1. General Information

1.1 Project Number

1.2 Project Title

1.3 Grant Scheme to Improve the Transport Infrastructure

1.4 Sector

Infrastructure

1.5 Project Location

Euroregion: -
Cross-border region: Czech Republic - Austria
District: -
Municipality: -
Land Register: -

2. Objectives

2.1 Overall Objectives

The Grant Scheme will provide financial assistance to a limited number of projects dealing with a defined priority and measures outlined in the Joint Programming Document INTERREG III A /Phare CBC Czech Republic - Austria (JPD). The Grant Scheme addresses Priority II – Accessibility, Measure 1 – Transport Infrastructure, information and telecommunication technology.

After the EU enlargement it will be necessary to handle a significantly larger volume of the cross-border traffic. The aim of the Grant Scheme is to contribute to the enhancement of border areas thus contributing to the development of an integrated economic and living space.

2.2 Project Purpose

The Grant Scheme pursues the following objectives falling under the proposed measures:

- Increase the capacity of Czech-Austrian border crossings;
- Improve the access to cross-border areas.

A large part of the Czech-Austrian border area is not easily accessible by any means of transport. This is also reflected by the insufficient links to the national transport and road network. In order that the cross-border activities could intensify, it is necessary to increase the capacity of the border crossings, to provide more options in the cross-border transport and improve the necessary local infrastructure.
2.3 Accession Partnership and NPAA Priority

The Grant Scheme is in line with the Accession Partnership and National Programme for the Adoption of the Acquis (NPAA) objectives addressing the transport infrastructure development.

The Programme is the preparation for the future participation in the Partnership Initiative INTERREG. It deals with the implementation of an important EU regional policy principle with the objective to harmonise the level of the infrastructure, transport network, quality of the environment and socio-economic standards of cross-border areas with the neighbouring EU countries.

2.4 Cross-border Impact of the Project

The proposed Grant Scheme is driven by the urgent need to improve the access to border areas and increase the capacity of border crossings, which is one of the key prerequisites for the Czech-Austrian cross-border area development.

The Grant Scheme will prefer specific projects complying with INTERREG III A Programme.

For the project evaluation and project selection a Joint Regional Evaluation Committee (JREC) will be set up with representatives from the Czech Republic and Austria both having equal voting rights. In the project selection process, the evaluation criteria jointly adopted in the JPD will be used. This method guarantees that the projects financially assisted by INTERREG III A and CBC Phare Programmes will have a significant cross-border impact.

3. Description

3.1 Background and Justification

From the perspective of the access to the international road network the entire Czech-Austrian cross-border area can be referred to as a periphery. The roads mainly lead to the regional economic centres represented by urban areas.

At the Czech side, construction of the transport infrastructure was influenced by the fact that after World War II Czechoslovakia was not interested in contacts with its western neighbours. All the attention focused on the main route between Prague-Brno-Bratislava and construction of roads in the North South direction was rather neglected.

Road Transport

Czech Republic has one of the densest network of roads in Europe. The condition of the transport infrastructure in the area along the Czech-Austrian borders is on the same level as anywhere else in the country. The road network is dense, however, close to the border its quality and capacity suffers from many deficiencies. Further development of the local and regional transport infrastructure must be linked to the national and international road network.
Railways, Public Railway Transport

The public transport in the cross-border transport system is the weakest link. The railway connection between Austria and the Czech Republic is either non-existing or insufficient, which results in the stagnation of the number of railway passengers on one hand and increase in number of cars on roads on the other. This exerts even more stress on the roads and increases the risk of environmental pollution along the local roads.

The railway infrastructure on the Czech side of the border is in many respects quite obsolete. In 1993 the Czech Government passed a resolution on the modernisation of the railway network. This resolution specifies two transit corridors, the modernisation of which has the top priority under the international conventions on railway transport. Since then the work on the rail track modernisation has been going on and the major part of this project should be completed by 2005.

The Grant Scheme will support projects that will improve the quality and increase the capacity of local and regional road and railway network and increase the capacity of the border crossings. The implemented projects will contribute to the improvement of the traffic flow across the border crossings and will improve the transport infrastructure in the border area.

