1. Basic Information
1.2. Title: Grzechotki – Mamonowo II Road Border Crossing
1.1. Project Number: 2003/005-710.03.04
1.3. Sector: Justice and Home Administration
1.4. Location: Republic of Poland, the Warmia-Masuria Voivodship, Braniewo Municipality – the Border of Poland and Russia, the Grzechotki Village.

2. Objectives
2.1. Strategic Objective
The adjustment of Poland’s eastern border to the EU standards and requirements, stimulation of cross-border co-operation between Poland and Russia, socio-economic development of the region.

2.2. Immediate Objectives
- Suitable standards for crossing the border achieved.
- Increased safety of the future eastern border of the UE.
- Creation of proper social conditions for persons crossing the border and for border crossing workers, such as customs services, border guards etc.

2.3. Accession Partnership and National Programme of Preparation for Membership in the EU
The project is in compliance with AP objectives: ensure due implementation of the Schengen Action Plan; continue efforts in upgrading the equipment at border crossing points, but also at the green and blue border and in particular at the future external border of the Union.

NPAA policy priority:
Justice and Home Affairs - to adapt the national border protection system to EU standards, to fight organized crime
Transportation - the adjustment of the road transportation standards to the Acquis Communautaire and the necessary investment as part of Trans-European transportation system.

2.4. Contribution to the Preliminary National Development Plan
Not applicable

2.5. Cross-Border Impact
As the result of the Project implementation the possibilities for cross-border economic co-operation and co-operation in terms of tourism will increase, as well as the opportunities for the co-operation between local communities at both sides of the border will be improved. The development of the cross-border infrastructure will satisfy the current and future requirements with regard to the economic cross-border co-operation at both sides of the border and the co-operation between the EU countries and the Kaliningrad District of the Federation of Russia.

3. Description
3.1. Background and Justification
The construction of Grzechotki – Mamonowo II Road Border Crossing at the Polish and Russian border is in connection with the need for Poland to be involved in the transport networks situated around the Baltic Sea. Furthermore, there is a need to improve the efficiency of traffic between the EU, Poland and Russia. The designed Border Crossing located at the planned express road No 22 Czarlin – Malbork – Elblag – Grzechotki will considerably have an impact on shortening the time for transit from the EU countries to the Kaliningrad District. The planned Border Crossing is necessary for improving the Polish

The completion of the reconstruction of the road No 22, making the Polish section of the road IA, is planned for the year 2005. Envisaged scope of works comprises: dismantling of existing surface construction, building of one-carriageway express road by putting a new construction on the existing base of road, reconstruction of engineer objects up to a normative load capacity. Some of the works will be completed in 2002 and 2003. The whole section of S-22 road Elblag – Grzechotki will come into operation for passenger traffic in 2004 and for cargo traffic in 2005.

The preparation of construction and technical projects concerning the reconstruction of the S-22 road Elblag-Chrusciel-Maciejewo-Grzechotki has already been ordered. Technical documentation for the Chrusciel-Grzechotki section of this road will have been completed by the end of November 2002 and for the Elblag-Chrusciel section – by the end of March 2003. Apart from that, financial resources for necessary land purchases will be assured in the investment plan for 2003 – motion concerning this matter has already been presented. These purchases are needed only for modernisation of the access road; lands for construction of the border crossing point already belong to the State Treasury. Other disbursements of 100 million PLN for works connected with the project have been scheduled in the beneficiary’s 2003 financial plan. Works on the Chrusciel-Maciejewo section of the road will start in 2003 and finish in 2004. Construction of the flyover over a poviat road no. 09242 in the frame of the S-22 road near a town of Szyleny will be finished in 2002, while bridges over the Pasleka and Mlynówka rivers will be constructed in 2003. The whole section of S-22 road Elblag – Chrusciel – Maciejewo – Grzechotki will come into operation in 2005.

