, Krucza 36 Street; 00-522 Warszawa;
phone +48 (22) 695 99 10/11; fax: +48 (22) 695 99 12/13; e-mail: Phare@wwwp.it.pl
Project Authorising Officer (PAO) Mr Zenon Kosiniak-Kamysz, Under-secretary of State in the Ministry of Internal Affairs and Administration; Batorego 5 Street; 02-591 Warsaw,
phone: +48 (22) 621 03 91, fax: +48 (22) 849 52 13; e-mail: wydziei@die.mswia.gov.pl

6.2. Twinning: Not applicable

6.3. Non-standard aspects and not expected.

The project will be implemented according to guidelines outlined in Practical Guide to PHARE, ISPA and SAPARD contract procedures.

6.4. Contracts:

One International open tender will be carried out. Contract value – 6,67 MEUR. This one contract will cover jointly the Phare and the Polish contribution. - joint co-financing

7. Project implementation schedule

Start of the tendering process: 1st quarter 2003
Start of project implementation: 2nd quarter 2003
Completion of the project: 2nd quarter 2005

8. Equal opportunities

Appropriate professional qualifications rather than gender or age will constitute the criteria for employment evaluation and selection responsible for the project implementation and progress. Implemented project will serve the entire community regardless of gender or age.

9. Natural environment

Increase of the capacity of the border crossing will reduce by 20% the long queues of vehicles waiting for clearance, this will significantly curtail environmental degradation due to reduction of toxic emissions of idling vehicle engines and littering of the area adjacent to the border crossing access road. All newly constructed buildings and facilities at the border crossing will be connected to sewerage disposal systems and the collected sewerage will be directed to the nearby sewage treatment plant to be built within the Phare 2002 project. Impact of the project on the natural environment assessment has been carried out by PROJPRZEM Poznanskie Biuro Projektów Budownictwa Przemyslowego in 1998 and the project preliminary design has received a positive rating, according to Polish statutory regulations. Complete report on the carried out environmental impact assessment is available at the beneficiary offices.

10. Profitability rates

Detailed analysis of economic profitability of the project titled “Extension of the Road Border Crossing at Hrebenne” is available at beneficiary offices. The results of the economical analysis are as follows: Economic Internal Rate of Return (EIRR) – 27,17%.

The Feasibility study for this project was prepared (the English summary is provided in Annex 4, the full version is in Polish).
11. Investment criteria
11.1. Catalytic effect:
Implementation of the project will accomplish the final stage of the border crossing extension, satisfying EU road border crossing standards. It will also fulfil Poland’s obligations resulting from application for EU accession. The project realisation will enhance the local economic development.

11.2. Co-financing:
Extension of the Road Border Crossing at Hrebenne, Stage 2 will be co-financed by the state budget. Polish local contribution will amount to 1,67 MEUR, which constitutes over 25% of the total budget for the project.

11.3. Additionality:
PHARE contribution constitutes complementary funds, which will enable the completion of the entire investment. Phare funds do not limit or exclude any other financing sources.

11.4. Project readiness and size:
For the second stage extension of Border Crossing at Hrebenne the technical design is already prepared and all necessary legal proceedings, enacted. The total project expenditure amounts to 6.7 MEUR, including Phare programme contribution of 5.0 MEUR.

11.5. Sustainability:
Applied technologies and equipment will ensure long term operation of the border crossing according to the EU standards. Financial means for operations and maintenance will be borne by Governor of Lublin Voivodship (state budget).

11.6. Compliance with the state aid requirements.
The investment does not infringe the Association Treaty in the section concerning state aid.

This project is a part of the integrated development strategy, defined in “The Strategy for the Integrated Border Management” established by the Ministry of Internal Affairs and Administration in January 2000. It is also a part of the local planning “The Strategy for Development of Lublin Voivodship” prepared by Biuro Planowania Przestrzennego w Lublinie in September 1999 and “Preliminary National Development Plan 2002-2003”.