3.2 Linked Activities

In the past, there were projects targeted at the improvement of the transport infrastructure at the Czech-Austrian cross-border area financially assisted by Phare CBC Programme. These projects together with other implemented infrastructural projects in the region laid down the foundations for further economic and social development of the region.

CBC Phare Programme supported the following projects:
České Velenice – rail side track, Lipno – backbone cycling path, cycling paths in České Budějovice and Jindřichův Hradec regions, cycling path Brno – Vienna, Břeclav – road repair.

In 1997 - 1999 the development of the cross-border tourist infrastructure was also supported by the Small Project Fund of CBC Phare Programme.

3.3 Results

The projects supported by the Grant Scheme will deliver the following results:
Better conditions, parameters and quality of class II and III roads;
Better conditions and quality of local and regional rail tracks;
Improved transport infrastructure and facilities at border crossings;
Better conditions for SMEs in border areas.
3.4 Activities

Under the Grant Scheme the following activities can qualify:

- Repairs of class II and III roads (including traffic signs) located close to the border, in particular, roads leading to important industrial and other sites which are subject of frequent visits of neighbouring Austrian population;
- Repairs of class II and III roads (including traffic signs) leading to border crossings;
- Construction and transport infrastructure and facilities at border crossings;
- Modernisation and repairs of rail tracks leading to border crossings and located in the vicinity of the border;
- Refurbishment and enhancement of railway station buildings and supporting infrastructure (e.g. upgrading of signal and safety systems).

Financial conditions

The GS will be implemented in accordance with The Practical Guide to Phare, ISPA and SAPARD contract procedures, Section 6.

Implementation of the GS is conditional on prior verification and approval of the scheme and documentation (Guidelines for Applicants and Operational Guide) by the Delegation.

The maximum grant per project (Phare contribution) is 300 000 EUR. The minimum per project is 50 000 EUR. Up to 7% of the Phare contribution may be used for management costs and expenditure relating to the preparation, selection, appraisal, external audit and monitoring of the assistance.

3.5 Lessons learned

Conclusions and recommendations of interim evaluation, monitoring and assessment reports of the previous Phare CBC programmes have been considered and incorporated into the project design.

4. Institutional Framework

The institutional framework for the Grant Scheme implementation comprises the following institutions and bodies:

The National Aid Co-ordinator will have overall responsibility for programming, monitoring and implementation of the Phare programmes. A National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO) shall have overall responsibility for financial management of the Phare funds. The NAO shall have the full overall accountability for the Phare funds of a programme until the closure of the programme.

The NF will transfer funds to the Implementing Agency (IA) in accordance with the Financing Agreement. The IA will be headed by a Programme Authorising Officer (PAO) nominated by the Minister for Regional Development and appointed by the NAO after consultation with the NAC.

The project will be implemented under the overall responsibility of the Implementing Agency: the Ministry for Regional Development in conjunction with its Centre for Regional Development (the IA CBC Phare).
The IA CBC Phare represented by PAO of the programme is therefore responsible for implementation and procurement of the Grant scheme.

Within the JCC a Regional Committee of the JCC (RC-JCC) has been established as a joint INTERREG IIIA/Phare CBC Steering Committee. The RC-JCC will have a key function in a process of final project approval. Both the Czech and Austrian delegations will have one vote and projects will only be approved when receiving two votes. The Czech membership of the RC-JCC will compose of representatives of the MRD/IA CBC Phare, of the relevant line ministries and of the relevant regional bodies.

Representatives of the European Commission will participate in the meetings of the RC-JCC as observers.

The RC-JCC will nominate representatives to the Joint Regional Evaluation Committee (JREC) which will be responsible for project evaluation and project selection. The Czech part of the JREC will have 9 members at maximum; 3 – 7 voting members and 2 nonvoting members (a director and a secretary). The nomination of the RC-JCC must be approved by the PAO who appoints the JREC members. The list of proposed members has to be approved by the Delegation.

The representatives of the Austrian border regions will be nominated by the relevant INTERREG Committee to participate equally in the process of project evaluation and project selection.

The tasks of the JREC and the project evaluation and project selection procedures will have to be in full compliance with the PRAG.

The JREC will decide whether Assessors may be involved in the project evaluation process if necessary. Assessors are meant to be highly qualified experts with expertise in the fields where the GS operates.