Therefore, it is necessary to undertake simultaneously the works at the Grzechotki Border Crossing in order to correlate starting up the usage of the both investments. Polish-Russian negotiations concerning the agreement on construction of the border crossing point as well as access roads to this border crossing point have been finished. In June 2002, a joint decision was taken to organise the international road connection between Kaliningrad and Elblag including the construction of the road Kaliningrad – Mamonowo – Grzechotki making a part of the Pan-European Transportation Corridor No. 1 (the Ryga – Kaliningrad – Gdansk Branch). Since the draft of the agreement has already been prepared, the Russian Party will start the project implementation on the territory of the Russian Federation in 2003 (see annex no. 5).

On 22 July 2002 in Moscow there was a meeting of experts from the Polish Ministry of Infrastructure and Russian Ministry of Transport who have agreed of the draft Agreement on the reconstruction of the Road Connection between Elblag (in the Republic of Poland) and Kaliningrad (in Kalinigrad District of the Russian Federation) and construction of the road border crossing point Grzechotki-Mamonowo II. The Agreement should be concluded in October 2002 (see annex 6).

Creation of the new border crossing and restoration of the road No 22 will become the substantial factor for the economic development of the northern municipalities of the Warmia-Masuria Voivodship, where there is a very high rate of structural unemployment.

The Feasibility Study has been prepared for the whole investment and was sent to the Commission as an annexe to the Phare 2002 project fiche. All the data, concerning envisaged passengers’ flow, presented in this Feasibility Study is also relevant to this Phare 2003 Project Fiche.

According to the justice and home affairs negotiation position, phytosanitary and veterinary checks at the Grzechotki – Mamonowo II border crossing point are not foreseen. Veterinary and phytosanitary checks at Bezledy and phytosanitary checks at Braniewo are to be sufficient. Schengen standards at the new border crossing will be fulfilled, therefore, on the day of accession, it will be ready to undertake role of the external EU border crossing point.
At the border crossing Grzechotki – Mamonowo II border clearance of persons travelling by passenger’ cars and coaches and goods carried by motor trucks, excluding food, animals and agricultural products is envisaged.

The whole idea of the Project envisages the construction of the road border crossing of two target capacities:
- 1st target capacity – border crossing for clearance of passengers cars and coaches;
- 2nd target capacity – border crossing for trucks clearance.

The final target 24-hrs capacity of the Border Crossing: 5,000 of passenger cars, 300 coaches, and 800 of trucks. It makes about 2,200,000 vehicles annually.

Estimated cost of whole undertaking is 41,352,000 EUR (including VAT, equipment and 10% of – contingencies). Achieving the fist target capacity is to cost – 29,087,000 EUR while the 2nd – 12,265,000 EUR. It is planned that the whole investment will be financed from the State budget and the PHARE funds. In case of any savings under the project budget, additional BC equipment is foreseen to be purchased.

In order to achieve the first target capacity of the Grzechotki-Mamonowo II Road Border Crossing the Phare 2002 Project envisages development of technical infrastructure for the construction of the Border Crossing and fitting of technical networks’ staple system.

The next part of works, leading to achieve first target capacity of the Grzechotki-Mamonowo II Road Border Crossing, is included in this Phare 2003 fiche. These works include the construction of the following buildings: the Custom Administration Building, the Border Guard Building; the Border Crossing Service Building, the Controllers Kiosks and Station Service Buildings.

All necessary tender documentation for the Phare 2002 project is being prepared and will be ready by the end of 2002. The documentation for the 2003 project will be ready by the end of March 2003. It is envisaged that initial works within the Phare 2002 project and activities under this Phare 2003 project will be implemented simultaneously, where possible.

Achieving the final target capacity of this road border crossing will need development of roads and places for motor trucks and buildings for clearance of motor trucks. During the development of the border crossing up to its final target capacity, the Grzechotki-Mamonowo II border crossing will be able to operate as the border crossing for passengers’ cars and coaches clearance. Estimated date of achieving the final target capacity of the Grzechotki-Mamonowo II road border crossing is the year 2005.

