1. Basic Information

1.1 Project Number

1.2 Project Title
Třebíč – Business and Research Incubator

1.3 Sector
Economic Development

1.4 Project Location
Euroregion: Vysočina
Cross-border region: Czech Republic – Austria
District: Třebíč
Municipality: Třebíč and Třebíč – Řípov, Moravské Budějovice, Náměšť n.Oslavou, Jaroměřice nad Rokyní, Jemnice, Hrotovice, Okříšky
Cadastral territory: Třebíč and Třebíč – Řípov, Moravské Budějovice, Náměšť n.Oslavou, Jaroměřice nad Rokyní, Jemnice, Hrotovice, Okříšky

2. Project Objectives

2.1 Overall Objectives

The project is in line with the medium term strategy and priorities of the Joint Programming Document (JPD) Czech Republic - Austria for Interreg IIIA - Phare CBC Programmes. The purpose of the project meets the overall objectives of the following priorities in cross border co-operation:

- Infrastructure development and support of services to the economic sector and business in the border areas;
- Promotion of innovative approaches and modern technologies in SMEs;
- Cross-border co-operation of businesses (SMEs), consultations and advice in cross-border economic activities.
2.2 Project Purpose
The project serves the following purposes:

- Improve conditions for start-ups in the region by the provision of:
  - Suitable space facilities for business;
  - Specialised services and consultancy.
- Create conditions for the development of applied research in the area of IT and the application of its results in SMEs.

Building of business incubators in seven villages around Třebíč will create favourable conditions for start-ups in manufacturing and services. In the first year of operation of the facility, the project assumes that at least 30 businesses will operate in the incubator thus creating about 80 – 100 jobs.

The network of consultation centres and support centres equipped with computers will assist at least 30 businesses in the first year of its operation and businesses will have direct access to the special consultation services provided by the staff of the consultation and research centre.

In the first year of operation of the incubator, it is assumed that at least 10 research projects will be launched, focused on the practical application of IT.

2.3 Accession Partnership and NPAA Priority
The improved economic co-operation by supporting SMEs is one of the top priorities in the pre-accession period.

The project contributes to meeting the key strategic priority of the JPD, which is an integrated economic development of border regions. Special emphasis is placed on the creation of the environment needed for business development such as economic infrastructure and consultation services.

The project complies with the Accession Partnership Document and with the National Programme for Adoption of Acquis in the area of the economic development support.

2.4 Cross-border Impact of the Project
The new business incubators, with a consultation and training centre will create a quality infrastructure for start-ups and will assist in establishing contacts with Austrian businesses. The Consultation and Research Facility will be a venue for organising commercial meetings and presentations by the Czech and Austrian business communities. This process will be actively supported especially by Chambers of Commerce on both sides of the border – OHK in Třebíč and Wirtschaftskammer Niederösterreich.

Under INTERREG III/A Programme the Austrian party is developing a parallel project in the neighbouring region of Waldviertel. The partner organisation on the Austrian side is the municipality Raabs an der Thaya which acts as a project investor and the project design has been elaborated by ECO Plus. The partnership built on these foundations makes possible the exchange of experience, transfer of know-how and more efficient co-ordination in the development stage of the projects.
Both partners will also co-operate closely during the implementation of the projects and particularly after the projects have been put into operation. Among other active regional partners are especially the Waldviertel Management from Zwettl and Arge Grenznutzen with headquarters in Gmund. Both the Czech and Austrian parties, in the development of their projects, are using the experience from a similar project in the UK – North East Suffolk Business Centre, North&Waveney Enterprise Service, from the Suffolk county.

In the area of consultancy and training, the project beneficiary collaborates with the Berufs-pedagogisches Institut Modling – Institut fur Berufsbildung in Modeling, Austria. The beneficiary of the project intends to co-operate closely with the Austrian Chamber of Commerce and the WIFI in design of the training programme focused on the research element of the project.

The project assumes that the shared bilingual web server together, with the professional support provided by the Consultation and Research Centre, will allow SMEs and start-ups to establish new contacts and co-operate across the border.

Creation of new job opportunities in the region will have a favourable impact and will improve the situation in the regional labour market.

