1. Basic Information

1.1 Project Number

1.2 Project Title
Prachatice-Volary – II/141 Road Improvement

1.3 Sector
Infrastructure

1.4 Project Location
Euroregion: Šumava
Cross-border region: Czech Republic - Germany (Bavaria)
District: Prachatice
Municipality: -
Cadastral territory: Strunkovice n/Blanici, Těšovice, Prachatice, Zbytiny, Volary

2. Project Objectives

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

- Improvement of road connection between the region and Germany;
- Improved quality of transport within the region;
- Further removal of barriers preventing cross-border economic development.

2.2 Project Purpose
Smother traffic flow

- Improve access to the border crossing to Germany: Strážný - Phillipsreut and acceleration of traffic by 17%;
- Smother traffic flow with positive environmental impacts (reduced emissions of exhaust gases and noisiness).
Reduce number of road accidents

Construction of new crash barriers and new/re-painted road marking and signs will improve the safety on a new road thus reducing the number of accidents by 37%.

<table>
<thead>
<tr>
<th>Annual number of road accidents</th>
<th>Before implementation</th>
<th>After implementation</th>
<th>Reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>105</td>
<td>60</td>
<td>37</td>
</tr>
</tbody>
</table>

2.3 Accession Partnership and NPAA Priority

The Project is in compliance with the Accession Partnership Document and the objectives of the National Programme for Acquis Approximation (NPAA) in the area of Transport Infrastructure.

Development of transport infrastructure and at least partial meeting of EU standards in transport infrastructure is one of the key priorities in the accession period.

2.4 Cross-border Impact of the Project

In recent years the volume of traffic in the border region has enormously increased and there is an urgent need to improve the existing road network.

The Project represents the first stage of the transport infrastructure improvements in Šumava region. It follows on the planned refurbishment of the main traffic route connecting Volary and Železná Ruda in Šumava region. This route will go in parallel with German and Austrian borders about 50 km alongside the borderline and will have access roads and connections to the border crossings and tourist paths. There are 7 road border crossings and 6 pedestrian border crossings to Germany and Austria.

The Project will directly contribute to the extension and better quality of transport services among three border regions.

3. Description

3.1 Background and Justification

Prachatice District belongs to economically weaker regions characterised by lower standard of living and higher level of unemployment. Tourism has a great importance for both the local and regional economy. The Šumava region has great potential for tourism due to it's nature beauty and cultural and historical monuments. There is a national park in the Šumava region and the core area belongs to the UNESCO M&B reserve. The region has a large number of special landmarks, attractions and places of interests which draw attention of visitors from the neighbouring regions of Bavaria and Austria.

Improvement of road and transport infrastructure would also improve conditions for economic development in the region. This project forms an integral part of a plan aimed at overall improvement of transport infrastructure network reaching from Dolní Dvořiště to Železná Ruda and improvement of road safety in the region. Individual access roads entering the region from inland are mostly in good shape and condition,
but some of them are under repair and reconstruction at the moment. One of the most important access roads to this part of the region is the road No. II/141 from Strunkovice nad Blanicí via Prachatice do Volar, which is subject of this project due to its poor technical state. This road also provides main connection between South Bohemia and Bavaria via a border crossing in Strážný Phillipsreut. As the Ředitelství silnic a dálnic has been proceeding with reconstruction of roads No. I/39 a II/163, which create part of the backbone transport system, the reconstruction of the road II/141 would help to repair part of the remaining infrastructure and thus substantially contribute to the improvement of the overall backbone road system in the central area of Šumava.

The plan aimed at improvement of the road infrastructure categorises reconstruction of public roads into three stages according to the urgency needs. As the condition of II/141 road is really very bad at the moment, the section of the road between Strunkovice nad Blanicí - Prachatice - Volar has been therefore included into Stage 1.

### 3.2 Linked Activities

The Project meets the objectives of the transport infrastructure development set out in South-West ROP. In this context it is coherent with other projects either implemented or in progress.

