1. Basic Information

1.1 CRIS Number: CZ 2003/005-077.01

1.2 Title

Improvement of Roads in the Border Region of Ústí nad Orlicí District

1.3 Sector

Transport

1.4 Location

Euroregion: Glacensis
Cross-border region: Czech Republic - Poland
District: Ústí nad Orlicí
Municipalities: Klášterec nad Orlicí, České Petrovice, Mladkov, Lichkov, Dolní Lipka, Prostřední Lipka, Horní Lipka, Horní Morava

2. Objectives

2.1 Overall Objective(s)

The project is in compliance with the medium-term strategy and priorities of the Joint Programming Document (JPD), Czech Republic - Poland for the Phare CBC programmes 2000 – 2006 with the main focus on the improvement of the cross-border transport infrastructure. The project falls under the Priority: Economy. The project aims at:

- Improvement of the road network in the Czech-Polish border region and better cross-border road connections.

2.2 Project purpose

The implemented project shall deliver the following:

- Improved transportation condition flow between the new border crossing Orlické Záhoří – Mostowice and already operating border crossing at Dolní Lipka – Boboszów resulting in increased capacity of the border crossings.
Improvement of the traffic flow towards Dolní Lipka – Boboszów border crossing:

<table>
<thead>
<tr>
<th>Number of vehicles crossing the state border at Dolní Lipka – Bobószow/year*</th>
<th>Before the project implementation (2002) **</th>
<th>After the project implementation (2005)**</th>
<th>Expected in increase in capacity in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars and motorcycles</td>
<td>249,469</td>
<td>266,932</td>
<td>7%</td>
</tr>
<tr>
<td>Trucks and lorries</td>
<td>32,210</td>
<td>34,331</td>
<td>10%</td>
</tr>
<tr>
<td>Busses</td>
<td>5,530</td>
<td>5,917</td>
<td>7%</td>
</tr>
</tbody>
</table>

*The volume of traffic at the border crossing can be influenced by the new border crossing at Orlické Záhoří – Mostowice

** Statistics of the Czech Customs Office

Improved access and better connection between the border region and other Czech and Polish regions thus improving the conditions for SME development in this area.

Profile of traffic in 24 hours*:

<table>
<thead>
<tr>
<th>Section</th>
<th>Before the implementation**</th>
<th>Estimates after the Implementation***</th>
</tr>
</thead>
<tbody>
<tr>
<td>II/311 Mladkov – Čihák – district border</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T</td>
<td>C</td>
<td>O</td>
</tr>
<tr>
<td>195</td>
<td>138</td>
<td>121</td>
</tr>
<tr>
<td>II/312 Mladkov – Lichkov – Dolní Lipka</td>
<td></td>
<td></td>
</tr>
<tr>
<td>442</td>
<td>304</td>
<td>259</td>
</tr>
</tbody>
</table>

* T – trucks and lorries, C – cars, O – others
** Traffic survey carried out by the Motorways and Road Administration in 2000
*** Survey of real traffic will be carried out in 2005 by the investor (Pardubice Regional Road Administration and Maintenance

### 2.3 Accession Partnership and NPPA Priority

The project is in compliance with the Accession Partnership Document and the objectives of the National Programme for Adoption of Acquis related to the economic development. Support of the economic development is one of the priorities of the pre-accession period. Better access to the border crossings and improved road connection from the border crossings are in line with the EU integration process.

### 2.4 Contribution to National Development Plan

The project respects the short-term and medium-term priorities of the National Development Plan aimed at strengthening of economic co-operation between countries neighbouring with the EU. The Project is in compliance with regional priorities and measures set for the cross-

The Project meets namely the following JPD Priority:
Priority I: Economic Development
   Measure 1.A: Cross-border connections of local roads

2.5 Cross Border Impact

The implemented project will improve access to the border region and to the existing border crossing at Dolní Lipka – Boboszow as well as to the new border crossing at Orlické Záhoří – Mostowice.