If Assessors will be involved in the evaluation process the PAO will appoint them on the bases of a proposal made by respective regional bodies endorsed by the Delegation.

The MRD and IA representatives will be invited to participate in the meetings of all the bodies mentioned above. An EC Delegation representative has to be invited to all meetings of the JREC and Assessors.

The Secretariat is an executive GS body in the region. It’s chief function is to provide technical and specialist support to the Joint Regional Evaluation Committee and to the applicants and grant recipients in the regions. Implementation of the GS will be assigned to two secretariats – one for South Bohemia and one for South Moravia. The role of secretariats will be performed by the RDAs and IA/CRD will take over the financial management of the GS.

All tasks and responsibilities of the Secretariats will be specified in detail in Service Contracts concluded between the IA (PAO) and the respective institution selected to perform the role of the GS Secretariat in the particular border region.

The IA will provide the Secretariats with on-going advice and support and specialist consultancy and training inputs will assist the Secretariats in performing their role.
5. Detailed Budget (MEUR)

<table>
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<tr>
<th>Phase</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National co-financing*</th>
<th>TOTAL</th>
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<td><strong>2.271</strong></td>
<td><strong>0.757</strong></td>
<td><strong>3.028</strong></td>
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</table>

Co-financing is provided from the own resources of the grant beneficiaries.

Up to 7% of the Phare and Czech (state budget) contribution may be used for Grant Scheme management costs and expenditure relating to the preparation, selection, appraisal, external audit and monitoring.

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
Fax: + 420-2 2486 1415

Implementing Agency:

Director: RNDr. Ivo Ryšlavý
Address: Centre for Regional Development, Vinohradská 46, 120 00 Praha 2
Phone: + 420-2 21 580 285
Fax: + 420-2 21 580 229

6.2 Non-standard Aspects

The Grant Scheme will be managed in line with the methodology specified for Candidate Countries in the manual for the management of programmes supported from the EU sources – Phare Decentralised Implementation System (DIS Manual), which in its latest issue of 1.1.2001 comprises the Practical Guide to Phare, Ispa & Sapard contract procedures (Practical Guide).
6.3 Contracts (MEUR)

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<th>No</th>
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<th>Description</th>
<th>Total</th>
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<td>Management</td>
<td>Grant Scheme management costs and expenditure relating to the preparation, selection, appraisal, external audit and monitoring.</td>
<td>0.212</td>
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<td></td>
<td></td>
<td></td>
<td>3.028</td>
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</tbody>
</table>

7. Implementing Schedule

| The First Invitation to submit applications for grant: | Around 07/2003 |
| Grant Contracts signature with selected beneficiaries | Around 11/2003 |
| Project completion:                                    | Around 07/2005 |

8. Equal Opportunity
Principles and procedures applied during the Grant Scheme implementation will ensure equal opportunities for all participants.

9. Environment
For all capex projects within the Grant Scheme the environmental impact assessment studies will be developed.

10. Rates of Return
For all capex projects in the Grant Scheme the costs and benefits analysis will be developed. Each study will contain the calculation of the economic and financial internal rate of return. The period covered by the analysis will be based on the works life and will include its construction and operation periods.

11. Investment Criteria

11.1 Catalytic Effect
Projects implemented under the Grant Scheme are of a public nature and they must comply with regional priorities. In the near future, the projects selected for funding could not be implemented without the financial assistance from the EU funds.

11.2 Co-financing
The Phare share of funding will be minimum EUR 50,000 and maximum EUR 300,000 EUR. The split between the EU and beneficiary’s share of funding must be at least 75/25. Co-financing must be arranged from beneficiary’s own financial resources.
11.3 Additionality
The projects implemented in the Grant Scheme are of a public nature and are not suitable for funding from private funds due to the low financial rate of return on the investment. The contribution from EU funds shall not substitute other available funds.

11.4 Project Readiness and Size
All projects submitted in the Grant Scheme will have the documentation ready necessary for their implementation.

11.5 Sustainability
Projects implemented under the Grant Scheme must be sustainable and comply with European norms and standards and must be in compliance with applicable EU laws.

11.6 Compliance with State Aid Provisions
The Grant Scheme 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.

11.7 Contribution to National Development Plan
The project respects short-term and medium-term priorities of the National Development Plan with the aim of balancing and improving the quality of the economic potential in border areas. 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 – Austria for the CBC Phare programmes.

