1. Basic information
1.1 CRIS Number: 2002/000-606.07
1.2 Title: Zary by-pass
1.3 Sector: CBC Infrastructure
1.4 Location: Poland, province of Ziemia Lubuska, district of Zary

2. Objectives
2.1 General/strategic objective:
The reinforcement of polish transport infrastructure. The implementation of communication infrastructure system development programme, which requires leading the transit traffic out of the town. Improvement of environmental conditions. General increase in economic activities through the development of tourist and recreational possibilities

2.2 Project purpose:
The elimination of dangerous and inconvenient transit traffic from the town, increase in speed of travelling, shorter travelling time, lower number of road accidents, lower level of exhaust gases and noise, lower costs of road maintenance, creation of new jobs.

2.3 Priority of “Partnership for Membership” and the National Preparation Programme for the Membership in the European Union
This investment is in accordance with the objectives defined in the Partnership for Membership and, in particular, in the National Preparation Programme for the Membership in the European Union. This programme assumes:
- the intensification of works in the range of construction of highways, modernisation of international railway lines and roads being a part of the Trans-European transport ways system and covered by the European network scheme
- the preparation of study works and the implementation of the investment in the range of transport infrastructure shall be financed from the budget resources of the Polish government with considerable financial support of PHARE funds and loans from the World Bank
- over the years ahead, the basic priority in the transport sector shall be the continuation of modernisation and development of transport infrastructure, with special regard to border crossings and access roads to border crossings.
- the introduction of obligatory environmental impact assessments.

2.4 Participation in the National (or Preliminary) Development Plan (NPR) as well as Joint Programme Document (JPD) Phare CBC or Phare CBC/Interreg IIIA
The transport infrastructure plays the key role in efforts aiming at the reduction of regional differences in economic growth. Therefore one of priorities of the policy aiming at building national links identified in the Preliminary National Development Plan, in the form of an annex to NPAA, is the integration of polish economy through the modernisation and development of transport networks. Therefore all activities according to the priority focus on transport infrastructure existing in Trans-European Networks and they shall be supplemented by activities undertaken in regions as a contribution to the building of economic and social links in the country. They are written down in accordance with the priority "Reinforcement of development potential of regions and preventing some areas from becoming of minor importance". One of the countermeasures proposed according to the priority is "The development and modernisation of infrastructure aiming at higher competition". This project is in accordance with both the Preliminary National Development Plan and the operational programme for the province of Ziemia Lubuska.
The development of cross-border co-operation has been included in the Preliminary National Development Plan. The implementation of this task will give rise to higher economic activity of the border regions and will have an impact on economic growth of the border communes.

2.5 Cross border Effect
The implementation of this project will:
- prevent the pollution of natural environment
- assure higher standard of travelling, especially for the growing tourist traffic from the countries of the European Union
3. Description

3.1 Background and justification:
The investment is a phase of the final solution of the transport lay-out in the border area. Uniformly and densely constructed road system as well as a sufficient number of border crossings will assure the proper economic and tourist development of the whole region. The current transport lay-out excessively impedes functioning of the city centre, is dangerous for natural environment and the dwelling houses. The construction of the by-pass will eliminate transit traffic from the city centre. The project is the consecutive and final stage of the construction of the by-pass of Zary in the course of the national road no 27. The project is connected with other ones co-financed by the Phare funds in the field of transport. The General Directorate of Public Roads, Office in Zielona Góra is prepared to implement the investment. The design documentation is prepared and necessary financial resources amounting to 26% of the investment value are assured. The enterprise has got the full approval of the Voivode, the Marshall of the Province, the Commune Council and the Commune Management. This undertaking, through the improvement of transport infrastructure in the border region Poland - Germany, would be the visible contribution to the transport integration of Poland with the European Union.

3.2 Related activities:
The tasks integrally connected with the project are as follows:
- Contract PL 9604-01-01-L003 Construction of the XXX-lecia road in Zary
- Contract PL 9701-01-01-02 Construction of the by-pass of Zary in the course of the national road no 27, stage I
- Contract PL 9701-01-01-02-L002 Modernisation of the national road no 27 Zary – Przewóz stage II
- Contract PL 902-01-01-048 Construction of the city of Szprotawa in the course of the national road no 12 Leknica - Szprotawa

3.3 Results
The construction of the new road section, 1,973 km long, and transference to the public use

3.4 Activities
Gaining qualified personnel for the management of the project, supervision, design and construction works. The total project cost amounts to 2,700 MEUR, including 2,000 MEUR from Phare funds and 0,700 MEUR from the budget funds to finance the part of construction works - finishing works. The budget funds allocated for the technical and tendering documentation, compensations, land acquisition and supervision – 0,530 MEUR.

