Standard Summary Project Fiche

1. Basic Information:
   1.1. Desiree Number: CZ01-10-04
   1.2. Title: Small-scale business related infrastructure grant scheme
               in selected regions NUTS II
   1.3. Sector: Economic and Social Cohesion
   1.4. Location: Czech Republic NUTS II regions
               Ostrava, North-West Bohemia, Central Moravia

2. Objectives
   2.1. Overall Objectives
   • Ability to take on the obligations of membership in the area of regional policy and co-ordination of structural instruments for economic and social cohesion

   2.2. Project Purpose
   • To create new jobs and to reduce unemployment in three selected NUTS II regions in compliance with the objective of the National Development Plan and Regional Operational Programmes

   2.3. Accession Partnership and NPAA Priority
   • Accession Partnership 1999:
     A medium term priority for economic and social cohesion is to develop national policy for economic and social cohesion in the view of reducing GDP/cap gap with the EU average as well as addressing internal disparities; improving the administrative structures; organising the budgetary system and its procedures according to structural funds standards, including appraisal and evaluation.

   • NPAA 2000:
     Medium-term priorities for economic and social cohesion include implementation of pilot projects and projects related to the preparations for Structural Funds and the Cohesion Fund. The aim is the continuation and the extension of pilot programmes with the EU assistance that will simulate as much as possible the structural funds methodology, particularly the ERDF methodology (as this receives no similar support as SAPARD and ISPA), in order to test and improve the administrative structures including checking the efficiency of individual instruments of support and acquiring experience in the implementation of SF-type programmes and thus also to increase the Czech Republic's absorption capacity.

   2.4. Contribution to National Development Plan (NDP)
   The NDP defines the following strategic objective for 2000–2006:
   • to raise the level of GDP in the Czech Republic by 2006 to a level in the vicinity of 75% of the average GDP in EU member states, to prevent a deepening of regional disparities
   • to markedly improve the environmental situation. In accomplishing this strategic objective, the Czech Republic will conduct pro-active regional policies and will concentrate its efforts on improving the economy’s technological level and competitiveness, and improving the skills and flexibility of its workforce.

   The project contributes to the activities aimed at achieving this objective through implementation of limited number of projects which address priorities and measures identified in the NDP and the ROPs and ‘the Strategy of the Regional Development of the CR’ approved by the Czech Government in July 2000.
3. Description

3.1. Background and Justification

Ostrava Region

The NUTS II Ostrava region is one of the most problematic regions in the country, with accumulated socio-economic and environmental problems. The main problems the region faces are rising unemployment (more than 18% in some districts), caused primarily through the major restructuring of the mining and metallurgy industries. GDP per capita at 93.87% of the country’s average in 1997 and 61% of the EU average, low salaries and insufficient infrastructure, which renders the region remote from Prague and other EU borders.

Over half of the region’s population live in the country’s main industrially conurbated area, which is undergoing transformation from its former, traditional industrial base to an area of declining industry, which, accompanied with the necessary restructuring, also needs to take actions towards ensuring sustainable employment in the region and promote the growth of SMEs.

In 2000-2001 the restructuring of steel industry in Ostrava will result in vast release of few thousands employees which will increase the so far high unemployment. That is why the first priority in the region is the creation of new jobs by attracting new inward investment and encouraging the growth of new SMEs. The Ostrava region is characterised by strong traditional industrial base with high concentration of population at one hand and rural areas with limited industries. Thus, the main strategic objective of the pilot ROP for Ostrava NUTS II Region is to encourage economic growth, support the diversification of the regional economic structure, focusing on the competitiveness of economic activities and the creation of new jobs regionally (in SMEs) and locally to improve overall living standards.

