1. Basic Information

1.1 Project Number    CZ 01.12.03

1.2 Project Title
Železná Ruda District - Improvement of Transport Infrastructure

1.3 Sector    Transport

1.4 Project Location

1.5 Euroregion:    Šumava
Cross-border region: Czech Republic – Germany (Bavaria)
District: Klatovy
Municipality: Železná Ruda
Cadastral territory: Železná Ruda, Debrník, Špicák, Alžbetín, Hojsova Stráž

2. Objectives

2.1 Overall Objective(s)
The project is in compliance with the Joint Programming Document (JPD), Czech Republic – Germany medium-term strategy and priorities for the Interreg III A - Phare CBC programmes. It meets the objective of the priority: Transport infrastructure. The Project focuses on the following:

- Development of a cross border transport network of equivalent capacity and customer focused transport services;
- Environment-friendly infrastructure and improvement of the quality of the environment at the border region;
- More efficient use of the border region potential aimed at environment-friendly and socially acceptable tourism.

2.2 Project Purpose

Reduction of Road Accidents
Two new railway crossings with automatic barriers control built in the area with a high number of visitors will eliminate accidents involving cars and trains. This is an important preventive measure as the railway traffic is also going to increase as part of the extension of a cross-border railway network.

Development of Services
Improvement of transport and other related services at the railway stations will result in better services and more job opportunities created in the sector of small businesses e.g. ski and bike rentals, restaurants and information centres.

Better Air Quality in the Region
Gas penetration and reduced traffic load will reduce noise level and will result in a significant reduction of pollutants. The total quantity of pollutant reduction will be 2.53 t/year.

<table>
<thead>
<tr>
<th>Emissions (t/year)</th>
<th>Before project implementation</th>
<th>After project implementation</th>
<th>Reduction</th>
<th>Reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air borne particulates</td>
<td>0.46</td>
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<td>0.46</td>
<td>100,0</td>
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<td>Sulphur oxide - SO₂</td>
<td>0.55</td>
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<td>0.55</td>
<td>100,0</td>
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<tr>
<td>Nitrogen oxides - NO₅</td>
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<td>0.04</td>
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<td>50,0</td>
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<td>Carbon monoxide CO</td>
<td>1.22</td>
<td>0.01</td>
<td>1.21</td>
<td>99,2</td>
</tr>
<tr>
<td>Hydrocarbons - CₓHᵧ</td>
<td>0.27</td>
<td>0.00</td>
<td>0.27</td>
<td>100,0</td>
</tr>
</tbody>
</table>

2.3 Accession Partnership and NPAA Priority

Improved transport infrastructure is the prerequisite for better public transport. An efficient development of public transport, adequate quality of customer service and support of environment-friendly means of transport in the protected area meet the priorities of the Czech accession to the EU.

The project is in line with the objectives of the National Programme for the Adoption of Acquis in the area of Transport Policy.

2.4 Cross-border Impact of the Project

Construction of facilities to European standards will provide better services both to Czech and German visitors who are still lacking this quality level of services. The Project is conceived with the aim to bring the quality of railway transport to the EU level. Similar issues targeted at the infrastructure development are now addressed by the Bavarian partners on the other side of the border of Železná Ruda.

The entire Project including the implementation of transport measures will provide better quality and comfort of travelling in the border region and it will also contribute to the creation of a better functioning cross-border railway network.

3. Description

3.1 Background and Justification

The Project covers the holiday resort around Železná ruda the total area of which is about 50 km² with 3,500 permanent residents. In addition to that Železná Ruda is the biggest holiday resort in the area offering accommodation to as much as 8 thousand tourists. Most of the area is part of Šumava Protected Landscape Area (CHKO) and Šumava National Park, which is on the UNESCO list of protected areas.

The current regional transport infrastructure has a very low standard. Lack of maintenance and an overall negligence for many years resulted in many derelict buildings and facilities. To bring them to the EU standards will, among others, require their adequate refurbishment as part of building repairs and provision of required services.

Poor condition of the railway infrastructure on one hand and an increasing number of visitors coming to this attractive region on the other result in long queues on roads and traffic jams particularly in winter. An increased volume of car traffic has an adverse environmental impact on the entire region.

The open railway crossings with no gates or lights and missing platforms at the railway stations pose a safety risk to the visitors and residents and they do not meet European standards.
3.2 Linked Activities
In recent time there have been three projects financially assisted by the EU Programmes. The first project was a new sewage system at the holiday resort of Železná Ruda which was implemented in two stages. The other project was the cycling path from the border crossing Alžbetín to Železná Ruda. The third project included the refurbishment of railway station buildings at Špicák and Železná Ruda – Alžbetín. All these projects have significantly contributed to the development of tourism and environmental improvements in the entire border region.

