**Ex-post CBA D1 Jánovce – Jablonov, update 2020**

Ex-post CBA D1 Jánovce – Jablonov was implemented in 2019 and it is available at <https://www.opii.gov.sk/metodicke-dokumenty/ex-post-cba>. The data used in the analysis were collected in the period 2011 to 2018.

As the Managing Authority, the Ministry of Transport and Construction of the Slovak Republic has proceeded to update the ex-post CBA by adjusting the original ex-post CBA with fair values ​​for 2019. The following data were included :

*GDP – source: Statistical Office of the SR*

*Inflation – source: Statistical Office of the SR;*

*Fuel prices – source: Statistical Office of the SR;*

*Traffic intensity – source: automated traffic counters of National Motorway Company;*

*Operation and Maintenance costs – source: National Motorway Company accounting;*

*Revenues – source: National Motorway Company accounting;*

*Accidents – source: Police of the SR*

Subsequently, the CBA of the entire project was recalculated including predictions until 2040 using the methodology of the Operational Programme Transport (2007 - 2013). The original CBA had also been calculated using the methodology of the Operational Programme Transport (2007 - 2013).

The evaluation of the financial and economic analysis below is a comparison of the current ex-post CBA analysis with the previous one implemented in the year 2019.

**Evaluation of financial analysis**

The financial gap did not change, the updated CBA confirmed the financial gap of **100%.**

The financial indicators below are cumulative for the reference period of 30 years and the sums are excluding any discounts (financial discount tariff-rate).

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| **Investment cost** | previous ex-post CBA**287 515 642 EUR** | after the update**287 515 642 EUR** | **0%** |

The stated investment costs are undiscounted and including VAT. The investment cost was not affected by the update.

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| **Residual value** | previous ex-post CBA**151 875 080 EUR** | after the update **151 875 080 EUR** | **0%** |

In accordance with the CBA manual the updated residual value was recalculated using the method on the basis of the lifetime of the infrastructure components. The residual value was not affected by the update.

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| **Revenues** | previous ex-post CBA**54 297 473 EUR** | after the update**55 361 284 EUR** | **+ 2.0%** |

Toll revenue has increased from EUR 1 795 563 (year 2018) to EUR 1 874 917 (year 2019). In the long-term view it means a slightly more positive forecast by 2040, but the fact is that the project can not earn means for its operation.

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| **Operation & Maintenance costs** | previous ex-post CBA**78 247 659 EUR** | after the update**81 202 839 EUR** | **+ 3.8%** |

The real maintenance cost of the D1 Jánovce – Jablonov section in 2019 was higher than expected as operation & maintenance costs have increased from EUR 1 724 000 EUR (year 2018) to EUR 2 130 030 EUR (year 2019). It was thus necessary to recalculate all operation and maintenance costs by the end of the project according to the updated expenditure (from year 2019). In financial terms it means that the project will be more costly.

**Evaluation of the economic analysis**

The cost benefit ratio (B/C) decreased from **5.02** to **4.47**. The decrease of B/C value was caused due to the lower values of the all indicators below. The ERR (economic rate of return) also fell from **26.3%** to **24.7%** but remains still several times higher than the economic discount rate.

All savings data below are discounted at an economic discount rate of 5.5%.

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| **Passenger travel time savings** | previous ex-post CBA**852 614 527 EUR** | after the update**795 097 590 EUR** | **+5.5%** |

Traffic intensities of passenger and freight traffic in 2019 were higher than in 2018. However, when incorporated into the transport model, which includes an adjacent road network of total 108.26km, there is a reduction in the passenger time savings based on the interaction between 19 sections of the modeled territory. This is mainly due to the higher traffic volumes measured on the parallel and adjacent first-class roads.

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|  **Vehicle operating costs savings** | previous ex-post CBA**170 579 995 EUR** | after the update**122 176 615 EUR** | **- 28.4%** |

Vehicle operating costs consist of fuel consumption and other vehicle operating costs (such as depreciations). The reason for the decrease of the vehicle operating costs savings is almost the same as in the passenger travel time savings, meaning the interaction of the sections on the modeled road network where the key indicators were the lengths (in meters) of the assessed sections and the speed of the vehicles on the sections. Based on those indicators the average fuel consumption was calculated.

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| **Accident costs savings** | previous ex-post CBA**44 404 276 EUR** | after the update**38 201 455 EUR** | **- 14.0%** |

The accident rate was calculated on the basis of the number of accidents for year 2019 where, not only the section itself, but also the entire adjacent network including first and second class roads were considered in the accident analysis. The decrease in the accident savings was mainly due to the higher number of fatal accidents in 2019 within the road network analyzed, despite the fact that only one fatal accident was present in the section D1 Jánovce – Jablonov.

**Final evaluation**

The financial analysis confirmed the assumption that the project could not fully cover the expenditures from its revenues, moreover at present, the financial contribution from the Cohesion Fund should be higher than originally provided.

 The economic analysis confirmed the efficiency of spending public funds as the benefits of the project outweigh its costs. It is concluded that the project costs are legitimate due to its benefits for the society.