North-West Bohemia Region

The NUTS II Northwest Bohemia region (N-WB) belongs among one of the regions most affected by the transformation process. The region currently faces accumulated, mutually inter-linked socio-economic problems, particularly unemployment (in some districts now over 20%), caused primarily by restructuring of coal mining and other traditional heavy industries (energy generation, heavy machinery and chemical industry), where a high proportion of the unemployed will be long-term and face great difficulties in re-qualifying. GDP per capita is 60.8% of the EU average, and the environment in some districts is heavily damaged. Transport access is poor, although in spite of the problems described, the region possesses considerable economic potential. Besides EU financing, substantial volumes of Czech funding is flowing into the region to support entrepreneurship, housing, active employment policies and other sectoral development programmes in the line with Government Decision No 714/1999.

The main strategic objective of the pilot Regional operational programme for NUTS II N-WB is to strengthen and diversify the economic base and to solve the unemployment in the region. Primarily it aims at the creation of job opportunities and increasing prosperity of the N-WB region.

Central Moravia Region

NUTS II Central Moravia (C-M) according to the GDP per capita equal to 84% of Czech average, average month wage by 10% lower than Czech average, and productivity of regional firms moving below 80% of Czech average - appears like economically weakest region in the Czech Republic. Internally very considerably heterogeneous region, consisting of under developing areas (Jeseník, Šumperk, Vsetín) of considerable peripheral character as well as of areas with high growth potential (districts Olomouc, Prerov, Prostějov, Kromeríž, Zlín, Uherské Hradiště), has been undergoing a large restructuring of the economy for recent years - namely in industry as well as in agriculture. Some part of region was affected by flood in year 1997.

Population number has showed slight decrease since the beginning of 90's, mainly because of the exodus from economically weaker parts of the territory. Situation at the labour market corresponds to a general economic situation in the region. Because of the long economic restructuring the unemployment rate 11% has been considerably higher than Czech average for recent years.
Czech Government’s Decision No. 1025/2000 acknowledged a proposal of priority assistance for 2001 from EU pre-accession programmes.

The selection of regions was based on the relevant programme documents, particularly on the Strategy of Regional Development in the Czech Republic and the National Development Plan (NDP) of the Czech Republic. Based on discussions with the EC, the NUTS II CM region was agreed to be the newly supported NUTS II region where, besides NUTS II Ostrava and North-West Bohemia regions, Phare 2001 investment support would be targeted. A complementary approach to delivery, based on corresponding national (i.e. sectoral) and regional priorities, has been agreed upon.

Beside of many other factors the situation in the regions is complicated especially by underdeveloped infrastructure (especially transport one, on which the region is due to a geographical lay-out highly dependent).

Many SMEs, considered the key element in solving growing unemployment and increase in competitiveness of the region as a whole, have been founded by restructuring of many industrial firms in the region as well as by the activity of people. These firms gradually modernize their production or undergo a restructuring, but with very different results. This situation is by the way caused by poor infrastructure in the region. Local offices are not contemporarily able to offer potential investors prepared development sites for greenfield investment and so the region loses considerable development potential in the form of direct investments and connecting synergy effects. Owing to an urgent deficiency of prepared development sites some larger, for economy and employment of the are important firms are considering the possibility of leaving the areas. The loss of these firms would be negatively reflected in employment and competitiveness of business sector. Business activities in these areas are also complicated by overburdening of the road net in the town area and by insufficient capacity of access roads.

In addition to the direct economic impact, the implementation of the project will have substantial learning effect in all three regions to enhance the management and absorption capacity at NUTS II level for the implementation of the structural and cohesion policy in the Czech Republic.