3.3 Results
The Project implementation will result in an improved quality of transport services in the resort area of Železná Ruda. The Project will have the following results:

- One repaired and refurbished building: dispatch building at Železná Ruda – mesto railway station;
- New services connections (sewage, gas, water);
- Newly installed automatic controls at two railway crossing;
- New standard platform built at one railway station at Železná Ruda – mesto.

3.4 Activities
The Project implementation will include all civil work and deliveries necessary for the following activities:

- Repair and refurbishment of one building with the total built-up space of 2,583 m$^2$;
- Construction of sewage connection line 45 m long;
- Construction of water connection line 150 m long;
- Construction of gas pipeline 220 m long;
- Construction of new standard platform at the one railway station: Železná Ruda – mesto in the total length of 225 m;
- Installation of automatic controls at two railway crossings;
- Installation of control cable 7.5 km long;
- As part of the rail track repair 3 shunts will be refurbished and relevant measures taken to bring the railway stations to the required standards.

4. Institutional Framework
The National Aid Coordinator (NAC) has an overall responsibility for programming, monitoring and implementation of the Phare programme. The National Fund (NF), managed by the National Authorising Officer (NAO), will supervise financial management of the programme and will be responsible for reporting to the European Commission.

The Ministry for Regional Development, in cooperation with the Centre for Regional Development, is the programme Implementing Agency (IA) with the overall responsibility for the project implementation. The NF will be transferring funds from the Phare resources to accounts managed by IA as authorised by the Financing Agreement signed between the MF/NF and IA.

The IA is managed by the Programme Authorising Officer (PAO) nominated by the Ministry for Regional Development and approved by the NAO and agreed by NAC. The PAO is responsible for all activities of the IA.
The investor is responsible for the Czech contribution to co-financing, for acquiring a land-use decision and a building permit, for preparing and launching the tender for a contractor, preparing a contract, supervising the works and for the final acceptance.

České dráhy s.o. (Czech Railways) and Železná Ruda municipality have already implemented several construction projects funded by the Phare Programme. Both bodies are familiar with the Phare methodology and the EU requirements for international tendering and they have relevant experience. The architect/engineering supervision of the Project will be entrusted to a dedicated unit of České dráhy – Stavební správa Plzeň.

The Project investor as well as owner of the assets resulting from the project implementation is the public organisation České dráhy.

Investor: České dráhy, státní organizace
Ing. Dalibor Zelený, Chief Executive Officer
Nábřeží L. Svobody 12/222
110 15 Praha 1

Represented by: České dráhy, s.o.
Divize dopravní cesty o.z.
Stavební správa Plzeň
Mirija Francouz, Managing Director
Purkynova 22,
306 02 Plzeň
tel.: +420-19 701 4700, 723 69 81
fax: +420-19 722 61 32

5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>National co-financing share</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
</tr>
<tr>
<td>Construction works</td>
<td>1,000</td>
<td>0,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Total</td>
<td>1,000</td>
<td>0,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

The Czech co-financing in the amount of 28.4% of the total Project costs will be fully covered from the owner’s funds.

6. Implementation Arrangements

6.1 Implementing Agency

The Ministry for Regional Development in conjunction with the Centre for Regional Development CR.

PAO: RNDr. Jiří Horáček, director, Department of EU programmes, MRD CR
Address: Staroměstské nám. 6, 110 15 Praha 1
Phone: +420-2 2486 1398
6.2 Non-standard Aspects

The project will be managed using the methodology specified for Candidate Countries in the manual for the management of programmes supported from the EU sources – “Practical Guide for Phare, Ispa and SAPARD”.

6.3 Contracts (MEUR)

<table>
<thead>
<tr>
<th>No.</th>
<th>Type of contract</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Works Contract</td>
<td>Construction and refurbishment of individual buildings linked to transport services</td>
<td>1,396</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>1,396</td>
</tr>
</tbody>
</table>

7. Implementation Schedule

- Start of tendering*: 09/2002
- Start of project activities: 03/2003
- Project completion: 08/2004

8. * The tender dossier shall be submitted to the European Commission six months after the signature of the Financing Memorandum at the latest (see FM, Chapter Implementation Arrangements).

9. Equal Opportunity

Principles and procedures applied during the project implementation will ensure equal opportunities for all participants of the project.