<table>
<thead>
<tr>
<th>Road No.</th>
<th>Name of Project</th>
<th>Status</th>
<th>Length (km)</th>
<th>Funding Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>I/39</td>
<td>Horní Planá – Záhvozdí</td>
<td>in preparation</td>
<td>10,0</td>
<td>ŘSD*</td>
</tr>
<tr>
<td>I/39</td>
<td>Chlum – Volar</td>
<td>in preparation</td>
<td>7,0</td>
<td>EIB**</td>
</tr>
<tr>
<td>I/39</td>
<td>Hořice na Šumavě</td>
<td>in operation</td>
<td>3,2</td>
<td>ŘSD</td>
</tr>
<tr>
<td>I/39</td>
<td>Hořice na Šumavě – Černá v Pošumaví</td>
<td>in preparation</td>
<td>4,5</td>
<td>ŘSD</td>
</tr>
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<td>II/163</td>
<td>Frymburk – Černá v Pošumaví</td>
<td>in preparation</td>
<td>10,6</td>
<td>ŘSD</td>
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<td>III/1634</td>
<td>Horní Planá – Bližší Lhota</td>
<td>in preparation</td>
<td>2,2</td>
<td>Phare</td>
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<td>I/4</td>
<td>Hliniště – Staříny</td>
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<td>2,7</td>
<td>ŘSD</td>
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<tr>
<td>I/4</td>
<td>Nová Houžná – Hliniště</td>
<td>in preparation</td>
<td>5,4</td>
<td>ŘSD</td>
</tr>
<tr>
<td>II/145</td>
<td>Běleč – Vítějovice</td>
<td>in preparation</td>
<td>3,0</td>
<td>ŘSD</td>
</tr>
<tr>
<td>II/143,II/166</td>
<td>Prachatice – Chvalšiny</td>
<td>in preparation</td>
<td>26,0</td>
<td>Phare</td>
</tr>
<tr>
<td></td>
<td>Cyklotrasa Nová Pec-Vyšší Brod</td>
<td>in operation</td>
<td>61,0</td>
<td>Phare</td>
</tr>
<tr>
<td></td>
<td>Traffic and tourist signs at Šumava Protected Area (CHKO)</td>
<td>in operation</td>
<td>160,0</td>
<td>Phare</td>
</tr>
</tbody>
</table>

Note:

*ŘSD... Ředitelství silnic a dálnic (Road and Motorways Administration),

**EIB... European Investment Bank
3.3 Results
The Project result will be II/141 road repaired from Strunkovice nad Blanicí via Prachatice to Volary in the total length of 29.678 km and the total area of bitumen pavement of 204,283 m² suitable for heavy load traffic. The Project also includes 7 bridges.

3.4 Activities
The Project implementation includes all civil work necessary for repair of 29,678 km long section of II/141 road. The following activities will be carried out as part of the Project:
- Road surface levelled to the required transverse gradient;
- Removal of wearing coarse by milling in villages;
- A new sprayed biding layer and wearing coarse laid;
- Replacement and addition of new safety features (crash barriers, railings);
- Repair of 7 bridges;
- Repair of culverts resulting in better water management along the road;
- Diversion of traffic during road works and road marking after the road is finished.

The road is going to be repaired in the existing width so that no more land will be taken nor existing services re-laid. The road width ranges from 5.8 to 7.5m and up to 11m width in Prachatice.

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 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.
Project promoter: Správa a údržba silnic Prachatice
(Prachatice Road Administration and Maintenance)
State contributory organisation
Žernovická ulice 916, 383 11 Prachatice
phone: +420-338 31 2644, 312317, 317961
fax: +420-338 316559
Ing.Václav Princ, Managing Director

Investor: Jihočeský kraj
(NUTS III Region South Bohemia)
U Zimního stadionu 1952/2, 370 76 České Budějovice
phone: +420-38 6720201; fax: +420-38 6351900

Statutory body representative: Hejtman RNDr. Jan Zahradník
U Zimního stadionu 1952/2, 370 76 České Budějovice
phone: +420-38 6720492; fax: +420-38 6354965

To date SÚS Prachatice together with Ředitelství silnic a dálnic ČR, regional office at České Budějovice, has implemented several civil work projects co-financed from the Phare Programme and therefore its staff are familiar with the Phare methodology and preparation of international competitive tendering in compliance with EU requirements (previous projects: repair of I/3 road between Benešov and Tábor, repair of road between Prachatice and Chvalšiny).

The Project end-user and owner of the assets resulting from the Project implementation will be:

Jihočeský kraj (NUTS III Region South Bohemia),
U Zimního stadionu 1952/2, 370 76 České Budějovice.