3.2. Linked Activities

Phare COP 1997:
CZ 9705.01.01.01.02-4 Olomouc Secretariat for the Hana Micro-region, Ostrava Secretariat for the Jeseniky Micro-region, Secretariat for the Pilot NUTS II Region - Northwest Bohemia provided support for preparing SF-type programmes through establishment of a pilot secretariat for micro-regions and assisting the NW Regional Management and Monitoring Committee, and CZ 9705.01.01.01.01 Programme Manager for 3 Pilot Programmes assisting the pilot secretariats and providing policy and advisory support to the MRD in preparation of the legal and institutional framework for future structural funds;

Phare NP 1998:
(1) CZ9807.01 Establishment of National Development Strategy & Support Structure for SFs & CF – a twinning project of 5 inter-related components providing know-how and assistance to institution building both at the national and regional levels, to capacity building in industry and to development of an efficient administrative structures for the pre-accession instruments SAPARD and ISPA
(2) CZ9807.02 Training Programmes: Training needs to be followed up in: general ESC; implementation procedures for SFs/CF; (4) CZ 9807.04.01-2 Investment support for the Hana and Jeseniky Micro-region providing investment support to the typical rural area and doing the first step in building the institutional and absorption capacity in this region.

Phare NP 1999:
(1) CZ 9902.01 Strengthening Competitiveness programme in CM is focused on the SME/Business support policy. The results of the programme will provide increased absorption capacity and a coordinated approach for involvement of RDAs, BDAs & RPICS/BICs in the regions.
(3) Phare CZ 99.16 - Project Preparation Facility (PPF) - will be used to provide all relevant documentation for final project selection of proposed projects and to prepare necessary documentation for implementation (including tendering and realisation)

Phare NP 2000: ESC support through:

1) CZ2000.09.01 Consolidation of the national development strategy and support, including preparation of the employment/HRD sector and the industry/productive sector for the implementation of the Structural and Cohesion Funds being a follow up of the twinning project from Phare 98 focused particularly on well-prepared programme documentation, well-designed and appropriately staffed and equipped implementation and monitoring systems and developed national and regional capacity to generate and implement effective projects and an investment project

2) CZ2000.09.02-3 Investment in Target Region NUTS II North-West Bohemia and Ostrava which in wider scope will contribute to strengthening the economic position and improving the social situation in the region by implementation of projects within the responsibilities of the MIT, MoLSA and MRD supporting productive sector, human resources development and business and tourist related infrastructure – the last one being also the focus of this project.

Phare 2000 - Supplementary Investment Programme

1) Ostrava - infrastructure support of two industrial zones located outside Ostrava City (Koprivnice and Mošnov airport) are supported for the FDI attraction in these areas where former enterprises reduced the production.

3) N-WB – two investment project are included: Industrial park in Cheb and Industrial and Logistic centre in Lovosice

Phare NP 2001 – Institutional Building project is proposed "Finalising of the institutional structures and measures to increase absorption capacity at the national and regional levels".

Support from national sources:
Besides the EU support, substantial funds are being allocated from the Czech state budget for support of regional development. Ostrava NUTS II region along with North-West Bohemia have been identified as regions with worst structural problems and highest unemployment rate. The financial support is targeted particularly to SMEs, industry businesses and business related infrastructure aiming at revitalisation of regional economy. In 2000, 583 mil. CZK (over 16.5 MEUR) have been allocated to Ostrava NUTS II region, and 417 mil. CZK (almost 12 MEUR) to North-West Bohemia NUTS II region.

3.3. Results

i) Business related infrastructure for selected Industrial zones / Business incubators is ready and basic condition to attract new entrepreneurs in selected regions with increasing of new job opportunities fulfilled - See activities

ii) practical experience is delivered in administrative, management and monitoring in selected regions

iii) relevant regional structures and municipalities obtained experience with project development and implementation

- See activities
3.4. Activities

The proposed project will assist in selected regions to the municipalities as final beneficiary to speed up Industrial zones and Business incubator development and generally to contribute in regional development via increasing of number of new entrepreneurs and decreasing of unemployment.

Project activities will include:
- construction and reconstruction of local access roads to business facilities
- development of engineering technical infrastructure networks (sewerage, high voltage system, public lighting system, gas system)
- land reclamation for commercial use
- renewal and reconstruction of business facilities and buildings for entrepreneurs

The infrastructure project eligible costs is from min 0.6 M € to max 2.0 M € (Phare contribution). List of projects is indicated in Annex 4.

