

Cross border co-operation between Bulgaria and Greece
2006 Project Fiche on Cross Border Infrastructure “Increasing the
safety of road E 79 Dupnitsa – Kulata from km 333+168 to km
429+268”(Priority 1)

1. Basic Information

CRIS Number:	BG 2006/018-387.01.02
Title:	Increasing the safety of road E 79 Dupnitsa – Kulata from km 333+168 to km 429+268
Sector:	Regional Development / CBC Infrastructure - Transport (IN)
Location:	Bulgaria - Greece Border Region
Duration:	12 Months Contracting deadline: 30/11/2008 Execution of contract deadline: 30/11/2009
Phare funding:	€0,225 million

2. Objectives

2.1 Overall Objective(s):

Through this improved communication link to make the Bulgarian road network compatible with the road network of the European Union.

2.2 Project purpose:

Improved road transport and operational conditions on road E 79, section Dupnitsa-Kulata.

2.3 Accession Partnership (AP) and NPAA priority (and implementing measures envisaged by the Action Plan for AP priorities related to strengthening administrative and judicial capacity).

- Preparation of Bulgarian regions for the implementation of the structural policies applied by the EU Member States through the development of strategies and programmes for sustainable social and economic development.
- Development and implementation of complex regional structures, programmes and projects for the integrated development of problem areas in the country – underdeveloped, rural, depressive and cross-border areas.

NPAA (Medium-term priority):

- Promotion of cross-border co-operation.

2.4 Contribution to National Development Plan

- CBC regions, a part of which is the area of the project, are treated in the National Development Plan (NDP) as a high priority target. The proposed project fully complies with the objectives defined in the NDP, which classifies CBC regions in a separate target group.

2.5 Cross Border Impact

- Provide safe and efficient road that is capable to carrying future anticipated traffic volumes.
- Support road infrastructure works in order to foster cross border co-operation at a local and national level
- Facilitate an increase in the trade and cultural links between the two countries.
- Encourage of the economic development on both sides of the border in the region.

3. Description

3.1 Background and justification:

Background

Only two operational border crossing points exist at Kulata and Novo Selo, the access to which is to be upgraded by the rehabilitation works to the existing E79 and E85 roads under the PHARE funded Southern Border Regions Road Project. In addition a new Border Crossing Check Point and new access road at Ilinden are constructed. This is also mirrored by similar new construction on the Greek side.

The project “Rehabilitation, strengthening and improvement of road E 79, Dupnitsa – Kulata, from km 333+168 to km 429+268” was completed under Phare Cross Border Cooperation Programme Bulgaria/Greece during the period 2000 – 2002. The Taking-Over Certificate was issued on 15th August 2002 and the Defects Liability Period has already past. There are several defects on the road, which impede the fluency of the local and international traffic and have to be rectified.

The project purposes are to improve traffic safety and environmental records, reduce the vehicle operating cost and travel time by rectifying the defects related to:

1. Bleeding on several bridges;
2. Expansion Joints – Closed Type/Thorma Joints;
3. Levels of the wearing course;
4. Road studs in the three tunnels (should be replaced);
5. Rutted lines;
6. The Bridge bearings;
7. Precast concrete kerbs;

8. Italian chutes.

Justification

The Government of the Republic of Bulgaria is currently in the process of improving the country's infrastructure with respect to transport. As country candidate for accession to the European Union Bulgaria is seeking to comply with the requirements of the EU transport acquires.

The geographic position of the country on the Balkans shows that the international traffic inevitably will have to cross its borders. Five of the ten Pan-European transport corridors passing across the territory of Bulgaria, connecting Central and East Europe with the European Union. Therefore it is important that its road network, generally, and international trade routes in particular are of sufficient standard to safely and efficiently convey the anticipated traffic demand. With the improvement of existing approach roads to the cross border checkpoints and the construction of new roads will benefit not only the national but also the international traffic.

3.2 Sectoral rationale

Development of transport infrastructure is one of the main priorities of the national transport policy. Specific objective defined by the National Economic Development Plan is improvement of existing transport infrastructure as a condition for sustainable and balanced long-term development.

The main strategic objectives included in the National Transport Strategy cover:

- Opening of Bulgaria for the EU by means of development of transport infrastructure of Pan –European Transport Corridors IV, VIII and IX;
- Completion of rehabilitation, reconstruction and modernization of the main road sections along the Pan –European Transport Corridors.

