1. Basic Information

CRIS Number: 2002/000-628-02

Title: ARAD INTERNATIONAL EXPO FAIR CENTRE

Sector: Integrated Regional Measures (RE)

Location: ARAD Romania, Arad County, Region 5 WEST

2. Objectives

2.1 Overall Objectives

- To strengthen the cross-border co-operation between Romania and Hungary, in particular by promoting economic activities between the two border regions
- To develop the economy of the border regions by enhancing the trade and the economic co-operation.

2.2 Purpose of the project

Through the completion/extension of exhibition Hall and outside exhibition platform and the establishment of a programme to promote the utilisation of the International Fair for cross-border activities, this project will:

- Promote the cross-border relations with Hungary and other neighbouring countries through an increased number of partnerships;
- Establish an adequate framework for intercultural exchanges between the different countries and mainly with Hungary;
- Increase the exchange of information in the social-economic field among the institutions from the cross-border region;
- Increase the commercial exchanges in the cross-border region.

2.3 Accession Partnership and NPAA priority

AP/NPAA (medium-term priority):
- The policies in this area aimed at stopping the decline of the economy, creating the prerequisites for economic recovery and preparing Romania for EU accession. The following objectives are set for promoting a favourable business environment: achieving flexibility of the central administration and of the staff involved in Romania’s official international relations so as to stimulate international trade and to harmonise the domestic and global business environments.

2.4 Cross Border Impact

This Regional Fair was designed as a construction open for both, the Romanian and the Hungarian inhabitants and companies in a short-term perspective, and in a long term-perspective to the Serbian, Ukrainian, Slovak, Austrian and Bulgarian partners. This Regional Fair will increase the regional economic and social stability and improve the relationships between the two border regions, but also in a broader perspective, it will ensure a harmonised development and a well-balanced economic and social environment.
The location of the Arad International Fair is 20 km to the nearest cross border point with Hungary, 98 km to Szeged-Csongrad (HU) and 89 km to Bekescsaba - Bekes (HU). The future highway (from Budapest-Hungary to Bucharest-Romania on corridor IV) will probably cross the Romanian territory nearby City of Arad, 2 km from the Arad Industrial Area where the Regional Fair is located. The highway will support good connection between Arad Industrial Area and Regional Fair with Arad International Airport, 2 km from the cargo facilities and free zone.

The interest of the fairs’ organisers in Hungary (Csongrad, Bekes and Debrecin) for the business contacts with Romanian partners is very important and increase gradually. Interest was explicit express by the Chamber of Commerce from Csongrad (Szeged), Bekes (from Bekescsaba), and the Hungarian-Romanian Chamber of Commerce as well as by organisers of the Hungarian participation abroad to the Fair and Exhibition from Szeged - Mac Line Kft.

The role of the Chamber of Commerce is to promote and prepare business contacts in Szeged and Bekescsaba for the Hungarian companies’ participation at the Arad International Fair. The role of the private company Expo-Line Kft is to organise Hungarian participation to this fair. The Arad Exhibition Hall will promote in Romania the Hungarian companies from the HU/RO border Csongrad (HU) and Bekes (HU) and Hajdu - Bihar (HU) counties. In this respect in order to strength the collaboration agreements of co-operation for both sides of the borders are already signed.

The project referring to Arad International Fair will contribute to promote exchanges in the economic, social and cultural fields, the increase the informational exchanges among the participating countries and it will provide a model of efficient cross-border co-operation, that might generate similar experiences in other regions.

The specific cross-border direct impacts that will be achieved are the following:

- Elaboration of a reciprocal promotion system at economic, social and cultural levels between Romania and Hungary;
- Increase of information and economic exchanges in the areas of interest for both countries and world-wide;
- Encouragement of partnerships and cross-border business opportunities;
- Creation of an example of efficient functioning co-operation centre that would generate similar experiences in other regions and Euroregions.
- Fostering the cross border co-operation at a local and national level.