The full detailed description of the grant scheme will be submitted to the Commission for approval before signature of the Financing Memorandum. The grant scheme will follow provisions of the Practical Guide. A call for proposals will be launched in the regions.

The 1st assessment and selection of projects will be done in regions, final selection for the Czech Republic by the evaluation committee, chaired by the PAO, at the IA level (CRD).

Final selection of projects will have to be approved by the Commission. Following that the implementation of projects will be done in line with Practical Guide, requesting an ex-ante approval of relevant steps by the Commission.

Projects submitted by applicants will have to comply with following core criteria which will be specified in more detail in the grant scheme:
- Feasibility study showing clearly socio-economic impact (IRR/ERR)
- EIA
- Land acquisition
- Building permit issued
- Co – financing structure and final beneficiary commitment

Projects satisfying the above criteria will be further evaluated on following specific criteria:
- Relevance of the project to the objectives of NDP /RDP
- Expected project benefits in the region
- Budget and cost effectiveness
- Conditions for effective management of the project

All project will be very closely co-ordinated with other related activities in relevant region which are preparing by the MoLSA – (SOP Employment strategy and HRD) and the MoIT – (SME support and restructuring of industry).

4. Institutional Framework

The below described institutional framework includes relevant technical institutions involved in the implementation of Phare 2001 investment support:

Joint Monitoring Committee (JMC), Monitoring Sub-committee (MSC), Management and Co-ordination Committee(MCC)

In keeping with EC programmes co-financed under the Structural and Cohesion Funds regulations, the preparation of programming documentation and co-ordination of SPP activities is currently overseen by the National Programming Committee for Economic and Social Cohesion (NPC-ESC) and the implementation is monitored by the and the Monitoring Committee for Economic and Social Cohesion (MC-ESC) headed by the Ministry for Regional Development. Based on the Act on the Support to the Regional Development coming into effect on 1 January 2001, a Management and Co-ordination
Committee will be established in replacement of the NPC/MC (ESC) during 2001. At a higher level (entire EU assistance), all the activities are monitored by the JMC and MSC.

**Ministry of Finance (MF)**

is a central office of state administration responsible for the country’s budget, state final account, state treasury, financial market, taxes, etc. The MF co-ordinates the EU assistance and foreign assistance as well.

**Ministry for Regional Development (MRD)**

was entrusted with the horizontal co-ordination in the sphere of economic and social cohesion, and the overall co-ordination of the Structural Funds (according to Government Resolution 159/1998). The MRD provides information and methodical assistance to the self-governing NUTS III regions (kraje), municipalities and their associations, and ensures activities connected with the process of including the NUTS III regions into the European regional structures.

**Centre for Regional Development (CRD)**

is proposed as the Implementing Agency (IA) for this project. CRD is a juridical person, established by the MRD. In its role as the IA, the CRD will assume the overall responsibility for administrative, financial and technical management of EU assistance to this project.

**Regional Councils and Regional Development Committees (ex-RMMC)**

will act as regional partners of the MRD and the CRD. Act on the Organisational Structure of NUTS III which entered into effect in 1 January 2001 requires monitoring and managing functions to be separated. This should be achieved through replacement of existing Regional Management and Monitoring Committee (RMMC) by new Regional Councils (RC - managing function) and Regional Development Committees (RDC - monitoring function) for each NUTS II region. These bodies will be established gradually after first regional elections held in Autumn 2000. They will steer and monitor the selection and the implementation of the approved projects, play supervisory role with regard to the outcomes of the development programme, setting and agreeing the general development aims and priorities of the respective NUTS II region.

**Regional Executive Unit for NUTS II regions**

will be established through transformation of the current pilot secretariat established under Phare projects (mentioned in 3.2), these units will act as regional office of the CRD in managing and monitoring investment projects co-financed by Phare and Czech sources so they will be the main decentralised operational/executive mechanism at the regional level.