3. Description

3.1 Background and Justification

The border area of Třebíč is located in the Vysočina region. The area is an economically weak region affected by the adverse impacts of restructuring of the local industry and agriculture. There is long-term unemployment well above the regional and national average. There is also a small number of SMEs (particularly in the sector of services) in the area. This is the result of several factors – lack of industrial zones and facilities for businesses, nearly no interest of potential investors as the area is not attractive for them and poor accessibility of the region due to the inadequate transport infrastructure, generally low interest of local people in running their own businesses, in retraining and further education. The consequence of this poor social and economic situation is that many university graduates are moving out of the region. In addition to a lack of interest in the establishment of SMEs, there is also a lack of a co-operating network in the area of IT and innovative technologies. The contacts with adjacent regions and involvement of SMEs in research and development are also unsatisfactory.

Due to the poor economic situation in the region, the local municipalities got together and together with the Západomoravská University at Třebíč, o.p.s. (a faculty specialized in information technology), has established a partnership called Rozvoj Třebíčska (Třebíč Development), which initiated this project aimed at business support and the creation of new job opportunities in the region. The project was inspired by the experience of the West Norfolk and Suffolk regions in the UK (a contact person Mr. Alan Pask, 69 High Green, Brooke, Norwich NR 151JD, England), where similar incubators supported by consultancy have been in operation for several years and they have achieved very good results.
The implemented project should partly eliminate the barriers preventing business development in the region – lack of suitable facilities and high costs related with their acquisition or lease, lack of information on SME, lack of information on demand and potential customers, absence of qualified consultancy and support to start-ups.

In addition to support for SMEs, the project is also focused on research and application of its results in the business sector. Linked to the subjects taught at the university (information technology) the project should stimulate the implementation of business intents in the area of IT.

To provide the necessary support, a network of facilities will be established providing subsidised space to start-ups in seven communities of the Třebíč region. Required prices of lease of the spaces for individual incubator premises correspond approx. to 1/3 of the market prices in the respective municipalities.

Each facility forms an integrated part of the incubator the main centre of which will located in Třebíč. In all the premises a branch office of the Třebíč Business, Training and Research Centre will be located which will provide start-ups as well as established businesses with the administrative and consultancy network.

This network will be supported by the Třebíč Business, Training and Research Centre located next to the University of Západomoravská. For the project implementation, the following buildings located in the communities of Třebíč region have been selected:

**Třebíč**: number of population – 39 240, unemployment rate – 11,9%

I. **Business Incubator**

A single storey building of the total area of 1,700 m² close to the town centre, which used to be a school farm building has been selected for the facility. The building is in the municipal ownership. On the ground floor there will be workshops and on the first floor there will be offices for businessmen and business premises providing services to the general public and in the middle there will be a conference room. There will be a car park next to the building. After the refurbishment the building will be able to house about 18 - 21 business units.

II. **Consultation, Training and Research Centre**

The former House of Public Services - a two storey building of a total area of 600 m², has been selected for the Consultation, Training and Research Centre situated next to Západomoravská University. The building is owned by Třebíč municipality. The consultation and training business will be physically separated from the research activities in the building.

**Moravské Budějovice**: number of population – 8 048, unemployment rate – 11,7%

Two former farm buildings of a total area of 950 m² located in the town centre have been selected for the business incubator. The building is in the ownership of Moravské Budějovice municipality. On the ground floor there will be protected workshops for hand crafts (employing disabled people), services to the general public and indoor parking lots. On the first floor there will be offices for businessmen. The capacity of the refurbished building will be about 10 business units.
Náměšť nad Oslavou: number of population – 5 301, - 10,8%

A two storey building of the former flat management office of a total area of 462 m² located in the town centre has been selected for the incubator. The building is owned by Náměšť nad Oslavou municipality. On the ground floor there will be workshops for craftsmen and either warehouses or the archive and on the upper floors there will be offices for businessmen. The capacity of the refurbished building will be about 7-10 business units.

Jemnlice: number of population – 4 380, unemployment rate – 11,2%

A two storey building of a total area of 1120 m² of the former brewery located next to the chateau close to the town centre has been selected for the business incubator. The building is owned by Jemnice municipality. The ground part of cellars will be used as a car park and in the basement there will be either warehouses or the archive. On the ground floor there will be protected workshops for various handcrafts and public services. On the upper floors there will be offices for businessmen. The capacity of the refurbished building will be about 17 - 20 business units.