10. Environment


Environmental Impact Assessment demonstrated that the Project implementation will have a positive environmental impacts in terms of reduced noise level and emissions caused by road traffic and local heating based on coal firing provided that the compliance with technical standards both during the project implementation and operation will be ensured.

The Environmental Impact Assessment was carried out by a competent certified person: Ing. Miroslava Tycová, Certificate No.:15448/4052/OEP/92. The relevant document is filed with the representative of the Funder/Owner referred to in Item 4.
11. Rates of Return

The economic rate of return is based on a prepared feasibility study. The reference basis for ERR is 25 years.

$$\text{IRR} = 7.25\%$$

The Feasibility Study has been developed and it is available at the following address: CD s.o., Divize dopravní cesty, Stavební správa Plzeň, Ing. Karel Kala, Purkynova 22, 306 02 Plzeň.

12. Investment Criteria

12.1 Catalytic Effect

The project is of public nature and complies with the regional priorities. In the years to come, the action could not be implemented without support from the EU sources.

12.2 Co-financing

The co-financing share of the Czech party equals 28.4% of the total project investment costs. The co-financing is provided from the investor sources that is České dráhy s.o., Transport Infrastructure Fund. The letter confirming the availability of funds for the Czech share of co-financing was issued by the Senior Director of České dráhy, Divize dopravní cesty on 15th February 2001.

12.3 Additionality

The project is of public nature and is not suitable for funding from private sources due to the low financial rate of return of the funds invested. Should the co-financing be provided from a bank loan, the implemented works would not generate resources sufficient for their renewal after their lifetime.

12.4 Project Readiness and Size

The project planning consent has been already issued and the building permit will be issued by October 2001. The Project meets all the required technical criteria. The Feasibility Study and the Environmental Impact Assessment have been prepared. The tender dossier shall be prepared and submitted to the European Commission six months after signature of the Financing Memorandum at the latest.

12.5 Sustainability

Results of the feasibility study proved that the draft project is of a sustainable nature as it meets all the European norms and standards and complies with the EU legislation in the relevant area.

The owner will bear all the maintenance and operation costs.

12.6 Compliance with State Aid Provisions

The project and the award of the Phare subsidy are in compliance with the relevant rules on state aids as defined in the European Agreement; its implementation is not going to harm the market environment or the competition rules.

12.7 Contribution to National Development Plan

The project respects short-term and medium-term priorities of the National Development Plan with the aim of balancing the quality of transport in areas bordering the EU countries. The project is in compliance with
regional priorities and measures laid down in the cross-border regional development strategy defined in the Joint Programming Document (JPD) Czech Republic – Germany for the CBC Phare programmes.

Priority: III – Transport Infrastructure

Measure 1: 1 – development of a European transport network of equivalent capacity and customer-focused transport services

13. Conditionality and Sequencing

The investor is responsible for the preparation of studies and project dossiers necessary for the execution of works, and for the preparation of documents for the selection of a contractor for the works. The investor must observe its commitment of financial participation in the project and is responsible for the quality of the works executed. He must also provide for the activities the contractor is not qualified to execute.

After the completion of the project the investor shall ensure the launching of full operation of the works with a view to its use. He shall ensure regular maintenance and repairs in compliance with the international standards.

Annexes

1. Phare Log Frame
2. Implementation Time Chart
3. Commitment and disbursement schedule
4. Reference to feasibility study
## Phare log frame

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number</th>
<th>Czech Republic / Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Phare CBC 2001</td>
<td></td>
</tr>
<tr>
<td>Železná Ruda District - Improvement of Transport Infrastructure</td>
<td>Contracting period expires</td>
<td>Disbursement period expires</td>
</tr>
<tr>
<td></td>
<td>Total budget : 1,396 MEUR</td>
<td>Phare budget : 1,000 MEUR</td>
</tr>
</tbody>
</table>

### Overall objective
- Development of pan-European transport network and client-oriented transport organisations
- Environment-friendly infrastructure and improved environment in the border region
- Greater use of the border region social- and environment-friendly tourism potential

### Objectively verifiable indicators
- Railway infrastructure conforming to EU norms
- Railway travel service compatible with EU norms
- Increased number of tourists using public transport

### Sources of Verification
- Study of integrated system option proposed
- Bavarian Government transport policy framework
- Regular reports on quality of environment (National Park, Ministry of Environment)
- Czech Railways´ statistics