3.2. Linked Activities
The conceptual design of the Grzechotki – Mamonowo II Road Border Crossing was worked out in 1996 by the Rural Building Design Office in Gdansk. It was paid with the state budget funds.

The technical documentation for the Grzechotki – Mamonowo II Road Border Crossing has been prepared. The development consent has been given to this project on 22nd May 2002. The land being used for the construction is owned by the Warmia-Masuria Voivode. The whole investment Grzechotki-Mamonowo II will be implemented in accordance with the technical documentation and the development consent.

First part of this investment will be implemented within the Phare 2002 project. Under this project the following activities are to be undertaken:
- the accomplishment of the macro and micro leveling of the area;
- the construction of the access roads with parkings;
- the construction of the sewage treatment plant;
- the construction of the deep well;
- the construction of the system of networks: electric –power network with the transforming station, water mains network, sewerage system and storm water drainage network with rainwater separator;
- the construction of fire extinguishing water reservoir (water tank)
the construction of central heating and hot water network. The Phare 2002 project fiche The “Construction of the Grzechotki – Mamonowo II Road Border Crossing (the Development of Technical Infrastructure)” has already been accepted by the Commission. These two projects do not finish the complete realisation of the project of construction the road border crossing for motor trucks.

3.3. Results
- The road border crossing equipped with controllers’ Kiosks as well as with buildings for Border Guards, Customs Administration and for other services.
- Proper functioning of the road border crossing ensured.

3.4. Activities
The project envisages signing one contract for construction of the following buildings (with all installations, without the equipment, furniture) at the road border crossing (see the site map enclosed):
- the Custom Administration Building - floor area 2,319.3 m², cubic capacity 9,890m³;
- the Border Guard Building – floor area 2,312.4 m², cubic capacity 9,870m³;
- the Border Crossing Service Building floor area 1,192.9 m², cubic capacity 5,567m³;
- the Controllers Kiosks and Station Service Buildings, the floor area 227.2 m², cubic capacity 872m³;

The budget requested is in compliance with Polish current prices. The implementation of this Project will be performed within the framework of the one, complex contract. In keeping with previous infrastructure support for eastern border, no free-standing equipment is eligible under the Phare contribution.

In case of any savings the following additional equipment will be purchased and installed: the monitoring equipment, the safety equipment, the information network, the emergency Power Supply, the equipment of the scale control points, the blocking system and light signalling.

3.5. Lessons learned
As there has been no Phare project implemented on the site yet, therefore there have been no Annual Assessment Reports relevant to this project.

4. Institutional Framework
4.1 Institutions involved in the project implementation: Implementing Authority for PHARE Programme, Voivode of Warmia-Masuria Voivodship (Employer and future owner of the property on behalf of State Treasury). Assigned responsibilities for the institutions involved will be as follows:

a) **Beneficiary** - Voivode of Warmia-Masuria Voivodship.
b) **Engineer** - “INSPEC” Building Service Enterprise, 10-081 Olsztyn, 39 Warszawska Str.
c) **Owner** - State Treasury
d) **Co-ordinator** - Implementing Authority for PHARE Cross Border Co-operation Programme.

4.2 Project results will not change the institutional framework described above;

5. Detailed Budget (EUR)

<table>
<thead>
<tr>
<th>PHARE Support</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment</strong></td>
<td><strong>Support</strong></td>
<td><strong>Building</strong></td>
<td><strong>Total PHARE</strong></td>
</tr>
<tr>
<td>Realisation of the Project – Contract One</td>
<td>5,000,000</td>
<td>-</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

Co-financing will be available.
6. Implementation Arrangements

6.1. Implementing Agency
The PAO duties shall be performed by Mr Jerzy Mazurek, Under-Secretary of State, Ministry of Internal Affairs and Administration, 5 Batorego Str., 02-517 Warsaw, tel. +48 22 621 09 31; fax +48 22 84 95 213.

