1. Basic Information

1.1 Project Number: 2002/000-608.13.01

1.2 Project Title: Euroregion Nisa - Centre for Commercial Co-operation

1.3 Sector: CBC - Economic Development


2. Objectives

2.1 Overall Objectives

The project is in compliance with the revised Joint Programming Document (JPD), Czech Republic - Poland medium-term strategy and priorities for the Phare CBC programmes. The project meets the objectives aimed at the economic development. In line with the Programme the project pursues the following objectives:

- Support and development of an infrastructure eliminating barriers in cross-border economic and commercial co-operation, development of new business opportunities in Nisa Euroregion;
- Enhancement of cross-border co-ordination and co-operation of institutions and more efficient communication within Euroregion.

The beneficial impacts of the project are in the economic and commercial areas, in the establishment of more contacts and joint activities of co-operating institutions in the border region.

2.2 Project Purpose

The proposed project meets the region’s need for the improvement of the existing situation and construction of an adequate facility for Czech, Polish and German firms aimed at the support of economic and commercial cross-border co-operation.

The purpose of the project is, in particular:

- Create better conditions for more efficient co-ordination and co-operation of important regional institutions to support the economic development in the border area.
- Improve conditions for organisation of international conferences, seminars and commercial exhibitions.

The implementation of the project will significantly improve the quality of infrastructure necessary for organisation of common cross-border activities and for more efficient co-ordination of activities of regional institutions and their involvement in cross-border economic activities in the region.

The enhanced infrastructure will also result in an increased number of jointly organised economic and commercial events and exhibitions:

<table>
<thead>
<tr>
<th>Type of activity</th>
<th>Before (number)</th>
<th>After (number)</th>
<th>Increase in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congresses, conferences</td>
<td>1</td>
<td>5</td>
<td>500</td>
</tr>
<tr>
<td>Seminars</td>
<td>5</td>
<td>10</td>
<td>200</td>
</tr>
<tr>
<td>Training events</td>
<td>10</td>
<td>20</td>
<td>200</td>
</tr>
<tr>
<td>Consultation days</td>
<td>2</td>
<td>20</td>
<td>1000</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>3</td>
<td>6</td>
<td>200</td>
</tr>
<tr>
<td>Company events, meetings</td>
<td>3</td>
<td>9</td>
<td>300</td>
</tr>
</tbody>
</table>

The reconstructed Centre will also provide space for housing of numerous regional institutions in order to deliver "one stop" services:

<table>
<thead>
<tr>
<th>Regional institutions (names)</th>
<th>Before implementation</th>
<th>After implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Development Agency (RDA)*</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>District Chamber of Commerce*</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Regional Chamber of Commerce</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Czech Invest – regional representation</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Czech Trade – regional representation</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Business Development Agency</td>
<td>x</td>
<td></td>
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<tr>
<td>Trade Licensing Office</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Czech-Polish Chamber of Economy</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Czech-Polish Contact Centre</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

*The RDA and the District Chamber of Commerce will jointly operate a Regional business information centre (RIBC) which will support cross-border business activities and mediate business contacts between Poland, Germany and ČR. The RBIC will organise "consultation days" for the relevant Polish institutions (e.g. Chamber of Commerce and Labour Office in Jelenia Gora, RDA Krkonoše).
2.3 Accession Partnership and NPAA Priority
Increase competitiveness of SMEs, which represents one of the economic development priorities of the pre-accession period. The project is in line with the Accession Partnership and National Programme for the Adoption of the Acquis (NPAA) objectives relating to the economic development and increase of competitiveness.

2.4 Cross-border Impact of the Project
Jabloniec n.N. is a centre of regional economic and social life and has a long tradition of international exhibitions. It is also a popular destination for Polish and German tourists. The municipality closely co-operates with the twinning towns of Jelenia Gora in Poland and Bautzen and Zittau in Germany. Under the cross-border co-operation programmes, there have been close co-operation contacts developed especially between chambers of commerce in these regions. The economic development of border regions relies on support of the increasing number of events at which foreign companies, particularly those from Nisa Euroregion, can be presented. These events are organised and co-ordinated by chambers of commerce. CzechInvest, a government agency, has its office in the region and in co-operation with the Nisa Regional Development Agency assists in improving the conditions for foreign investments in ČR.

The proposed project meets the regional needs to create an appropriate infrastructure satisfying EU standards, which can be used by Czech, Polish and German business community interested in cross-border co-operation thus contributing to the SMEs development in the region.