The proposed project will significantly improve the road connection between the partners at each side of the border and will facilitate the cross-border co-operation.

3. Description

3.1 Background and Justification

The roads included in this project are located in the Orlické Mountains close to the Czech-Polish border. The quality of the transport infrastructure does not meet the regional needs and the overall unsatisfactory situation is impaired by the fact that it is a mountain area. The quality of the road network is slowly improving; however, it is not in line with the increasing volume of road traffic, particularly due to the heavy transport. The overall accessibility of the region is generally poor.

All roads proposed for improvements have a direct link with the border crossing at Dolní Lipka – Boboszow and with the roads leading to the newly built border crossing at Orlické Záhoří – Mostowice expected to be open in 2004. Therefore the project will help to increase the capacity of traffic across the Czech-Polish border. The border crossing Dolní Lipka – Boboszow is strategically important for Poland that has put a lot of effort into a transit road connection between Wrocław – Boboszow – Dolní Lipka – Brno - Vienna. The project is consistent with this effort and supports the idea to increase the capacity of the existing border crossing at Dolní Lipka – Boboszow by increasing the payload limit of lorries allowed to cross here from 3.5 t to 12 t. This plan has been already approved by the Czech inter-sectoral committee on 20. and 21.11. 2002 and the Polish party has already started with the improvements of the inadequate sections of roads at their side.

The improved roads are also linked to two pedestrian border crossings at Horní Morava – Jodlow and Mladkov (Petrowičky) – Kamienczyk. The road reconstruction will also improve the access to these pedestrian border crossings and will create conditions for increase of cross-border traffic volumes.

The project follows the Polish effort to build a backbone road (so called “Middle Sudeten Road”) along the border.

The area crossed by the improved roads is economically weak, Pardubice Regional Authority ("kraj") pays a special attention to this area as it requires significant support in terms of regional development. The quality of the existing transport infrastructure in this area is very
poor and hinders Czech-Polish cross-border co-operation and economic development in the region. To change this situation and facilitate further development of the region the links to main roads and border crossings must be improved thus creating better conditions for SME development particularly in the area of retail and services.

The project is in line with the development strategy of Glacensis Euro-region, Lower Silesia Wojvodstwo and Pardubice Regional Authority. It fully complies with the national strategic documents of both countries (Co-ordination Study for the Czech-Polish Cross-border Region Development, MRD 1997).

3.2 Linked Activities

The project follows on the previous projects:

- “Improvement of access road 311/II to the border crossing at Orlické Záhoří – Mostowice, Stage I” in section Deštěně v Orlických horách – Orlické Záhoří – Bartošovice v Orlických horách supported by the CBC Phare Programme 2000;
- “Improvement of access roads II/311 and II/319 to the border crossing at Orlické Záhoří – Mostowice, Stage II” supported by CBC Phare Programme 2001;

The project is also a mirror project to the following Polish projects:

- “Improvement of the access roads to Mostowice – Orlické Záhoří border crossing in the section Duszniki Zdrój – Mostowice” supported by CBC Phare Programme 2002;
- “Construction of an additional (“crawling”) lane at national road 8, section Lewin Klodzki – Duszniki Zdrój” proposed for the funding from Phare CBC Programme 2003.

3.3 Results

The result of the project will be the improvement of parts of the following roads:

- II/311 Mladkov – Čihák – district border
- II/312 Mladkov – Lichkov – Dolní Lipka
- III/3112 České Petrovice – Klášterec nad Ohří
- III/31223 and III/31222 Dolní Lipka – Horní Lipka – Horní Morava

in the total length of approximately 30 km.

3.4 Activities

The implementation of the project assumes the necessary construction works related to the improvement of the following roads: II/311 Mladkov – Čihák – district border, II/312 Mladkov – Lichkov – Dolní Lipka, III/3112 České Petrovice – Klášterec nad Orlicí and III/31222 and III 31223 Dolní Lipka – Horní Lipka – Horní Morava.

