1. Basic information

1.1. CRIS number:

1.2. Project title: Modernisation of Provincial Road No. 389 DUSZNKI ZDRÓJ - ZIELENIEC

1.3. Sector: infrastructure

1.4. Location: Poland, Lower Silesia, district of Klodzko, commune of Duszniki Zdrój

2. Objectives

2.1. Wider / strategic objectives:
- strong mutual economic co-operation associations and dense road transportation links in local cross-border traffic
- elimination of threats and negative phenomena related to road cross-border traffic

2.2. Project purpose:
- improvement of road transport conditions and shortening of travel time between the following border crossings: Kudowa Zdrój/Náchod, Mostowice/Orlické Záhorí, Boboszów/Dolní Lipka.
- decreasing the pollution risk related to petrol derivative substances due to road traffic in the water environment of the Orlickie and Bystrzyckie Mountains
- decreasing exhaust fume emissions and their negative impact on local population and environment;

2.3. Priority of "Accession Partnership" and National Programme for the Adoption of the Acquis (NPAA)
- Medium-term – transport: necessary investments into transport infrastructure,
- Medium term – environment: requirements of environment protection are an integral part of sectoral policies.

2.4. Contribution to the realisation of the National Development Plan and the Joint Programming Document Phare CBC
The project proposed is compliant with the Polish-Czech cross-border area development strategy defined in the Joint Programming Document Phare CBC Poland – Czech Republic 2000-2006 (priority: Economic Development and Environment (Item 4.2.1.C – "The elimination of pollution and the negative impact of transit roads in the transborder zone").
It pursues the strategic development goals in the economic sphere – operation of strong co-operation associations – activity II.1.A – efficient and dense road transportation links in local cross-border traffic. Additionally, its performance will mean the implementation of the following priority: “Space of Exceptional Environment and Landscape Characteristics” owing to the construction of facilities protecting water reserves against traffic-induced pollution.
The project is in line with axis No. 3 of the Preliminary National Development Programme, in its development axis – Integration of Polish economy by the extension of the transport network” in the field of road transport.
The present road network does not ensure a desired quality of passenger transport and is a factor hampering social and economic integration of candidate countries into the European Union. This state of affairs is detrimental to international trade and lowers the interest of foreign capital in locating their investments within the area of the province of Lower Silesia and definitely hampers the development of tourism and trade in the border regions of the Republic of Poland.
The anticipated considerable growth in the cross-border traffic after Poland’s accession into the European Union makes it necessary to modernise and extend the road infrastructure related to the present border crossings with the Czech Republic.

2.5. Cross-border co-operation impact:
- improvement of the cross-border transport infrastructure
- provision of transportation links of the Mostowice border crossing under construction with the road network of the province of Lower Silesia, via national roads No. 8 and 33.
- association with a corresponding project implemented in the Czech Republic
3. Project Description

3.1. Background:
Provincial road No. 389 is gaining significance along with increasing cross-border traffic. This road is to constitute an important part of the “Mid-Sudeten Road” – a road with a mainly tourist function crossing the Sudeten area both at the Polish and the Czech sides of the border which will form the main axis for the development of recreational services in the region. This road serves also the border crossing in Mostowice.

At present the road is not suitable to carry the increased cross-border traffic, as its technical standard is too low. For the last 15 years the road has not undergone major repairs. Between 1995-2000, the average daily traffic increased by 100%.

The estimated considerable growth in the tourist and commercial traffic calls for the adjustment of road No. 389 parameters to EU standards as soon as possible. This will be ensured by modernisation works.

3.2. Linked activities:
The project performance is related to the construction of a new border crossing in Mostowice, in line with the agreement between the government of the Republic of Poland and the government of the Czech Republic “On Border Crossings, Tourist Border Crossings on the Border .....” dated 22 November 1996, Annex No. 2, “List of Border Crossings to be Open”. The Phare CBC Poland / Czech Republic 2000 Programme co-financed, with a contribution of 2 MEUR the Czech project entitled “Reconstruction of Road II/311 to the Orlické Záhori – Mostowice Border Crossing “. The fact that the project will be continued has been reported in the Phare CBC Poland- Czech Republic 2001 Programme. The Czech side plans to complete the construction of the border bridge and the crossing facility by the end of 2002.