Other cross border indirect impacts refers to the:

- Development of infrastructures supporting business development, in order to strengthen competitiveness of SMEs through better access to technologies, services, markets and information;
- Promoting activities aiming at enlarging SMEs market and promoting SMEs export through supporting their access to information related to internal and external markets, carrying out promotional activities, participation in national and international exhibitions;
- Supporting activities for the development of the business infrastructure network: centres of consultancy and management of information, business incubators, innovation centres, and industrial and technological parks;
- Preparation for the implementation of regional development programmes as well as Community initiative;
- Stopping the decline of the economy by creating the prerequisites for economic recovery and preparing Romania for EU accession.
3. **Description**

3.1 Background and justification

**Background**

By its position the Arad International Fair will help in the development of business partnership to speed up the process for foreign companies to set up in the Arad Industrial Zone as well as to promote the industry from this area to many partners, inside and outside the country and to use cargo facilities and free zone.

Also another aspect envisaged promotion of business co-operation, enterprise development, and co-operation between institutions representing the business sector, mainly through chambers of commerce.

ARAD Chamber of Commerce, Agriculture and Industry (hereinafter called Arad CCI) created on the Decree Law 139/1990 represents one of the main business developers in the Arad County. The principal task refers to the organisational aspects of the fairs and exhibitions. Those are targeting first of all on the Western market of Romania (Satu Mare, Bihor, Arad and Timis counties), and Region 5 Vest and secondly on the foreign market. As a consequence the activity increased faster from 4 Fairs/year (with 80 companies) in 1992 to 9 fairs/year (with 420 companies) in 1998.

In 1998 Arad CCI became also member of the new established Euroregion DKMT (comprising 4 Romanian counties, 4 Hungarian and the Yugoslavian province of Vojvodina – Novi Sad).

Starting with 2001 Arad CCI has introduce a new service for the Romanian exhibitors. In the last day of each exhibition organised in Arad, a one-day visit and a business meeting in Szeged and Bekescsba (Hungary) is organised. The impact was very high, direct contacts, visits and discussions have been made with Hungarian counterpart. Considered a successful experience, in the next years, this service will be extended in order to organise visits of the Hungarian companies to the Arad International Fair.

Initial fairs and exhibitions were organised in the SPORT HALL, with no facilities and no business environment conditions.

In this framework and taking into account the special interest of the companies from the inside and outside the country to participate in fairs and exhibitions, a construction of a special nature for the Regional Fair emerged. There were specific reasons to develop such a construction because:

- No specific fair building in the area exists (there are no specific fair buildings in the eastern part of the Hungarian area – Csongrad, Bekes, Hajdu Bihor and no such buildings in the Western part of Romanian side Satu Mare, Bihor, Arad and Timis);
- The increasing demand of the Romanian companies for participating in the Hungarian border area in various fairs and exhibitions;
- The interest and expectation of the companies participating in Arad fairs to meet European standards of the quality of the services and the logistical offers.

Taking into account all the above, the Board of the Arad Chamber of Commerce has decided to start the erection of a new Fairs and Exhibitions construction considering the cross border co-operation interests and priorities, as well as the ones of the regions.
**Justification**

The decision to build-up the Arad International Fair involved the financial participation of Arad CCI (main financial supporter), Arad County Council, Arad Local Council, Romanian Fair organiser - ROMEXPO and some other local companies.

The activities for erecting the new construction for fairs and exhibitions started in June 2001 and have been scheduled to be finished in 2002. At the date of this project proposal the construction is in progress.

This construction has an inner surface of 3.000 sqm and outside platform of 10.000 sqm.

Because of the high costs of the infrastructure and the complexity of the construction this stage has been split it in **two sub-stages**:

A. The **first sub-stage** consists of erecting a construction with an inner surface of 2.000 sqm, and an outside platform of 3.000 sqm, access roads, parking places. The financial support is ensured by Arad CCI. A Conference Hall, administrative offices for the fair organisers, catering for the exhibitors, sanitary groups etc were envisaged to be build-up. This sub-stage financed by Arad CCI started in 2001 and is in an advanced phase.