The co-ordination and supervision of the Project will be the responsibility of the Implementation Authority for PHARE Cross Border Co-operation Programme- Director, Mrs Grazyna Weclewksa, 36 Krucza Str., 00-522 Warsaw tel. +48 22 695 99 10, fax + 48 22 695 99 12.

6.2. Twining: not applicable

6.3. Non-Standard Aspects
Within the framework of the Project it is not foreseen to work on the non-standard procedures. The procedures based on the “Practical Guide to contract procedures financed from the general budget of the European Communities in the context of external action” will be implemented.

6.4. Contracts
It is planned to realise the Project within the framework of one contract applicable for the whole Project (7.883.000 EUR). Joint co-financing – Phare contribution 5.000.000 EUR and national contribution – 2.883.000 EUR.

7. Implementation Time Schedule
Start of the Tendering:
- The Tender procedure for the post of the Project Engineer – the results of the tender were determined in 2000.
- Preparation of the Tender Dossier – 1st quarter 2003
- The Tender procedure for the realisation of the Project – 2nd-3rd quarter 2003
- The Commence of the Project Activities – 4th quarter 2003
- The Project Completion – 1st quarter 2004
- The planned date of last payment of the last Contract – 4th quarter 2004

8. Equal Opportunities
The only criteria in selecting employees for the realisation of the project will be their professional skills.

9. Impact on the Environment:

9.1. Initial analysis of the planned investment showed that the Environmental Impact Assessment for the Road Border Crossing Grzechotki-Mamonowo II must be prepared.

9.2. Environmental Impact Assessment (the construction of new road border crossing) was prepared in December 2001. The Report on the Project’s Influence on the natural environment was prepared by Mr Andrzej Jamiolkowski, M.Sc. – Certified Expert of the Ministry of Environmental Protection, Natural Resources and Forestry (the Ministry Certificate No 629). The Assessment Report is available at the Warmia-Masuria Voivodship Office in Olszyn. Moreover, all the information concerning the investment’s impact on the environment has been presented in the section Environmental Impact Assessment enclosed to the Phare 2002 Grzechotki – Mamonowo II Standard Project Fiche. These data are also relevant for this Project as there was no need to prepare any separate EIA for this project. The development consent of 22 May 2002 issued by the Varmia-Masuria Voivode was sent to interested parties and published via Internet. This consent includes all necessary information concerning technical issues, land property and positive results of Environmental Impact Assessment report that was made for the whole investment.

9.3. During the construction stage and functioning of the Border Crossing the usual traffic air pollution is envisaged. Apart from that the investment will need cutting off about 1300
trees. The permission for this has been obtained in June 2002. Moreover, there will be some solid waste generated by the personnel working on the site and by the travellers. Earth works may lead to some disturbance in the water levels. All these threats will be avoided by taking into account all the recommendations of the EIA Report – the Grzechotki-Mamonowo II Border Crossing will be fully equipped with the highly efficient facilities, liquidating the investment’s negative influence on the environment.

10. Rates of Return
Comments: The economic profitability ratios for the implementation of the Project were calculated for the investment including the whole construction of the Grzechotki – Mamonowo II Road Border Crossing.

- Financial Rate of Return 40.81%
- Internal Rate of Return IRR 21.3%.
- NPV – 69,556,000 EUR
- B/C – 2.8

For the calculation of the economic profitability ratios the 20 year period for the operation of the border crossing and the assumptions with regards to the incomes generated from the customs duties and taxes, overloading charges, decrease of the unemployment benefits paid to the unemployed persons, the increase of the expenditures made by the foreigners who visited Poland and the value of prevented smuggling were taken into consideration.