**Regional Development Agencies (RDAs) – regional Intermediaries**

The Regional Development Agencies have been established in each NUTS III region in order to support the process of regional development. They are agencies with high level of know-how and the extensive experience gained from administration of other Phare programmes.

### 5. Detailed Budget in M€

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (= I + IB)</th>
<th>National Co-financing*</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale business related infrastructure grant scheme</td>
<td>9.0</td>
<td>9.0</td>
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<td>9.0</td>
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<td>18.0</td>
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<tr>
<td>TOTAL</td>
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<td>9.0</td>
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<td>18.0</td>
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</table>

*The Phare contribution will be part of project co-financing. Part of Phare contribution to individual projects should be 50% of the total project costs. The balance will be co-financed from the public sources (state budget, municipalities). The minimum contribution by final beneficiary (municipality) will be 25% of the total costs.
6. Implementation Arrangements

6.1. Implementing Agency (IA)

Centre for Regional Development (CRD) is proposed as the Implementing Agency for the whole project activities and will assume the responsibility for administrative, financial and technical management of EU assistance to this project.

The designated Programme Authorising Officer (PAO) is responsible for the operations of the IA. He/she will be nominated by the National Authorising Officer (NAO) from the senior officers of the Ministry of Regional Development. The implementation of this project will be carried out on the basis of Financing Agreement between the NF and the IA.

Implementation arrangements for the infrastructure project proposals:

The respective Regional Council (RC) will announce Call for proposals and select projects on the base of criteria (indicated in 3.4 and 11). It will set up list of priority projects.

These agreed projects from all three regions will be submitted to Evaluation Committee headed by the PAO where representatives of the Ministry for Regional Development (programming Department), the Ministry of Labour and Social Affairs, the Ministry of Industry and Trade, the Ministry of Finance and each of NUTS II regions (two from the RC) will participate in, the EC Delegation will have observatory role. This Committee will agree on draft final list for final selection to be presented to the Commission (Delegation).

After final approval the projects will be implemented following rules of Practical Guide with an ex-ante approval of relevant documents by the Commission. Regional Development Committees (established by the RC) will hold meetings twice a year in order to monitor the implementation of the project.

The role of all bodies in the process will be specified in the grant scheme description submitted to the Commission for approval before the launch of the project.

Within this project, the technical assistance (service contract, at maximum of 5 % of total budget) is foreseen to assist regional bodies and the Evaluation Committee in assessment of applications, and monitoring and evaluation process.

6.2. Non-standard aspects

The "Practical Guide to Phare, Ispa & Sapard contract procedures" shall be followed.

6.3. Contracts

As far as the Phare contribution is concerned, the minimum contract size is **0.6 M Euro** and the maximum size is **2.0 M Euro**.

7. Implementation Schedule

Call for proposals in the regions 3Q/2001
Draft Final list of projects presented to the DEC 4Q/2001
Start of projects implementation 2Q/2002
Projects completion 3Q/2004

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed.

9. Environment

The environmental impact assessment is or will be worked out for investment projects (works contracts) above 300.000 EUR according to the Czech Act No. 244/92 Coll. on Environmental Impact Assessment and to a document “Procedures for assessment of environmental impact of infrastructure investment projects financed from the EU programmes” (approved by the Czech government on 11 October 2000) which makes the Act No. 244/92 Coll. consistent with the EC Regulation 97/11/EC of 3 March 1997. According to these documents the environmental impact of big infrastructure projects must be assessed.
10. Rates of Return

For investment (Works) projects submitted under a Grant Scheme feasibility study will be worked out.

11. Investment Criteria

Following criteria will be applied in line with the criteria specified in the article 3.4. above.

11.1. Catalytic effect:
Phare support will catalyse the process of improvement the economic and social cohesion in the region by investments in the proposed measures in compliance with the strategic objective of the National Development Plan and respective Regional Operational Plan. This project by building business infrastructure should improve the conditions for business development and test efficiency of administrative structures and sufficient planning and absorption capacities for regional development and implementation of structural funds.

