1. Basic Information

1.1 Project Number 
CZ 01.12.01

1.2 Project Title : 
1.3 Stráž n.N. – Bílý Kostel – Improvement of Road I/13 (I/35)

1.4 Sector 
Transport

1.5 Project Location
Euroregion: Euroregion Nisa
Cross-border region: Czech republic – Germany (Saxony)
District: Liberec
Municipality: Liberec, Stráž n.N., Chrastava, Bílý Kostel
Cadastral territory: Stráž n.N., Svárov, Machnín, Chrastava I, Dolní Chrastava

2. Objectives

2.1 Overall Objective(s)
The project is in compliance with the Joint Programming Document (JPD), Czech Republic - Germany medium-term strategy and priorities for the Interreg III A - Phare CBC programmes. It meets in particular objectives of the priority Infrastructure. Indirectly it will have positive effects on development of tourism, commercial co-operation and cross-border exchange of goods and services in general.

Project respects mutually co-ordinated procedure of works on road network of the Federal Republic of Germany and Czech Republic in the area of northern and north-western Bohemia. The road I/35 in the section Turnov-Liberec-Bílý Kostel-Hrádek n. N. (State border between CR/FRG) and the road I/10 are, on the basis of the governmental decision no. 631/93 (in wording of later modifications) included in the adopted basic network of motorways and highways of the CR as one of the road interconnection between the CR and the FRG.

Project is in particular aimed at:
- The connection of the border zone to national and transnational transport ways;
- The improvement of transport infrastructure in the border zone in the sphere of passenger and freight road transport.

1.2 Project Purpose

The aim of the project is to contribute to build up a transport corridor I/10 and I/35 between Prague, Turnov, Liberec and the state border with FRG in the integrated category of a dual carriage road. With the implementation of the construction it will be achieved especially:
- An increased transport capacity and improvement of the access to the border crossing Hrádek n. N. and faster flow of traffic in the direction to Decín;
• Increase in fluency and safety of the flow of traffic between Liberec and State border;
• Reduction of travel time on the respective part of the road between Liberec and Bílý Kostel by 28%;

Intensity of transport on the road No I/13 in the corridor Stráž n.N. – Bílý Kostel:

<table>
<thead>
<tr>
<th></th>
<th>Before implementation</th>
<th>After implementation (2005)</th>
<th>Increase in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cars/day</td>
<td>13 605</td>
<td>14 424</td>
<td>6</td>
</tr>
<tr>
<td>Number of lorries</td>
<td>2 806</td>
<td>2 975</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>16 411</td>
<td>17 399</td>
<td>6</td>
</tr>
</tbody>
</table>

• Decrease in number of road accidents in the given section of the road by 46%;

<table>
<thead>
<tr>
<th>Number of accidents before implementation</th>
<th>Number of accidents after implementation</th>
<th>Decrease in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>236</td>
<td>127</td>
<td>46</td>
</tr>
</tbody>
</table>

1.3 Accession Partnership and NPAA Priority

Project is in compliance with the document Accession Partnership and with the objectives of the National Programme for Acquis Acceptance (NPAA) in the field of transport policy.

1.4 Cross-border Impact of the Project

In the Concept of the road network development of the CR, the section of the road Stráž n.N.-Bílý Kostel is a part of the road interconnection between the CR and the FRG in the northern part of the Czech Republic by the area of the Zittau basin. On the German side, road corridor is linked with a new road line of the federal road B178 and through this one with the motorway A4. After completion of the route on both sides of the border, it will serve on one hand for cross-border transit transport in the direction of the motorway A4 (Bautzen) – Liberec – Prague – South of the Czech Republic or for transport in the direction Liberec – Hradec Králové – Eastern Bohemia and Northern Moravia.

With the implementation of the project there will be improvement of the transport infrastructure and of the access to border crossing Hrádek n. N. – Pojarow.