B. The **second sub-stage** consists in the continuation of the first sub-stage and the completion of the construction under the present Phare Cross Border Co-operation Programme 2002. This stage will fulfil the followings:

- **Completion** of the 1st Exhibition Hall from 2.000 sqm to 3.000 sqm, with all technically aspects, including the fire protection (in the case of more than 2.000 sqm);
- **Completion** of the Conference Hall, administrative offices for the fair organisers, catering area and a mini printing house for fair’s only purpose, sound equipment, sanitary groups etc;
- **Completion** of the outside exhibition platforms from 3.000 sqm to 10.000 sqm including fence’s construction, tents for outside exhibitors, exhibition structure, including utilities and any additional facilities and equipment (machines for loading/unloading freight of the exhibitors);
- **Promotional activities** related to Arad International Fair.

The completion of this second sub-stage will help the border region to tackle with high unemployment and economic backwardness. Regular business co-operation will raise the competitive advantages of both cross border regions by using the new location and construction. By setting up minimum facilities required to organise a fair, the Romanians and Hungarians will benefit and will have the appropriate environment to start effective and efficient business contacts

There are specific reasons to extend and complete the construction in the second stage because:

- No appropriate place for Fairs and Exhibitions exists;
- No specific facilities connected to a fair activities – Conferences Hall, catering for exhibitors etc are available including administrative offices for fair organisers;
- The increasing demand of the Romanian companies to participate in a fair closer to Hungarian border; there are no appropriate facilities in the area;
- The demand for parking places for exhibitors and visitors – as the City of Arad is already overcrowded;

Moreover, this project is fully in line with the priorities that are indicated in the Joint Programming Document (JPD). The JPD constitutes the general framework for the co-operation between the two countries and was agreed between the Romanian and Hungarian authorities in early 2000. Priority n°2 is ‘Economic development’ and priority n°3 is ‘Institutional development, institutional co-operation’.
The present project is a direct result of the co-operation in the cross-border region and an expression of the interest in future collaboration of the partner countries.

3.2 Linked activities

The objective of the present project is directly linked to the objectives of the Phare 2000 Regional and Social Cohesion—Local and Regional Infrastructure.

In the Arad Industrial Zone, there is a Project of the City of Arad undergoing, aiming to prepare the area with the necessary infrastructure (pipelines, gas, power supply etc.), roads, tramway etc.

3.3 Results

- Completion of the Arad International Fair construction including extension of inner surface and outside surface and infrastructure utilities;
- Supply of the necessary endowments/ equipment and facilities for the Arad International Fair;
- The setting-up of a complex programme to promote the activities related to Arad International Fair.

The direct effects of the completion of the Arad International Fair construction are related to the increasing of the:

- number of exhibitors from an average number of 120 companies/Fair to 160 companies/Fair;
- Hungarian exhibitors’ participation from 20 % to 40 %;
- Hungarian visitors in the Arad International Fair exhibitions from 40 companies to 120 companies / exhibition

3.4 Activities

The present proposal is focused on continuation of the existing infrastructure of the exhibition Hall – inner and outside surface and completion of the first exhibition Hall with all the necessary endowments – equipment and facilities

The design and construction of the Centre will be accomplished in accordance with the national and European standards.

In order to accomplish the Arad International Fair the following components have been identified:

Component 1

Preparation of the technical project including tender documents (services)

Under this component, the beneficiary – Arad Chamber of Commerce, Industry and Agriculture will achieve the detailed technical design including economic documentation, the general estimate and the implementation schedule, following national and EU standards and any legal requirements.

If required a technical expertise will be provided to the Implementing Authority related to the completion of the stage 1 (see point 3.1) and the extension of it for a second stage.

Technical specifications regarding the equipment and installations, furniture and any endowments related to the construction and for the inside and outside arrangements will be provided by the Arad Chamber of Commerce, Agriculture and Industry and discussed with the Implementing Agency and technical designer before becoming part of the technical project.

A separate estimate for the endowments to be purchase including equipment, furniture, air conditioning etc will be provided at the time of the technical design. Documents will be provided both in English and Romanian together with the tender dossier prepared according Phare
requirements in English. This activity will be accomplished by a specialised institute, which will be contracted by the Arad Chamber of Commerce, Industry and Agriculture. 

The expected budget is 0.2 MEUR and will be financed entirely by the Arad Chamber of Commerce, Agriculture and Industry.

This activity will take 4 months. The specialised institute selected and paid by the Arad Chamber of Commerce, Industry and Agriculture will design the extension of the first exhibition Hall and inner arrangements, outside exhibition platforms including infrastructure utilities, fence and all endowments as required according the national and EU standards for an appropriate use of the Arad International Fair construction.

