FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of the Czech Republic, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 6th August 1997 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: CZ9912
Title: 1999 Czech Republic Cross-Border Co-operation Programme with Austria
Duration: Until 30 November 2001

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of € 10.6 million hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30 November 2001 subject to the provisions of his Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30 November 2002. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.
ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

*European Commission Delegation in the Czech Republic*
*Pod Hradbami 17*
*160 00 Praha 6*
*Czech Republic*

Tel: +4202-2431 2835
Fax: +4202-2431-2850

for THE RECIPIENT:

*Ministry of Finance of the Czech Republic*
*National Aid Co-ordinator,*
*Letenska 15*
*118 10 Praha 1*
*Czech Republic.*

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.

ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.
Done at Prague
Date 29/12/1999

for THE RECIPIENT

Jan Mladek
National Aid Co-ordinator,
Deputy-Minister of Finance
of the Czech Republic

Annex 1  Framework Agreement (Annexes A & B)
Annex 2  Special Provisions (Annex C)

Done at Prague
Date 29/12/1999

for THE COMMUNITY

Ramiro Cibrian
Head of the Commission Delegation
ANNEX C – SPECIAL PROVISIONS

4. **PROGRAMME OBJECTIVES AND DESCRIPTION**

4.1 Programme Objectives

4.1.1 General Objectives

The general objective of the Phare cross border co-operation programme (Article 3, Commission Regulation No. 2760/98) is to promote co-operation of border regions in Central and East European Countries with adjacent regions in a neighbouring country. The programme seeks to help these regions overcome specific development problems resulting, *inter alia*, from their relative isolation in the framework of national economics, in the interest of the local population and in a manner compatible with the protection of the environment; it also supports the establishment and development of co-operative networks on either side of the border and the creation of linkages between these networks and wider Community networks.

4.1.2 Specific Objectives

More specifically, the objectives of the Phare Cross Border Co-operation Programme for the Czech Republic and Austria are:

- to support the Czech Republic’s transformation process and to facilitate the process of integrating the Czech Republic into the European Union;
- to support the further development of the economic potential of border regions by strengthening existing structures, increasing the competitiveness of Czech enterprises, and reviving the overall economy on both sides of the border;
- to overcome problems burdening the border areas, including pollution of the environment and inadequate infrastructure that has an impact on both sides of the border;
- to reduce the peripheral character of these areas, thereby improving the quality of life and creating a co-operative network on both sides of the border.

4.2 Programme Description

In accordance with economic and social evaluations of the border area, the MIP 1995-99 identified the priority areas that reflect a high level of complementarity with the corresponding INTERREG II programmes for Lower and Upper Austria. The following priorities have been selected:

- Transport
- Environment
- Technical infrastructure
- Socio-Economic Development
- SME development

The preparation process for the 1999 programme, involving an overall analysis of the economic and social situation in the border regions and extensive dialogue with the regional stakeholders, largely confirmed these priorities. However, measures for promoting the economic development, in
particular through support for small and medium sized enterprises, were given higher priority than in the years before. The 1999 programme includes allocations for three large infrastructure projects in the above priority areas and a Joint Small Projects Fund. In addition, an allocation for an SME Support Fund is also provided for, complemented by a small allocation for supporting programme management. All projects will be co-financed from Czech sources.

The Joint Programming and Monitoring Committee (JPMC) and pre-Joint Co-operation Committee discussed and agreed on the programme in the course of Spring and Summer 1999. The criteria for project selection include the cross-border impact of projects (including their complementarity with INTERREG II), methods of project co-financing, project impact on the environment and minimum project size.

An initial screening has been carried out to assess the programme’s effect on Small and Medium Enterprises. As a result, a fuller assessment is not required. The implementation of the SME Fund and the Joint Small Projects Fund will contribute directly and indirectly to the creation and growth of small and medium businesses.

The following projects have been approved by the Joint Programming and Monitoring Committee and the pre-Joint Co-operation Committee. The projects are attached in fiche format in annex to this document.