3.3. Project results:
- 11,0 km (73000 sq. m) of modernised bitumen carriageway (SMA),
- 6,0 m wide carriageway (6,5 m in urbanised area) of reinforced structure (permissible vehicle axle load of 100 kN),
- modernised surface draining system(3 500 meters of new drainage pipelines and 13 000 meters of reinforced (concrete bed) drainage ditches,
- a system of treating of all rain water from petrol-derivative substances before their discharge to the hydrographic network
- road safety improvement (10 500 meters of energy absorbing barriers, 4 750 sq. m of new pavements and a bus lay-by, widening entrances to national road No. 8 and the district road, new signs and road painting),
- 2 new car park places for view points (18 places for cars and 3 for buses).

3.4. Activities:
- reinforcement of the structure of existing carriageway (53 200 sq. m) and construction 19 800 sq. m of new carriageway structure (widening the carriageway),
- assembly of 26 petrol-derivative substances lamella separators (Unisep type, 1200-1500 mm diameter),
- construction of 3 500 meters of drainage pipelines and 13 000 meters of reinforced (concrete bed) drainage ditches,
- fitting 10 500 meters of energy absorbing barriers,
- construction of 2 parking places located at tourist view points,
- construction of 4 750 sq. m new pavements and a bus lay-by,
- reconstruction of 2 crossroads,
- reconstruction of telecommunication trunk line located in the road belt (9400 m),
- installation of vertical signs and painting surface road marks.

3.5. Lessons learned.
DZDW - Lower Silesian Provincial Road Inspectorate is a one of direct beneficiary of Poland-Germany Phare CBC 1999 programme as one of two Polish institutions in charge of realizing project “Construction of the road frontier border crossing RADOMIERZYCE-HAGENWERDER” contract PL 9913-01-05 (EU support after completion (in 2001) of the tender procedures was

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established as 1.93 MEUR). The construction works of access road on Polish side are planned to be completed by July 2002.

4. Institutional Framework
Project originator: Dolnoslaski Zarzad Dróg Wojewódzkich (DZDW), (Lower Silesian Provincial Road Inspectorate), 50-141 Wroclaw, Plac Nowy Targ 28, Poland who report directly to the Board of the Lower Silesian Province. Road No. 389 is a provincial road administered by DZDW Wroclaw. There are no limitations to project implementation. Investment works will be carried out within the road stretch administered by DZDW Wroclaw.
The Site Engineer will be appointed by DZDW Wroclaw.
The Contracting Party will be DZDW Wroclaw, who will appoint the Project Engineer within their own office DZDW Wroclaw, Project Engineer Office, ul. Rataja 9, Jelenia Góra 58-560, tel/fax 75-540-73.
The owner of road No. 389 is the Local Self-Government of the Lower Silesian Province and its administrator is DZDW Wroclaw.

5. Project budget (in MEUR)

<table>
<thead>
<tr>
<th>PHARE CBC 2002 contribution</th>
<th>Investment support</th>
<th>Institution Building</th>
<th>Total PHARE</th>
<th>National Contribution</th>
<th>IFIs</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Contract 1</td>
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<td>2.71</td>
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<td></td>
<td>2.00</td>
<td>0.71</td>
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<td>2.71</td>
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</tbody>
</table>

Co-financing will be available.

6. Project Implementation Arrangements

6.1. Project Implementing 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 project procedures described in “Practical Guide for Tender Procedures within Phare, ISPA and SAPARD programmes will be strictly followed.