Component 2
Completion of the first exhibition Hall and outside exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement (works)

This activity includes:

- Completion of the 1st Exhibition Hall from 2.000 sqm to 3.000 sqm, with all technically aspects, including the fire protection (in the case of more than 2.000 sqm);
- Completion of the Conference Hall, administrative offices for the fair organisers, catering area and a mini printing house for fair’s only purpose, sound equipment, sanitary groups etc;
- Completion of the outside exhibition platforms from 3.000 sqm to 10.000 sqm including fence’s construction, tents for outside exhibitors, exhibition structure, including infrastructure for utilities (water supply, electric power, thermal energy, etc) and any additional facilities and equipment (machines for loading/unloading freight of the exhibitors);
- Procurement of furniture, equipment and installations and other endowments for the inside and outside arrangements including the Exhibition Hall, the Conference Hall, administrative offices, catering area etc for a proper functioning of the Arad International Fair.

The works will be done by a specialised construction company selected and contracted in accordance with Phare procedures. Due to the special nature of the construction, procurement of furniture, equipment and installations and other endowments for the inside and outside arrangements will be part of the works contract, if no other requirements will appear after the completion of the technical project and general estimate including the separate estimate for them in order to change the nature of this component and split it into two separate contracts one for works and one for supply.

The expected budget is 2.26 MEUR out of which Phare funds represents 1.800MEUR and co-financing 0.460MEUR.

The activity is foreseen to last 14 months and will be supervised according national and EU standards regarding quality construction.

Component 3
Technical assistance for supervision of works (services)

Under this component, the beneficiary – Arad Chamber of Commerce, Industry and Agriculture will achieve the supervision of works to be done related to component 2, following national and EU standards and any legal requirements. A draft Terms of References (ToRs) for the works supervision will be provided by the beneficiary – Arad Chamber of Commerce, Industry and Agriculture to the Implementing Agency.

Supervision of works will be accomplished by a specialised company, which will be contracted according Phare procedures by the Implementing Agency.

The expected budget is 0.2 MEUR and will be financed entirely from Phare funds.

This activity will last during the construction period of the Arad International Fair, according component 2 and will have also to meet the national and EU standards.
Component 4

Public awareness campaign (services)
The activity consists in public promotional activities in order to promote the Arad International Fair and its services to the Romanian and Hungarian market and to the regional market. The expected budget is 0.05 MEUR and will be financed entirely by the Arad Chamber of Commerce, Agriculture and Industry. This activity will last 18 months and will consist in conferences, presentation, meetings, advertising, dissemination of brochures and leaflets and other marketing mix tools.

4. Institutional framework

The Beneficiary of this project is Arad Chamber of Commerce and Industry that is also in the same time investor and owner of the equipment. A partnership for the future administration of the Exhibition Hal is prepared having as partners Arad CCI, Arad City Council, Arad County Council and the Romanian National Fair organiser ROMEXPO S.A.

All administrative costs necessary for the project implementation will be supported by Arad CCI. The financial income from activities organised in the Arad International Fair Exhibition Hall will enable adequate operation and maintenance activities to be funded. The sustainability of the project will therefore be ensured.

An administration of Exhibition Hall will be established and will have a manager appointed by Arad Chamber of Commerce Board of Directors together with the mentioned partners. The project management will be provided by Arad CCI and the monitoring activity will be undertaken by the No.5 Vest Regional Development Agency.

The regulatory framework for the Exhibition Hall is settled through the:
- Decree - Law 139/90
- The co-operation Protocol of the Euro region DKMT sign by the Presidents of the county councils from RO, HU and Yugoslavia November, 1997.

Also for a proper implementation of this project to the completion of the construction including promotional activities, a contact person (project responsible/project co-ordinator/project manager) responsible towards Implementing Agency, Contractor and Site supervisor (Project Manager according Practical Guide to Phare Ispa and Sapard contract procedures or Engineer according FIDIC) in terms of project management including monitoring and evaluation will be officially appointed by the Arad CCI before any activities will start and communicated to the parties involved.