4.2.1 Large Infrastructure Projects

4.2.1.1 Trebic - Extension of WWTP

The town of Trebic, a district town in South Moravia, is the economic centre in the district, providing employment for people throughout the target region. Trebic has become the greatest polluter of the Jihlava river, which feeds the border rivers Dyje and Morava. The current wastewater treatment plant is not sufficient to ensure wastewater cleaning in line with modern standards. In addition, the provision of sufficient water treatment facilities which meet these standards is a precondition for any further expansion of business activities and the creation of job opportunities in the region. In short, the extension and technical improvement of the Trebic wastewater cleaning plant will not only significantly improve water quality in key waterways within the CBC region on the Czech side of the border, it is also vital for the further development of the town and its surroundings.

The project provides for an extension of the existing WWTP based on the R-D-N system. The project will increase capacity by about 20 % and increase its BSK5 cleaning capability by 30 %. Structures of the existing WWTP will continue to be used as far as possible. The WWTP intensification project will consist of a combination of an increase in equipment capacity and an expansion of the cleaning function of the technology through the application of the R-D-N system. The R-D-N system will assure reliable removing of phosphor and nitrogen-based contamination, and is currently in use throughout Europe. The main component of the WWTP intensification and extension project is the strengthening of the biological level of treatment by means of expansion of activating volumes of the feeding capacity. The measure will also include reconstruction of the mechanical cleaning level, including rain water pre-treatment, reconstruction of sediment management, anti-flood protection of the WWTP complex, and reconstruction of sewer D.
4.2.1.2 Prachatice - Chvalsiny – Roads II/143 and II/166

Roads II/143 and II/166 serve as principal connection between the district towns of Cesky Krumlov and Prachatice, and connect the central Sumava region with the "Dolni Dvoriste - Wulliwitz" and "Studanky - Weigetschag" border crossings to Austria. The road surface is in a very uneven state a repair, with good sections of road separated by bad stretches, resulting in bad and dangerous driving conditions, exacerbated by increasing levels of heavy traffic. The project will consist of reconstruction of a road section with a total length of 36.65 km, including by-pass routes, roadway surface repairs, horizontal traffic signs installation and repair of bridges.

4.2.1.3 Breclav – Repair of Road I/55

Road I/55 is a main road connecting Austria and Czech-Austrian border area with south-eastern Moravia and the Weinviertel in Austria. The road is important from an economic point of view, as it is an important international link connecting the eastern part of Austria with northern Moravia and Poland. It has suffered from a serious lack of investment and maintenance, as before 1989 priority was given to the development of a road network bound for Slovakia. After the border with Austria was opened, motor transport levels in the Breclav area have radically increased. According to a 1995 census, traffic density outside the town of Breclav have reached levels of 7,000 vehicle units per 24 hours, while in the town itself, traffic density is as high as 16,000 vehicle units per 24 hours. Increased traffic density has caused serious deterioration of the state of repair of road I/55.

The project consists of the reconstruction of road I/55 from the district border to Breclav, then within the city of Breclav, and from Breclav to the state border. Implementation of the project should lead to a substantial improvement in driving conditions for all road users. The repair of the I/55 roadway and the optical separation (through markings) of cyclists from motor vehicle transport will also result in a substantial increase in transport safety.

4.2.2 Joint Small Projects Fund (JSPF)

The general aim of the JSPF is the support of ‘people to people’ projects and non-investment projects within the Phare CBC programme. The purpose of the support of these projects is to broaden the field of activity of the CBC programme, to encourage local involvement and to facilitate the implementation of small-scale actions which may constitute the basis for larger cross-border co-operation projects. The JSPF aims also at the building and developing of specialist resources of local and regional institutions involved in regional development, groundwork and implementation of cross-border projects in line with EU practice. The specific JSPF objectives in the Czech Republic are in accordance with regional priorities: the development of cultural co-operation between neighbouring regions on both sides of the border; cross-border youth activities; support for actions aimed at local and regional socio-economic development; the support of educational activities for institutions and individuals involved in local/regional development, in local government and in organisations of public interest, and information/public awareness raising activities. Special attention will be given to the development of tourism.