5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>Total</th>
<th>National co-</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution</td>
<td>financing</td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>Phare (=I+IB)</td>
<td>share*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 Works contract</td>
<td>2,270</td>
<td>0,000</td>
<td>0,933</td>
<td>3,203</td>
</tr>
<tr>
<td>Total</td>
<td>2,270</td>
<td>0,000</td>
<td>0,933</td>
<td>3,203</td>
</tr>
</tbody>
</table>

*The Czech co-financing of the Project will be covered from the Czech Transport Infrastructure Fund (SFDI ČR).
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 27 158 285
Fax: + 420-2 27 158 229

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 – Phare Decentralised Implementation System (DIS Manual) in its latest issue of 1.1.2001 containing the Practical Guide to Phare, Ispa & Sapard procedures (Practical Guide).

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>01</td>
<td>Works Contract</td>
<td>Delivery of construction works.</td>
<td>3,203</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3,203</td>
</tr>
</tbody>
</table>

7. Implementation Schedule

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of tendering*</td>
<td>08/2003</td>
</tr>
<tr>
<td>Start of project activities:</td>
<td>04/2004</td>
</tr>
<tr>
<td>Project completion:</td>
<td>07/2005</td>
</tr>
</tbody>
</table>

*Tender documentation will be submitted to the EC in 6 months after signature of the Financing Memorandum.
8. Equal Opportunity
Principles and procedures applied during the project implementation will ensure equal opportunities for all participants of the project.

9. Environment
The Project is expected to have positive environmental impacts particularly in terms of reduced emissions and noise in the areas affected. The Project Environmental Impact Assessment (EIA) complies with the European Council Directive 97/11/ES of 3rd March 1997. The relevant Environmental Impact Assessment documentation was developed by a competent certified person: Zuzana Guthová Bezdrevská 15, České Budějovice. The documentation is filed with Václav Princ, Managing Director, Správa a údržba silnic Prachatice s.p.o., Žernovická ulice 916, 383 11 Prachatice.

10. Rates of Return
The economic rate of return is based on a prepared feasibility study. The economic rate of return is based on 20 years time period, which corresponds to the depreciation period of the works, implemented.

\[
IRR = 8,29 \%
\]

The Project economic assessment was carried out by Pragoprojekt, atelier České Budějovice, Čechova 50, 370 01 České Budějovice, the Feasibility Study is filed with Správa a údržba silnic Prachatice, s.p.o., Žernovická ulice 916, 383 11 Prachatice.

11. Investment Criteria
The following project assessment criteria reflect the results of the Feasibility Study.

11.1 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.

11.2 Co-financing
The co-financing share of the Czech party equals 29% of the total project investment costs. The co-financing will be provided by the Transport Infrastructure Fund.

11.3 Additionality
The project is of public nature and is not suitable for funding from public 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.
11.4 Project Readiness and Size

Because of its nature the Project neither require a planning consent nor permit to build. It meets all the required technical criteria. Feasibility Study and EIA have been elaborated. The Tender Dossier has not been developed yet. The Project will be sufficiently developed to start the tendering procedure immediately after the Financial Memorandum is signed.

11.5 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 investor will bear all the future maintenance and operation costs.

11.6 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.

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 the quality of the 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 -Bavaria for the CBC Phare programmes.

Priority 2 – Infrastructure

Measure No.: 2.1 - Transport

Objective: Building of infrastructure necessary for future living and economic environment.

12. 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 to Project Fiche

1. Logframe matrix in standard format
2. Detailed project implementation time schedule
3. Contracting and disbursement schedule by quarter for full duration of programme
4. Reference to the feasibility study; environmental impact assessment
### 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>CZ2002/000-584.12.01</td>
<td></td>
</tr>
<tr>
<td>Prachatice-Volary – II/141 Road Improvement</td>
<td>Contracting period expires: 30/11/2004</td>
<td>Disbursement period expires: 30/11/2005</td>
</tr>
<tr>
<td></td>
<td>Total budget: 3,203 MEUR</td>
<td>Phare budget: 2,270 MEUR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improvement of transport infrastructure to ensure a necessary transport link between the CR and Germany as well as to improve the regional transport capacity</td>
<td>• 2% annual increase in transit</td>
<td>• Ministry of Transport and Ministry of the Interior statistics • Transport surveys</td>
<td>• Increase in road traffic density in the Strážný –Phillipsreut border crossing direction • Improvement of the technical parameters and overall quality of the backbone road system in the area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improved access to the Strážný – Phillipsreut border crossing and accelerated traffic</td>
<td>• 17% savings in travelling time to the border crossing • Road accident rate reduction of 37% after project completion</td>
<td>• Traffic police statistics • Traffic measurements/surveys • Project evaluation reports • The Šumava National Park reports</td>
<td>• Increase in road traffic density in the Strážný –Phillipsreut border crossing direction • Improvement of the technical parameters and overall quality of the backbone road system in the area</td>
</tr>
</tbody>
</table>
### Results
- Renovated and technically improved road No II/ 141 from Strunkovice nad Blanicí via Prachatice to Volary