Hrotovice: number of population – 1 710, unemployment rate – 13,0%

The former single storey chateau administration building of a total area of 300 m² located in the town centre has been selected for the business incubator. The building is owned by Hrotovice municipality. The facility will house craft workshops and services to the public. The capacity of the refurbished building will be about 4 – 6 business units.

Okříšky: number of population – 2 016, unemployment rate – 9,1%

There will be only a business consultation centre of a total area of 59 m² located in the chateau building. The building is owned by Okříšky municipality and is going to be gradually converted into a multifunctional building.

Jaroměřice nad Rokytnou: number of population – 4 128, unemployment rate– 16,4%

A single storey building of the former Technická správa of a total area of 431 m² located close to the town centre has been selected for the business incubator. The building is owned by Jaroměřice nad Rokytnou municipality. The facility will house craft workshops and services to the public. The capacity of the refurbished building will be about 7 business units.

The project also includes basic training packages prepared for 23 regional experts involved in the project which will be thematically focused on business development and cross border economic co-operation and which are considered to be necessary for starting the operation of the incubator.

The project beneficiary assumes that in relation to the project incubator an independent training project will be designed and prepared in close co-operation with the Austrian side. This training program will concentrate mainly on IT research utilisation and reinforcing the cross border cooperation of the SME’s.
3.2 Linked Activities

Both the national programmes and EU programmes and projects are focused on supporting business development. Phare funding was used to build a network of Regional Consultation and Information Centres, Regional Fund supporting investments into the business infrastructure etc. Some activities other than capital expenditure projects were also supported by the Small Project Fund. In CBC Phare 1999 Programme there are also funds allocated for the support of SMEs in the area along the Czech and Austrian border.

3.3 Results

The project will deliver the following outcomes:

- Business incubator consisting of 7 refurbished and equipped buildings ready to house SMEs and start-ups;
- Consultation, Training and Research Centre – fully furnished, with office and equipment and training devices;
- Access roads, car parks, landscaped areas, information billboards in front of the buildings;
- Trained consultation teams for the business sector and cross-border economic co-operation;
- Promotion and dissemination of information on the incubator, its marketing, organisation.

The project will deliver the following measurable results:

- 5,622 m² of workshop, office and storage area designed for SMEs;
- New facilities to house about 69 – 80 start-ups will be built;
- There will office space to manage the operation of each incubator facility;
- 1 fully furnished research centre will be created for promotion IT;
- 20 consultants for the business sector will be trained and 3 experts for cross-border economic co-operation with the participation of Austrian experts;
- 6 workshops will be held with the participation of Austrian experts and four entry informative training courses for approx.100 people organised (with the estimation of training capacity: 50-60 mandays for foreign experts);
- Approx. 1,000 copies of the first issue of the information newsletter will be published and a website will be launched.
3.4 Activities
The following activities will be carried out as part of the project implementation:

- Civil work related to the refurbishment of 8 buildings designed for the incubator located in seven communities around Třebíč;
- Refurbishment of the interiors so that the buildings could house workshops, storage areas and office space for start-ups;
- Refurbishment of the outside areas (construction or repair of the access roads, car parks, landscaping, installation of the information billboards);
- Basic furnishing of the business premises, furnished reception areas provided with office equipment and devices for support and consultation activities;
- Furnishing of the Consultation, Training and Research Centre (furniture and office equipment);
- Installation of a computer network for the Business and Research Incubator;
- Promotion and marketing of the activities, organisation of workshops.

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

The IA is managed by the Programme Authorising Officer (PAO) appointed 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 share of co-financing, for acquiring the planning consent and permit to build, for the preparation and launch of the tender for a contractor, contract development, site supervision and for the final acceptance.

