1. Basic Information

1.1 Project Number CZ01.13.02

1.2 Project Title
Reconstruction of Access Roads II/311 and II/319 to the Border Crossing Orlické Záhori – Mostowice, Stage II.

1.3 Sector
Transport

1.4 Project Location
Euroregion: Glacensis
Cross-border region: Czech Republic - Poland
District: Rychnov nad Knežnou
Municipality: Bartošovice v Orlických horách a Rokytnice v Orlických horách
Cadastral territory: Neratov, Malá Strana, Vrchní Orlice, Bartošovice v Orlických horách, Panské Pole, Horní Rokytnice, Prostřední Rokytnice, Rokytnice v Orlických horách

2. Objectives

2.1 Overall Objective(s)
The project is in compliance with the Joint Programming Document (JPD), Czech Republic – Poland medium-term strategy and priorities for the Phare CBC programmes. It is in line with the Priority 4.1 Economic Development. The project's focal points are:

- Enhanced transport infrastructure in a border region and improved access to the region on the other side of the border (relative to both countries);
- Creation of infrastructure pre-conditions in support of local economic development
- Enhanced co-operative environment enabling to deal with natural disasters (e.g. floods, forest fires, etc.).

2.2 Project Purpose
The project’s implementation shall provide for using the border-crossing potential, decreasing the distance to the closest road crossing points by 50 %, i.e. from 80 to 40 km, benefiting, in effect, approximately 200,000 inhabitants by reducing the distance to tourist centres by 60 km.
## 1.3 Accession Partnership and NPAA Priority

The project complies with the Accession Partnership and National Programme for the Adoption of Acquis (NPAA) objectives related to the transport policy.

Improved access to border crossings and better transport conditions for travelling from border crossings to various country’s destinations help to achieve the European integration objectives of the Czech Republic.

## 1.4 Cross-border Impact of the Project

Repairing access roads to enable transport to border crossings shall translate into shortening the distance between the Czech Republic and Poland in this border region, providing thus a great boost to economic and tourism development. The project shall therefore be a major contribution to the general permeability of the border and a catalyst of further cross-border co-operation.

## 3. Description

### 3.1 Background and Justification

The project shall tackle problems of bad quality of roads providing access to border crossings scheduled for re-opening in line with Resolution of the Government of the Czech Republic No.306, dated 24 May 1995. The Orlické hory area is currently facing problems of economic recession. A number of small local companies has gone out of business, causing depopulation as well as increasing the local unemployment rate. Tourism appears to be one of the options providing for the revival of the area's economic potential. The Czech Orlické hory and Polish Bystricke hory offer strong prospects for tourism development. Winter tourist centres such as Deštné v Orlických horách and Ricky (Czech Republic) or the Zieleniec winter sports centre and the Dusniky, Kudova, Polaniec and Medzgorie spas (Poland), however, can now be accessed only through the Náchod or Dolní Lipka (near Králíky) border-crossings, the distance between of these being 80 km.

The area used to have 20 border crossings in the past. Today, however, an 80km stretch of the Czech-Polish border is almost impermeable. Three new road border crossings (Olešnice v Orlických horách, Orlické Záhorí-Mostowice, Bartošovice v O.h.) are being open in this area. The renovation of II/311 and II/319 access roads shall provide for better transport connection and improve on the accessibility of two border crossings (Orlické Záhorí and Bartošovice v Orlických horách) located in the area of scheduled repair works.

### 1.2 Linked Activities

The project shall continue as Phase II of a "Reconstruction of an Access Road II/311 to the Border Crossing Orlické Záhorí – Mostowice" project financed from the Phare CBC 2000 programme.

### 3.3 Results

The project shall result in the renovation of II/311 and II/319 access roads (total length of 19.27 km and 6 bridges of the total length of 21.15 m.)
3. 4. Activities

The project's implementation activities shall include all necessary construction works required as part of the renovation scheme:

19.27 km of secondary road bitumen surface (total surface area of 115,620 m²; and minimum paving width of 5 m;

21,15 m bridges (total surface area of 149,22 m²):

- bridge No.311-005 length – 3.00m, surface area 19.20m²
- bridge No.311-006 length – 5.10m, surface area 31.62m²
- bridge No.311-007 length – 3.50m, surface area 21.20m²
- bridge No.319-007 length – 3.45m, surface area 20.70m²
- bridge No.319-008 length – 3.10m, surface area 21.70m²
- bridge No.319-009 length – 3.00m, surface area 34.80m²

Construction works shall include: removal of the existing road surface (milling), renovation and recovery of the existing bituminous layers, deepening of ditches and modification of the existing drainage system, renovation of passes, bridge repair works, ground works and green areas recovery.