The total length of improved class II and III roads is approximately 30 km.
Overview of the improved sections:

<table>
<thead>
<tr>
<th>Works</th>
<th>Road</th>
<th>Total length of road improved (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>II/311 Mladkov – Čihák – district border</td>
<td>9</td>
</tr>
<tr>
<td>2.</td>
<td>II/312 Mladkov – Lichkov – Dolní Lipka</td>
<td>6</td>
</tr>
<tr>
<td>3.</td>
<td>III/3112 České Petrovice – Kláštereč nad Ohří</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>III/31222 and III 31223 Dolní Lipka – Horní Lipka – Horní Morava</td>
<td>10</td>
</tr>
</tbody>
</table>

Works will be focused on reinforcement and widening of existing roads, reconstruction and repairs of bridges and culverts, installation of new road signs will be also part of works.

### 3.5 Lessons Learned

The project proposal takes into consideration the conclusions and recommendations of the evaluation and progress monitoring reports of EMS consortium on the previous Phare CBC Programmes and the experience of the IA Phare CBC with similar projects implemented under the Phare CBC Programme.

### 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 share of co-financing, for acquiring the planning consent and building permit, for preparing and launching the tender for a contractor, contract development, supervision of the works and for the final acceptance.

Project submitted by: Administration and Maintenance of Roads of Pardubice
(Region contributory organisation)

Represented by: Miroslav Němec, Managing Director
Doubravice 98, 533 53 Pardubice
Tel. +420 466 052 710
Fax: +420 466 052 734
e-mail: miroslav.nemec@suspk.cz
STANDARD SUMMARY PROJECT FICHÉ  Project Fiche number: CZ2003/005-077.01

Investor: Pardubice Region
Represented by: Roman Línek, Hejtman
Komenského nám. 125, 532 11 Pardubice
Tel: +420 466 026 113
Fax: +420 466 611 220
e-mail: hejtman@Pardubicky kraj.cz

The final beneficiary and owner of the assets resulting from the project implementation will be:
Pardubice region, Komenského nám. 125, 532 11 Pardubice

5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th>Phare Support</th>
<th></th>
<th></th>
<th>National co-financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
<td></td>
</tr>
<tr>
<td>Works</td>
<td>2.800</td>
<td>0</td>
<td>2.800</td>
<td>0.935</td>
</tr>
<tr>
<td>Total</td>
<td>2.800</td>
<td>0</td>
<td>2.800</td>
<td>0.935</td>
</tr>
</tbody>
</table>

1 The national co-financing of the project will be fully covered from the SFDI ČR.

6. Implementation Arrangements

6.1 Implementing Agency

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

PAO: Mr. Jiří Horáček, director, Department of EU programmes, MRD CR
Address: Staroměstské nám. 6, 110 15 Praha 1
Phone: + 420 2 2486 1398
Fax: + 420 2 2486 1415

Implementing Agency:

Director: Mr. Ivo Ryšlavý
Address: Centre for Regional Development CR, Vinohradská 46, 120 00 Praha 2
Phone: + 420 2 21580 200
Fax: + 420 2 21580 229
6.2 Non-standard Aspects

The project will be managed in line with the methodology specified for Candidate Countries in the manual for the management of programmes supported from the EU sources – „Practical Guide to Phare, ISPA and SAPARD Contract Procedures” (PRAG).

6.3 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</td>
<td>Reconstruction and improvement of roads</td>
<td>3.735</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3.735</strong></td>
</tr>
</tbody>
</table>

7. Implementation Schedule

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of tendering*</td>
<td>01/2004</td>
</tr>
<tr>
<td>Start of project activity</td>
<td>05/2004</td>
</tr>
<tr>
<td>Project completion</td>
<td>10/2004</td>
</tr>
</tbody>
</table>

* The tender dossier shall be submitted to the European Commission within four months after the signature of the Financing Memorandum at the latest.