3.2.1 Identification of projects

N/A

3.2.2 Sequencing

N/A

3.3 Results

The aim of the project is to improve the road transport conditions between Dupnitsa and Kulata by rectifying several defects on the road, which impede the fluency of the local and international traffic.

- Approximately 90 km improved road conditions and increased road safety between Dupnitsa and Kulata

3.4 Activities (including Means)

Construction Works (0,300 MEUR)

- Preparation of Tender Dossier for Works Contract - (no additional funding will be required);
- Tender procedure - The procurement procedure proposed to be used for the works will be in accordance with “Practical Guide to contract procedures financed by the general budget of the EC...” a Competitive Negotiated Procedure with budget up to 300 000 EUR. The Contracting Authority will invite tenderers from candidates of its choice. At the end of procedure, it will select the most economically advantageous offer.

Due to the nature of works, there will no be procurement for the supervision and the Road Executive Agency will monitor and control the execution of the works.

3.4 Linked Activities:

- BG9803.01.01: Lot 3 Rehabilitation of E-79 road “Dupnitca –Kulata”: completed;
- BG9803 01.03: Lot 5 Construction of the Access Road to the new border crossing at Illinden (link Goce-Delcev - Drama): completed;
- BG9904.02.01 Construction of Border Crossing Check Point Ilinden: completed;
- BG0008.02 Construction of Cut & Cover Tunnel at Gotse Deltsev – Drama Border Crossing: completed;
- BG0106.01 Rehabilitation and partial reconstruction of Road II-19 Section Simitly – Razlog from km 0+000 to km 36+000”: under implementation;
- 2002/000-624-01 Rehabilitation and Partial Reconstruction of Road II-19 Razlog – Bansko – Gotse Delchev – Sadovo: under implementation;
- 2002/000-624-02 Construction of Second tube of the Tunnel at km 327 on road E-79 (Dupnitsa By-Pass): under implementation
- 2005/017-454.01.02 Increasing the safety of road E 79, Dupnitsa – Kulata, from km 333+168 to km 429+268

3.6 Lessons learned:

Problems were highlighted in recent evaluation reports (ECOTEC Interim Evaluation Report on TRA – R/BG/TRA/0402 dated 7 December 2004):

“Large investments from Phare and the Bulgarian national budget are necessary for achieving the wider project objectives for the sector and sustaining the outcomes of the transport projects, if there is to be substantial improvement in the long-term. CBC projects still suffer from contractual delays and poor design. However, in comparison to the previous evaluation, there have been some improvements in the transport sector.”

Here are some of the main conclusions made:

- Financial justification of the transport infrastructure projects seems weak because the IRRs of the projects’ results were not based on contemporary studies;

- Monitoring reports are of poor quality and are not perceived as a management tool by the stakeholders;
- Land for infrastructure projects is provided comparatively on time, although not strictly according to what has been committed in the project fiches. However, subsequent land acquisition that is requested because of design changes has been slow.

The following recommendations are to be observed:

- Local REA district offices should give more support to the implementation of Phare CBC infrastructure projects;
- Phare IA (MRDPW) and the REA should complete all contract documents for infrastructure projects, including design and environment impact assessment by the time of signature of the financing memoranda;
- Future planning of projects on the borders should include positive management actions during at their programming stages that will avoid the problems in coordination, found in the implementation of earlier infrastructure projects;

REA should undertake a comprehensive review of the REA PIU human resource requirements for the next two years. On the basis of this it should prepare a human resources strategy that identifies:

- The number of additional staff that will be required to ensure that Phare projects are well-managed, taking into account new tasks that will have to be undertaken by the REA PIU during this period (e.g. management of ISPA projects).
- How and when additional staff will be recruited.
- Training requirements.
- Additional budget requirements and source of funds.

Omissions and errors in designs have been a serious problem during a number of previous Phare contracts (mainly due to obsolete designs; identified in the Interim Evaluation Reports (R/BG/TRA/02.011). To mitigate the consequent delays and cost implications the beneficiary will conclude a consultancy contract with the designer of the project to ensure his presence on site and the timely issue of additional designs and redesigns. If it proves necessary meetings between Employer/Engineer/Designer will be held to define design problems and respective solutions.

4. Institutional Framework

Recipient country: Republic of Bulgaria

- ***Beneficiary Institution***

Road Executive Agency (REA).

- ***Engineer*** – The Engineer will not be appointed because of the fact that for such type of works (repair and maintenance) the Road Executive Agency is the supervising body

- ***Contracting Authority***

Ministry of Regional Development and Public Works

Phare CBC Implementing Agency

- **Owner of the asset after project completion:** **Road Executive Agency**

The Regional Road Administration will bear the responsibility to cover all operational, administrative and maintenance costs.

