STANDARD PROJECT FICHE

1. Basic Information

CRIS Number:	2004/016-782.01.01
Title:	Construction of Road II-80/E-85/ from Novo Selo to "Maritsa" Motorway, km 0+000 to km 3+490.
Sector:	Transport (IN)
Location:	Bulgaria, South-East region

2. Objectives

2.1 Overall Objective

• To reduce the isolation of the Bulgarian and Greek border regions and to encourage the national and regional economic co-operation through this new communication link.

2.2 Project purpose

• To facilitate the access to the Border Crossing Check Point Novo selo - Ormenion

• To reduce the increased traffic flow and the travel time between Bulgaria and Greece

2.3 Accession Partnership and NPAA priority

- 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;
- 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.

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

- Construction of the road approach from Novo Selo to "Maritsa" Motorway will facilitate the heavy traffic between Bulgaria and Greece.
- Facilitate an increase in the trade and cultural links between the two countries.

• Encourage 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 between Bulgaria and Greece exist at Kulata and Novo Selo, the access to which was 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 Bulgarian Ministry of Regional Development and Public Works has obtained a grant from the EU Phare Cross Border Cooperation Programme to contribute towards the costs of constructing the direct transport connection between "Maritsa" Motorway and Cross Border Check Point "Novo selo - Ormenion" Greece. At present this connection passes through the urban area of Svilengrad, passes near by the city hospital and reaches the intersection in the village of Novo selo. The heavy traffic causes significant ecological noise pollution.

The road will be continued in the direction of the Port of Burgas at a later stage, creating a direct transport connection with the Greek Port of Alexandropulis. Its implementation will considerably decrease the transport distance therewith significantly increasing the economical effectiveness of the route.

The proposed project consists of new construction of an II class road, which will pass 3-4 km Northwest near by Svilengrad. The anticipated new road is a natural continuation of the newly constructed four-lane carriageway from Cross Border Check Point "Svilengrad" to Novo Selo and shall be 6.866 km shorter than the current connection. It begins from km 0+000 on road I-8, in the northwest end of the Svilengrad' s quarter Novo selo, to km 3+490 with a total length of 3,49 km.

The road width is 21 meters and consists of:

- two carriageways, two lanes each $-2 \ge 2 \ge 3.75$ m = 15.00 m,
- hard strips $-2 \times 2 \times 0.25$ m,
- middle dividing strip $-1 \ge 2.0$ m and
- two stabilized shoulders 2 x 1.50 m.

The road construction includes also surface water drainage works, road markings, new traffic signs, guardrails, kerbs and landscaping. The structure of the road pavement is for 'heavy' traffic. A number of structures and culverts will be constructed.

There is a Detailed Design available, prepared in the year 2000. The land acquisition is ongoing and will be completed till September 2005. The whole duration of the Project is expected to be 41 months: 24 months – construction, 12 months – Defect Notification Period and 5 months – Final Payment.

Justification

Bulgaria is currently in the process of conversion to a market led economic system. As an integral part of this process, the country is actively pursuing a policy of greater accessibility to trade and economic links with its neighbouring countries Greece, Romania, FYROM and Turkey. Its key geographical position supposes heavy flow of international traffic to cross the Bulgarian borders. Therefore, 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 existing and future traffic.

The proposed project is in compliance with the priorities established in the Joint Programming Document (JPD), agreed during the Joint Cooperation Committee (JCC) between Greece and Bulgaria (Athens, 20 Nov. 2000) and especially with the AXIS 1 CROSS BORDER INFRASTRUCTURES, Measure 1.1 *Transport Infrastructures*.

This project complies also with the provision of Council Regulation 1266/1999 on coordination of pre-accession assistance.

3.2 Sectoral rationale N/A

3.3 Results

- Constructed approximately 3.5 km new road, which will be the direct transport connection between "Maritsa" Motorway and Cross Border Check Point "Novo selo Ormenion";
- Facilitated cross-border co-operation by reduction of travel time;
- Improved road safety and reduced traffic accidents rate.

3.4 Activities

- Construction Supervision Services (0.800 MEUR)
 - Supervision of the construction works

• Construction Works (10.400 MEUR)

 Construction of approximately 3.5 km new road between "Maritsa" Motorway and Cross Border Check Point "Novo selo – Ormenion"

• Publicity Action Plan

The Contractor, the project will be awarded to, will be required to propose and carry out a Publicity Action Plan. The plan will promote the project and EU contribution in the local and national media.

3.5 Lessons learned

Lessons have been learned from the previous projects under Phare CBC/INTERREG III A Programmes between Bulgaria and Greece and the recommendations of the EMS reports have been considered and incorporated in the present project.