8. Equal Opportunity

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

9. Environment

The Environmental Impact assessment was carried out in line with the applicable Act 100/2001 Coll. on EIA and the relevant EU regulations. The Environmental Impact Assessment study was elaborated in December 2002 by EIA Consultation, J.Hory 13, 466 04 Jabloniec n. Nisou, contact person: Jiřina Vargová, Moskevská 640/55, 460 01 Liberec. The document is filed Administration and Maintenance of Roads of Pardubice, Doubravice 98, 533 53 Pardubice.

The project has no adverse environmental impact and it is recommended for implementation.

A summary of the EIA documentation is in Annex 4.

10. Rates of Return

The financial rate of return has not been calculated. The project does not generate any direct revenues and therefore the financial analysis cannot be carried out.

The economic rate of return of the proposed project is based on the Feasibility Study. The period analysed was set in line with the depreciation period that is 10 years.
ERR = 6.35%

A Feasibility Study was developed by the Regional Development Agency, Panská 1492, 516 01 Rychnov nad Kněžnou. The document is filed with the project promoter Administration and Maintenance of Roads of Pardubice Region, Doubravice 98, 533 53 Pardubice.

A summary of the Feasibility Study results is in Annex 4.

11. Investment Criteria

The following evaluation criteria are in line with the project Feasibility Study outcome.

11.1 Catalytic Effect

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

11.2 Co-financing

The co-financing share of the Czech party equals to 25% of the total project costs. The co-financing will be provided from the Transport Infrastructure Fund (SFDI).

11.3 Additionality

The project is of a public nature and it is not suitable for funding from public sources due to the low financial rate of return of the funds invested.

11.4 Project Readiness and Size

Because of its nature the Project neither requires a planning consent nor a building permit. Both the Feasibility Study and Environmental Impact Assessment (EIA) have been developed. The tender documentation including all attachments will be developed prior to the start of tendering in 4 month at the latest after the signature of the Programme Financial Memorandum.

11.5 Sustainability

Results of the feasibility study proved that the proposed project is sustainable because it has no adverse impact on the environment, it is financially sustainable and meets all the European norms and standards and complies with the relevant EU regulations.

All operating and maintenance costs will be borne by the project promoter Administration and Maintenance of Roads of Pardubický Region.
11.6 Compliance with State Aid Provisions

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

11.7 Contribution to NDP

The project respects the short-term and medium-term priorities of the National Development Plan aimed at strengthening of economic co-operation between countries neighbouring with the EU. The Project is in compliance with regional priorities and measures set for the cross-border regional development strategy in the Joint Programming Document (JPD) Czech Republic – Poland 2000-2006 for the CBC Phare programmes.

The Project meets namely the following Priority

Priority I: Economic Development
Measure 1.A Cross-border connections of local roads

12. Conditionality and Sequencing

The investor is responsible for the development of studies and project dossiers necessary for the execution of the works and for the development of tender documentation for the selection of a contractor for the works. The project investor must meet the commitment of project co-financing and is responsible for the quality of project implementation including necessary arrangements if the contractor is not qualified to execute some activities.

After the project completion the investor must ensure its full operation and use and provide regular maintenance and repairs in line with the international standards.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Reference to feasibility/pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached.
**LOGFRAME PLANNING MATRIX FOR**