12. Conditionality and sequencing
The project implementing institution, Board of the Lublin Road Border Crossing in Chelm, is prepared to implement the investment from PHARE funds. Its staff has been trained in respect of applying the FIDIC provisions, and the IFI requirements.
In order to commence the investment it is necessary to obtain funds.
The following sequencing of activities is foreseen:
- tender documentation to be prepared by Project Engineer till the end of 1\textsuperscript{st} quarter 2003
- signing of the contract with Contractor after the tender till the end of 2\textsuperscript{nd} quarter 2003
- contract completion, achievement of project objective till the end of 3\textsuperscript{rd} quarter 2005
In addition, the following assumptions are made:
- the extended feasibility study in Polish has been delivered to the EC Delegation
- all details about this investment were forwarded to the Ukrainian side at the meeting of the Polish-Ukrainian Intergovernmental Council on Cross Border Co-operation on 6 May 2002
- information will be gathered regarding the Ukrainian plans which refer to the improvement of this border crossing at the same meeting
**Logframe for the project:**

**Extension of the Road Border Crossing at Hrebenne – Stage 2**

**Programme title:**
PHARE - Poland National Programme 2002

**Prepared (Date):**
06/2002

**Contracting period expires:** 30/11/04

**Disbursement period expires:** 30/11/05

**Total budget in million (EUR):** 6.67

**PHARE Contribution in million (EUR):** 5.0

<table>
<thead>
<tr>
<th><strong>Wider objectives</strong></th>
<th><strong>Objectively verifiable indicators</strong></th>
<th><strong>Authors and the time of measurement</strong></th>
<th><strong>Assumptions and risk factors:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Achievement of EU standards on the Polish eastern border</td>
<td>1. GDP increase per capita in the voivodship</td>
<td>1. Statistical data</td>
<td>Assumption is made that domestic economy remains stable</td>
</tr>
<tr>
<td>2. Stimulation of cross-border cooperation between Poland and Ukraine</td>
<td>2. Increase in the number of tourists</td>
<td>2. Before and 3 years after completion of the project</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Immediate objectives</strong></th>
<th><strong>Objectively verifiable indicators</strong></th>
<th><strong>Authors and the time of measurement</strong></th>
<th><strong>Assumptions and risk factors:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increased capacity the border crossing</td>
<td>1. Waiting time reduction by 20%</td>
<td>1. Statistical data</td>
<td></td>
</tr>
<tr>
<td>2. Increased efficiency of the border crossing</td>
<td>2. Increased traffic</td>
<td>2. Before and 1 year after the completion of the project</td>
<td></td>
</tr>
<tr>
<td>3. Improved border safety</td>
<td>3. Quantity of illegal/smuggled goods discovered</td>
<td>3. reports issued by the Border Guard (Straz Granicznna) and the Voivodship Statistical Office (WUS)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Outputs: Results</strong></th>
<th><strong>Objectively verifiable indicators</strong></th>
<th><strong>Authors and the time of measurement</strong></th>
<th><strong>Assumptions and risk factors:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>New border facilities constructed fulfilling the assumed parameters</td>
<td>1. Buildings of the total capacity of 8,400 m³</td>
<td>1. Over-taking of the works report</td>
<td>Assumption is made that the project supervision and management is efficient and professional</td>
</tr>
<tr>
<td></td>
<td>2. Roads and squares of a total area of 30,000m²</td>
<td>2. Immediately after the completion of the project</td>
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<tr>
<td></td>
<td></td>
<td>3. Handed to the beneficiary by the project engineer</td>
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<thead>
<tr>
<th><strong>Inputs: Activities</strong></th>
<th><strong>Objectively verifiable indicators</strong></th>
<th><strong>Authors and the time of measurement</strong></th>
<th><strong>Assumptions and risk factors:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of: passport control booths (no 13, 21, 29), customs individual control building (no 26), customs clearance building for coaches and buses (no 28), customs store building (no 24), sanitary facilities (no 23 and 31), a water intake point (W), sewage treatment plant (K); Extension of umbrella roofing over road lanes area used for custom clearance (no 22).</td>
<td>Phare - 5 MEUR</td>
<td>Means:</td>
<td>Assumption is made that all necessary funds are allocated and financing scheme available</td>
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<td></td>
<td>Self-contribution – 1,67 MEUR</td>
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</table>

**Preconditions:**
Lublin Voivodship authorities decision to implement Integrated Border Management Programme
## Implementation, Contracting and Disbursement Schedule

<table>
<thead>
<tr>
<th>Plan</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2003</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Quarter 2003</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Quarter 2003</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Quarter 2003</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2004</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Quarter 2004</th>
<th>3&lt;sup&gt;rd&lt;/sup&gt; Quarter 2004</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Quarter 2004</th>
<th>1&lt;sup&gt;st&lt;/sup&gt; Quarter 2005</th>
<th>2&lt;sup&gt;nd&lt;/sup&gt; Quarter 2005</th>
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