For the ‘soft’ part of the JSPF, the minimum co-financing contribution of the beneficiary to the project is 10%; the minimum contribution of the beneficiary to the administrative costs (Secretariat) is 5% of the project’s value. The minimum Phare contribution per project is 1.000 €,
the maximum contribution is 50,000 €. Within these limits, the regional Steering Committee may establish differing limits (in particular lowering the maximum contribution of Phare, keeping in view the overall amount available, and increase of the beneficiary’s own contribution). The ‘soft’ part of the JSPF will be implemented in accordance with the General Guidelines of the Commission for Small Projects Funds, and the Czech Guidelines for the SPF, endorsed by the Commission. On this basis, the JSPF will be implemented in a decentralised manner. The decentralised structure involves in each of the border regions one Steering Committee composed of representatives of the municipalities, NGOs, social partners, and having responsibility for the issuing of calls for proposals and for project selection. The day-to-day administration of the JSPF is to carried out by Secretariats, usually performed by the Regional Development Agency in the region.

In addition to the ‘soft’ part, the JSPF will include a strand to allow for small-scale investment support in aid of technical infrastructure in the settlements of the Czech-Austrian border, which is in a poor state of repair, requiring rehabilitation, improvement, and re-construction. The drinking water-, sewerage-, community heating-, and energy supply systems, and telecommunications infrastructure all require investment. The specific objective of this strand is to eliminate infra-structural bottlenecks that limit the further economic development and to improve the conditions for the growth of small businesses. Previous CBC Programmes already addressed these needs through individual large projects. The current programme continues the support of large infrastructure improvement investments, but it complements these actions through a facility for smaller projects in order to also provide villages and small towns access to infrastructure support.

For the small-scale technical and other infrastructure part of the JSPF, the maximum amount of the Phare CBC contribution is 300,000 EURO. The minimum co-financing contribution of the project beneficiary is 25% of the total project cost. Each beneficiary has to contribute min. 5% of the project cost for covering the administrative costs of the Secretariat.

4.2.3 SME Support Fund

The SME Support Fund provides a flexible approach to promote the creation and development of Small and Medium Enterprises (SME), to stimulate entrepreneurship and thus to contribute to the economic and social development in the region. Its specific objectives are: (1) to address the current difficulties faced by SMEs in accessing ”affordable” small credit, with reasonable collateral requirements; (2) to encourage more business start-ups through the provision of a range of appropriate supports to entrepreneurs at various stages – including training, consultancy support, etc.; (3) to assist in the development of a sustainable and viable pool of SMEs, through credit provision and training measures; and (4) to develop the existing support structures for SMEs in the border region through strengthening these institutions and examining ways in which cross-border business can be developed.

Overall the Programme will place special emphasis on new entrepreneurs and micro-enterprises. 40% of funds earmarked for the financial assistance scheme will be accessed by these two categories of business. The same will apply to the advice/consulting and training components.

The Project will co-finance the following measures:

(1) Small Loans Scheme: Phare funds will be provided as a grant in parallel to the bank loan for financing the purchase of know-how, land, buildings, machinery, plant and equipment, means of transport, including the purchase of existing facilities/equipment for production, services or transport, construction, reconstruction and modernisation of buildings and other real estates linked
directly to the implementation of the project. Applicants for support must have a well prepared business plan and have received consultancy services or attended training course on entrepreneurship as provided under the project.

(2) Counselling, Advice and Consulting Services: the receipt of such services may be pre-
conditions of new entrepreneurs accessing available credit. Such services and business plan preparation will be available at 50% of the cost.

(3) Training: the project will support two training courses for new entrepreneurs: Start-Your-Own-
Business and Helping-Your-Business-Grow. The first course covers business development, business plan preparation, taxation, and relevant legislation, and the second growth potential assessment, access to new markets, cross-border co-operation.

(4) Complementary measures and management: the project will provide funding for studies, training and measures to support the institutions responsible for regional development and SME support in performing their tasks in answer to the needs of their target groups. Actions include information for entrepreneurs on assistance schemes, promotion of the implementation of quality standards, supporting SMEs in the participation at selected fairs and exhibitions, promotion of technological innovation and related cross-border co-operation, studies on existing SME support structures in the border regions and cross-border business development and training in business planning.

The project will be implemented under the overall responsibility of the Implementing Agency for the programme. The IA will sign an agreement with the CMZR Bank in which it will undertake to provide the Bank with funds for the implementation of the financial assistance scheme. The IA will also sign an agreement with the Business Development Agency ARP providing it with the funds to finance the implementation of the other components of the SME Support Fund. The IA will retain responsibility for the implementation of the institutional strengthening and studies component of this Sub-Programme.