5. Detailed budget, in MEUR

<table>
<thead>
<tr>
<th>Components</th>
<th>Phare Support</th>
<th>Total Phare (I + IB)</th>
<th>National Co-financing (%)</th>
<th>IFI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 1</td>
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<td>0.20</td>
<td>-</td>
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<tr>
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<td>-</td>
<td>1.8</td>
<td>0.46</td>
<td>-</td>
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</table>
exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement (works)

Component 3
Technical assistance for supervision of works (services)

Component 4
Public awareness campaign (services)

Total

<table>
<thead>
<tr>
<th></th>
<th>1.8</th>
<th>0.2</th>
<th>2.0</th>
<th>0.71</th>
<th>-</th>
<th>2.71</th>
</tr>
</thead>
</table>

(*) CCIA ARAD will provide the national co-financing

6. Implementation Arrangements

6.1 Implementing Agency
The Implementing Agency will be the Ministry of Development and Prognosis, through its Cross Border Co-operation Directorate, which will retain overall responsibility for the implementation of the programme, including: approval of tender documents, evaluation criteria, evaluation of offers, negotiation of contracts, signature of contracts, authorisation of invoices. The payments of invoices will be made by the Payments Directorate within the same ministry.

The CBC Directorate also includes a unit for the National Co-ordination of CBC programmes nominated as CBC Programme Co-ordination Unit (CBC - PCU). This unit will liaise with the beneficiary institutions and with the line Ministries, as the case maybe, for a timely implementation of the programme. This Unit will give the necessary assistance to the beneficiary institutions to prepare terms of reference (ToRs), technical specifications (TS), tender documents/dossier (TD) and any documents related to the implementation of the project. Both, the CBC Programme Co-ordination Unit (CBC PCU) and the beneficiary institutions, remain responsible for the overall monitoring and evaluation of the project implementation and management. Therefore a project co-ordinator/project manager/project responsible will be nominated by Arad CCI on behalf of the beneficiary institution for the completion of the monitoring and evaluation of the project implementation and management.

The beneficiary institution is:
Arad Chamber of Commerce, Agriculture and Industry, Arad County
2900 Arad, Str. Closca nr. 5
Tel: 057 208 805
Fax: 057 254 200
e-mail: integrare@ccia-arad.ro

6.2 Non-standard aspects
There are no “non-standards aspects”. The “Practical Guide to Phare, Ispa and Sapard contract procedures” will strictly be followed.

6.3 Contracts
The expected number of contracts is 4, as follows:
• 2 Services Contract under national procurement procedures/Component 1 and Component 4
• 1 Works Contract under Phare procedures/Component 2
• 1 Services Contract under Phare procedures/ Component 3

Component 1
Preparation of the technical project including tender documents - Service Contract, under national procurement procedures, in a total amount of 0.2 MEUR from national co-financing.

Component 2
Extension of the first exhibition Hall and outside exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement –Works Contract, under Phare procedures in a total amount of 2.26 MEUR out of which 1.8 MEUR Phare funds and 0.46 MEUR from national co-financing.

Component 3
Technical assistance for supervision of works - Services Contract under Phare procedures in a total amount of 0.2 MEUR from Phare funds.

Component 4
Public awareness campaign – Services Contract - under national procurement procedures, in a total amount of 0.05 MEUR from national co-financing.

7. Implementation schedule

<table>
<thead>
<tr>
<th>Start of tendering</th>
<th>Start of project activity</th>
<th>Project completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.12.2002</td>
<td>01.01.2003</td>
<td>30.11.2005</td>
</tr>
</tbody>
</table>

8. Equal opportunity

Equal opportunity for men and women to participate in all the components of the project will be ensured.

9. Environment

This is an environmental project aiming to respect nature, leading to its conservation and maintenance, respecting the sustainable development principles.

10. Rates of return

Financial rate of return : NA
Economic internal rate of return - 31%- See Business Plan
Feasibility studies: See Annex 4
11. Investment criteria

11.1. Catalytic effect
With Phare assistance, the project would have according the business plan IRR 31% and NPV 699,548 EUR; these parameters will make the investment profitable in 4 years.

Without Phare assistance, the project would have according the business plan an IRR 8 % and NPV 919,958 EUR, parameters not attractive for any investor or bank.