3. Description

3.1 Background and Justification

The road I/35, in the section Turnov – Liberec – Bílý Kostel1 – Hrádek n. N. (State border CR/FRG) and the road I/10 Prague – Turnov are included in the approved basic network of motorways and highways of the CR as one of the road interconnection between the CR and the FRG. Road sections Prague – Turnov Liberec – Bílý Kostel are today included in the network of international roads under the mark of E65 and E442. This transport corridor is being progressively completed and on the existing sections of roads, the reconstruction and the increase in capacity are done in a such way so that they correspond to the increase in road transport and to the technical parameters for these categories of roads.

Existing road in this section is a two-lane road with unsatisfactory state of bituminous surface from the point of view of its lifetime, flatness and defects. In some sections, even the width of consolidated and

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1Between Stráž n. N. and Bílý Kostel in the road line I/35 there is also the road line I/13. In Bílý Kostel in MUK, a dual carriage road category is divided into two roads, one of them in direction to the State border CR/FRG by Hrádek n. N. I/35 and the second one in direction to Nový Bor and Decín, road I/13.
unconsolidated verges is also unsatisfactory. This width arrangement is unsatisfactory from the point of view of present and future transport load. From the year 2005 to 2020, in the section of the road Stráž n.N. – Bílý Kostel, the increase in transport is estimated totally in average by 21%. (in case of cars by 22% and in case of trucks by 18%).

1.2 Linked Activities

In this context, the construction with already implemented projects:

- A part of the road line passing on the road I/13 Chrastava of the length approximately 480 m is a part of independent construction Chrastava – bridge (project has been partially financed from the Phare funds CZ9504.02.01, project N4 “Bridges for the road I/13 Chrastava”),
- Increased road capacity I/35 between Turnov and Liberec,

and projects under preparation or in process:

- “Relaying of the road I/35 Bílý Kostel – Hrádek n. N.”,
- “Relaying of the road I/14 Liberec – Jablonec n. N.”,
- “Relaying of the road I/13 Stráž n.N. – Detrichov”,
- Adaptation of connecting grade-separated junction Bílý Kostel.

1.3 Results

The result of the project will be the increased road capacity section I/13(I/35) from the railway underpass CD Liberec-Frydland to the grade-separated junction Bílý Kostel of the total length of 6.84 km. The road will be reconstructed from the category of a two-lane road S11.5/80 to the category of a dual carriage road in the category of S22.5/80. A part of the implementation of the project will be the construction of 11 bridges and of one grade-separated junction.

The increase in road capacity in this way meets the required standard given by the total transport load and the share of heavy freight transport.

1.4 Activities

The implementation of the project supposes the implementation of all construction works connected with the increased capacity of existing road of the total length (including bridges) of 6.84 km (contour S22.5/80, maximum longitudinal gradient 6.15%). Construction works include:

demolition of

- existing structures;
- existing bridge (length 41.4 m; surface 585m²).

reconstruction of the carriageway of the existing road,

extension of the road including new carriageway,

construction of

- 1 grade-separated junction;
- 11 new bridges;
- retaining walls;
- noise barriers;
- road drain system;
- relaying of services;
- relaying of affected roads.
4. Institutional Framework

The National Aid Coordinator (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 cooperation 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: Road and Motorway Administration of the CR (RSD CR)
Na Pankráci 56, Prague 4
Represented by: Administration of Liberec
Zeyerova 1310/2, 460 55 Liberec
phone: +420-48 510 85 07
fax: +420-48 271 16 75

So far, Road and Motorway Administration, Administration Liberec, has implemented several building projects co-financed from the Phare resources and it has experience with the Phare methodology and with the preparation of international tenders in compliance with the requirements of the EU.

Final beneficiary of the project: Czech Republic, Road and Motorway Administration of the CR.

Building supervision: Road and Motorway Administration, Administration Liberec.

5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>National co-financing share</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Construction works</td>
<td>2,000</td>
<td>0,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,000</td>
<td>0,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Share of the CR in financing the project will be covered from the resources of the State Fund of Transport Infrastructure of the CR (SFDI CR).