### Project purpose

### Objectively verifiable indicators

### Sources of Verification

### Assumptions
**STANDARD SUMMARY PROJECT FICHE**  
*Project Fiche Number: CZ 01.12.03*

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • One repaired a refurbished dispatch building  
• New services connections (sewage, gas, water)  
• Two automatic controls  
• One standard platform | • Total renovated area 2,583 m³  
• 45 m of sewers, 220 m of gas pipe, 150 m water service pipe  
• 3 main switches repaired  
• Two automatic controls  
• Platform (total length of 225 m) | • Project preparation documents  
• Urban and regional planning documents  
• EIA  
• Czech Railways s.o. – Transport Infrastructure Division  
• Monitoring reports  
• Final evaluation report | • Work delivered by an experienced, reliable and well performing contractor  
• Efficient co-ordination between the project funder, sub-contractors and IA  
• Appropriate monitoring and supervision of civil work |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
</table>

**Phare CBC 2001, Czech Republic - Germany**
### Project Fiche Number: CZ 01.12.03

<table>
<thead>
<tr>
<th>Renovation of 1 building (total enclosed area of 2,583m³)</th>
<th>Available funds</th>
<th>• Existence and interest of building companies with required experience and qualified staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>New infrastructure mains and sewers: building sewers - 45 m, gas pipe – 220 m, water-service pipe – 150 m</td>
<td>Construction resources</td>
<td>Efficient co-ordination between the project funder, subcontractors and IA</td>
</tr>
<tr>
<td>One new standard platform at Železná Ruda city railway station (total length of 225 m)</td>
<td>Materials and equipment</td>
<td>Smooth and timely funding</td>
</tr>
<tr>
<td>New automatic controls railway crossing installed</td>
<td>Design documentation</td>
<td></td>
</tr>
<tr>
<td>Long-distance combined cable laid (7,500 m)</td>
<td>Engineering supervision</td>
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<tr>
<td>3 railway switches repaired</td>
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<td><strong>Preconditions</strong></td>
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<td>• Signature of the Financial Memorandum</td>
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# Implementation Time Chart

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<tbody>
<tr>
<td>Construction works</td>
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T: Tendering  
C: Contracting  
I: Implementation  
D: Disbursement
## Commitment and disbursement schedule

### Commitment Schedule

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### Disbursement Schedule

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<td><strong>200 000</strong></td>
<td><strong>100 000</strong></td>
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</table>
ANNEX 4

Reference to Feasibility Study

The project is aimed at the improvement of transport infrastructure at the area of Železná Ruda. The proposed project stems out from the regional need to address the existing inadequate transport infrastructure in an attractive holiday resort where traffic jams are a common phenomenon in winter. The implemented project should create necessary prerequisites for a well functioning cross-border railway system.

Market Analysis

The market target groups are:

- Foreign and Czech visitors to the area of Železná Ruda
- 3,500 local residents in the area of Železná Ruda

The project covers a total area of approximately 50 km² with a high number of visitors particularly during winter. The area, the major part of which is situated in Šumava Protected Area, has a high potential for tourism. Better quality of services offered to visitors and improved transport infrastructures are the prerequisites for increasing the attractiveness of the region for tourists particularly from Germany. Increased number of visitors will have a positive impact on the business infrastructure and economy of local communities and residents' standard of living. The land is either owned by the municipalities or the project funder/owner.

Organisation of Operations

After the project completion, the built and refurbished infrastructure facilities will be in the ownership of Ceské dráhy, s. o. (Czech Railways), the project funder. The premises where services can be provided will be leased to SMEs. Operating costs of facilities will be partly covered by revenues from leasing and partly from the Czech Railways funds.

Results of Financial Analysis

The project is of public services type and does not generate any direct revenues. Financial assessment of this type project is not possible. The capital expenditures related to the project are provided by the project owner and they come from the national budget or the owner can take a bank loan. The existing inadequate quality of infrastructure demands significant investments from public funds and without an EU grant, the implementation of the project would be threatened. The project is not suitable for funding by private capital.

Results of Economic Analysis

The economic analysis result based on a 25 years period is IRR = 7.25 %. The economic evaluation of the project was based on municipal revenues and quantification of other indirect project benefits, especially environmental ones. The project will contribute to the reduction of environmental loads caused by cars, reduction of road accidents, better air quality in the region and development of services.

Environmental Impact Assessment
Environmental Impact Assessment was carried out in compliance with Directive 97/11/EC of 3rd March 1997. The EIA demonstrated that neither project implementation nor operations will have adverse environmental impacts if the relevant procedures and regulations are followed. The improved infrastructure will have a positive environmental impact in terms of reduced environmental loads caused by road traffic as well as by a high number of visitors to the Šumava Protected Area.