4.2.4 Programme Management

The Ministry for Regional Development and the European Commission have agreed in a Memorandum of Understanding, signed on 18 December 1997, to contribute jointly to the establishment and strengthening of an effective and sustainable institutional structure for programme implementation through financial provisions and other institution-building inputs in a systematic and transparent way. The responsibility for programme preparation and programming is retained by the Ministry which is being supported through technical assistance.

The project will co-finance the operational costs of the Implementing Agency (IA). The Phare contribution will be provided on a regressive scale and be terminated by the end of the year 2000. In addition, the project will cover technical assistance inputs, i.a. for programme preparation, specialised expertise for the checking of the technical specifications of tenders, of tender and contract dossiers and for the participation in tender evaluations, and finally programme management costs associated with the decentralised management of the programme. The financial conditions for the Phare contributions to the operational costs of the IA and the procedures for its use have been set in the Memorandum of Understanding and are further detailed in periodical agreements between the CRD and the European Commission. The conditions and procedures for procurement of TA and other specialist expertise are standard (DIS).
5. **BUDGET**

The total financial commitment under the **Phare CBC Programme 1999 Czech Republic - Austria** in support of the Projects described in section 4 above amounts to **10.6 MEUR**, as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Projects / Subprojects</th>
<th>Total Cost (MEUR)</th>
<th>Phare Allocation (MEUR)</th>
<th>Indicative Split Between IB / Inv.</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Large Projects</td>
<td>11.462</td>
<td>7.550</td>
<td>0.000 / 7.550</td>
</tr>
<tr>
<td>01.1</td>
<td>Trebic – Extension of WWTP</td>
<td>5.870</td>
<td>3.550</td>
<td>0.000 / 3.550</td>
</tr>
<tr>
<td>01.2</td>
<td>Prachatice–Chvaliny Roads</td>
<td>2.734</td>
<td>2.000</td>
<td>0.000 / 2.000</td>
</tr>
<tr>
<td>01.3</td>
<td>Breclav – Road</td>
<td>2.858</td>
<td>2.000</td>
<td>0.000 / 2.000</td>
</tr>
<tr>
<td>02</td>
<td>Joint Small Projects Fund</td>
<td>2.776</td>
<td>2.120</td>
<td>1.000 / 1.120</td>
</tr>
<tr>
<td>03</td>
<td>SME Support Fund</td>
<td>1.293</td>
<td>0.880</td>
<td>0.600 / 0.280</td>
</tr>
<tr>
<td>04</td>
<td>Programme Management</td>
<td>0.100</td>
<td>0.050</td>
<td>0.050 / 0.000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>15.631</td>
<td>10.600</td>
<td>1.650 / 8.950</td>
</tr>
</tbody>
</table>

6. **IMPLEMENTATION ARRANGEMENTS**

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The Government will appoint a National Aid Co-ordinator (NAC) to have overall responsibility for programming, monitoring and implementation of Phare Programmes.

A National Fund (NF) has been established in the Ministry of Finance, headed by the National Authorising Officer (NAO). The NF will supervise the financial management of the Programme, and will be responsible for financial reporting to the European Commission. Appropriate financial control shall be carried out by the competent National Financial Control Authority with respect to the implementation of the programme.

The EC will transfer funds to the NF in accordance with a Memorandum of Understanding signed between the EC and the Government of the Czech Republic on 12 October 1998. Funds will be transferred following requests from the NAO. A payment of up to 20% of the funds to be managed locally will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreement (FA) between the NF and the Implementing Agency (IA). The provisions foreseen in Articles 2 and 13 of the MoU on the NF must also be met. The provisions in the articles titled “Implementing Agency and Programme Authorising Officer” and “Bank Accounts” of the FA must also be met. Furthermore, the NAO must submit to the Commission a narrative description of the flow of transactions between the NF and the IA.

Four replenishments will be made of up to 20% of the funds to be managed locally or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the total budget has been disbursed by the Implementing Agency (IA). The second replenishment may be requested when 30% of the total budget in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed. Save for express prior authorisation from the Commission HQ, no replenishment request may be made if the aggregate of the funds deposited in the NF and the IA exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of
more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.