11.2. Cofinancing:
Phare contribution per Grant will be from 0.60M M€ to 2.0 M€ of the total project costs and should be 50% of total project cost.
It is expected the other 50% will be co-financed from the public sources. The minimum contribution of a beneficiary will be 25% of the total eligible costs.

11.3. Additionality:
All investment sub-projects will respect the additionality principle showing that the EU support will only supplement other sources and will at no account replace investments of national sources allocated for support of the region. For details on national programmes see sub-section 3.4.

11.4. Project readiness and size:
All required technical documentation will be completed for the investment sub-projects to be ready for contracting in time. For details on availability of documentation for indicative list of projects see Annex 4.

11.5. Sustainability:
The investment sub-projects implemented under the proposed Grant Schemes will be sustainable in the long term. They will prove - if applicable - the compliance with EU norms and standards, the financial sustainability and no negative effect on the environment.

11.6. Compliance with state aid provisions
All assistance proposed under this programme will be consistent with EU State Aid Rules as they would apply to an EU Objective 1 consistent with Treaty Articles 87 (a) and European Commission guidelines on regional aid published in the Official Journal of the European Communities on 10 March 1998.

11.7. Contribution to National Development Plan
See part 2.4

12. Conditionality and Sequencing

Phare financing will be conditional upon the successful completion of the following steps:
- Co-financing from the state budget 2001-4 as indicated in the project budget approved
- All necessary structures and bodies in place
- Detailed roles of all bodies, especially RDAs and REUs, established in line with SF approach principles, respecting requirements of Phare programme implementation, and avoiding conflict of interest
- Local financing for running of all bodies involved in the implementation of the project available
Annexes to Project Fiche

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. List of indicative projects with the reference to documentation available
LOGFRAME PLANNING MATRIX FOR

Programme name and number: CZ01-10-04

Project: Small-scale business related infrastructure grant scheme in selected regions
NUTS II Ostrava, North-West Bohemia, Central Moravia

Contracting period expires: 31/10/2003
Disbursement period expires: 31/10/2004

Total Budget: 18,0 M€
Phare contribution: 9,0 M€

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
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<tbody>
<tr>
<td>• Ability to take on the obligations of membership in the area of regional policy and co-ordination of structural instruments for economic and social cohesion</td>
<td>• Acknowledgement by the European Commission</td>
<td>• EC Regular Report on Progress in Accession</td>
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<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>• To create new jobs and to reduce unemployment in three selected NUTS II regions in compliance with the objective of the National Development Plan and Regional Operational Programmes</td>
<td>• 1000 newly created and guarantied jobs in assisted SMEs 2 years after this Phare project completion&lt;br&gt;• At least 10 SMEs established</td>
<td>• Progress reports for MC - ESC&lt;br&gt;• Evaluation reports&lt;br&gt;• Official statistics and regional development studies and surveys&lt;br&gt;• Business and trade registers&lt;br&gt;• Official statistics of the Czech Statistical Office</td>
<td>• Continued commitment of the Czech Government towards the implementation of SF in accordance with EU policy and procedures, based on AP, NPAA and RDP, with maximum impact on ESC&lt;br&gt;• Czech economic growth maintained as positive&lt;br&gt;• Experience is developed in all relevant regions and sectors for the SF are intended to be used&lt;br&gt;• Governmental funds used efficiently for this purpose&lt;br&gt;• Existing national/ regional strategies and policies based on evaluation results of investment projects amended</td>
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</table>
The proposed projects (for indicative list see Annex 4) are expected to bring the following results:

- Industrial and/or duty free zones including related infrastructure built/enlarged
- Business infrastructure built-up, modernised, restored or refurbished
- Wastewater treatment plants and sewers (re)constructed
- Water improvement schemes implemented
- Natural gas high and/or medium pressure lines constructed
- Business-related traffic infrastructure (re)constructed
- Business incubators