The project shall be implemented through a works contract.

4. Institutional Framework

The National Aid Co-ordinator (NAC) has an overall responsibility for programming, monitoring and implementation of the Phare programme. The National Fund (NF), managed by the National Authorising Officer (NAO), will supervise financial management of the programme and will be responsible for reporting to the European Commission.

The Ministry for Regional Development, in co-operation with the Centre for Regional Development, is the programme Implementing Agency (IA) with the overall responsibility for the project implementation. The NF will be transferring funds from the Phare resources to accounts managed by IA as authorised by the Financing Agreement signed between the MF/NF and IA.

The IA is managed by the Programme Authorising Officer (PAO) nominated by the Ministry for Regional Development and approved by the NAO and agreed by NAC. The PAO is responsible for all activities of the IA.

The investor is responsible for the Czech contribution to co-financing, for acquiring a land-use decision and a building permit, for preparing and launching the tender for a contractor, preparing a contract, supervising the works and for the final acceptance.

Investor: Czech Road and Highway Directorate
Address: Na Pankráci 546/56, 145 05, Prague 4
Represented by: Administration of Pardubice
Hlaváčova 902, Pardubice, 530 02
Phone: +420-40 66 15 341
Fax: +420-40 66 15 591
E-mail: rsgpce@rsdpce.czcom.cz

Czech Road and Highway Directorate has already been involved in the implementation of several construction projects co-financed by Phare and, effectively, has gained some experience with both the application of Phare methodology and preparation of international tenders according to EU requirements.
The investor (applicant) shall become a 100% owner of the installations. The investor shall also provide for his own building supervision.

5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th>Phare</th>
<th>National co-financing</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td></td>
<td>Investment Support</td>
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<td></td>
<td>Institution Building</td>
<td></td>
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<td></td>
<td>Total (=I+IB)</td>
<td></td>
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</tbody>
</table>

| Access Road II/311 and II/319 | 2,200 | 0.000 | 2,200 | 0.985 | 3,185 |

The national co-financing share of the project's costs shall be provided in full (31% of the total project's budget costs) by the investor, i.e. Czech Road and Highway Directorate.

6. Implementation Arrangements

6.1 Implementing Agency

The Ministry for Regional Development in conjunction with the Centre for Regional Development CR.

PAO: RNDr. Jirí Horácek, director, Department of EU programmes, MRD CR
Address: Staromestské nám. 6, 110 15 Praha 1
Phone: + 420-2 2486 1398
Fax: + 420-2 2486 1415

Implementing Agency:
Director: RNDr. Ivo Ryšlavý
Address: Centre for Regional Development, Vinohradská 46, 120 00 Praha 2
Phone: + 420-2 21 580 285
Fax: + 420-2 21 580 229

1.2 Non-standard Aspects

The project will be managed using the methodology specified for Candidate Countries in the manual for the management of programmes supported from the EU sources – "Practical Guide for Phare, Ispa and SAPARD".

1.3 Contracts (MEUR)

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<thead>
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<th>No.</th>
<th>Type of contract</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
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</table>

STANDARD SUMMARY PROJECT FICHE

Phare CBC 2001, Czech Republic – Poland
7. Implementation Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of tendering*</td>
<td>08/2002</td>
</tr>
<tr>
<td>Start of project activities</td>
<td>04/2003</td>
</tr>
<tr>
<td>Project completion</td>
<td>08/2004</td>
</tr>
</tbody>
</table>

8. * The tender dossier shall be submitted to the European Commission six months after the signature of the Financing Memorandum at the latest (see FM, Chapter Implementation Arrangements).

9. Equal Opportunity

Principles and procedures applied during the project implementation will ensure equal opportunities for all participants of the project.

10. Environment

The project is expected to have a positive environmental impact since especially emission and noise levels in the adjoining areas shall be reduced. An appropriate Environmental Impact Assessment (EIA) study was carried out in line with the EC Directive 97/11/EC dated 3 March 1997. The relevant documentation was developed by a licensed expert, E&C Environment & Consult s.r.o., J.Hory 13, 466 04, Jablonec nad Nisou (contact person: RNDr. J. Vargová). The study is available from: Czech Road and Highway Directorate, Na Pankráci 546/56, 145 05 Prague 4, Ing. Zakourilová.