Without Phare CBC assistance the project would have been delayed and the initial investment would have been in a difficult development related to a normal functionality of the Exhibition Hall.

11.2. Co-financing:
The project is co-financed by CCIA ARAD, which will provide 0,71 EUR, representing 26% of the total cost of the project.

11.3. Additionality:
No other financing sources from the private sector or from IFIs were available for financing this project.

11.4. Project readiness and Size:
The preliminary studies are completed and the implementation of the project can start according to the implementation chart (Annex 2). The project complies with the 2 MEUR minimum Phare allocation requirement.

11.5. Sustainability:
The project is sustainable on the long term, beyond the accession date, because it represents the need of entrepreneurs in the region to meet and exchange information and experience, and therefore the activity in the region for this International Fair is a sustainable and a continuous one. The activities that will be hosted by the International Fair will be in accordance with the EU norms, standards and will lead to the achieving the EU sector policy acquis.

The beneficiary- CCIA ARAD will bear the maintenance and operating costs/running costs for this project-

11.6. Compliance with state aids provisions
The project respects the state aids provisions.

12. Conditionality and sequencing

- The beneficiary - CCIA ARAD, will pay the operating costs for the management of the facilities provided through this project.

**The beneficiary - CCIA ARAD, undertakes to finance any additional costs which may arise in order to ensure timely completion and implementation of this project.**

- The EC Commission reserves the right to reallocate the funds in case component 1 is not implemented satisfactorily by the beneficiary or in case the implementation of this components faces too long delays.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter
4. Reference to feasibility /pre-feasibility studies.
**ANNEX 1 – LOGFRAME PLANNING MATRIX**

**Completion of the ARAD INTERNATIONAL FAIR**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Indicators of achievement</th>
<th>Sources of information</th>
</tr>
</thead>
<tbody>
<tr>
<td>To strengthen the cross-border co-operation between Romania and Hungary, in particular by promoting economic activities between the two border regions; To develop the economy of the border regions by enhancing the trade and the economic co-operation</td>
<td>• Trade development increasing in the field of agriculture, industry and construction materials for the first year after completion with 7 %; • Increasing the number of the economical partnerships between Romania and Hungary</td>
<td>• Trade statistics and Romanian and Romanian-Hungarian Chamber of Commerce documents; • Regional statistics; • Arad CCIA own reports and statistics including business plan;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Indicators of achievement</th>
<th>Sources of information</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote the cross-border relations with Hungary and other neighbouring countries through an increased number of partnerships; Establish an adequate framework for intercultural exchanges between the different countries and mainly with Hungary; Increase the exchange of information in the social-economic field among the institutions from the cross-border region; Increase the commercial exchanges in the cross-border region;</td>
<td>• Increasing the number of exhibitors from an average number of 120 companies/Fair to 160 companies/Fair; • Increasing the participation of Hungarian exhibitors’ from 20 % to 40 %; • Increasing the participation of Hungarian visitors in the Arad International Fair exhibitions from 40 companies to 120 companies / exhibition;</td>
<td>• Trade statistics and Romanian and Romanian-Hungarian Chamber of Commerce documents; • Regional statistics • Arad CCIA own reports and statistics including business plan;</td>
<td>• Creation of an information network at regional level; • Flexible legislation; • Active partnership among all the interested parties;</td>
</tr>
</tbody>
</table>