6. Implementation Arrangements

6.1 Implementing Agency

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

PAO: RNDr Jiri Horácek, director, Department of EU programmes, MRD CR
Address: Staromestske nam. 6, 110 15 Prague 1
Phone: + 420-2 2486 1398
Fax: + 420-2 2486 1415
Implementing Agency:
Director: RNDr Ivo Ryšlavý
Address: Centre for Regional Development CR, Vinohradská 46, 120 00 Prague 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)

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of contract</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Works Contract</td>
<td>Supply of building works</td>
<td>14,625</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>14,625</td>
</tr>
</tbody>
</table>

7. Implementation Schedule

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Start of tendering*</td>
<td>10/2002</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
On the basis of the information of the Ministry of Environment of the CR, territorial department Liberec from December 20, 1995, reference number 842/6024/95/R, the elaboration of the documentation on environmental impact in the sense of the act no 244/1992 of the Digest, has not been required for the building of the increased road capacity I/13 Stráž n. N. - Bílý Kostel.

In the framework of the documentation for the land-use decision, a separate chapter on the environmental impact assessment of the construction has been worked out. The implementation of the construction will not have a negative impact on the population either on natural components. The increased road capacity will contribute to the fluency of the traffic, reduction of pollutants and noise load. The integration of the road line in the landscape is ensured by vegetation adaptation.
11. Rates of Return

The economic rate of return is based on a prepared feasibility study. Economic appraisal has been calculated for 20-year lifetime of the construction of the road.

\[ IRR = 14.6\% \]

Study of economic feasibility has been worked out in February 2001 by Pragoprojekt a.s. Praha, K Ryšánce 16, 147 54 Praha 4, contact person – ing. Martina Kopalová – tel.: + 420-2 4144 2563.

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.

12.2 Co-financing

The co-financing share of the Czech party equals 86% of the total project investment costs. State Fund of Transport Infrastructure of the CR (SFDI CR) shares in this co-financing.

12.3 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.

12.4 Project Readiness and Size

Land-use decision is delivered for the project and it meets all required technical criteria. The remaining building permit will be delivered by October 2001. The tender dossier shall be prepared and submitted to the European Commission six months after signature of the Financing Memorandum at the latest.

12.5 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.

The investor will cover costs for the operation and maintenance.

12.6 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.

12.7 Relation to the 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 the 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 – Germany for the CBC Phare programmes.

Priority: II - Infrastructure

<table>
<thead>
<tr>
<th>Measure No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improvement of transport infrastructure with the objective of increase in cross-border accessibility</td>
</tr>
</tbody>
</table>
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 that 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:

1. Phare Log Frame
2. Implementation Time Chart
3. Commitment and disbursement schedule
4. Reference to feasibility study
<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improved connection of the border region to the national and European road network</td>
<td>• Quality parameters of cross border traffic improved</td>
<td>• Czech Road Administration Praha – results of the national transport and traffic survey</td>
</tr>
<tr>
<td>• Improved transport infrastructure at the state border of Nisa Euroregion</td>
<td>• Increase of traffic on this road by 21% in 2005 – 2020</td>
<td>• Transport surveys</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Car accidents statistics</td>
</tr>
<tr>
<td>Project purpose</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>• Increased capacity and better access to the border crossing at Hrádek n. N.</td>
<td>• Increased volume of transport by 6%</td>
<td>• RSD CR Praha – results of the national transport and traffic survey</td>
</tr>
<tr>
<td>• Integration of roads I/10 and I/35 connecting Prague, Turnov, Liberec and Bílý Kostel into a dual carriageway R(S)22 and 5/100 (80).</td>
<td>• Reduced number of accidents by 46% at the relevant road section</td>
<td>• Model of the road network capacity of the CR</td>
</tr>
<tr>
<td>• Faster flow of traffic</td>
<td>• Reduced travelling time between Liberec and Bílý Kostel by 28%</td>
<td>• Car accident statistics</td>
</tr>
<tr>
<td>• Improved connection to the German motorways and road network (B178 road and A4 motorway)</td>
<td></td>
<td>• Transport surveys</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>• The traffic density will increase</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Increase in tourism due to the better road connection between CR, Germany and Poland</td>
</tr>
</tbody>
</table>
**Activities**