<table>
<thead>
<tr>
<th>Project</th>
<th>Programme name and number</th>
<th>Czech Republic - Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of Roads in the Border Region of Ústí nad Orlicí District</td>
<td>Contracting period expires:</td>
<td>Disbursement period expires:</td>
</tr>
<tr>
<td></td>
<td>Total budget: 3,735 MEUR</td>
<td>Phare budget: 2,800 MEUR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 Improve the road network in the cross-border area and cross-border road connections</td>
<td>14 Improved traffic situation on the class II and III roads in cross border area of the Pardubice Region.</td>
<td>15 Ministry of Transport Region</td>
<td>12 Positive impacts of the integration process of the CR and Poland in the EU.</td>
</tr>
<tr>
<td>9 Improve the roads and reduce the travelling time between the border crossings Orlické Záhoří – Mostowice and Dolní Lipka – Boboszów. Improve the access to the Czech-Polish cross-border region. Reduce level of accidents and decrease road maintenance costs.</td>
<td>10 Number of vehicles crossing the border at Dolní Lipka – Boboszów before the implementation/expected increase in %: - cars and motorcycles: 249,469/ increase by 7% - trucks and lorries: 31,210/increase by 10% - busses: 5,530/increase by 7%. Volume of traffic on the improved roads by the vehicle types before the implementation/expected increase in %: - cars: 1,386/increase by 31% (in the section II/311</td>
<td>11 Statistics of Czech Customs Office (the Year Book). Results of surveys carried out by Road administration and maintenance of Pardubice Region (in 2005). Results of the traffic survey carried out by the Motorway and Road Administration of</td>
<td>12 Development and deepening of the economic relations between the CR and Poland.</td>
</tr>
<tr>
<td>Mladkov – Čihák – district border) and 3 047/increase by 56% (in the section II/312 Mladkov – Lichkov – Dolní Lipka)</td>
<td>CR (in 2000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- trucks and lorries: 195/increase by 31% (in the section II/311 Mladkov – Čihák – district border) and 442/increase by 56% (in the section II/312 Mladkov – Lichkov – Dolní Lipka)</td>
<td>- Transport statistics (Pardubice Region)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- others: 121/increase by 31% (in the section II/311 Mladkov – Čihák – district border) and 259/increase by 56% (in the section II/312 Mladkov – Lichkov – Dolní Lipka)</td>
<td>- Annual financial statement carried out by the Road administration and maintenance of Pardubice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- total: 1 702/increase by 31% (in the section II/311 Mladkov – Čihák – district border) and 3 748/increase by 56% (in the section II/312 Mladkov – Lichkov – Dolní Lipka)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 13% travel time saved (from 286 th. hours to 249 th. hours.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• reduced level of accidents by 40% (from 30 to 18 accidents)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• decrease of annual road maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
<td><strong>Sources of verification</strong></td>
<td><strong>Assumptions</strong></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Improved roads, namely:</td>
<td>• Approximately 30 km of improved roads.</td>
<td>• Project monitoring reports.</td>
<td>• The volume of road traffic to the border crossing gradually growing.</td>
</tr>
<tr>
<td>II/311 Mladkov-Čihák-district border;</td>
<td></td>
<td>• Project Final Report.</td>
<td>• Stable and reasonable growth of regional economy.</td>
</tr>
<tr>
<td>II/312 Mladkov-Lichkov-Dolní Lipka;</td>
<td></td>
<td>• Project Final Acceptance Documentation.</td>
<td></td>
</tr>
<tr>
<td>III/3112 České Petrovice-Klášterec nad Orlicí;</td>
<td></td>
<td>• SÚS – Road Administration of Pardubicky Region.</td>
<td></td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td><strong>Means</strong></td>
<td><strong>Assumptions</strong></td>
<td></td>
</tr>
<tr>
<td>• Reinforcement and in some places widening of the existing roads.</td>
<td>• Design documentation</td>
<td>• Successful tender for contractor.</td>
<td></td>
</tr>
<tr>
<td>• Cleaning or construction of ditches along the improved roads.</td>
<td>• 1 works contract based on detailed project documentation</td>
<td>• Effective cooperation and co-ordination between the project investor, sub-contractors and IA.</td>
<td></td>
</tr>
<tr>
<td>• Repair of culverts and small bridges.</td>
<td></td>
<td>Czech co-financing available (0.935 MEUR).</td>
<td></td>
</tr>
<tr>
<td>• Installation of road signs.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Preconditions**
## Implementation Time Chart