**Contracting period expires:** 30/11/2004  
**Disbursement period expires:** 30/11/2005  
**Total budget** 2,710,000  
**PHARE contribution** 2,000,000
<table>
<thead>
<tr>
<th>Results</th>
<th>Indicators of Achievements</th>
<th>Sources of information</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • Completion of the Arad International Fair construction including extension of inner surface and outside surface and infrastructure utilities;  
• Supply of the necessary endowments/equipment and facilities for the Arad International Fair;  
• The setting-up of a complex programme to promote the activities related to Arad International Fair. | • Actual/Physical construction of the building;  
• Extension of the inner surface from 2.000 sqm to 3.000 sqm;  
• Extension of the outside surface from 3.000 sqm to 10.000 sqm;  
• Endowments in place;  
• Type and numbers of activities related to the promotion programme; | • Contracting and disbursement;  
• Site supervisor’s Reports;  
• Progress Reports of the beneficiary;  
• Monitoring and Evaluation Report of the Implementing Agency; | • Delays in activities and changes in the financial costs of the investment;  
• Effective and efficient commitment of all parties involved in the project implementation; |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Component 1  
• Preparation of the technical project and tender documents (services); | • Contract with a specialised institute and technical project including tender dossier;  
• Contract with a specialised construction company;  
• Purchase of equipment and installation, furniture and endowments for the inner and outside arrangements of the Arad International Fair construction, | • Adequate staff implicated in the implementation of the project on behalf of the Arad CCIA, Implementing Agency, construction company, consultant (technical assistance for supervision of works);  
• Co-operation with other institutions direct or indirect involved in important stages of the endorsement or approvals of the documents; |
| Component 2  
• Extension of the first exhibition Hall and outside exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement (works); | | |
| Component 3  
• Technical assistance for supervision of works (services); | • Contract with a specialised company | |
| Component 4  
• Public awareness campaign (services) | • Activities related to the promotion programme | |
## ANNEX 2 – DETAILED IMPLEMENTATION CHART

### Completion of the ARAD INTERNATIONAL FAIR

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tr>
<td><strong>Component 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of the technical project and tender documents (services)</td>
<td>D</td>
<td>D</td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Component 2</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension of the first exhibition Hall and outside exhibition platform</td>
<td>C</td>
<td>C</td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>including infrastructure utilities and supply of equipment for the inside and outside arrangement (works)</td>
<td></td>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td><strong>Component 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical assistance for supervision of works (services)</td>
<td>D</td>
<td>D</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td><strong>Component 4</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public awareness campaign (services)</td>
<td>D</td>
<td>D</td>
<td>C</td>
<td>I</td>
</tr>
</tbody>
</table>

D = Design/preparation          C = Contracting          I = Implementation/works          R = Review/evaluation
ANNEX 3 – CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER

Completion of the ARAD INTERNATIONAL FAIR

<table>
<thead>
<tr>
<th>Components</th>
<th>Cumulative contracting schedule by quarter in MEUR (planned)</th>
<th>Total Phare Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 2</td>
<td>Extension of the first exhibition Hall and outside exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement (works)</td>
<td>1.800</td>
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<tr>
<td>Component 3</td>
<td>Technical assistance for supervision of works (services)</td>
<td>0.200</td>
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<td>Total contracting:</td>
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<td>2.000</td>
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<table>
<thead>
<tr>
<th>Components</th>
<th>Cumulative disbursement schedule by quarter in MEUR (planned)</th>
<th>Total Phare Allocation</th>
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<tbody>
<tr>
<td>Component 2</td>
<td>Extension of the first exhibition Hall and outside exhibition platform including infrastructure utilities and supply of equipment for the inside and outside arrangement (works)</td>
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<tr>
<td>Component 3</td>
<td>Technical assistance for supervision of works (services)</td>
<td>0.020</td>
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<tr>
<td>Total disbursement:</td>
<td></td>
<td>0.200</td>
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</tbody>
</table>
ANNEX 4 - Reference to feasibility/pre-feasibility study

Completion of the ARAD INTERNATIONAL FAIR

FEASIBILITY STUDY/Short summary

1. General Data
   1.1. Feasibility Study designer: ADAR – Arad County Development Agency
   1.2. Beneficiary: Arad Chamber of Commerce, Agriculture and Industry
   1.3. Location: City of Arad, Industrial area
       The Project proposed is located nearby City of Arad, 6 km from the City Centre,
       Between the by pass ring and European Road E 68 on Corridor IV, in heart of a
       developing The Arad Industrial Zone.
   1.4. Necessity and opportunity justification

The market of the exhibitions and fairs is a growing market since the majority of the
productive and commercial enterprises regard their presence at these events as the most
important means of marketing.
Consequently the entrepreneurial interest in such events is very high – typically of the
enterprises of both the Romanian and the Hungarian sides of the border – and in the long-
time perspective the Austrian, Slovakian, Serbian, Ukrainian and Bulgarian participation too.
There are foreseen to be organised three types of regional exhibitions and fairs:

- Local importance - visitors from a zone in 20-50km distance and a
  market of 400.00 inhabitants
- Regional importance- visitors from a zone of 100-150 km and
  a population of 2 million people.
  It covers both Romanian and Hungarian border
- Euro regional importance - visitors from an area of 150-500 km. It covers Hungary,
  most part of Romanian and important part of Serbia and Montenegro. The population
  of the concerned area is 15 million.