3.5 Past experience
The following projects have been submitted earlier:
- Contract PL 9604-01-01-L003: The Construction of the XXX-lecia road in Zary
- Contract PL 9701-01-01-02: The construction of the by-pass of the Zary in the course of the national road No 27 stage I
- Contract PL 9701-01-01-02-L002: The modernization of the national road No 27 Zary – Przewóz stage II
- Contract PL 902-01-01-048: The construction of the by-pass of the town of Szprotawa in the course of the national road No 12 Leknica - Szprotawa
and they have been approved and implemented without qualifications. The conclusions resulting from the implementation of the past projects will be used when preparing the current project.

4. Institutional framework
On the central level: General Directorate of Public Roads, Address: 00-921 Warszawa, ul. Wspólna 1/3 - General Directorate of Public Roads, South - West Division, Office in Zielona Góra, 65-950 Zielona Góra, ul. Boh. Westerplatte 31, Mr. Janusz Lewicki, General Manager Tel.: (0 10**) 68 327 07 57 fax: (0 10**) 68 325 34 68
Institution signing the contract: General Directorate of Public Roads, South-West Division, Office in Zielona Góra
5. **Budget**

<table>
<thead>
<tr>
<th>Component</th>
<th>Investment support</th>
<th>Institution building</th>
<th>Total Phare</th>
<th>National co-financing</th>
<th>IFIs</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2,000</strong></td>
<td><strong>-</strong></td>
<td><strong>2,000</strong></td>
<td><strong>1,230</strong></td>
<td><strong>-</strong></td>
<td><strong>3,230</strong></td>
</tr>
</tbody>
</table>

Component 1. The preparation of the technical design, the tendering documentation, compensations and land acquisition – state budget
Component 2. Road constructional works – 2,000 MEUR from Phare funds, 0,700 MEUR from the state budget
Component 3. Supervision of the project implementation – state budget
Budget resources for the above specified tasks are reserved in the state budget.

6. **Implementation arrangement**

6.1 Implementation Agency

**Implementing agency:**
Phare CBC Implementing Authority
Ministry of Internal Affairs and Administration
00-522 Warsaw, 36 Krucza Street, Poland
Phone: +4822 6959910/11
Telefax: +4822 6959912/13
E-mail: Phare@wwpwp.it.pl
www.wwpwp.it.pl

PAO:
Mr Zenon Kosiniak – Kamysz
Under-secretary of State
Ministry of Internal Affairs and Administration
02-591 Warsaw, 5 Batorego Street, Poland

6.2 Twinning
Not applicable

6.3 Non-standard aspects
During the implementation of the task non-standard procedures related to the contract are not provided for. The Project shall be strictly implemented in accordance with DIS Standard described in the ‘Practical Guide for Phare, ISPA and SAPARD Programmes’.

6.4 Contracts
Only one tender procedure for the Phare component is planned and one contract will be signed. The value of the contract is 2,700 MEUR - joint co-financing.

7. **Implementation schedule**

7.1 Start of tendering
I quarter of 2003

7.2 Start of project activity
II quarter of 2003

7.3 Completion
IV quarter 2004

8. **Equal opportunities**
Opportunities of employment for men and women will be based on relevant standards of the European Union concerning EOE (Equal Opportunity of Employment), which will be assured by an official announcement in the press during the employment procedure.
9. **Impact on natural environment**

The environmental impact analysis has been elaborated for this project in 2000 and is available at the seat of the Beneficiary. It covers the main and most substantial elements of the environment.

- geological environment
  - soil and underground water
  - elements of landscape and flora
  - protection of atmospheric air
  - waste-water disposal
- acoustic climate

10. **Rates of return**

The following has been carried out for the project:

| internal rate of return IRR | - 36.03% |

11. **Investment criteria**

11.1 Catalytic effect:
The investment:
Will play an important role in the economical and tourist development of the region.
Will involve other activities in accordance with the policy of integration (e.g. facilitation of transit traffic, health protection, etc)

11.2 Co-financing:
The project is supported by the state, by financing 35% of the investment costs from budget resources allocated for the part of construction works – finishing works.
Furthermore, the Polish party is financing payments related to the preparation of the investment i.e. the preparation of the documentation, land acquisition, compensations, supervision.