### Objectively verifiable indicators
- 29,678 km of road surface repaired
- 7 bridges repaired
- New road marking and sign posting

### Sources of verification
- Project Final Evaluation Report
- Project acceptance documents
- Ministry of Transport – Roads and Motorways Administration

### Assumptions
- Work delivered by an experienced, reliable and well performing contractor
- Efficient co-ordination between the project investor, sub-contractors and IA
- Appropriate monitoring and supervision of civil work

### Activities
- Road-improvement related construction works:
  - Transversal alignment of road surface
  - Road cutting
  - Asphalt fog seal and road reinforcement through abrasion layer application
  - Renovation and installation of additional safety devices
  - Repair of 7 bridge constructions
  - Repair of culverts
  - Road marking

### Means (Inputs)
- Available funds
- Construction resources
- Materials and equipment
- Design documentation
- Engineering supervision

### Assumptions
- Existence and interest of building companies with required experience and qualified staff
- Efficient co-ordination between the project investor, sub-contractors and IA
- Smooth and timely funding

### Preconditions
- Co-financing from the Czech Transport Infrastructure Fund
- Signature of the Financial Memorandum
## Implementation Time Chart

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>01 Works contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>T</td>
<td>T/C/I/</td>
<td>I/D</td>
<td>I/D</td>
<td>I/D</td>
<td>I/D</td>
<td>I/D</td>
<td>I/D</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>No</th>
<th>Project</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Works contract</td>
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</tr>
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</table>

**TOTAL** 2 270 000

## Disbursement Schedule

<table>
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<th>Project</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
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<td>01</td>
<td>Works contract</td>
<td>2 270 000</td>
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</tbody>
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<tr>
<td>Disbursement Schedule (EUR)</td>
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<td>260 000</td>
<td>483 000</td>
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</tr>
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</table>

**TOTAL** 2 270 000
Reference to Feasibility Studies

The project is aimed at the improvement of road II/141 from Strunkovice nad Blanicí via Prachatice to Volary in the total length of 29.678 km which will be also suitable for heavy goods vehicles. There are 7 bridges on the road which are also included in the project. The proposed project is driven by the regional need to address inadequate conditions of access roads to holiday resorts at Šumava and Lipno areas and in this way to contribute to the regional development.

Market Analysis

The target group includes:

- Visitors to Prachatice district;
- Residents of Prachatice district.

The analysis is based on the current status and on the regional development strategy. It demonstrated that the implementation of the project will create better conditions for the further development of transport infrastructure and thus have a positive impact on economic development of the area especially in the field of tourism and SME development.

Organisations of Operations

The NUTS III Region South Bohemia (Jihočeský kraj) will be the project investor. The project promoter with the ownership rights and responsibility to maintain the road after project completion will be a state owned company "Správa a údržba silnic Prachatice". All the costs related to maintenance and repair will be fully covered from the owner’s budget.

Results of Financial Analysis

It is not possible to perform a financial analysis of a project that does not generate any revenues. The project investor will be responsible for making funding resources available from the Czech Transport Infrastructure Fund to cover the investment costs. The current inadequate quality of infrastructure requires large investments to be made from public funds and without an EU grant the project could not be implemented in the nearest future. The project is not suitable for funding by private capital.

Results of Economic Analysis

The economic analysis result based on 20 years period is IRR = 8.29 %. Economic assessment of the project took into consideration-estimated savings on road maintenance (up to 76 %), costs related to road accidents (by 37 %) and reduced travelling time of people (by 17%). The project is in line with national and regional medium-term strategies for transport infrastructure improvements and economic development.

The results of the study demonstrated the project feasibility without any significant risks which could threaten its implementation. The Project is therefore recommended to be included into a relevant programme supported by the EU funds.
Environmental Impact Assessment

Environmental Impact Assessment was carried out in compliance with Directive 97/11/EC of 3rd March 1997. It includes both the environmental impacts during project construction and operation. Project construction will have no significant environmental impacts. After the project commissioning the safety and flow of traffic will improve, environmental loads will be reduced and public exposure to high noise level in villages will be also reduced. The project will contribute to the better quality of environment in the region located close to the border and therefore it is recommended for implementation on the basis of the analysis performed.