The facility, which is unique of its kind in the region, will not serve to Jabloniec n. N. only but will serve to the entire Nisa Euroregion and will be an important international centre for commercial co-operation.

3. Description
3.1 Background and Justification
Jabloniec nad Nisou is situated about 100 km north-east of Prague and 35 km from the Czech-Polish border crossing at Harrachov.

Jabloniec n. N. is a cultural centre, with a long tradition of international exhibitions and it is a very popular destination for Polish and German tourists. The municipality closely co-operates with the twinning towns of Jelenia Gora in Poland and Bautzen and Zittau in Germany.

The Exhibition Centre in Jabloniec nad Nisou was established in the sixties. Its core consists of two art-noeaux villas (built around 1900), which will not be demolished, and two exhibition halls (Hall A and Hall B). The Centre was used both for local and national exhibitions. The life of buildings and infrastructure has expired resulting in high operating costs and the site does not meet the contemporary requirements for facilities of this kind. At present, heating in the buildings is the most serious problem.

Late in 1999 the project development started and it focused on a general overhaul and conversion of the existing Exhibition Centre into more modern ERN Centre for Commercial Co-operation. A dedicated task force was set up at Jabloniec nad Nisou local authority, currently consisting of 6 members representing Jabloniec nad Nisou municipality, the chief project co-ordinator, and representatives of the Regional Chamber of Commerce and the Managing Director of the Exhibition Centre at Jabloniec nad Nisou.

The project re-designs the use of the entire exhibition site. The outcome will be a new facility – Centre for Commercial Co-operation with a modern conference venue to house seminars, workshops and exhibitions. The Centre will also host and provide office space for important regional institutions involved in cross-border co-operation.

The project implementation will deliver better conditions for:
- Presentation of goods and services offered by Czech and Polish companies including organisation of joint commercial exhibitions;
- Organisation of conferences and seminars;
- Office space for newly established institutions providing services to business sector at both sides of the border and promoting trade between both countries;
- Co-ordination of activities in the area of Czech and Polish glass making industry;
- Establishment of a commercial, information and co-ordination centre for costume jewellery and a revival of the tradition of costume jewellery exhibitions.

The Regional Business Information Centre, which will be housed in the new facility in the future, aims to:
- Support of cross-border business activities and co-operation;
- Facilitation of business contacts between Poland, Germany and the Czech Republic;
- Development of a single database containing information on terms and conditions for cross-border economic co-operation and on potential partners;
- Provision of information in Czech and Polish languages on differences between Polish and Czech terms and conditions.

Other institutes to be accommodated in: District Chamber of Commerce, office of Czech Invest, offices of the Agency for Regional Development, Business Development Agency, Czech Trade and Centre for Environmental Education, Training and Re-training Centre (in co-operation with Liberec Technical University).

3.2 Linked Activities
In the past, the projects targeted at the enhancement of the infrastructure and environment were financially assisted in Nisa Euroregion from Phare CBC Programme. These projects together with other implemented infrastructural projects in the

Phare CBC 2002, Czech Republic - Poland
region laid down the foundations for the implementation of other projects meeting the objectives of Nisa Euroregion Strategic Development Plan.
The enhanced infrastructure is a necessary prerequisite for the implementation of ERN Centre for Commercial Co-operation.

3.3 Results
The result of the project will be a new facility: "ERN Centre for Commercial Co-operation" consisting of:
- A new building with a conference hall for 500 people, office space, rooms for presentations, restaurant and a new transformer (newly built, total floor area of 3,552 m²); part of the new facility will be boiler house and HVA air condition systems
- Refurbished villa in Jiraskova str. 9 building with office space, conference and meeting rooms, (refurbished, total floor area of 650 m²);
- Access roads, parking places (for approx. 100 cars) additionally to the existing parking facilities and landscaped areas on site.

3.4 Activities
The project implementation as planned shall include all civil work and supply of equipment needed for the project implementation including installation of a new heating and A/C systems. The implementation shall include the following:
- Demolitions:
  - demolition of the two existing exhibition halls, market place and internal building;
  - relaying of services;
  - felling of trees and shrubs, landscaping.
- Construction of the new conference building;
- Refurbishment and modification of the existing art nouveaux villa (Jiráskova 9); the 2nd villa (Jiraskova street 7) remains in original shape, subject of future separate refurbishment
- Installation of air condition, gas-fired boiler house and transformer;
- Procurement and installation of equipment for office space, presentation, meeting, conference and service rooms;
- Construction of car parks and the site final landscaping.