Investor/Beneficiary: Rozvoj Třebíčska, z.s.p.o.
B. Václavka 59/11, Třebíč

Represented by: Dr. ing. Martin Černý, Board Chairman
B. Václavka 59/11, Třebíč
phone: + 420 618 833 355, fax 0618 833 334
e-mail: cerny@trado.cz , or "hktrebic@trnet.cz"
5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th></th>
<th>Total Phare (=I+IB)</th>
<th>National Share of co-financing*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support</td>
<td>Institution Building</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>01 Contract composed of:</td>
<td></td>
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<tr>
<td>Works</td>
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<td>0.000</td>
<td>1.136</td>
<td>0.393</td>
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<td>0.050</td>
<td>0.199</td>
</tr>
<tr>
<td>Services</td>
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<td>0.000</td>
<td>0.044</td>
<td>0.000</td>
<td>0.044</td>
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<tr>
<td>Total</td>
<td>1.329</td>
<td>0.000</td>
<td>1.329</td>
<td>0.443</td>
<td>1.772</td>
</tr>
</tbody>
</table>

Co-financing will be arranged by the participating municipalities from their own sources and it is documented by the statements of the councils on their capacity to co-finance the project. The contributions of each municipality will be deposited at a joint account of the beneficiary, which is Rozvoj Třebíčska, z.s.p.o., in order that the Czech share of funding would be arranged.

<table>
<thead>
<tr>
<th>Municipalities co-financing the project</th>
<th>Municipal Share (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Třebíč Municipality</td>
<td>0.134</td>
</tr>
<tr>
<td>Moravské Budějovice Municipality</td>
<td>0.123</td>
</tr>
<tr>
<td>Náměšť nad Oslavou Municipality</td>
<td>0.028</td>
</tr>
<tr>
<td>Jemnice Municipality</td>
<td>0.082</td>
</tr>
<tr>
<td>Hrotovice Municipality</td>
<td>0.040</td>
</tr>
<tr>
<td>Okřišky Municipality</td>
<td>0.009</td>
</tr>
<tr>
<td>Jaroměřice nad Rokytou Municipality</td>
<td>0.027</td>
</tr>
<tr>
<td>Total</td>
<td>0.443</td>
</tr>
</tbody>
</table>

6. Implementation Arrangements

6.1 Implementing Agency

The Ministry for Regional Development in conjunction with the Centre for Regional Development CR.
6.2 Non-standard Aspects

The project will be managed in line with the methodology applicable to candidate countries and specified in the manual for the management of programmes supported from EU sources – Phare Decentralised Implementation System (DIS Manual) in its latest issue of 1.1.2001 containing the Practical Guide to Phare, Ispa & Sapard contract procedures (Practical Guide).

6.3 Contracts (MEUR)

<table>
<thead>
<tr>
<th>Number</th>
<th>Type of Contract</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Works contract</td>
<td>Reconstruction of premises in 8 buildings</td>
<td>1.529</td>
</tr>
<tr>
<td></td>
<td>Supplies sub-contracts</td>
<td>Furniture for reception areas, conference rooms etc.</td>
<td>0,098</td>
</tr>
<tr>
<td></td>
<td>IT, copying machines, fax machines, telephone exchange</td>
<td></td>
<td>0,101</td>
</tr>
<tr>
<td></td>
<td>Services sub-contract</td>
<td>Incubator marketing, workshops, interpreting, preparatory work</td>
<td>0,044</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>1.772</td>
</tr>
</tbody>
</table>

- Works Contract will be awarded within one tendering procedure (Local open tender procedure) with subcontracting of supplies and services.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch of tender procedures*</td>
<td>7/2003</td>
</tr>
<tr>
<td>Start of project activity</td>
<td>12/2003</td>
</tr>
<tr>
<td>Project completion</td>
<td>8/2005</td>
</tr>
</tbody>
</table>

*The tender dossier will be submitted to the EC within 6 months of signature of the Financial Memorandum.
8. Equal Opportunity
Principles and procedures applied during project implementation will ensure equal opportunities for all participants of the project.

9. Environment
With respect to the nature of the project, no environmental impact assessment will be required.

10. Rates of Return
The results of the financial analyses have proved that the investment will not be generating sufficient financial resources for its renewal after its life ends; the financial internal rate of return is FRR < 0. The result of the economic analyses documents the economic internal rate of return of the project which has been calculated for the life of the investment.

ERR = 9.90 %

The Feasibility Study was developed by the Vysočina Regional Development Strategy z.s.p.o., Křižová 2, 568 01 Jihlava. The Study is filed with the beneficiary: Rozvoj Třebíčska, z.s.p.o.

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

11.1 Catalytic Effect
The project is of a public nature and complies with the regional priorities. In the near future, the action could not be implemented without support from the EU sources.