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<td>- Business-related traffic infrastructure (re)constructed</td>
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<td>- Business incubators</td>
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<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
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<tbody>
<tr>
<td>- Number and area of newly built industrial zones as well as reconstructed business objects and sites 2 years after this Phare project completion</td>
</tr>
<tr>
<td>- Number of wastewater treatment plants and sewers (re)constructed and number of water improvement schemes implemented</td>
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<tr>
<td>- Length of technical infrastructure (re)constructed</td>
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<tr>
<td>- Number of Business incubators</td>
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<tr>
<td>- Normal length (in hours) and average cost of visit to the facility 2 years after this Phare project completion</td>
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<tr>
<th>Sources of verification</th>
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<tbody>
<tr>
<td>- Monitoring system of structural funds (MRD)</td>
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<tr>
<td>- Integrated regional information system (CRD)</td>
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<tr>
<td>- Official statistics, studies, surveys - Labour Office (MoLSA), Finance Office (MF), CzechInvest (MIT), Czech Statistical Office</td>
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<th>Assumptions</th>
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<tbody>
<tr>
<td>- Successfully completed other projects under Phare ESC investment support</td>
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<tr>
<td>- The revitalisation and restructuring of big industrial companies is completed</td>
</tr>
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<td>- The implementation of new technologies is introduced</td>
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<td>- The regional infrastructure, mainly traffic connection is improved</td>
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<td>- The human resources are properly developed</td>
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<td>- The environment is improved, the past ecological burdens eliminated and sustainable development supported</td>
</tr>
<tr>
<td>- The tourism and spa industry in the region is developed</td>
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### Activities

**Business related infrastructure components**
- Construction and reconstruction of local access roads to business facilities
- Development of engineering technical infrastructure networks (sewerage, high voltage system, public lighting system, gas system)
- Land reclamation for business use
- Renewal and reconstruction of business facilities and buildings for entrepreneurs

### Means

Financial support of 9 M€ from Phare and 9,0 M€ from national resources for the implementation of selected measures indicated in the ROPs.

The full detailed description of the grant scheme will be submitted to the Commission for approval before signature of the Financing Memorandum. The grant scheme will follow provisions of the Practical Guide. A call for proposals will be launched in the regions. The first assessment and selection of projects will be done in regions, final selection for the Czech Republic by the Evaluation committee. For basic criteria see 3.4, detailed set of criteria will be part of grant scheme description. Final selection of projects will have to be approved by the Commission. Following that the implementation of projects will be done in line with Practical Guide, requesting an ex-ante approval of relevant steps by the Commission. For details see section 3.4 and 6.

### Assumptions

- Good marketing and promotion of the region towards both domestic and foreign investors
- Stabilised regional administration structures staffed with well trained and committed people
- Strong regional partnership developed
- Administrative, management and monitoring structures at all levels established, trained and tested
- Practical experience with the management, implementation and evaluation of SF-type programmes enhanced

### Preconditions

- Beneficiaries' co-financing for individual projects available
- Required technical documentation for individual projects prepared - Feasibility study, EIA, Construction permit and Land use permit issued (foreseen particularly under Project Preparation Facility - Phare Multi-Country 1999 and Phare 2001- IB part)
- Efficient project management at the sectoral/regional and national/regional/local level during implementation is established (e.g. financial flows, monitoring, reporting)
- Availability of well trained staff of regional executives and adequate institutional support
- Transformation of the Centre for Regional Development (CRD) as an Implementing agency successfully finished and intermediaries in the region established before starting project
## Detailed Implementation Chart for the Project
### Small-scale business related infrastructure grant scheme

<table>
<thead>
<tr>
<th>Year</th>
<th>Detailed Project Implementation</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<td>J F M</td>
<td>A M J</td>
<td>A S O</td>
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<td></td>
<td>Project selection (1st step) by</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>regions (after Call for proposals)</td>
<td></td>
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<tr>
<td></td>
<td>Project selection – final list of</td>
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<td></td>
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<tr>
<td></td>
<td>project proposals</td>
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<tr>
<td></td>
<td>Tendering</td>
<td></td>
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<tr>
<td></td>
<td>Contracting</td>
<td></td>
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<tr>
<td></td>
<td>Implementation</td>
<td></td>
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<tr>
<td></td>
<td>Handing-over</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Annex 2**
Cumulative Contracting and Disbursement Schedule for the Project (MEUR)