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 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.
Municipality - The investor is responsible for the Czech share of co-financing for the development of the project documentation required for the planning consent and building permit, for the preparation and tendering for contractors, contract development, site supervision and for the final acceptance. In the future, the project owner/beneficiary will be responsible for the facility operation and this responsibility will be delegated by the municipality to Výstaviště s.r.o. The company is at present and will be in the future owned by the municipality of Jablonec n.N. only.

Project owner/beneficiary: Jablonec nad Nisou municipality  
Address: Mírové náměstí 19  
466 01 Jablonec n. Nisou  
Represented by: RNDr. Jiří Čeřovský – Mayor  
phone: +420 428 357 321, +420 428 311 448  
fax: +420 428 357 353  
e-mail: huebnerova@jablonec.cz

An authorised person will be appointed as a construction site supervisor.
5. Detailed Budget (MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+1B)</th>
<th>National co-financing*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>2.086</td>
<td>0</td>
<td>2.086</td>
<td>1.652</td>
<td>3.738</td>
</tr>
<tr>
<td>Supply</td>
<td>0.164</td>
<td>0</td>
<td>0.164</td>
<td>0.134</td>
<td>0.298</td>
</tr>
<tr>
<td>Total</td>
<td>2.250</td>
<td>0</td>
<td>2.250</td>
<td>1.786</td>
<td>4.036</td>
</tr>
</tbody>
</table>

The share of funding will be provided in the total amount of 1.786 MEUR and the amount was approved by the Jablonec n. N. town council in it's resolution of 1.3.2001. Co-financing will be available.

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), which in its latest update of 1.1.2001 comprises the Practical Guide for Tendering and Contracting for Phare Programmes, ISPA and SAPARD (Practical Guide).

6.3 Contracts (MEUR)

The project will be implemented under one contract, 4.036ME, - joint co-financing

7. Implementation Schedule

<table>
<thead>
<tr>
<th></th>
<th>Start of tendering:</th>
<th>Start of project activities:</th>
<th>Project completion:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10/2003</td>
<td>03/2004</td>
<td>03/2005</td>
</tr>
</tbody>
</table>

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 will bring environmental benefits in the form of reduced emissions due to the advanced heating system and reduced consumption of natural gas. Environmental Impact Assessment (EIA) is in line with Directive 97/11/EC of March 5, 1997. Measures reducing environmental impacts during the project construction stage have been designed. The EIA documentation was developed by Ing. Jiří Klípcera, PhD, Za školkou 647, 533 41 Lázně Bohdaneč, CR tel/fax +420 40 692 1106, E-mail klicperea@iol.cz, an expert certified by the Czech Ministry for the Environment and Dresden Technical University. The documentation is filed with the beneficiary - Jablonec n.N. and with the future operator of the facility - Výstaviště Jablonec s.r.o., represented by Mrs. Jarmila Pešlová, Jiráskova 7, 466 01 Jablonec n.N. The EIA study is also integrated in the Feasibility Study.

10. Rates of Return

The financial rate of return is based on the project feasibility study. The period assessed was 30 years. The study assesses other options and the most favourable one is recommended for implementation. The financial internal rate of return is:

IRR = 6.72 %.

The Feasibility Study was developed by a person certified for Phare programmes by GOPA, Bad Homburg, Germany. The author is Ing. Jiří Klípcera, PhD, Za školkou 647, 533 41 Lázně Bohdaneč, CR tel/fax +420 40 692 1106, E-mail klicperea@iol.cz. The document is filed with the owner/beneficiary - Jablonec n.N. municipality and with the future operator of the facility - Výstaviště Jablonec s.r.o., represented by Mrs. Jarmila Pešlová, Jiráskova 7, 466 01 Jablonec n.N.

11. Investment Criteria

The following evaluation criteria are in line with the project feasibility study outcome.

Phare CBC 2002, Czech Republic - Poland
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 44% of the total project costs. The co-financing shall include
- Own sources of the investor/beneficiary - the funds are guaranteed by the written commitment of the applicant – local council of the applicant that is Jablonec nad Nisou municipality.

11.3 Additionality
The project is of public nature and is not suitable for funding from private sources due to the low financial rate of return of the funds invested. Should a major part of the co-financing be provided by a bank loan, the implemented project would not generate sources sufficient for the installation renewal after its lifetime expires.

11.4 Project Readiness and Size
The planning consent was issued for this project. The permit to build will be issued in 2002. The site is owned by the beneficiary. The Project Tender Dossier including all exhibits will be developed and ready so that the tendering could start immediately after the signature of the Financial Memorandum.