11.2 Co-financing
The Czech share of co-financing is 25% of the total project costs. The co-financing is arranged from the beneficiary's own resources, that is from the resources of the following municipalities:

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Address</th>
<th>Represented by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Třebíč Municipality</td>
<td>Karlovo nám. 55, Post code: 674 01</td>
<td>Miloš Mašek</td>
</tr>
<tr>
<td>Moravské Budějovice Municipality</td>
<td>Nám. Míru 31, Post code: 676 02</td>
<td>Ing. Jan Nekula</td>
</tr>
<tr>
<td>Náměšť nad Oslavou Municipality</td>
<td>Masarykovo nám. 104, Post code: 675 71</td>
<td>Vladimír Měrka</td>
</tr>
<tr>
<td>Hrotovice Municipality</td>
<td>Nám. 8 května 1, Post code: 675 55</td>
<td>Paedr. Jiřina Suchardová</td>
</tr>
<tr>
<td>Okřišky Municipality</td>
<td>Nádražní 115, Post code: 675 21</td>
<td>Ing. Josef Kula</td>
</tr>
<tr>
<td>Jemnice Municipality</td>
<td>Husova 103, Post code: 673 31</td>
<td>Mgr. Milan Havlíček</td>
</tr>
</tbody>
</table>
11.3 Additionality
The project is of a public nature and as such is not suitable for funding from private funds due to the negative financial rate of return on the investment.

11.4 Project Readiness and Size
Civil work will include only the refurbishment of the buildings and the outside area therefore no planning consent is needed. All permits to build for each building will be arranged for by 09/2002. The Feasibility Study and the design documentation have been developed. Environmental Impact Assessment is not required due to the nature of the project. The tender dossier including all exhibits will be developed and ready for tendering immediately after the Financial Memorandum is signed.

11.5 Sustainability
The results of the Feasibility Study show that the proposed project is sustainable as it meets all European norms and standards and complies with the applicable EU laws.
The financial and institutional sustainability of the project is ensured by a clear and binding statement of all participating municipalities in which they confirm that they shall bear all risks resulting from the need to ensure a full operation of the incubator in the future and therefore they accept all the commitments to finance fully the operational and other costs that will be connected with the proposed project activities.

11.6 Compliance with the 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; and the implementation will not harm the market environment or the competition rules.

11.7 Contribution to the National Development Plan
The project respects the 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 the border areas. The project is in compliance with the regional priorities and measures laid down in the cross-border regional development strategy defined in the Joint Programming Document (JPD) Phare CBC/INTERREG 2000 – 06Czech Republic – Austria for the CBC Phare Programmes.

Priority 1: Cross-border economic co-operation

Measure M1: Development of economic sites and infrastructure in the border areas

Measure M2: Establishment and development of co-operation in the business sector, consultations in the area of cross-border economic activities
12. Conditionality and Sequencing

The beneficiary 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 to 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 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 the Project Fiche

1. Logical Framework in standard format
2. Detailed implementation chart.
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period).
4. Reference to the Feasibility Study; Environmental Impact Assessment
## PHARE LOGFRAME

<table>
<thead>
<tr>
<th>Overall Objective(s)</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of infrastructure and support services to the economic and business</td>
<td>Increase in number of SMEs in the economic sector in the border region</td>
<td>Data, statistics of chambers of commerce</td>
</tr>
<tr>
<td>sector in the cross-border region</td>
<td>Increase of SMEs involved in IT and an increased number of SMEs applying results of the university</td>
<td>Regional and municipal economic statistics</td>
</tr>
<tr>
<td>Promotion of innovative approaches and modern technologies in SME</td>
<td>research</td>
<td>Trebič University and its IT department data</td>
</tr>
<tr>
<td>Cross-border co-operation of SMEs, consultation and advice in cross-border economic</td>
<td>Increase in number of SMEs co-operating and trading with Austrian partners</td>
<td></td>
</tr>
<tr>
<td>co-operation</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Purpose</th>
<th>Objectively verifiable Indicators</th>
<th>Sources of verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve conditions for start-ups in the region by offering the following services:</td>
<td>Interest in and use of the business premises and office space offered in the business incubator - establishment of at least 30 businesses and creation of 80 - 100 new job opportunities</td>
<td>Statistics and information on the incubator</td>
</tr>
<tr>
<td>- Suitable business premises</td>
<td>Use of the services and consultations offered to the business people in the region – consultations and assistance provided to at least 30 businesses</td>
<td>Overviews and statistics of the chambers of commerce</td>
</tr>
<tr>
<td>- Professional consultations and advice</td>
<td>Increase in the number of business intents applying results of the IT research - launch of at least 10 research projects in the first year of the incubator operation</td>
<td>University data and statistics</td>
</tr>
<tr>
<td>- Training, specialised training, re-training</td>
<td></td>
<td>Statistics of the Labour Office</td>
</tr>
<tr>
<td>Create conditions for the development of applied research in the IT field</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total Budget: 1,772 MEUR                                                        | Phare budget: 1,329 MEUR                                                                    |                                                                                         |
## Results

