1. Basic Information
1.1 CRIS Number: 2002/000-580-06.12
1.2 Title: 06.12 Lubuskie - SME development Gorzowski
1.3. Sector: ESC
1.4. Location: Poland, Lubuskie Voivodship, Gorzowski Poviatship

2. Objectives
2.1. Overall Objectives
Improvement of the attractiveness of the region for SME sector and revival of tourism through the improvement of the transport infrastructure and access to investment zone

2.2. Immediate Objectives
Attracting tourists to Gorzow Poviat
Attracting new investors from the SME sector

2.3. Accession Partnership and NPAA Priority
The project responds to the medium term priority identified in the AP: developing national policy for economic and social cohesion and preparing for the implementation of regional development programmes as well as Community Initiatives. It corresponds also with the NPAA priority "Regional and cohesion policy".

2.4. Contribution to National (Preliminary) Development Plan (NPR)
The project is in line with the sixth axis of the Preliminary NDP, which is “Strengthening development potential of regions and counteracting marginalisation of certain areas” The priorities of this axis will be implemented by means of several measures including development of transport infrastructure.
The project is compliant with the priorities of the Operational Programme of the Lubuskie Voivodship.

2.5. Cross Border Impact
Not applicable

3. Description
3.1 Background and Justification
The submitted project is located in Gorzowskie Poviat, from the boundary of the town of Gorzów Wlkp. to the junction with state road no 31 towards Szczecin. Provision of appropriate infrastructure is a basic condition of social-economic development in the voivodship. The size of the project and its nature show that it will have great impact on the economic development of the region, and also stimulate the economic growth. The high rate of unemployment, amounting to 20%, is a basic social and economic problem. Shutting down of big industrial plants and end of border trade, in view of lack of new projects at the same time, contributed to the increase of unemployment rate. All measures taken by local authorities aim at economic revival of the poviat through winning new projects. The development of transport infrastructure, which provides convenient access to industrial and tourist areas, is indispensable to reach the economic growth.

Voivodship road No 132 provides access from Gorzów Wlkp. to recreation areas located by the Warta River in Swierkocine and will bring about economic revival new lands (10 ha). There is a landscape park in the vicinity of Swierkocin, which together with the National Park „Ujscie Warty” (the mouth o the Warta River) provides a great tourist attraction and rest area for the residents of the poviatship. Provision of convenient access for road traffic and crossing-free connections for cyclists will influence the development of tourism.

Kostrzyn By-pass, providing connection of voivodship road No 132 and state road No 31 towards Szczecin, will contribute to the economic revival of new areas. Construction of a new road would allow access to 50ha of lands designated for investments in physical development plans. Making new, attractively located lands available for services and industry, allowing investment relief at the same time, will secure winning over new investors that will provide new
jobs. The conducted analyses show that the will of investing in industrial infrastructure was expressed by 10 enterprises. The decision about starting of their operation depends on the assuring of a convenient approach to lands destined for investments. The planned investments would allow the establishment of 200 work posts. The implementation of the assumed plans would allow lowering the unemployment level in the region by 1%. Undertakings of local authorities aim at full utilisation of activated areas. The planned undertakings refer only to 45% of land area. In further perspective the unemployment fall would be by further 1.5% if the gmina development plans are fully implemented.

**Linked Activities**
- Construction of western Gorzów Wlkp By-pass,
- Construction of Witnica By-pass
- Repair of state road No 3 section Gorzów Wlkp - Skwierzyna

All activities mentioned above, are located within the same transport corridor. Construction of Witnica By-Pass along the route of Voivodship Road No 132, forms connection between the modernized section of road No 132 and Kostrzyn By-Pass. Construction of Witnica By-Pass is carried out by the beneficiary (Marshall Office of Lubuskie Voivodship). The investor for remaining activities is the General Directorate for National Roads and Motorways Division in Zielona Góra.

### 3.3. Results
Implementation of the project will provide road access to investment zone where the SME companies will locate their businesses in various sectors, see attached list of prospective investors:
- road access to 60 ha investment zone accessible for SME investors
- road with improved technical parameters load capacity increased to 115 kN
- decrease in transit time by 30 %
- improved safety of traffic, decrease in the rate of accidents by 40%
- improved acoustic climate (decrease in the level of noise by 7 dB)
- decrease in the air pollution by 20%

### 3.4. Activities :
- Modernization of voivodship road, section from km 27+762 to km 38+050
- Construction of a small by-pass of the town of Kostrzyn 1.7km long, including construction of a storm sewerage
- Construction of a storm water drainage in Lupowo 2.0 km long,
- construction of a sidewalk 6km long and of a bicycle path 10.5 km long along the modernised road,
- Construction of a sidewalk and a bicycle path 1.7 km long ad 3.5 m wide along the planned Kostrzyn by-pass.

