1. Basic information
1.1 CRIS number 2002/000-606.06
1.2 Title “Modernization of road no 22 Gorzów Wielkopolskie
1.3 Sector Cross Border Co-operation / Infrastructure
1.4 Location: Poland, Lubuskie Voivodeship, Grodzki Administrative Unit of Gorzów Wlkp., Gorzów Wlkp. Commune

2. Objectives
2.1 Wider objectives
- Road infrastructure development and adjustment of road parameters to EU and NATO requirements in the way of pavement and bridges admissible bearing capacity and fulfilment of priorities defined in “Partnership for Membership” treaty.
- Economical and social development of the Polish-German border area, located in the Lubuskie Voivodeship and Brandenburg.

2.2 Project purpose
Improvement of the local traffic in Gorzów Wlkp., increase of traffic capacity on the road, improvement of safety on the road, improvement of environmental conditions.

2.3 Priorities
The objectives of the project are consistent with the resolutions of Accession Partnership and National Program of Accession Partnership

2.4 Contribution to National (or Preliminary) Development Plan and Joint Program Document Phare CBC/Interreg IIIA: the program is consistent with the priorities included in WNPR and JPD, and other regional analysis, i.e. Strategy Development of the Lubuskie Voivodeship, guidelines for the development of Euroregion “Pro Europa Viadrina” and the Strategy Development for Gorzów Wlkp.

2.5. Cross Border Impact
- Project will improve the border traffic on the cross border road which joins Poland and Germany, and which takes out the transit traffic from the border check-points Kietz-Kostrzyn n/O, Swiecko – towards Gdansk.
- Project will enable to make easier and more efficient contacts between Polish and German people living in the cross border areas.
- Project will enable to learn about historic and tourist attractions of the cross border cities in Poland and Germany.
- Project will activate the business and social life between the cross border areas.
- Project will increase the safety on the cross border roads and it will improve the traffic infrastructure.
- Project will improve the condition of natural environment in the above mentioned area.

3. Description
3.1 Background and justification
The project is a result of the resolution XXIX/303/2000 with regard to Development Strategy of Gorzów Wlkp., which was made by the Town Council in Gorzów Wlkp. on 16 February 2000. The current traffic network was built a few dozen years ago. The main parts of this network are two national roads no 3 and no 22 which criss-cross the city’s center. The backlog of building new routes and repairing the existing ones should have been reduced decades ago. There has not been built any new section of the transport network which would have relived the city center of traffic. This situation may lead to a total standstill in traffic in the city’s center. Currently every stop of the traffic flow in the center is also reflected in other parts of the city. As a result of this situation, a complex analysis of the traffic network has been made in 1999. The analysis also included the developmental plans up to the year 2020. This allowed for working out a schedule for investments with regard to the traffic network, which execution would solve the present and future problems with transport. The development of transport infrastructure is the priority included in the above mentioned analysis. The execution of this project will improve the position of Gorzów Wlkp. with reference to the region and our western neighbor – Germany. Recently a lot of works have been executed in connection with modernization of this route. We have constructed two bridges across the Warta river and the Ulgi canal, along with junctions at Warszawska and Kasprzaka street. We are in the middle of constructing a passage from Podmiejska to Walczaka street, which will direct all the transit traffic
towards Gdansk. This project is the last sector which needs modernization, and which will make a small ring road for the transit from Kietz-Kostrzyn n/O, Swiecko to Gdansk. Thanks to the ring road the transit traffic will go around the city center.

3.2 Linked activities
This project represents the continuation of activities executed by the German partner from the Seelow Powiat. A similar investment has been executed with regard to the modernization of the road no 1 Berlin-Kietz.
This project is also included among investments planned by the Polish government and the Lubuskie Voivodeship, which built the border check-point in Kietz-Kostrzyn n/O.
The modernization of the road no 22 from the border check-point Kietz-Kostrzyn n/O to Gorzów Wlkp. is executed with the help of PHARE financial resources:

3.3 Results
The execution of this project will provide 1,585 km of the cross border road which will take out the transit traffic from the border check-points in Kostrzyn n/o and partially in Swiecko through Gorzów Wlkp. towards Gdansk. As a result of the modernization of this sector the traffic capacity in Gorzów Wlkp. will be increased, and the function of the cross border traffic network will be improved. Additionally, the driving conditions on this road will conform to the standards of EU, i.e. increasing the safety on roads.