11. Investment Criteria
11.1. Catalytic Effect: The PHARE support will considerably accelerate the development of the border crossing to the Kaliningrad District, which will achieve the EU standards and such a border crossing point will be able to operate as the EU external border crossing. In fact, without the PHARE support such an investment could be implemented in the considerably longer time perspective. The essential effect of the realisation of the Project will be its impact on the socio-economic situation of the North-Eastern municipal regions of the Warmia-Masuria Voivodship.

11.2. Co-financing: In the Project it is assumed that the investment will be financed with PHARE support and the State budget. The PHARE aid accounts for the amount of 5,000,000 EUR, the remaining 2,883,000 EUR will be financed by Poland. Joint co-financing will apply.

11.3. Additionality: According to the Polish law the construction of the border crossings must not be financed with the private funds. The PHARE funds will supplement the national public funds.

11.4. Project Readiness and Size: Considering the whole investment the preliminary conceptual design of the construction and technical design are prepared. The documentation for the works undertaken within the framework of the Project is prepared. The lands belong to the State Treasury. There is no need to purchase the land. The permit for the construction of the road border crossing in Grzechotki has been obtained. The size of the Project is 7,883,000 EUR, including the PHARE support – 5,000,000 EUR.

11.5. Sustainability: The modern border crossing will be operating for many years, also following the Poland’s accession to the EU. The facilities and equipment being used at this crossing will achieve the EU standards. The costs of operation of the border crossing post will be covered from the State Budget represented by the Governor of the Warmia-Masuria Voivodship. The works undertaken within the framework of this project are indispensable for operating the Road Border Crossing Grzechotki-Mamonowo II.

11.6. Compliance with State Aid Provisions: The investment does not in any way breach the provisions of the European Agreement on the state support.

12. Conditionality and Sequencing of the Most Important Actions
In order to undertake this investment it is necessary to obtain funds. The condition for the implementation of this project is a co-operation and co-ordination of planning and
construction of the mirroring infrastructure with the Russian Authorities. The implementation of the Project does not require the fulfilment of any other conditions.

The sequencing of the activities is to be as follows:
- Finishing of works concerning land levelling and technical infrastructure (electricity, water intake etc.) in the frame of Phare 2002 project – till the end of 2004,
- Preparation of the tender documents – 1st quarter 2003,
- The invitation for the tender and determining of the results of the tender for final selection of the Contractor according to the procedures specified in the Practical Guide to PHARE, ISPA SAPARD Programmes – 3rd quarter 2003
- The implementation of the Contract and acceptance of the contracted works – 4th quarter 2004
- In case of any savings in the project budget the additional equipment (listed in point 3.4) is foreseen to be installed till the 4th quarter 2006
### LOGFRAME PLANNING MATRIX FOR

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Phare 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires:</td>
<td>30/11/2005</td>
</tr>
<tr>
<td>Disbursement period expires:</td>
<td>30/11/2006</td>
</tr>
<tr>
<td>Total budget in MEUR:</td>
<td>7,883</td>
</tr>
<tr>
<td>Phare Contribution in MEUR:</td>
<td>5.0</td>
</tr>
</tbody>
</table>

#### Annex No 1

**Project:** Phare 2003 - The Construction of Grzechotki – Mamonowo II Road Border Crossing

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment of Poland’s eastern border to the EU standards and requirements, stimulation of cross-border co-operation between Poland and Russia, socio-economic development of the region.</td>
<td>• The rise of GDP per capita in the northern municipalities of the Warmia-Masuria Voivodship.</td>
<td>• Published statistical data of the Voivodship Statistical Office and the Voivodship Inland Revenue Office in Olsztyn; • The Customs and Excised data, as well as the Border Guard statistic; • 1-5 years after the Project’s completion;</td>
<td></td>
</tr>
</tbody>
</table>

#### Project purpose

- The improvement of the Polish section of paneuropean transport corridor Helsinki – Tallin-Riga – Kaunas – Warsaw.
- Suitable standards for crossing the border achieved.
- Increased safety of the future eastern border of the UE.
- Creation of proper social conditions for persons crossing the border and for border crossing workers, such as customs services, border guards etc.