### 4. Institutional Framework
4.1 The beneficiary of the project will be Marshall Office of the lubuskie Voivodship.
4.2 The Engineer/ Project Manager will be appointed through a tender procedure organised by the Beneficiary in accordance with the Polish Public Procurement Law.
4.3 The owner of the facilities after project implementation will be Board of Voivodship Roads in Zielona Góra
4.4 The investment will be executed according to the Decentralised Implementation System (DIS) - “Practical Guide to Phare, Ispa & Sapard contract procedures”
4.5 Implementation of the project will not lead to any changes in the institutional framework described above.
5. Detailed Budget in MEUR

<table>
<thead>
<tr>
<th>Phare Support</th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>Institution</td>
<td>Total Phare</td>
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<td>IFIs</td>
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<tr>
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<td>Building</td>
<td>Building</td>
<td>Building</td>
<td>Building</td>
</tr>
<tr>
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<td>2.00</td>
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<td>0</td>
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<tr>
<td>Total</td>
<td>2.00</td>
<td>2.00</td>
<td>0.88</td>
<td>0</td>
</tr>
</tbody>
</table>

The overall value of the investment including employment of the Project Manager will be 2.88 MEUR. The cost of the employment of the Project Manager will be paid by beneficiary in amount of 0.2 MEUR. Co-financing will be available.

6. Implementation arrangements
6.1 Implementing Agency
PAO: Ewa Freyberg – Undersecretary of State in the Ministry of Economy, Pl. Trzech Krzyży 3/5, 00-507 Warsaw,
Phone: + 48 22 693 40 09, Fax: + 48 22 629 68 95. Implementing Agency: Implementing Authority for Phare Cross Border Co-operation Programme,
ul. Krucza 36, 00-522 Warsaw,
Phone: +48 22 695 99 10-11, Fax: + 48 22 695 99 12-13

6.2 Twinning: N/A
6.3 Not-standard aspects: N/A
6.4 Contracts:
Contract 1 (works): 2.68 mln € - joint co-financing
Contract (2) Engineer 0.20 mln € (from State funds)

7. Implementation schedule
7.1. Commencement of the tendering process: 1st quarter 2003
7.2. Commencement of the Project: 3rd quarter 2003
7.3. Completion of the project: 4th quarter 2004

8. Equal Opportunity:
All procedures applied during execution of the project shall be based on Polish law, providing equal opportunity for all interested institutions and private persons. The participation of men and women in the project shall be based on the adopted EU standards, which provide equal employment opportunities - EOE (Equal Opportunity of Employment) and jobs shall be announced in official newspaper advertisements during the recruitment of workers for the project.

The design and construction works shall be awarded by tender, the criteria of which are solely the tenderer's experience and offered financial conditions. The projects completed so far prove particular participation of women during the design stage and supervision of the project.

9. Environment
The evaluation of the project impact on the environment (EIA) was prepared in 2001, according to the EU 85/337 Directive. It includes in the main and most significant elements of the environment:
- geological environment,
- soils and ground water,
- elements of landscape and plant cover,
- protection of atmospheric air,
- coping with noise,
- water and sewage facilities.
The evaluation of the impact on the environment proved it necessary to carry out the project as well as favourable effect of the designed solutions on the improvement of acoustic climate and air pollution. Construction of the storm sewerage will bring about the improvement in the quality of groundwater.

10. Rates of Return
An economic and financial analysis of the submitted project has been prepared, allowing for the phase of modernization and construction of the by-pass
Modernization of voivodship road No 132
Internal Rate of Return IRR = 37.42 %,
Economic Rate of Return ERR = 45.97%.
Construction of Kostrzyn By-pass
Internal Rate of Return IRR = 28.68 %,
Economic Rate of Return ERR = 47.69%.
The evaluation of efficiency has been based on “Provisional manual regarding evaluation of economic efficiency for road and bridge projects” prepared by IBDiM Warsaw 1996, including further amendments, according to the guidelines issued by the World Bank.
High value of economic indices results from the execution of two basic objectives of the project: economic revival of the region and improvement in traffic conditions. 60 hectares of land will be made available for new investments as a result of project implementation. The data obtained from the Municipal Office of Kostrzyn shows that 10 new investments will be set up within the area designated for business; the said investments will provide 200 new jobs in the early stage of operation.
Improved traffic conditions on road No 132 (construction of a separate pedestrian – bicycle path, rehabilitation of the carriageway pavement) will result in the increase in tourist traffic within the area of the national park „Ujście Warty” (the Warta Estuary). The projected increase – 8,000 per year.
Additional factors influencing the values of economical indices are savings of the users of the road traffic. The costs of vehicle operation and the costs of wasted travellers’ time will be decreased. The safety level of road traffic will increase.

11. Investment Criteria
Catalytic Effect:
The Phare support will be conducive to achieving economic and social cohesion goals in Lubuskie voivodship, which otherwise could be attained only in a more distant future and on a more modest and less efficient scale.