3.4 Activities
The basic expenditures for the execution of one building contract amount totally to 3,645 MEUR (including PHARE financing 2,000 MEUR). It also concerns employing qualified personnel and supervisors, as well as providing proper equipment and building materials. The above mentioned expenditures will allow for the execution of works, i.e. taking apart the old surface, modernization of tram tracks - 280 meters long, making new surface in accordance with the European parameters, making new walking and cycling routes, putting lighting system and road signs.

4. Institutional framework
The beneficiary will provide essential means for maintenance and function of the project after it has been executed:
- applicant and investor: Municipality Office in Gorzów Wlkp.,
- outcomes of the project will not cause any institutional changes,
- in order to execute the project, the Contract Engineer will be selected as a result of a tender,
- owner of the property - as a result of the project - shall be Municipality Office in Gorzów Wlkp., however it will be used by the public.

5. Budget

<table>
<thead>
<tr>
<th>PHARE financing CBC 2002</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>Contract</td>
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<td>-</td>
<td>2,000</td>
<td>1,645</td>
<td>-</td>
<td>3,645</td>
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<tr>
<td>Total</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
<td>1,645</td>
<td>-</td>
<td>3,645</td>
</tr>
</tbody>
</table>

Co-financing will be available.

6. Implementation Agreements
6.1 Implementing agency:
- Phare CBC Implementing Authority
  Ministry of Internal Affairs and Administration
  00-522 Warsaw, Krucza 36
  Phone: +4822 6959910, telefax: +4822 6959912
  E-mail: phare@wwpwp.it.pl
  PAO:
  Mr Zenon Kosiniak-Kamysz
  Undersecretary of State
Ministry of Internal Affairs and Administration

6.2 Twinning
   - does not apply

6.3 Non-standard aspects
   The project beneficiary shall strictly follow the DIS manual (Decentralized Implementation System PHARE) presented in “Practical Guide to Implementation of Phare Programs, ISPA and SAPARD”

6.4 Contracts
   One contract, 3,645 MEUR, - joint co-financing

7. Implementation Schedule
   7.1 Start of tendering/call for offers:
      - the third quarter of 2003
   7.2 Start of project activity:
      - the first quarter of 2004
   7.3 Completion of project:
      - the fourth quarter of 2005

8. Equal opportunity
   The beneficiary is obliged to consider equal rights for men and women while the project is being executed and after it is completed.

9. Influence on the environment
   - In May 1999 an assessment was made concerning the influence of investment on the environment. The assessment is available at the head office of the applicant.
   - The project meets all the UE requirements regarding the environmental protection, and there is no negative influence on its conditions.

10. Rates of return
    - financial rate of return (FIRR) is 29,46; investments concerning the construction of roads are non-commercial (they do not bring profits), in this connection the value of FIRR = EIRR = IRR
    - economical internal rate of return (EIRR) was determined at the level of 29,46
    - a practicability analysis was not made since the nature of project is modernization.

11. Investment criteria
   11.1 Catalytic Effect
      Modernization of the road will enable to take into consideration the need to modernize the whole border (Polish-German) transport system. It will arouse interest of all authorities: central, regional, powiat and commune ones. The project will contribute to the increase in economic boom in the local region, and it will influence the development of tourism.
   11.2 Co-financing
      - It is not precluded having other parties, which would finance the project, especially from the private sector interested directly in the investment.
      - The domestic resources will come entirely form the municipal budget, however they do not cover the preparation process of investment (research, projects, land purchase etc.).
   11.3 Additionally
      - Co-financing of the project by Phare is additional. It is a continuation of some already executed sectors of the road 22 located in the city. Those sectors were executed with the help of the national budget and the resources from the Municipality Office. They include bridge crossing over the Warta River and the junction at the Warszawska Street. Moreover, the project will enable to co-finance other commercial projects (making attractive other transport routes) by the private sector.
   11.4 Project Readiness and Size
      - Complete technical documentation and the financial aspect are already prepared. All the economical and environmental analyses were made. The costs of executing one contract for construction works is 3,645 MEUR (it includes 2,000 MEUR Phare resources).
- The economic analysis and the assessment summary of influence on the environment are enclosed in Annex no 4. The detailed documentation is extensive and is written only in the Polish language. It is freely available for inspection at the head office of beneficiary.

11.5 Sustainability
- The sustainability of the project is minimum 20 years. The implemented project meets the standards being in force in UE. The costs of maintaining the executed product shall be born by the beneficiary.