11.3 In addition:
Phare funds are the addition to the budget funds allotted for the implementation of the project.
The size of the project is planned for 2,700 MEUR, including 2,000 MEUR from Phare funds and 0,700 MEUR from the state budget.

11.4 Preparation and size of the project:
The General Directorate of Public Roads, Office in Zielona Góra is prepared to implement the Contract. The environmental impact analysis as well as the economic analyses have been elaborated. The technical and the tendering documentations are just being prepared. The size of the project is planned for 2,700 MEUR, including 2,000 MEUR from Phare funds and 0,700 MEUR from the state budget.

11.5 Permanent effects of the projects
The project provides permanent solution for road safety problems and shorter travelling time. It will be sufficient for the planned traffic flow for the period of 30 years.
Funds for the maintenance of the project after its completion are assured and they come from the government budget.

11.6 Compliance with provisions concerning governmental support
The project complies with provisions concerning governmental support in this type of investments

11.7 Contribution to the National Development Plan and the Joint Programme Document
The integration of Polish economy through the development of transport networks covers:
The modernisation and development of road and railway network in Trans-European transport ways (TINA network) including activation of highways construction programme, commencement of road surfaces reinforcement programme, reinforcement of bridges, improvement of road and traffic management system as well as control of road users' compliance with binding standards and rules, especially those which concern traffic safety.

12 **Conditionality and sequencing**

All activities financed by own funds have been commenced.
The general outline of the construction of the by-pass road for the locality of Zary, the environmental impact analysis as well as the economic analyses for the outline have been elaborated.
The Technical and Tendering Documentations together with a construction permit are just being prepared.
## Programme name and number

<table>
<thead>
<tr>
<th>Programme name</th>
<th>Contracting period expires: 15/10/2004</th>
<th>Disbursement period expires: 15/10/2005</th>
</tr>
</thead>
</table>

### Annex 1: LOGFRAME PLANNING MATRIX:

#### Construction of by-pass of Zary

<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>- performance of stipulations of international agreements in the field of development of transport infrastructure, especially border crossings and access roads - development and modernization of infrastructure aiming at stronger competition</td>
<td>- shorter travelling time - higher traffic capacity in the border area - number of new investments in the area</td>
<td>- general measurement of traffic GDDP Warszawa - statistical data GUS SOSN measurements GDDP Warszawa after completion of the by-pass</td>
<td>delay of contract procedures discrepancies concerning organisation of the project, co-ordination and management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>higher travelling speed improvement of traffic safety shorter travelling time lower level of exhaust gases emission and noise creation of new jobs</td>
<td>- smaller number of road accidents - lower consumption of fuel - lower level of exhaust gases emission in the city - shorter travelling time - number of new job positions - number of newly employed</td>
<td>- general measurement of traffic GDDP Warszawa - statistical data GUS SOSN measurements GDDP Warszawa after completion of the by-pass</td>
<td>all the means available on time proper qualifications and skills of the main contractor and subcontractors proper management and supervision of works</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>improvement of transport improvement of traffic safety lower pollution of environment development of trade, industry and tourism</td>
<td>- compliance with the Contract Documentation, including work plan, implementation schedule and protocol of acceptance</td>
<td>- general measurement of traffic GDDP Warszawa - statistical data GUS SOSN measurements GDDP Warszawa after completion of the by-pass</td>
<td>- changes among proposed employees</td>
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</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
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</thead>
<tbody>
<tr>
<td>- construction of the new road section 1,937 km long and transference to the public use - qualified workers building materials, equipment and machines</td>
<td>1 contract for works amounting totally to 2,700 MEUR Total budget: 2,700 MEUR Phare budget: 2,000 MEUR own budget 0,700 MEUR</td>
<td>- complete technical and tender documentation together with the permission for the construction</td>
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</table>
Annex 2-3: Implementation, contracting and disbursement schedules

By-pass of the locality of Zary

<table>
<thead>
<tr>
<th>Date of Drafting</th>
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<tbody>
<tr>
<td></td>
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<td>IV quarter of 2004</td>
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<table>
<thead>
<tr>
<th>Budget Allocation Cost Estimate (in MEUR)</th>
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<tr>
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<tr>
<td>Implementation schedule</td>
</tr>
<tr>
<td>Contracting schedule</td>
</tr>
<tr>
<td>Disbursement schedule</td>
</tr>
<tr>
<td>Designations: D = design of sub-projects / C = tendering and contracting / I = contract implementation and payment</td>
</tr>
</tbody>
</table>

2,000