<table>
<thead>
<tr>
<th>Action</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>Tender Dossier preparation</td>
<td>J</td>
</tr>
<tr>
<td>Tendering</td>
<td></td>
</tr>
<tr>
<td>Project Implementation/Disbursement</td>
<td></td>
</tr>
</tbody>
</table>
# Cumulative Quarterly Contracting and Disbursement Schedule

## Cumulative Quarterly Contracting Schedule

<table>
<thead>
<tr>
<th>Project</th>
<th>Allocation</th>
<th>II/3</th>
<th>III/03</th>
<th>IV/03</th>
<th>I/04</th>
<th>II/04</th>
<th>III/04</th>
<th>IV/04</th>
<th>I/05</th>
<th>II/05</th>
<th>III/05</th>
<th>IV/05</th>
<th>I/06</th>
<th>II/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of Roads in the Border Region of Ústí nad Orlici District</td>
<td>2 800 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2 800 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

## Cumulative Quarterly Disbursement Schedule

<table>
<thead>
<tr>
<th>Project</th>
<th>Allocation</th>
<th>II/03</th>
<th>III/03</th>
<th>IV/03</th>
<th>I/04</th>
<th>II/04</th>
<th>III/04</th>
<th>IV/04</th>
<th>I/05</th>
<th>II/05</th>
<th>III/05</th>
<th>IV/05</th>
<th>I/06</th>
<th>II/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of Roads in the Border Region of Ústí nad Orlici District</td>
<td>2 800 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>280 000</td>
<td>1 400 000</td>
<td>2 800 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Reference to Feasibility Studies

The project is aimed at improvement of five sections of class II and III roads in the total length of approximately 30 km at the Orlické Mountain close to Polish border. The proposed project is driven by the regional need to address inadequate condition of roads with a direct connection to Dolní Lípka - Bobószow border crossing and the roads leading to the new border crossing at Orlické Záhoří – Mostowice.

Market Analysis

The target groups include:
- Polish and Czech visitors of Orlické Mountains
- Local people
- Local and international haulage with vehicles up to 3.5 t.

The analysis is based on analysis of the traffic in the region and on the regional development strategy. It demonstrated that the implementation of the project will improve access to the border region, which suffers from a high unemployment rate, and will create better infrastructure for economic development especially in the area of tourism and SME development.

Organisation of Operations

The project investor and owner is the regional administration of Pardubický kraj. The project promoter with the ownership rights and responsibility to maintain the road after the project completion will be a state owned company Road Administration of Pardubicky Region. This organisation will be responsible for maintenance and repair of roads in the total area of 153,000 m². All costs related to the maintenance and repair will be fully covered from the owner’s budget, the regional administration and therefore the availability of the funds does not pose any risk to the project.

Results of Financial Analysis

The road is in the ownership of the regional administration and it is of public nature. It is not possible to produce a financial analysis of a project that does not generate any revenues. The investor will be responsible to arrange sufficient funds from the Czech Transport Infrastructure Fund (SFDI) to cover the project costs. The current inadequate quality of infrastructure requires large investment to be made from the public funds and without the EU grant the project could not be implemented in the nearest future. The project is not suitable for funding by private capital.

Results of Economic Analysis

The economic analysis result based on 10 years period is ERR = 6.35 %. Economic assessment of the project took into consideration estimated savings on road maintenance (up to 75 %), costs related to road accidents (by 40 %) and reduced travelling time of people (by 15% ) The project is in line with the national and regional medium-term strategies for transport infrastructure improvements and economic 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.

Environmental Impact Assessment

It includes the environmental impacts during the project construction and operation. The construction will have no significant environmental impacts. After the project commissioning the safety and flow of traffic will improve, environmental burden will be reduced and public exposure to high noise level in villages will be also reduced. The project will contribute to better quality of the environment in the cross-border region and therefore it is recommended for implementation on the basis of the analysis performed.