- Business incubator consisting of 7 refurbished and fully furnished buildings ready to house SMEs and start-ups in the Třebíč district
- Consultation, Training and Research Centre provided with furniture, office equipment and training devices
- Access roads, car parks, landscaped areas, information billboards
- Trained team of consultants for the business sector and cross-border economic co-operation
- Regular dissemination of information and marketing of the incubator, training and re-training courses

## Objectively verifiable indicators

- 5,621 m² of business premises, office space and storage area available to SMEs and start-ups
- Space available to 69 – 80 start-ups
- 8 reception areas and offices to manage and operate the facilities of the business incubator
- 1 fully furnished research centre
- 8 information billboards and 700 m² of car parks
- Training of 20 consultants for the business sector and 3 experts in cross-border economic co-operation
- Organisation of 6 workshops with the participation of Austrian experts, organisation of re-training courses for 100 participants.
- 1,000 copies of the first issue of the information newsletter and launch of the website

## Sources of verification

- Monitoring reports
- Final acceptance documents
- Final Report on the Project Results
- Municipal sources of information, chambers of commerce and universities
- Local/regional press
- On-site inspections

## Assumptions

- Successful information and marketing activities in the region
- Sufficient interest of the local population in running their own businesses
- Successfully functioning partnership within the project in the region
- Efficient support, co-operation and co-ordination of activities with Austrian partners
- Efficient transfer of foreign know-how
- Successful involvement of the university research in the project
- Professional project management
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means (Inputs)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Civil work – refurbishment and conversion of 8 buildings into the incubator in seven communities in and around Třebíč</td>
<td>• Own sources of funding</td>
<td>• Availability of suitable buildings for conversion into business premises</td>
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<tr>
<td>• Conversion of the buildings into suitable business premises, offices and storage areas for start-ups</td>
<td>• Construction capacities</td>
<td>• Successfully completed tenders – selection of reliable contractors for civil work, delivery of technology, procurement of equipment, consultation services etc.</td>
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<tr>
<td>• Exterior refurbishment (access roads, car parks, landscaping, information billboards etc.)</td>
<td>• Site supervision</td>
<td>• Smooth and seamless co-financing and efficient co-ordination of the project activities</td>
</tr>
<tr>
<td>• Procurement of the basic equipment for the business premises, furnishing of the reception areas with furniture and office equipment and devices for consultations</td>
<td>• Technology, material, equipment</td>
<td>• Interest and availability of specialists in the region to participate in the project</td>
</tr>
<tr>
<td>• Furnishing of the Consultation, Training and Research Centre with furniture, office equipment and training and research devices</td>
<td>• Project documentation</td>
<td></td>
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<tr>
<td>• Dissemination of information, market research and marketing activities, organisation of workshops, etc.</td>
<td>• Foreign and domestic know-how (establishment and operation of incubators)</td>
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<td></td>
<td>• Professional resources for IT (university)</td>
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<td></td>
<td>• EU and local expert available</td>
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<td>• Project management team</td>
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</table>

**Preconditions**

• Positive results of the economic analysis, market analysis and feasibility study
• Financial and institutional sustainability of the project
• Functioning regional partnership
• Support of the project by the Austrian party and inclusion of the project into CBC Phare 2002 Programme
# Implementation Time Chart

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<td>01 Works contract (+ subcontracts for supply and services)</td>
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</table>