11. Rates of Return

The economic rate of return is based on a prepared feasibility study. With respect to the depreciation period of the installations, the appraisal set a 45-year project time horizon.

\[ \text{IRR} = 8.16\% \]

The feasibility study was carried out by: Environment & Consult, s. r. o., RNDr. Jirina Vargová, Josefa Hory 13, 466 04 Jablonec nad Nisou, tel: 0428/705 159, dated: 01/2001. The study is available from: Czech Road and Highway Directorate, Na Pankráci 546/56, 145 05 Prague 4, Ing. Zakourilová.

12. Investment Criteria

12.1 Catalytic Effect

The project is of public nature and complies with the regional priorities. In the years to come, the action could not be implemented without support from the EU sources.

1.2 Co-financing

The co-financing share of the Czech party equals 31% of the total project investment costs. The following actors shall bear the co-financing costs:

Czech Road and Highway Directorate (Prague) will provide financing from the State Transport Infrastructure Fund.
1.3 Additionality

The project is of public nature and is not suitable for funding from private sources due to the low financial rate of return of the funds invested. Should the co-financing be provided from a bank loan, the implemented works would not generate resources sufficient for their renewal after their lifetime.

1.4 Project Readiness and Size

The project’s implementation requires no zoning and planning decision. The studies required are available from the investor, i.e. Czech Road and Highway Directorate, Na Pankráci 546/56, 145 05 Prague 4, Ing. Zakourilová. The building permit will be issued by November 2001. The tender dossier shall be prepared and submitted to the European Commission six months after signature of the Financing Memorandum at the latest.

1.5 Sustainability

Results of the feasibility study proved that the draft project is of a sustainable nature as it meets all the European norms and standards and complies with the EU legislation in the relevant area. Operating and maintenance costs shall be disbursed by the investor.

1.6 Compliance with State Aid Provisions

The project and the award of the Phare subsidy are in compliance with the relevant rules on state aids as defined in the European Agreement; its implementation is not going to harm the market environment or the competition rules.

1.7 Contribution to National Development Plan

The project respects short-term and medium-term priorities of the National Development Plan with the aim of balancing the quality of transport in areas bordering the EU countries. The project is in compliance with regional priorities and measures laid down in the cross-border regional development strategy defined in the Joint Programming Document (JPD) Czech Republic – Poland for the CBC Phare programmes.

| Priority: I – Economic Development |
| Measure No.: 1.A – Local transport links providing for cross-border movement |

13. Conditionality and Sequencing

The investor is responsible for the preparation of studies and project dossiers necessary for the execution of works, and for the preparation of documents for the selection of a contractor for the works. The investor must observe its commitment of financial participation in the project and is responsible for the quality of the works executed. He must also provide for the activities the contractor is not qualified to execute.

After the completion of the project the investor shall ensure the launching of full operation of the works with a view to its use. He shall ensure regular maintenance and repairs in compliance with the international standards.

Annexes to Project Fiche

1. Logframe matrix in standard format
2. Detailed project implementation time chart
3. Contracting and disbursement schedule for full duration of the programme
4. Reference to the feasibility study and environmental impact assessment
## LOGFRAME PLANNING MATRIX FOR Phare CBC 2001

### Project

**Reconstruction of Access Roads II/311 and II/319 to the Border Crossing Orlické Záhori – Mostowice, Stage II.**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| • Improved road network in the border region and better road connection between the regions at each side of the border  
• Creation of better infrastructure conditions for support of local economic development (particularly development of tourism and a higher employment rate)  
• Easier co-operation in dealing with natural disasters (eg. floods, forest fires etc.) | • Improved road network  
• Economic development indicators  
• Development of tourism: at least 50% more visitors to tourist resorts | Sources:  
• Ministry of Transport  
• District Authorities  
• Labour Office  
• Ministry of Regional Development |

### Project purpose

• Improve the traffic between CR and Poland  
• Better access to Orlické Záhori border crossing  
• Reduce over load of neighbouring border crossings