The project is in full relevance with government regional and with relevant Legal Framework.

5. Detailed Budget

	Phare support	Co-financing			Total Cost
M €		National Public Funds (*)	Other Sources (**)	Total Co-financing of Project	
Year 2006 - Investment support jointly co funded					
Construction Works	0.225	0.075	-	0.075	0.300
Investment support – sub-total	0.225	0.075	-	0.075	0.300
% of total public funds	75 %	25 %			
Total project 2006	0.225	0.075		0.075	0,300

(*) For the implementation of investment measures a minimum 25 % co-financing is provided from the Bulgarian national budget through the National Fund.

(**) private funds, FIs loans to private entities

6. Implementation Arrangements

6.1 Implementing Agency

- **Contracting Authority**

The CBC Implementing Agency is the Ministry of Regional Development and Public Works (MRDPW), which retain overall responsibility for the implementation of the project (signature of contracts, authorisation and payments of invoices).

MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS

Phare CBC Implementing Agency

St. St. Cyril and Methodius 17-19

1202, Sofia

E-mail: pharecbc@mrrb.government.bg

PAO - Mr. Dimcho Mihalevski

17-19 Sv.sv. Kiril i Metodi St, 1202 Sofia

Phone: + 359 2 9405 463

Fax: + 359 2 988 12 48

e-mail: dmihalevski@mrrb.government.bg

- ***Beneficiary Institution***

The project beneficiary institution is Roads Executive Agency (REA). It is responsible towards the CBC Implementing Agency for the operational management of the project: preparation of terms of reference, of tender documents, of evaluation criteria, of evaluation of offers, of contracts and approval of variations and invoices for payment.

ROAD EXECUTIVE AGENCY (REA)

3, Macedonia blvd.

1606, Sofia

Ms. Galina Vassileva

Head of EU Phare Programme Department

Tel: 00359 2 952-11-47

Fax: 00359 2 952-61-37

E-mail: pharepiu@rea.bg

6.2 Twinning

N/A

6.3 Non-standard aspects

There are no “non-standards aspects”. The “Practical guide to contract procedures by the general budget of the European Communities in the context of external actions” will strictly be followed, valid as from 01/02/2006. These provisions are valid until Bulgaria becomes a member state of the European Union. After accession, the national procurement legislation will be in force.

6.4 Contracts

One contract is anticipated:

Works Contract for Construction Works.

Estimated value of contract: **0.300 MEUR.**

The duration of the Works Contract is expected to be 12 months, including construction period, taking-over and final payments.

7. Implementation Schedule

Start of tendering	Start of project activity	Completion
November 2007	June 2008	June 2009

8. Equal Opportunity

The project implementation procedures will ensure that the project brings benefits to men and women and to ethnic groups in equal measure. Special attention will be paid to guarantee that women and members of ethnic groups are included in the project activities.

9. Environment

There is no need for environmental screening as well as for Environmental Impact Assessment Report, because the project concerns road defects rectification. Environmental screening is necessary only when a new road is constructed.

10. Rates of return

NA.

11. Investment criteria (applicable to all investments)

11.1 Catalytic effect

Without PHARE assistance the project will not be implemented in the near future, because of lack of funds. Thus EU Phare funds are appearing as the economic assistance to the country and will mobilise economy during Pre-Accession period achieving better socio-economic effect.

11.2 Co-financing

The project is to be co-financed by the Bulgarian Government who will provide 25 % of the total cost of the project.

11.3 Additionality

No other financing sources from the private sector or from IFIs will be available for financing of the project.

11.4 Project readiness and size

The construction works will be executed according to the existing design for Lot 3 “Rehabilitation, Strengthening and Improvement of Road I-1 E 79 “Dupnitsa –Kulata”. The defects will be removed in compliance with the technical specifications and standards.

11.5 Sustainability

This project is in line with the priorities indicated in the bilateral agreement between the Governments of Greece and Bulgaria, which is a basis for the development of border region between the two countries. Further, it complies with the Council Regulation 1266/1999 on co-ordination of pre-accession assistance.

The project will facilitate the increased traffic between Bulgaria and Greece. No adverse effects on the environment resulting from construction activities are expected.

Road Executive Agency as a specialized institution will be responsible for the future maintenance and operational costs of the constructed road.