The following steps will be taken to avoid cost and time overruns:

- expenditure will be controlled more closely, by ensuring that variation orders are issued as soon as the varied work has been identified and correctly measured or estimated. No varied work will be approved unless it has been properly substantiated;
- the Engineer will not be allowed to certify payments exceeding the Contract amounts without prior written approval;
- the Engineer will be required to notify the Employer, as soon as certain quantities of the works have reached 80 % of their contract quantity and advise if the quantities are expected to exceed their contract value;
- the progress of works will be closely monitored using weekly summaries from the Contractor with the quantities of the more important works (earthworks, pavement, milling etc.) planned and executed during the period. This will help early identify potential problems and delays.
- **Design problems**. Omissions and errors in designs have been a serious problem during a number of previous Phare contracts (mainly due to over aged designs; identified in EMS 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.

All of the above activities have been performed on other Phare projects and have proven to have positive effect.

• **Insufficient administrative capacity.** This has been a problem during the implementation of most similar projects. However the staff within the REA CBC PIU has been constantly increasing and additional training has been carried out. Apart from the higher management staff of REA PIU engaged with the project, at least one expert will be assigned full-time to its implementation and there will be one person, responsible for the design issues of this and no more than one other project.

3.6 Linked activities

- BG9803.01.01: Lot 3 Rehabilitation of E-79 road "Dupnitza –Kulata": completed.
- BG9803 01.02: Lot 4 Rehabilitation of E-85 road "Harmanli Svilengrad': (completed).
- BG9803 01.03: Lot 5 Construction of the Access Road to the new border crossing at Illinden (link Gotse Delchev Drama): completed.
- BG9904.02.01 Construction of Border Crossing Check Point Ilinden: completed.
- BG0008.02 Construction of Cut & Cover Tunnel at Gotse Delchev Drama Border Crossing: under implementation.
- BG0008.01 Construction of the Access Road (Podkova Makaza) to the new Border Crossing between Greece and Bulgaria (Makaza Nimfea): under implementation.
- BG0106.01 Rehabilitation and partial reconstruction of Road II-19 Section Simitli 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
- 2003/005-631.01 Construction of Access Road to the Rudozem Border Crossing between Bulgaria and Greece: under implementation.

4. Institutional Framework

Recipient country: Republic of Bulgaria

• Beneficiary Institution

Road Executive Agency (REA) Bul. Macedonia 3 Ms. Galina Vassileva Head of EU Phare Programme Department

Tel: 00359-2-952-11-47 and fax: 00359-2-952-61-37

- *Engineer* the Engineer will be appointed after restricted International Tender Procedure for the supervision contract according to "Practical Guide to contract procedures financed by the general budget of the EC".
- Contracting Authority Ministry of Regional Development and Public Works Phare CBC Implementing Agency St. St. Cyril and Methodius 17-19 1202 Sofia Acting Head of Phare CBC IA Department Ms. Silvia Teneva Tel. 00359/2-9405-377; fax: 00359/2-987-07-37
- *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 policy to promote and support the population in the border regions and with relevant Legal Framework.

It is also in compliance with all existing relevant bilateral agreements between Bulgaria and Greece, concerning Border links and relationships (agreements achieved between Prier Ministers of Bulgaria and Greece during the meeting on 31 October -1 November 2002).

5. Detailed Budget (in MEUR)

For Work Contracts under FIDIC 1999 rules, an official of the REA acts as the Employer and the invoices have to be certified by an independent Engineer contracted and financed by Phare Programme. The Consultant reports monthly to the CBC Implementing Agency (with direct copies to the EC Delegation) with monthly disbursement and commitment schedules and with sufficient detail to allow for assessment of progress made and remaining work to be done. Works will be tendered to contractor with appropriate financial capacity, and technical and FIDIC experience.

Year 2004	EU Su	ıpport				
	Investment Support	Institution Building	Total EU (=I+IB)	National Co- financing	IFI	TOTAL
Construction Supervision Services	0.600		0.600	0.200		0.800
Construction works	7.800		7.800	2.600		10.400
TOTAL	8.400		8.400	2.800		11.200

The PHARE contribution will finance up to **8.400 MEUR**, the rest of the financing up to **11.200 MEUR** will be financed by the Bulgarian State Budget through the National Fund.

6. Implementation Arrangements

6.1 Implementing Agency

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).

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 of invoices for payment.

6.2.Twinning N/A

6.3.Non-standard aspects

There are no "non-standards aspects". The "Practical Guide to Contract Procedures Financed from the EC general Budget in the context of External Actions" will be strictly followed.

6.4.Contracts

Two contracts are anticipated:

• Service Contract for Construction Supervision.