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
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</table>
| • Reduced average travelling time | • Regional statistic data on transport  
• Increased traffic at Orlické Záhori border crossing  
• Elimination of lengthy detours  
• Reduced waiting time at other border crossings | • The volume of traffic to the border crossing will not significantly change  
• The number of visitors will not decline  
• Stable and reasonable growth of regional economy |
### Results
- Reconstructed section of the road no. II/311 a II/319 including bridges
- 19.27 km of roads improved and 6 bridges repaired
- Distance to the border crossing shortened by 40 km for road traffic

### Objectively verifiable indicators
- 19.27 km of roads improved and 6 bridges repaired
- Distance to the border crossing shortened by 40 km for road traffic

### Sources of Verification
- Project Final Evaluation Report
- Project acceptance documents
- Ministry of Transport – Roads and Motorways Administration

### Assumptions
- Work delivered by an experienced, reliable and well-performing contractor
- Efficient co-ordination between the project funder, sub-contractors and IA
- Appropriate monitoring and supervision of civil work

### Activities
- Removal of wearing course by milling
- Repair of bridges and culverts
- Resurfacing of the road with bitumen (115,620 m²)
- Earthworks
- Landscaping

### Means
- Available funds
- Construction resources
- Materials and equipment
- Design documentation
- Engineering supervision

### Assumptions
- Existence and interest of building companies with required experience and qualified staff
- Efficient co-ordination between the project funder, sub-contractors and IA
- Smooth and timely funding

### Preconditions
- Signature of the Financial Memorandum
## Implementation Time Chart

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T: Tendering  
C: Contracting  
I: Implementation  
D: Disbursement
### Commitment Schedule

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### Disbursement Schedule

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<td>410 000</td>
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Reference to Feasibility Study

The project is aimed at II stage of reconstruction of the II/311 and II/319 access roads to the border crossing Orlické Záhorí - Mostowice in the total length of 19.27 km. The project implementation includes the construction of 6 bridges with the aggregate area of 150 m². The proposed project is driven by the regional need to upgrade the inadequate state of roads leading to the new Czech-Polish border crossings.

Market Analysis

The analysis is based on the district situation analysis and the regional development strategy. Increased quality of access roads to border crossings will contribute to better transport services and thus to better conditions for the economic development and development of tourism in the border region. All sites used for the project implementation are owned by the state.

15.1.1.1.1 Organisation of Operations

Správa silnic a dálnic, a Czech state organisation, is the project funder. After the project completion the title will be turned over to Správa a údržba silnic Rychnov nad Knežnou, a state allowance organisation maintaining and repairing roads. All the maintenance and repair costs will be fully covered from the national budget - State Transport Infrastructure Fund (SFDI) and therefore do not pose any project risk.

15.1.1.1.2 Results of Financial Analysis

Roads II/311 and II/319 are state owned and are of a public character. It is not possible to perform the financial analysis of a project that does not generate any revenues. The project owner/funder must make necessary arrangements for funding the project from the Transport Infrastructure Fund and from subsidies or bank loans. The current inadequate quality of transport infrastructure requires large investments to be made from public funds and without an EU grant the project cannot be implemented in the nearest future. The project is not suitable for funding by private capital.

15.1.1.1.2.1 Results of Economic Analysis

The economic analysis result based on a 45 year period is IRR = 8.16 %. The economic assessment of the project took into consideration the estimated savings of road maintenance, savings of vehicle operating costs and reduced travelling time of people and goods. The project will contribute to the improvement of transport infrastructure and will ease the access to regions along both sides of the border, increase tourism and improve conditions for cross-border business co-operation. It is in line with the national and regional medium-term strategies of creating conditions for economic development.

The results of the study demonstrated the project feasibility without any significant risks that could threaten its implementation. The project is therefore recommended to be included into a relevant programme supported by the EU funds.
15.1.1.1.4 Environmental Impact Assessment

The Environmental Impact Assessment was carried out in January 2001 in compliance with Directive 97/11/EC of 3rd March 1997. The study includes not only an assessment of the building site impacts during the construction but also after launching the operation of the works. The environment will not be significantly affected during the construction. When the roads have been reconstructed and the border crossing Orlické Záhorí - Mostowice opened the transport load will increase from the current ca 250 vehicles/day to ca 500 vehicles/day. The study has proved that the increase in transport loads will not have adverse environmental impacts and no anti-noise measures are needed to protect the housing. Based on the assessment performed the project is recommended for implementation.