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Shortening the traveling time through the paneuropean corridor between Poland and Russia; • Development of trade among the Baltic countries; • The border crossing and custom clearance services according to the EU standards; • Increased number of persons and cargos crossing the Polish-Russian Border • Increase of number of new jobs.</td>
<td>• 1-5 years after the Project’s completion; • Published statistical data of the Voivodship Statistical Office and the Voivodship Inland Revenue Office in Olsztyn; • Monthly reports prepared by Warmia-Masuria Department of the Border Guard; • Data of the Olsztyn Customs Office; • Data of the Voivodship Veterinary Inspectorate and the Voivodship Plant Protection Inspectorate; • Data of the Voivodship Labour Office in Olsztyn</td>
<td>• Non adjustment of infrastructure and procedures at the Russian side of the border; • Economic situation in Poland and Russia.</td>
</tr>
</tbody>
</table>

#### Results

- The road border crossing equipped with controllers’ Kiosks as well as with buildings for Border Guards, Customs Administration and for other services.
- Proper functioning of the road border crossing ensured.

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Existence of the new border crossing kiosks and buildings of the total capacity of 26,199 m³</td>
<td>• The Building Acceptance surveys and reports; • The confirmation made by the Board Guards for buildings acceptance for border clearance; • Directly after accomplishing the works; • Supplied to the Beneficiary by the Engineer.</td>
<td>Not identified.</td>
</tr>
</tbody>
</table>

#### Activities

<table>
<thead>
<tr>
<th>Means</th>
<th>Sources of verification</th>
<th>Assumptions and risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of the following buildings (with all • The preparation of the tender materials</td>
<td>• According to the requirements of the The realisation of the preliminary works</td>
<td></td>
</tr>
</tbody>
</table>

---

**Phare 2003 - The Construction of the Grzechotki–Mamonowo II Road Border Crossing**
installations, without the equipment, furniture) at the road border crossing:
- the Custom Administration Building - floor area 2,319.3 m², cubic capacity 9,890m³;
- the Border Guard Building – floor area 2,312.4 m², cubic capacity 9,870m³;
- the Border Crossing Service Building floor area 1,192.9 m², cubic capacity 5,567m³;
- the Controllers Kiosks and Station Service Buildings, the floor area 227.2 m², cubic capacity 872m³;

for the works included in the Phare 2003 Project
- Signing of the relevant contract
- Conducting of construction works in accordance with the Phare Procedures

Technical Specifications, the signed protocols of inspections, performance documentation, signed acceptance reports, the payment certificates;
- After completion of each tasks or the stage of works.
- Supplied to the Beneficiary by the Contractor or the Engineer.

Preconditions
Required financial resources for the realisation of the Project assured.
Decision made by the Governor of the Warmia-Masuria Voivodship with regard to the construction of Grzechotki border crossing.

Annex No 2 - 3: Implementation, contracting and disbursement schedules)

<table>
<thead>
<tr>
<th>Implementation</th>
<th>Date of Drafting</th>
<th>September 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planning Period</td>
<td>I’03-IV’04</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Budget Allocation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost Estimate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(in MEUR)</td>
</tr>
<tr>
<td></td>
<td>I’03 II’03 III’03 IV’03</td>
<td>I’04 II’04 III’04 IV’04 I’05 II’05 III’05 IV’05</td>
</tr>
<tr>
<td>Implementation</td>
<td>I II III IV V VI VII VIII IX X XI XII</td>
<td></td>
</tr>
<tr>
<td>D D D D D C I I</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Disbursement schedule</td>
<td>0.8 1.6 2.4 4 5</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Legend: D = design of sub-projects; C = tendering and contracting; I = contract implementation and payment