- A new road complying with S22.5/80 standard suitable even for heavy load transport.
- 6.84 km of a new road
- S22.5/80 standard
- Maximum gradient 6.15%
- 11 bridges (5,378.1 m²)
- 1 grade-separated junction

**Means**

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

**Assumptions**

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

**Preconditions**

- Signature of the Financial Memorandum
## Implementation Time Chart

|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

T: Tendering  
C: Contracting  
I: Implementation  
D: Disbursement
## Annex 3

### Commitment and disbursement schedule

#### Commitment Schedule

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</thead>
<tbody>
<tr>
<td>01</td>
<td>Construction works</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2 000 000</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>2 000 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>2 000 000</td>
<td>0</td>
<td>0</td>
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<td>2 000 000</td>
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#### Disbursement Schedule

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</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Construction works</td>
<td>2 000 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>410 000</td>
<td>380 000</td>
<td>400 000</td>
<td>200 000</td>
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<td></td>
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<tr>
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<td>2 000 000</td>
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<td>0</td>
<td>0</td>
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<td>380 000</td>
<td>400 000</td>
<td>200 000</td>
<td>0</td>
<td></td>
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</tbody>
</table>
Reference to Feasibility Study

The project aim is to increase the capacity of road I/13 (I/35) between Liberec and Chrastava in the total length of 6.84 km. The project includes construction of 11 bridges and one grade-separated junction. The proposed project is driven by the regional need to address the inadequate condition of an important road with heavy goods transport which is a part of the international road network.

Market Analysis

The analysis is based on the current status, regional development strategy and model of traffic volume on Czech roads. The analysis demonstrated that the completion of the entire transport infrastructure important for international road transport will improve the transport services in the region and will contribute to the cross-border economic development.

1.1.1.1.1 Organisation of Operations

Roads and Motorways Administration, a Czech state organisation, is the project funder. After the project completion the title will be turned over to Správa a údržba silnic Liberec, a state organisation maintaining and repairing roads. All maintenance and repair costs will be fully covered from the national budget funds and therefore this does not pose any project risk.

1.1.1.1.2 Results of Financial Analysis

It is a public road in the state ownership. It is not possible to perform a financial analysis of a project that does not generate any revenues. The project owner/funder must make necessary arrangement for project funding from the Transport Infrastructure Fund and by 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.

1.1.1.1.2.1 Results of Economic Analysis

1.1.1.1.2.2 Economic analysis result based on 20 years period is IRR = 14.6 %.

Economic assessment of the project took into consideration estimated savings on road maintenance, costs related to road accidents, savings on vehicle operating costs and reduced travelling time of people and goods. The project will improve traffic flow and safety on roads, transport services in the region, will contribute to the increased attractiveness of the region for tourism and will create better conditions for cross-border co-operation. The project is in line with the national and regional medium-term strategies for transport infrastructure improvements and business development.

The results of the Study demonstrated the project feasibility without any significant risks which could threaten its implementation. The project is therefore recommended to be included into a relevant programme supported by the EU funds.

1.1.1.1.3

1.1.1.1.4 Environmental Impact Assessment

As stated in the letter of 20.12.1995, Ref. No. 842/6024/95/R of the Czech Ministry of Environment, Regional Planning Department Liberec, the improvement of road I/13 between Stráž...
n. N. and Bílý Kostel does not require Environmental Impact Assessment as defined in Act 244/1992 Sb on EIA.

The documentation developed and submitted in the planning consent procedure contained a chapter on the Environmental Impact Assessment. The project implementation will have no impact on the population nor environmental media. The increased capacity of the road will improve the flow of traffic, reduce emissions and noise levels. Integration of the road into the countryside will be provided by a well thought landscaping.