11.6 Compliance with State Aids Provision
- The project is consistent with the European principles concerning the provision of the state aids in accordance with article 81, §1 Transport “Parties shall develop and intensify the cooperation in order to enable the following improvements in Poland:
  - restructure and modernization of transport,
  - introduction of convenient traffic flows with regard to passenger and freight traffic by removing obstacles which nature are of administrative and technical nature, as well as others.
  - meeting standards – with regard to the transport – comparable to those which are in force in EEC

11.7 Contribution to National Development Plan and Mutual Program Document:
- The project is consistent with the WNPR assumptions, i.e. including the old developmental principles with regard to actions and execution of other sector policies, 4.3 Integration of Polish economy through modernization and development of transport network”.
- The project is consistent with the priorities of II JPD, which concern the improvement of infrastructure.

12. Conditions and Sequence
The Municipality Office in Gorzów Wlkp. as the project implementing institution is fully prepared to realisation of investment supported by PHARE. It has the personnel trained in using FIDIC conditions and IFI requirements. There is the special Contracts Department in the municipality office called for servicing of contracts financed by aid means.
The investment commencement is possible with financial means procurement.

The most important milestones of the project:
- The selection of the Contract Engineer – January 2003 – the Municipality Office in Gorzów Office is responsible
- Preparation of tender documents – May 2003 – the Contract Engineer is responsible
- Agreement with the implementing authority on the tender documentation – July 2003 – the Contract Engineer is responsible
- Tender announcement – August 2003 – the Municipality Office in Gorzów Wlkp. is responsible
- Selection of an offer and concluding a contract – December 2003 – the Municipality Office in Gorzów Wlkp. is responsible
- Execution of the contract – January 2004
- Completion of the investment, last payment – December 2005
Modernization of the border road no 22 within the limits of Gorzów Wlkp. (Podmiejska Street)

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
</tr>
</thead>
</table>
| - adjustment of the road parameters to EU and NATO standards  
- social and economical development of Polish-German border area of the Lubuskie Voivodeship and Brandenburg (JPĐ) | - increase in the amount of tourists by 10%  
- income increase of the inhabitants  
- decrease of unemployment by 2% | - available statistical data  
- 3 years after the completion of the investment  
- data provided by Central and Voivodeship Office of Statistics, and Starostwo |

<table>
<thead>
<tr>
<th>Immediate objectives</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| - improvement of transport system in Gorzów Wlkp.  
- increasing the road capacity  
- improvement of safety on the road  
- improvement of environmental conditions (limiting emission of exhaust fumes, noise and vibration) | - shortening the driving time through the city by around 15 minutes  
- decrease in the number of accidents by 5%  
- increase in the number of tourists crossing the border checkpoints in Kostrzyn, Slubice by 15%  
- limiting the emission of pollutants in the city by 10% | - traffic measurements made by GDDP  
- statistic data gathered within the first year after the investment has been completed, which would be prepared by SG and Central and Voivodeship Offices of Statistics  
- annual police reports  
- research results of Provincial Office of Environment Protection | - force majeure while implementing the project, enabling to complete it |

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<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| - constructing 1,585 km of modern road within the city’s limits  
- modernization of the tram tracks  
- constructing new road surface  
- building walking and cycling routes | - conformity with parameters included in the tender and contract documentation  
- utilization of the road | - acceptance reports of some sectors of the road and the final report made by the contract engineer and beneficiary  
- police permission to use the new road | - availability of all the resources on time (finances, material, qualified personnel)  
- lack of initiative from local and central authorities concerning the development of economy and tourism in the region |

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<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
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</thead>
</table>
| - preparing the tender and project documentation  
- raising indispensable finances for the execution of project  
- purchasing land for the investment  
- selecting the contract engineer  
- selecting the contractor in the tender | - financial means to implement the project:  
1. altogether: 3,645 MEUR  
2. PHARE CBC resources: 2,000 MEUR  
3. own resources: 1,645 MEUR  
- availability of adequate equipment and materials  
- well-qualified personnel | - preparations in accordance with the tender documentation  
- changes concerning suggested executors  
- weather conditions |
Preconditions
2. Conformity with the long-term investment plan
3. Completion of the previous stages of road modernization
4. Completion of procedures which are essential to start the investment

Annex no 2 - 3. Implementation, contracting and disbursement schedules

<table>
<thead>
<tr>
<th></th>
<th>Drafting date</th>
<th>Planning period</th>
<th>Budget Allocation Cost Estimate</th>
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<td>October 2001</td>
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<tbody>
<tr>
<td>Implementation schedule</td>
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<td>II</td>
<td>III</td>
<td>IV</td>
<td>V</td>
<td>VI</td>
<td>VII</td>
<td>VIII</td>
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<td>C</td>
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<td>Disbursement schedule</td>
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Legend: D = design of sub-projects / C = tendering and contracting / I – contract implementation and payment