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.
Operating and maintenance costs shall be fully covered by the owner through the facility operator Výstaviště Jablonec s.r.o., which is a company owned by Jablonec n. Nisou municipality. The initial contribution of the municipality for the project startup will gradually decline as projected revenues generated by the project increase as shown in financial cash-flow of the project.

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 and improving the quality of the economic potential in border areas. The project is in compliance with regional priorities and measures laid down in the cross-border regional development strategy defined in the Joint Programming Document (JPD) Czech Republic – Poland for the CBC Phare programmes.
Priority 4.1. – Economic Development
Measure: Functioning of strong co-operation links in the economic area
Functioning institutional infrastructure supporting cross-border co-operation, commercial contacts, exchange of information and transfer of technology.

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

Phare CBC 2002, Czech Republic - Poland
Annex 1 LOGFRAME PLANNING MATRIX

**Jabloniec n. Nisou – Euroregion NISA (ERN) Centre for Commercial Co-operation**

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| Support and development of an infrastructure eliminating barriers in cross-border economic and commercial co-operation | • Increase of economic and business activities (more contracts signed)  
  • Increase of cross-border contacts and joint activities of co-operating institutions in the border area | • Information, statistics of chambers of commerce  
  • Regional statistics  
  • Local/regional press  
  • Data, statistics of important regional institutions |

<table>
<thead>
<tr>
<th>Project Purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| Improve conditions for organisation of international conferences, seminars and commercial exhibitions  
  Create better conditions for more efficient co-ordination and co-operation of important regional institutions to support economic development in the border area | • Increase in number of jointly organised cross-border economic and commercial events – conferences (from the present 1 to 5), seminars (from 5 to 10) exhibitions aimed at development of cross border networks among SMEs (from 3 to 6), re-training events (from 10 to 20)  
  • Number of regional institutions housed in the facility - from one at present to 9 after project completion  
  • Increase in number of jointly co-ordinated activities | • Information and statistics of the Centre, available at the municipality Jablonec n. N. (Dept. of Municipal Development, Mirové nám. 19, 46751 Jabloniec n.N.)  
  • Data and information of district and regional chambers of commerce located in Jablonec n.N. (Jiráskova 11) and Liberec (Moskevská 637/6, 460 01 Liberec)  
  • Regional press: Jablonecký měšťan, Deník Jablonecká, MF Dnes  
  • Results of monitoring reports of IA (MoRD/CRD and municipality of Jablonec) |

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| • A new facility "ERN Centre for Commercial Co-operation" consisting of:  
  • A new building SO 03 with a conference facility, office space, rooms for presentations, restaurant and a new transformer  
  • Refurbished SO 04 building with office space, conference and meeting rooms, boiler house and HVA system  
  • Access roads, car parks and landscaped areas | • Conference hall for 500 people  
  • 3,552 m² of new interior area  
  • 650 m² of refurbished interior area  
  • 100 parking lots | • Design documentation  
  • Monitoring reports  
  • Turn-over and acceptance documents  
  • Final report  
  • On-site inspections | • Effective pro-export policy  
  • Demand for and interest in trading at both sides  
  • Favourable political climate and promotion of economic co-operation between CR and Poland |

Programme name and number: CZ2002/000-608.13.01

CBC 2002 Czech Republic – Poland

Contracting period expires 30/11/04

Disbursement period expires 30/11/05

Total budget: MEUR 4.036

Phare budget: MEUR 2.250

Phare CBC 2002, Czech Republic - Poland
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolitions:</td>
<td>1 works contracts</td>
<td>Co-financing is provided and on-time</td>
</tr>
<tr>
<td>Demolition of the existing exhibition hall, market place and internal building</td>
<td></td>
<td>Efficient co-ordination between the main contractor for civil works and other subcontractors</td>
</tr>
<tr>
<td>Relaying of services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Felling of trees and shrubs, landscaping</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of the first and second part of a new building SO 03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refurbishment and modification of the existing building (Jiráskova 9) – SO 04</td>
<td></td>
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<tr>
<td>Installation of HVA machine hall, gas-fired boiler house and transformer</td>
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<tr>
<td>Procurement and installation of equipment for office space, presentation, meeting, conference and service rooms</td>
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<td>Construction of car parks and the site final landscaping</td>
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**Preconditions**

- Positive results of the marketing survey and feasibility study
- Building permit issued
- Support of the project by the Polish party
# Implementation Time Chart

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

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

### Commitment Schedule (M€)

<table>
<thead>
<tr>
<th></th>
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### Disbursement Schedule (M€)

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