Priority II – Accessibility
 Measure 1 – Transport Infrastructure, Information and Telecommunication Technology

12. Conditionality and Sequencing
Implementation of the Grant Scheme is conditioned by the successful completion of the following steps:

<table>
<thead>
<tr>
<th>Event</th>
<th>Timeframe</th>
</tr>
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<tbody>
<tr>
<td>Submitting for approval of the Grant Scheme Operational Guidelines and the Call for Proposals documentation to the DEC</td>
<td>In 6 months after the signature of the Financial Memorandum</td>
</tr>
<tr>
<td>First Call for Proposal</td>
<td>In 2 months after submitting for approval of the GS documentation to the DEC</td>
</tr>
<tr>
<td>Signature of grant contracts</td>
<td>In 3 months after the first invitation is published and in two years after the Financial Memorandum signature</td>
</tr>
<tr>
<td>Completion of projects</td>
<td>3 months prior to the grant disbursement period ends</td>
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<tr>
<td>Last date of grants disbursement</td>
<td>In 3 years after the FM signature</td>
</tr>
</tbody>
</table>

Phare CBC 2002, Czech Republic - Austria
Beneficiaries must meet their commitments to provide project co-financing and they are responsible for the quality of the works. After the project is implemented, beneficiaries must arrange for its full operation and use.

**Annexes to Project Fiche**

1. Logical framework matrix in standard format.
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
## Phare log frame

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number</th>
<th>Czech Republic – Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Scheme for Transport Accessibility</td>
<td>Contracting period expires: 31/10/2004</td>
<td>Disbursement period expires: 31/10/2005</td>
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<tr>
<td></td>
<td>Total budget: 3,028 MEUR</td>
<td>Phare budget 2,271 MEUR</td>
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</table>

### Overall objective

- Enhance the quality of the border area thus contributing to the development of an integrated economic and living space

### Objectively verifiable indicators

- Increased revenues from tourism
- Development and strengthening of the SME position

### Sources of verification

- Regional and municipal statistics
- Tourist information centres
- Information provided by chambers of commerce

### Project purpose

- Increase the capacity of the Czech/Austrian border crossings
- Improve the access to the border area

### Objectively verifiable indicators

- Increased output capacity of the border crossings
- Reduced waiting time at the border crossings
- Improved flow of traffic and time saved on the access roads to the border crossings

### Sources of verification

- Statistics of the Ministry of Interior
- Transport survey

### Results

### Objectively verifiable indicators

### Sources of verification

### Assumptions

- Attractiveness for tourists, increase in the number of visitors to the area
- Development of economic co-operation
- Increase in cultural exchanges and jointly organised events

Phare CBC 2002, Czech Republic - Austria
### Activities
- Repair of class II and III roads (including traffic signs) close to the border, in particular access roads to important industrial and tourist sites
- Repair of class II and III roads (including traffic signs) leading to the border crossings
- Development of transport infrastructure and facilities at the border crossings
- Modernisation and repair of railways accessing border crossings and located close to the border
- Refurbishment and enhancement of railway station buildings, facilities and infrastructure (enhancement of signalling and safety systems etc.)

### Means
- Beneficiaries' own sources of funding for project co-financing
- Construction capacities
- Technology, material, equipment
- Project documentation
- Regional implementing structures

### Assumptions
- Sufficient number of suitable projects and efficient cooperation between IA's and beneficiaries
- Successful completion of tenders – selection of reliable contractors for civil work, delivery of technology, procurement of equipment, smooth and seamless financing of the project and efficient co-ordination of project activities
- Successful co-ordination and co-operation with Austrian counterparts

### Preconditions
<table>
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<td>• Readiness of projects for implementation</td>
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<tr>
<td>• Well developed documentation for the Grant Scheme and its approval by the EC Delegation</td>
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<tr>
<td>• Trained and sufficiently staffed structures for the Grant Scheme implementation</td>
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<td>• Support of the Grant Scheme by the Austrian party</td>
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### Implementation Time Chart

|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

T: Tendering  
C: Contracting  
I: Implementation  
D: Disbursement
### Commitment Schedule

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### Disbursement Schedule

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