Estimated value of contract: 0.800 MEUR.

The duration of the Supervision Contract is expected to be **42 months**:

1 month - mobilization, 24 – supervision during construction, 12 months - Defect Notification Period, 5 months – Final Payment

• Works Contract for Construction Works.

Estimated value of contract: 10.400 MEUR.

The duration of the Works Contract is expected to be **41 months**:

24 moths - construction, 12 months - Defect Notification Period, 5 months - Final Payment

7. Implementation Schedule

• Construction works

Start of tendering	Start of project activity	Completion
NOVEMBER 2004	JULY 2005	DECEMBER 2008

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

An Environmental Impact Assessment Study (one and the same for this project and Maritsa motorway) has been prepared together with the Detailed Design. The Ministry of Environment and Water has approved the EIA. No additional funding required.

10. Rates of return

All results from the study of the economic efficiency of the necessary capital investments for realisation of the project are presented in the Feasibility study, completed in July 1998. It is available in the Road Executive Agency.

11. Investment criteria

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 Bulgarian Government - National Fund who will provide **25 %** of the total cost of the project, which is **2.800 MEUR** as shown in the table for Detailed Budget (point 5).

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 existing Feasibility Study produced by REA (Road Executive Agency), 1998 has examined four alternative alignments described as "Green", "Yellow", "Red dotted" and "Red" variants. The "Red" alternative satisfies the requirements for economic efficiency of the necessary capital investments and environmental sensitivity. The Detailed Design has been prepared on the basis of "Red" variant in year 2000. It permits a design speed 80 km/h, width 21 m, max. Longitudinal gradient 6 % (by exemption 6.155 %) and pavement structure according to the requirements of the expected future traffic.

The land acquisition procedure has started and will be finished before signature of the works contract. No additional funding required.

REA will be responsible for the preparation of the Tender Dossier for the Works (including Technical Specification) and Service Contracts and tendering procedure.

The project complies with the 2 MEUR minimum PHARE allocation requirements.

11.5 Sustainability

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 the state aids provisions

The project complies with the state aids provisions.

11.7 Contribution to National Development Plan The proposed project will contribute to the achievement of the third and fifth **key national development priorities**, declared in the National Development Plan – "Improvement of basic infrastructure and environmental protection" and "Balanced and sustainable regional development" and thus to achieve one of the **strategic goals, namely** "Reduce the regional and social disparities in terms of employment, income and infrastructure quality".

12. Conditionality and sequencing

• Land acquisition is fully financed by the Bulgarian authorities. The Bulgarian authorities undertake to notify to the European Commission before the signature of the works contracts that related land. In case the land acquisition will not be completed by the end of September 2005, the budget can be reallocated to another project.

• 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 in standard format
- 2. Detailed implementation chart
- 3. Contracting and disbursement schedule, by quarter, for full duration of project (including disbursement period)
- 4. Reference to feasibility /pre-feasibility studies

Annex 1 – Logical framework matrix in standard format <i>Construction of Road II-80/E-85/ from Novo Selo to "Marits</i> <i>km 3+490</i> .	a" Motorway, km 0+000 to	Contracting period expires: 30 Nov. 2006 Total Budget:	Disbursement period expires: 30 Nov. 2008 Phare Budget: 8.400
		11.200 MEUR	MEUR
Overall Objective	Objectively verifiable indicators	Sources of Information	
• To reduce the isolation of the Bulgarian and Greek border regions and to encourage the national and regional economic co-operation through this new communication link	 Facilitated and increased traffic of goods and capitals from 20 up to 35% by 2010 Increased level of foreign investments with about 10 % 	 National Traffic statistic Governmental and international statistics Custom Office's Reports 	

Project Purpose	Objectively verifiable indicators	Sources of Information	Assumptions
 To facilitate the access to the Border Crossing Check Point Svilengrad – Ormenion; To reduce the increased traffic flow and the travel time between Bulgaria and Greece 	traffic will directly use	Laboratory of Roads and Bridges.Annual Statistical Guide	 Economic growth in other sectors Bulgarian Government continues its current commitment to reform and to accession to the EU

Results	Objectively verifiable indicators	Sources of Information	Assumptions
 Constructed approximately 3.5 km new road, which will be the direct transport connection between "Maritsa" Motorway and Cross Border Check Point "Novo selo - Ormenion"; Facilitated cross-border co-operation by reduction of travel time; Improved road safety and reduced traffic accidents rate. 	 Road approach with approximately 3,5 km length successfully constructed by the year of 2008 Reduction of average travel distance from the Bulgarian - Greek border to Maritsa motorway by approx. 7 km. 	 Reports issued by MRDPW and REA CRBL (Central Roads' and Bridges' Laboratory) Studies Traffic police reports and statistics Statistics issued by the municipality of Svilengrad; Annual Statistical Guide 	 Most of constructions works does not exceed cost estimates and no major contingency during construction. Land acquisition completed. Adherence to work schedules, construction standards and rules.