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

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<tbody>
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### Disbursement Schedule

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<tbody>
<tr>
<td>01</td>
<td>Works contract</td>
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<td>132 900</td>
<td>110 100</td>
<td>170 000</td>
<td>180 000</td>
<td>168 000</td>
<td>160 000</td>
<td>145 000</td>
<td>130 100</td>
<td>132 900</td>
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<tr>
<td></td>
<td>TOTAL</td>
<td>1 329 000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>160 000</td>
<td>145 000</td>
<td>130 100</td>
<td>132 900</td>
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Reference to Feasibility Study

The project objective is to create a network of buildings providing subsidised space, including administration support and consultations to start-ups, in seven communities of the Třebíč area. This network will be supported by the Business, Training and Research Centre located in Třebíč and closely co-operating with Západomoravská University. The project is also aimed at training staff to manage the incubator and publishing of the information newsletters. The proposed project stems from the need to address the unfavourable economic situation of the regions where there is a high unemployment rate.

Market Analysis

The project target groups are potential start-ups (people registered at the Labour Office and school graduates) and the existing SMEs. The analysis is based on the analysis of the actual situation on site, Labour Office statistics on unemployment and regional development strategy. The results of the market analysis showed that the area falls into the economically weak regions with long-term unemployment significantly exceeding the national average. There is a small number of SMEs (there is a market niche for craft manufacture and services). Co-operative structures in the area of IT and innovative technologies are missing. The cross-border contacts are unsatisfactory as well as co-operation of SMEs and their involvement in research and development.

Organisation of Operations

The project owner/beneficiary is a partnership associations of communities called Rozvoj Třebíčska, z.s.p.o. The assets acquired through the project implementation will be transferred to these communities pro rata to their financial contribution to the project. The incubator’s facilities that will provide start-ups with subsidised rents of business premises and services, will be operated by their owners, the municipalities and that will also cover all maintenance and operating costs. Třebíč municipality in addition to the facility providing subsidised business premises and services to start-ups will also operate the Advisory, Training and Research Centre located in close proximity of the Západomoravská University co-ordinating overall support and assistance. The Centre will employ not only managers of the incubator, but will incorporate also the external advisors who will provide their services within the incubator’s network.

In each incubator building there will be a branch office of the Třebíč Advisory Training and Research Centre with one part time receptionist who will be engaged in activities connected with operation of the facility (the rest of his working capacity will be devoted to the work of a town manager for the SME’s. This receptionist will be in touch with the two incubator’s managers and through them he will according to the needs arrange provision of consultancy services executed by the external advisors or mediate co-operation in the IT area in conjunction with Západomoravská University in Třebíč.

The operation of the business and research incubator will be co-ordinated by a board consisting of the representatives of the regional bodies involved (Západomoravská University, Regional Council, Třebíč Labour Office, Třebíč Chamber of Commerce and municipalities). The success of the project depends on good organisation of the operations and very good co-operation of all regional parties involved.
Result of Financial Analysis

The result of the financial analysis planned for a ten-year period shows a negative financial internal rate of return (FRR < 0). That means that the investment will not generate sufficient net earnings during the monitored period for its renewal. Due to this, in medium term horizon, the owners/municipalities of particular buildings will have to cover maintenance and larger repair costs and later on a total reconstruction of the buildings from their own budgets.

Operating costs of the incubator will be partly covered from the municipal budgets, revenues from leases, incomes derived from consultation services and training courses and partially from the budget sources of municipalities. Training costs related to seminars and workshops may be partially covered from grants from regional support and sector programmes targeted at SME and human resource development. This is a typical public service project and therefore it is not suitable for funding by private capital due to the negative internal rate of return.

Results of the Economic Analysis

The result of the economic analysis, calculated for a 10-year period based on the projected life, is the economic internal rate of return EIRR = 9.9%. Social economic impacts of the project have been assessed on the basis of newly created job opportunities in start-ups and on the basis of an appraisal of newly established cooperation links between the Czech and Austrian businesses. The results of the study demonstrated that the project is feasible and that it can significantly contribute to the improvement of the unsatisfactory economic situation in the region. The project can be recommended for inclusion into a relevant programme supported by EU funds.

Environmental Impact Assessment

With respect to the nature of the project no environmental impact assessment is required (EIA).