Arad International Fair – accomplished with Phare CBC support – offers a location of
European standards for partner-seeking activities representing Romanian-Hungarian mutual
economic interest. The potential partners are mainly Szeged (Csongrad) and Bekescsaba
(Bekes).
The completion of Arad International Fair through Phare CBC will give an important support
to the implementation of the cross border project related to economic development in the
cross border region.
The main field of partnership between the two projects could be the separation and
adjustment of the programmes organised for various regional levels (local, regional, euro
regional, national international).
By the adjustment of the exhibition topics, the co-operation can be further expanded between
the Arad and other similar regional centres. Where it is possible to connect regional events of
similar topic, it is worth developing them into an inter-regional event.
The second important field of partnership with the Hungarians is to urge and encourage as much as possible Hungarian enterprises to exhibit in Arad and to make good connections with other participants in the region. After the official closing of a fair or exhibition some new approaches generally occur related to any further co-operation:

- Regular collaboration in the planning and information of the annual programmes and events;
- Investors’ good orientation and exchange of experience;
- A development of a demanding environment for good contacts;

This exhibition and fair centre envisaged to help the two sides of the border may become key factor in any actions aiming at enterprise development. That means also economic development, which serve the utilisation of the internal resources of the regions and their attraction of capital investment.

The implementation of the project and later the operational aspects related to the Arad International Fair activities to be developed and the nature of the internal and external partnerships created and set-up will have a positive effect on the economy of the Romanian-Hungarian. This will be evident taking into consideration the increasing of the:

- number of economic exhibitions and fairs of cross-border importance;
- number of visitors and exhibitors at the events of the Arad International Fair Centre and probably in the region;
- number and volume of the economic relation of a cross-border nature;
- number of foreign investments;
- export of the enterprises active in the border region;
- standard of the technologies utilised in the border region.

All these effects contribute to the:

- increase in the income producing ability of the border region;
- decrease in the unemployment rate in the region;
- improvement of the living conditions of the population in the border region.

2. Functional and technological description

2.1. Architecture technical memorial

The location of the project is in the Arad Industrial Zone, owned by the City of Arad. This will ensure stability and confidence for participants in the fairs and exhibitions.

Arad International Fair is located in the west of the City of Arad, 2 km from Arad International Airport, the Free Zone and Cargo facilities, 6 km from the City Centre, 20 km to the Hungarian border point of Batonya, 50 km to the Hungarian border point of Nagylak and 20 to the railway border point of Curtici.

For the time being, the first inner surface of 2,000 sqm is already undergoing.

The size of area is 2.7 ha, where a hall of 3,000 sqm with service building and amenities of 200 m² will be built in the first phase – second sub-stage. Furthermore an open-air exhibition space of 10,000 sqm will be build-up.

Further extensions can be taken into consideration where feasible and at a later stage of development, up to 10,000 sqm inner surface.

3. Assessment of the investment activities
The budget in summary, consists in the following activities

<table>
<thead>
<tr>
<th>No</th>
<th>Activity</th>
<th>Amount (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Detailed design of the project</td>
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</tr>
<tr>
<td>2</td>
<td>Construction of the infrastructure</td>
<td>1.392</td>
</tr>
<tr>
<td></td>
<td>Infrastructure for the exhibition Hall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Outside exhibition platform</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fence</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Completion of the construction with necessarily supplies and equipment</td>
<td>1.213</td>
</tr>
<tr>
<td></td>
<td>installations for the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conference Hall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>administrative offices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>catering for exhibitors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Completion of the exhibition Hall with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>exhibition structure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>auxiliary machines</td>
<td></td>
</tr>
<tr>
<td></td>
<td>mini printing house</td>
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</tr>
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<td>4</td>
<td>Public awareness campaign</td>
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<tr>
<td>TOTAL</td>
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