	Activities	Means	Sources of Information	Assumptions
•	Activities construction Supervision Services (0.800 MEUR) • Supervision of the construction works Construction Works (10.400 MEUR) • Construction of approximately 3.5 km new road approach from Novo Selo to "Maritsa" Motorway Publicity Action Plan The Contractor, the project will be awarded to, will be required to propose and carry out a Publicity Action Plan. The plan will promote the project and EU contribution in the local and national media.	 Tender documents Tender documents available Road section rehabilitated Progress Reports Project Final Report 	 Sources of Information Tender Evaluation Reports Progress Reports Project Final Report Technical Specification and As-built documents Publicity Action Plan 	 Land acquisition completed Geological study well prepared. Continuity of staff and policy in MRDPW and REA enabling implementation of the project without delays. Construction companies have
				 sufficient capacity. No significant unforeseen technical or construction problems.

Annex 2 – Detailed implementation chart

Project: Construction of Road II-80/E-85/ from Novo Selo to "Maritsa" Motorway, km 0+000 to km 3+490.

Components						20)04											20	05							20	06			20	07			20	08	
Components	J	F	M	A	M	J	J	A	<u>S</u>	0	N	D	J	F	M	A	M	J	J	A	<u>S</u>	<u>0</u>	N	D	Q1	<u>Q2</u>	<u>Q3</u>	Q4	Q1	<u>Q2</u>	Q3	Q4	Q1	<u>Q2</u>	Q3	<u>5 Q</u>
2. Construction Supervision											Т	Т	Т	Т	Т	Т	Т	C	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι
3. Construction Works											Т	Т	Т	Т	Т	Т	Т	Т	С	С	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι	Ι

				C	umulative	contractin	ng schedu	le by quar	ter in ME	U <mark>R (plan</mark> n	ed)				Total
Components	200)5		20	06	-		20	07			20	08	-	Allocation
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1. Supervision Services (Phare)	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
2. Construction Works (Phare)	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800
Total Phare contracting	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400	8.400
1. Supervision Services (NF)	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
2. Construction Works (NF)	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600	2.600
• Total National Co- financing	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800	2.800
TOTAL CONTRACTING	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200	11.200

				Cu	mulative d	lisbursem	ent sched	ule by qua	rter in MI	EUR (plan	ned)				Total
Components	20	05		20	006			20	007			20	008		Allocation
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	mocation
1. Supervision Services (Phare)	0.100	0.150	0.200	0.250	0.300	0.320	0.350	0.400	0.450	0.470	0.500	0.550	0.580	0.600	0.600
2. Construction Works (Phare)	0.740	1.050	1.300	2.150	3.100	3.380	3.380	3.650	4.400	5.150	5.730	6.000	6.850	7.420	7.800
Total Phare disbursement:	0.840	1.200	1.500	2.400	3.400	3.700	4.000	4.800	5.500	6.200	6.250	7.400	8.000	8.400	8.400
1. Supervision Services (NF)	0.010	0.020	0.030	0.040	0.050	0.060	0.070	0.080	0.100	0.120	0.140	0.160	0.180	0.200	0.200
2. Construction Works (NF)	0.100	0.200	0.400	0.600	0.800	1.000	1.200	1.400	1.600	1.800	2.000	2.200	2.400	2.600	2.600
Total National Co-financing	0.110	0.220	0.430	0.640	0.850	1.060	1.270	1.480	1.700	1.920	2.140	2.360	2.580	2.800	2.800
TOTAL DISBURSEMENT	0.950	1.420	1.930	3.040	4.250	4.760	5.270	6.280	7.200	8.120	8.390	9.760	10.580	11.200	11.200

Annex 4 - Reference to feasibility /pre-feasibility studies

The Project is supported by Feasibility Study prepared by Patproject Ltd. in 1998. It is available for review in the Road Executive Agency.

The existing Feasibility Study produced by Patproject Ltd in 1998 has examined four alternative alignments described as "Green", "Yellow", "Red dotted" and "Red" variants. The "Red" alternative satisfies the requirements for economic efficiency of the necessary capital investments and environmental sensitivity. The Detailed Design has been prepared on the basis of "Red" variant. It permits a design speed 80 km/h, width 21 m, max. longitudinal gradient 6 % (by exemption 6.155 %) and pavement structure according to the requirements of the expected future traffic.