6.4. Contracts:
1 contract, 2.71M€, - joint co-financing

7. Implementation Schedule

7.1. Commencement of tender proceedings
Contracting completion: 1 Q 2003.

7.2. Commencement of project work: 2 Q 2003.


8. Equal Opportunities
The employment opportunities for men and women will be based on European EOE standards, secured by means of recruitment based on official job advertising.
9. Environment Impact
The Environment Impact Study has been prepared (see attachment). The modernised road will not create any conditions detrimental to the environment – in result of the improvement in the road surface condition there will be a noise reduction, and the arduousness originated by this source will be minor. Also the concentration value of nitric oxides in road vicinity, at average ozone concentration, will be lower than permissible in spa areas. Along with the growth in traffic intensity in the years to come, in line with the general trend, there will be a rise in the number of cars, however, the technical advancement will make it possible that the emission of toxic exhaust fume components will be lower than nowadays. The modernised road will have an efficient storm water collection system so that the rain water polluted by petrol derivative substances do not permeate into the soil. The modernisation works will take place within the existing road belt so, in consequence, the scope of necessary tree felling would be limited.

10. Profitability Ratio
The economic and financial analysis of the project (enclosed hereto) was prepared on the basis of “The Provisional Instruction for Economic Efficiency of Road and Bridge-Related Projects” developed by the Road and Bridge Research Institute (Instytut Badawczy Dróg i Mostów) as per the guidelines of the World Bank.
The analysis contains the following calculations:
Financial Internal Rate of Return FIRR = 3.6%
Economic Internal Rate of Return EIRR = 13.5%.

11. Investment criteria

11.1. Catalyst effect:
The implementation of the project will greatly improve the communication in the border areas of Poland and the Czech Republic, in particular the communication of Lower Silesia with Northern areas of the Czech Republic. This will have a positive impact on the tourist and economic development of the area of the Orlickie and Bystrzyckie Mountains at both sides of the border – owing to an increased number of visiting Polish and foreign tourists. When Poland joins the European Union, road # 389 will become a major tourist communication link between Poland and the Czech Republic.

11.2. Co-financing:
The financial contribution of Poland in the amount of 0.71 MEUR will be made by Dolnoslaski Zarzad Dróg Wojewódzkich in Wroclaw (organisational unit of the Self-Government of the Lower Silesian Province).

11.3. Subsidiarity:
Non-commercial project – no capacity for financing the project from the funds of the private sector and international financial institutions.

11.4. Project preparation stage and project range:
The Technical Documentation of the project is owned by DZDW. Investment works will be carried out within the road stretch administered by DZDW Wroclaw.
DZDW worked out following studies referring to the project:
- Economic analysis (EIRR=13.48 %)
- Financial analysis (FIRR=3.62%)
- Project feasibility study
- Environment Impact Study.
The economic analysis (EIRR=13.5%) proves the project implementation rational. The total value of the project is 2.71 MEUR (Phare contribution is 2.00 MEUR).

11.5. Sustainability:
The life-time of realised investment will be 10 years (without major repairs). Proper road maintenance can prolong this time by another 10 years. Costs of minor repairs will be covered by DZDW Wroclaw. The modernised road will contribute to decreasing environmental pollution.
11.6. Compliance with arrangements of national financing.  
The project is in line with the provisions of Europe Agreement on national financing.

The project proposed is compliant with the Polish-Czech cross-border area development strategy defined in the Joint Programming Document Phare CBC Poland – Czech Republic 2000-2006.  
It pursues the strategic development goals in the economic sphere – operation of strong co-operation associations – activity II.1.A – efficient and dense road transportation links in local cross-border traffic. Additionally, its performance will mean the implementation of the following priority: “Space of Exceptional Environment and Landscape Characteristics” owing to the construction of facilities protecting water reserves against traffic-induced pollution.  
The project is in line with axis No. 3 of the Preliminary National Development Programme, in its development axis – “Integration of Polish economy by the extension of the transport network”.  
The project, as a section of the so-called “Mid-Sudeten Road” is provided for in the Development Strategy of the Lower Silesian Voivodeship (Annexe 1, sec. 15.22) and in the strategy of the Neisse/Nysa Euroregion.