The Ministry for Regional Development in conjunction with its Centre for Regional Development will be the IA for the Programme.

The National Fund shall open up a separate bank account denominated in € in the Central Bank (or “a Government guaranteed bank account in a Bank agreed in advance with the Commission”). This bank account shall have sub-accounts from which the IAs entitled to execute payments in accordance with the rules set out in the FA between the NF and the IA. In any cases where this system cannot be implemented, specific arrangements will be agreed between the Commission services and the NF. All bank accounts shall be interest generating. Interest will be reported to the European Commission; if the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred to an IA.

Each individual FA will be endorsed in advance by the EC. The IA must be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

The ‘soft’ projects as described under point 4.2.2 (Joint Small Projects Fund) will be implemented in accordance with the General Guidelines of the Commission for Small Projects Funds and with the Czech Guidelines for the SPF, endorsed by the Commission.

Taking into account the characteristics of the small-scale infra-structure projects and their co-financing nature, the tendering and contracting of the works for the ‘hard’ projects as described under point 4.2.2 will be carried out by the recipient in accordance with the Czech Procurement Law together with the following additional conditions which must be observed:

- all contracts of an expected total value exceeding 50,000 EURO must be awarded following an open tendering procedure;
- every such open tender will be announced in the local press, including a publication in a European Union language newspaper issued in the Czech Republic;
- the Phare Programme rules of eligibility and origin must be complied with which means that companies must be registered in an European Union Member State or a Phare beneficiary country, and all goods supplied must have a certificate of origin to state that the goods were manufactured in an European Union Member State or a Phare beneficiary country.

For these projects the IA will issue an operational manual which will constitute the binding procedure to be followed by the Secretariats. The day-to-day management of the JSPF will be carried out by regional Secretariats in accordance with the approved Guidelines. The function of the regional Secretariat will be performed by the relevant Regional Development Agency (RDA) that has received for this purpose technical assistance, training and other institution building support. To this end, the IA will conclude with each RDA of the relevant regions a Service Procurement Contract detailing the responsibilities and duties in accordance with the Guidelines.

The NAO and the PAOs will ensure that all contracts are prepared in accordance with the procedures set out in the DIS Manual if not otherwise stated in the Financing Memorandum.

All contracts must be concluded by 30November 2001 at the latest, with disbursements concluded by 30November 2002 at the latest. Any funds not used by the expiry date of the programme will be recovered by the Commission.
For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses. The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

7. **Monitoring and Assessment**

A Joint Co-operation Committee (JCC) will be established in accordance with the Commission Regulation No. 2760/98 of December 18, 1998. It will include representatives of the Czech Government (i.a. the Czech Co-Chairman of the JCC, the NAO, the NAC, and regional representatives), the Austrian Government (i.a. the Austrian Co-Chairman of the JCC, representatives of Upper and Lower Austria and of the border regions), and the EC. The JCC will meet at least once a year to review all Czech-Austrian CBC Programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda. The JCC may recommend a change of priorities and/or the re-allocation of Phare funds.

On the Czech side, the JCC will be assisted by a Monitoring Sub-Committee (MSC) which will include the NAC, the PAO of the CBC Programmes and the EC. The MSC will review in detail the progress of each Programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultants (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JCC, to which it will submit overall detailed reports on all Czech-Austrian CBC Programmes.

8. **Audit, Monitoring and Evaluation**

The accounts and operations of the NF, and, where applicable, the CFCU and all relevant IAs may be checked at the EC’s discretion by an outside auditor contracted by the EC without prejudice to the responsibilities of the EC and the European Union’s Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.

The EC shall ensure that an ex-post evaluation is carried out after completion of the Programme.

9. **Visibility/Publicity**

The appropriate PAO will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the Programme. This will be done in close liaison with the EC Delegation. Further details are at annex 3.

10. **Special Conditions**

In the event that agreed commitments are not met for reasons which are within the control of the Government of the Czech Republic, the EC may review the Programme with a view, at the
EC’s discretion, to cancelling all or part of it and/or reallocating unused funds for other purposes consistent
Annex 6 of the Financing Proposal

1999 Programme
Cross-Border Co-operation Programme for the
Czech Republic-Austria

The European Commission has agreed the 1999 cross-border co-operation programme for the Czech Republic with Austria in the framework of the Phare programme.