11.2. Co-financing:
The Polish party provides for financing the project at the amount of 0,88 mln EUR, which amounts to 30.56 % of the project value. Besides, the Investor incurred the cost related to the preparation of the design and tender documentation, as well as purchasing the land. The contract to perform the duties of the Engineer shall be financed from the funds of Zarzad Dróg Wojewódzkich (the Voivodship Road Authorities) in Zielona Góra. - joint co-financing

11.3. Additionality
The financial means transferred to the Beneficiary for the project implementation, covering the investment costs as they are planned within the project do not displace other financing sources, especially from the private sector and the IFI system; it is solely the co-financing of identified priorities and does not replace national resources.

11.4. Project Readiness and Size:
- project is ready for execution
- the project is included in the urban development plan
- the investor possesses all land required to carry out the project
- all technical studies necessary to commence the execution are complete – project feasibility study, economic analysis as well as the evaluation of the impact on the environment
- the project meets the requirements regarding the project size 2.88 MEUR, contribution of the Polish party at the amount of 30.56 % of the contract price

11.5. Sustainability:
The project will contribute to the long-term sustainable development of the region, as described in the Operational Programme for Lubuskie Voivodship. The investment is sustainable and does not require any further expenditures apart from the ongoing technical maintenance on the part of the Board of Lubuskie Voivodship.

11.6. **Compliance with the State Aid Provisions:**
All aspects of the project will be developed with respect to the state aids provisions of the European Agreement.

12. **Conditioning and Sequencing**
The achievement of project objective will be conditional upon:
- Realization of remaining elements of development strategy
- Stability of the region’s economy is assumed
- Lack of change of legal regulations disabling economic investments in designated areas
- Lack of variations in domestic policy legislation nor EU concerning transport

**Deadlines:**
- Construction designs prepared until (date): 2\textsuperscript{nd} quarter 2002
- Obtaining the building permit until (date): in hand
- Preparation of tender documents until : 2\textsuperscript{nd} quarter 2003
- Signing the works contract until (date): 3\textsuperscript{rd} quarter 2003
- Completion of the contract until (date): 4\textsuperscript{th} quarter 2004

**Annexes to the Project Fiche**

1. Logframe Planning for Project
2. Detailed Implementation Schedule
3. Detailed Contracting and Disbursement Schedules
### Annex 1: LOGFRAME PLANNING FOR THE PROJECT

#### Programme number and title :
**PHARE 2002-2003 SSG**

#### Contracting period expires
30/11/04

#### Disbursement period expires:
30/11/05

#### Total budget: 2.88 mln €

#### Phare budget: 2.00 mln €

### 06.12 Lubuskie - SME development Gorzowski

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of the attractiveness of the region for SME sector and revival of tourism through the improvement of the transport infrastructure</td>
<td>Increase in local SME companies turnover in the Gorzowski Poviat</td>
<td>How: Publications of GUS and WUS When: 5 years after project completion Who: Marshal Office</td>
</tr>
<tr>
<td></td>
<td>Increase in the tourist revenue of the Poviat</td>
<td></td>
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</table>

#### Project Purpose/Immediate Objectives

<table>
<thead>
<tr>
<th>Attracting tourists to Gorzow Poviat</th>
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<tbody>
<tr>
<td>Attracting new investors from the SME sector</td>
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<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting up 10 new SME business entities</td>
<td>How: statistic data of WUS and UW in Zielona Góra When: 2 years after project’s completion By who: Beneficiary</td>
</tr>
<tr>
<td>Creation of 200 new workplaces</td>
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<tr>
<td>Increase in tourist traffic by 8000 people per year</td>
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</tbody>
</table>

#### Results

<table>
<thead>
<tr>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in transit time by 30 %</td>
<td>How: Reports of local authorities When: directly after project’s completion Who: Beneficiary</td>
</tr>
<tr>
<td>Decrease in the rate of accidents by 40 %</td>
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<tr>
<td>60 ha of the land available for investment</td>
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<tr>
<td>Decrease in the level of noise by 7 dB</td>
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<tr>
<td>Decrease in the air pollution by 20%</td>
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#### Activities

<table>
<thead>
<tr>
<th>Means</th>
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<tbody>
<tr>
<td>One works contract</td>
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</table>

#### Preliminary Conditions :

The Project has been approved by the authorities of Lubuskie Voivodship:
Beneficiary has financial resources, to provide Polish party’s contribution in the contract
Beneficiary obtained a construction permit, and possesses the land required to carry out the project
## Appendix 2-3: Implementation, Contracting and Disbursement Schedules

<table>
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<tr>
<th>06.12 Lubuskie - SME development Gorzowski</th>
<th>Date of Drafting</th>
<th>January 2002</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Planning Period</td>
<td>IV’02 – IV ’04</td>
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<table>
<thead>
<tr>
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<th>Budget Allocation Cost Estimate (only Phare in MEUR)</th>
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<td><strong>Implementation schedule</strong></td>
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<td>- Contract 1</td>
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<td><strong>Disbursement programme</strong></td>
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<td>- CONTRACT 1</td>
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**Legend:**
- D = preparation of sub-projects
- C = tendering and contracting
- I = contract implementation and payment
- amounts in mln EURO cumulative