12. Conditions and time schedule
1. December 2002 – approval of documentation prepared and preparation of tender documentation;
4. April 2003 – commencement of contract performance by the contractor;
Annex 1. LogFrame Planning Matrix

"Modernisation of Provincial Road No. 389 within the Stretch from km 0+000 to km 11+200
DUSZNIKI ZDRÓJ – ZIELENIEC"

<table>
<thead>
<tr>
<th>Programme name and number: Phare Cross-Border Co-operation Poland/Czech Republic 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 30.11.2004</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>When made? Who will measure it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- efficient and dense road transport links in local cross-border traffic</td>
<td>- decrease in travel length from the Kudowa Zdrój / Náchod border crossing to the Boboszów/Dolní Lipka border crossing</td>
<td>How: own measurements and available statistics</td>
<td>When: a) before and after project completion By whom: DZDW, Border Guard</td>
</tr>
<tr>
<td>- elimination of threats and negative phenomena related to road cross-border traffic</td>
<td>- increase in the number of cars using the Mostowice border crossing</td>
<td>When made? Who will measure it?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose (Immediate Objectives)</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- increasing the attractiveness (availability) of tourist resorts in the Polish-Czech border areas in the Orlickie Mountains</td>
<td>- providing the possibility of two-directional traffic throughout the year</td>
<td>How: own measurements and available statistics</td>
<td>- no economic recession</td>
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<tr>
<td>- decreasing the traffic arduousness for the population of towns/villages crossed by provincial road No. 389. - decreasing the pollution risk related to petrol derivative substances due to road traffic in the water environment of the Orlickie and Bystrzyckie Mountains</td>
<td>- increase in the number of cars using road No. 389</td>
<td>When: a) before and after project completion b) statistic data from the period before investment and 3 years after investment By whom: measurements by DZDW, Office of Statistics in Wroclaw, Commune Office of Duszniki</td>
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<tr>
<td>- decreasing the pollution risk related to petrol derivative substances due to road traffic in the water environment of the Orlickie and Bystrzyckie Mountains</td>
<td>- increase in the number of tourists taking advantage of the tourist base of the commune of Duszniki Zdrój</td>
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<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
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</thead>
<tbody>
<tr>
<td>- road modernisation (improving technical parameters)</td>
<td>11.0 km of modernised carriageway (73 000sq. m) with hardened shoulders, 6 m wider carriageway, load capacity throughout the entire carriageway width with the permissible axle load of 100 kN, number of modernised and newly constructed road infrastructure objects.</td>
<td>How: direct measurement in areas under the project, Work Acceptance Certificate</td>
<td>- we assume favourable weather conditions</td>
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<tr>
<td>- protection of water environment (underground water and the reception area of the Bystrzyca Klodzka river) - car park places for view points.</td>
<td></td>
<td>When: directly after project completion By whom: own (e.g. road laboratory, DZDW)</td>
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<td>- car park places for view points.</td>
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<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
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<tr>
<td>reinforcement of the surface structure and widening of the carriageway, modernisation and construction of road infrastructure elements (road draining system, reconstruction of road culverts, pavement in Zienienic, improvement of the geometry of dangerous road elements, traffic safety devices)</td>
<td>- service of project-related activities, - Project Engineer’s supervision over the project - conclusion of 1 contract for civil engineering works</td>
<td>We assume that the necessary funds will be collected and the project financing will be ensured from Phare contributions and own funds</td>
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<tr>
<th>Costs: Total budget</th>
<th>Phare budget</th>
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<tr>
<td>2,710,040 EUR</td>
<td>2,000,000 EUR</td>
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- Preconditions - prepared construction documentation - land-related and local arrangements - decision of competent construction supervision body (Lower Silesian Provincial Office)
Annexes 2-3. Implementation Contracting and Disbursement Schedule

<table>
<thead>
<tr>
<th>Lokalizacja (Location):</th>
<th>Tytuł projektu (Title):</th>
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<tr>
<td>Provincial Road No. 389</td>
<td>&quot;Modernisation of Provincial Road No. 389 within the Stretch from km 0+000 to km 11+200 DUSZNIKI ZDRÓJ - ZIELENIEC&quot;</td>
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<thead>
<tr>
<th>(1) Implementation schedule</th>
<th>(2) Disbursement schedule</th>
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<td>0.100 0.400 0.900 1.000 1.200 1.500 2.000</td>
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Legenda:
D = przygotowanie pod-projektów (design of sub-projects)
C = przetargi i kontraktowanie (tendering and contracting)
I = realizacja kontraktów i płatności (contract implementation and payment)