The European Community will contribute up to a maximum of € 10.6 million from budget line B7-502 to this programme, which must be implemented by 30 November 2001.

The main components of this programme are as follows:

Project CZ9912.01.01: Large Projects

- Sub-project CZ9912.01.01: Trebic – Extension of WWTP
  The project provides for an extension of the existing WWTP based on the R-D-N system. The WWTP intensification project will consist of a combination of an increase in equipment capacity and an expansion of the cleaning function of the technology through the application of the R-D-N system. The main component of the WWTP intensification and extension project is the strengthening of the biological level of treatment by means of expansion of activating volumes of the feeding capacity. The measure will also include reconstruction of the mechanical cleaning level, including rain water pre-treatment, reconstruction of sediment management, anti-flood protection of the WWTP complex, and reconstruction of sewer D. The total Phare budget for this project is 3.55 million €.

- Sub-project CZ9912.01.02: Prahatice – Chvalsiny Roads
  Roads II/143 and II/166 serve as principal connection between the district towns of Cesky Krumlov and Prachatice, and connect the central Sumava region with the "Dolni Dvoriste - Wulliwitz" and "Studanky - Weigetschag" border crossings to Austria. The project will consist of reconstruction of a road section with a total length of 36.65 km, including bypass routes, roadway surface repairs, horizontal traffic signs installation and repair of bridges. The total Phare budget for this project is 2 million €.

- Sub-project CZ9912.01.03: Breclav Road
The project consists of the reconstruction of road I/55 from the district border to Breclav, then within the city of Breclav, and from Breclav to the state border, including the optical separation (through markings) of cyclists from motor vehicle transport. The total Phare budget for this project is 2 million €.

**Project CZ9912.02: Joint Small Projects Fund**
The general aim of the JSPF is the support of ‘people to people’ projects and non-investment projects with a genuinely cross-border impact. The specific JSPF objectives are the development of cultural and youth cooperation; local and regional socio-economic development, tourism development; educational activities, local government and organisations of public interest. The minimum Phare contribution per project is 1,000 €, the maximum contribution is 0.05 million €. In addition to the ‘soft’ part, the JSPF includes a strand to allow for small-scale investment support in aid of technical infrastructure in the settlements of the Czech-Austrian border. The maximum amount of the Phare CBC contribution is 0.3 million €. The JSPF will be implemented following the General Guidelines of the Commission for Small Projects Funds and draw on the Czech Guidelines for the SPF, endorsed by the Commission. The total Phare budget for this project is 2.12 million €.

**Project CZ9912.03: SME Support Fund**
The SME Support Fund provides a flexible approach to promote the creation and development of Small and Medium Enterprises (SME), to stimulate entrepreneurship and thus to contribute to the economic and social development in the region. The Project will include (1) a Small Loans Scheme, (2) Counselling, Advice and Consulting Services, (3) Training and (4) Complementary measures and management. The total Phare budget for this project is 0.8 million €.

**Project CZ9912.04: Programme Management**
The project will co-finance the operational costs of the Implementing Agency (IA). The project will cover technical assistance inputs, i.a. for programme preparation, specialised expertise for the checking of the technical specifications of tenders, of tender and contract dossiers and for the participation in tender evaluations, and finally programme management costs associated with the decentralised management of the programme. The total Phare budget for this project is 0.05 million €.

**The Implementing Agency : Name, address and tel/fax nos**

Ministry for Regional Development, in conjunction with its Centre for Regional Development
Ministry for Regional Development of the Czech Republic
Starometske namesti 6

110 15 Praha 1
Tel. +4202 2486 1376
Fax. +4202 2486 1324

Further information about this programme can be obtained from:
(a) the Implementing Agency (as above);
(b) the Phare Internet service at:
http://europa.eu.int/comm/dg 1a/phare.

In accordance with the Phare procurement rules, only part of this programme will be procured by restricted tender.

Further tender opportunity details will be available as follows:
(a) for service tenders from the Phare Internet service at the above address. For tenders above € 10 million, details will also appear in the Official Journal of the European Communities.

(b) for all supply tenders over € 300,000 and for all works tenders above €1 million from the Official Journal of the European Communities.

Tenders opportunities below these amounts will also be published, but this may be done only locally.