11.6 Compliance with state aids provisions

The project complies with the state aids provisions.

12. Conditionality and sequencing

In case the total cost of the project exceeds the amount envisaged in the project fiche the shortfall will be covered by additional national co-financing.

All measures for the traffic management during construction will be taken to allow maximum safety of all persons legally engaged in the works, the travelling public and third parties.

ANNEXES TO PROJECT FICHE

1. Logframe in standard format (compulsory) for each project - *see Annex 6 of this Guide for guidance* – plus (optional) sector monitoring sheet for sector programmes
2. Detailed implementation chart (compulsory for year 1, optional for future years)
3. Contracting and disbursement schedule, by quarter, for full duration of project (including disbursement period) (compulsory for year 1)
4. Map of the project proposal.

Annex 1 – Logical framework matrix		Contracting period expires: 30.11.2008	Execution of contract period expires: 30.11.2009
Increasing the safety of road E 79 Dupnitsa – Kulata from km 333+168 to km 429+268		Total Budget: 0.300 MEUR	Phare Budget: 0.225 MEUR
Overall Objective	Objectively verifiable indicators	Sources of Information	
<ul style="list-style-type: none"> Through this improved communication link to make the Bulgarian road network compatible with the road network of the European Union. 	<ul style="list-style-type: none"> Commerce between the two countries Gross Regional Product 	<ul style="list-style-type: none"> Trade Governmental statistics National and regional GDP statistics Measurements by Central Laboratory, road network statistics 	

Project Purpose	Objectively verifiable indicators	Sources of Information	Assumptions
<ul style="list-style-type: none"> Improved road transport conditions along the E 79 between Dupnitsa and Kulata 	<ul style="list-style-type: none"> Reduction in accidents on the road sections Enhancement of road safety 	<ul style="list-style-type: none"> Traffic surveys carried out by the Central Laboratory of Roads and Bridges. Road accidents statistics from Traffic Police HDM model runs by Central Laboratory 	<ul style="list-style-type: none"> Reduction in travel time can be realized if there are no negative effects from changes in climatic or other physical conditions Reductions in accidents can be realized if no negative effects from driving behaviour occur

Results	Objectively verifiable indicators	Sources of Information	Assumptions
<ul style="list-style-type: none"> Approximately 90 km improved road conditions and increased road safety between Dupnitsa and Kulata 	<ul style="list-style-type: none"> Reduction of travel time along E79 Realized technical specifications of road section 	<ul style="list-style-type: none"> Measurements by Central Laboratory REA studies and reports 	<ul style="list-style-type: none"> Good quality of used materials and construction techniques.
Activities	Means	Sources of Information	Assumptions
<ul style="list-style-type: none"> Construction Works (0.300 MEUR) <ul style="list-style-type: none"> Preparation of Tender Dossier for Works Contract - (no additional funding will be required); Tendering procedure; Contract monitoring and management during project implementation; 	<ul style="list-style-type: none"> Tender documents available Selection of adequately qualified and capable Contractor 	<ul style="list-style-type: none"> Tender Evaluation Reports Project Final Report 	<ul style="list-style-type: none"> Continuity of staff and policy in MRDPW and REA enabling implementation of the project without delays. Construction companies have sufficient capacity

Annex 2 – Detailed implementation chart																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Project: Increasing the safety of road E 79 Dupnitsa – Kulata from km 333+168 to km 429+268																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Components	2007												2008												2009																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					

Annex 3 – Contracting and disbursement schedule by quarter

Project: Increasing the safety of road E 79 Dupnitsa – Kulata from km 333+168 to km 429+268

Components	Cumulative contracting schedule by quarter in MEUR (planned)															Total Allocation €M
	2008							2009								
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
1. Construction Works (Phare)			0.225	0.225	0.225	0.225	0.225	0.225								0.225
2. Construction Works (NF)			0.075	0.075	0.075	0.075	0.075	0.075								0.075
Total contracting:			0.300	0.300	0.300	0.300	0.300	0.300								0.300
Components	Cumulative disbursement schedule by quarter in MEUR (planned)															Total Phare Allocation €M
	2008							2009								
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
1. Construction Works (Phare)			0.023	0.063	0.104	0.144	0.185	0.225								0.225
2. Construction Works (NF)			0.008	0.021	0.035	0.048	0.062	0.075								0.075
Total disbursement:			0.031	0.084	0.139	0.192	0.247	0.300								0.300

REPUBLIC OF BULGARIA

Programme PHARE CBC Bulgaria - Greece