Cumulative Quarterly Contracting Schedule (MEUR)

<table>
<thead>
<tr>
<th>Project</th>
<th>4Q/01</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/03</th>
<th>1Q/04</th>
<th>2Q/04</th>
<th>3Q/04</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale business related infrastructure grant scheme</td>
<td>4,5</td>
<td>7,5</td>
<td>9,0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,0</td>
</tr>
</tbody>
</table>

Cumulative Quarterly Disbursement Schedule (MEUR)

<table>
<thead>
<tr>
<th>Project</th>
<th>4Q/01</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/03</th>
<th>1Q/04</th>
<th>2Q/04</th>
<th>3Q/04</th>
<th>4Q/04</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale business related infrastructure grant scheme</td>
<td>1,0</td>
<td>2,0</td>
<td>3,0</td>
<td>4,0</td>
<td>5,0</td>
<td>6,0</td>
<td>7,0</td>
<td>8,0</td>
<td>9,0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,0</td>
</tr>
</tbody>
</table>
## Indicative list of Projects for Small scale business related infrastructure

### Ostrava Region

<table>
<thead>
<tr>
<th>No.</th>
<th>Beneficiary /District</th>
<th>Title of project</th>
<th>Phare estimated budget (MEUR)</th>
<th>Activity Description (Contractual works)</th>
<th>Documentation available (1/2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>City of, Ostrava / Ostrava</td>
<td>Ostrava-Hrabová **</td>
<td>1.95</td>
<td>Industrial zone development</td>
<td>Pre-feasibility study, EIA</td>
</tr>
<tr>
<td>2.</td>
<td>City of, Ostrava / Ostrava</td>
<td>Brownfield Ostrava – Hrusov</td>
<td>0.8</td>
<td>Initial terrain adaptation, demolition</td>
<td>Pre-feasibility study</td>
</tr>
<tr>
<td>3.</td>
<td>Town Studénka / District Nový Jičín</td>
<td>Industrial Zone Studenka</td>
<td>0.8</td>
<td>Engineering infrastructure network; access road</td>
<td>Feasibility study, EIA, Land permission</td>
</tr>
<tr>
<td>4.</td>
<td>Town Nový Jičín / District Nový Jičín</td>
<td>Municipal Business Zone Nový Jičín</td>
<td>0.4</td>
<td>Access road to the zone</td>
<td>Feasibility study, EIA, Land permission</td>
</tr>
<tr>
<td>5.</td>
<td>Stramberk municipality /District Nový Jičín</td>
<td>Compulsoryparking in Stramberk</td>
<td>0.4</td>
<td>Parking zone</td>
<td>Pre-Feasibility study</td>
</tr>
<tr>
<td>6.</td>
<td>Town Trinec / District Frydek - Mistek</td>
<td>Business Park Trinec</td>
<td>0.6</td>
<td>Engineering infrastructure network</td>
<td>Feasibility study, EIA</td>
</tr>
<tr>
<td>7.</td>
<td>Municipality Vávrovice/ District Opava</td>
<td>Industrial Zone Vavrovice</td>
<td>0.6</td>
<td>Engineering infrastructure network</td>
<td>Feasibility study</td>
</tr>
<tr>
<td>8.</td>
<td>Town Krnov / District Bruntal</td>
<td>Logistic Terminal Krnov</td>
<td>0.4</td>
<td>Engineering infrastructure network and building maintenance and reconstruction</td>
<td>Feasibility study</td>
</tr>
<tr>
<td>9.</td>
<td>Town Havírov / District Karviná</td>
<td>Business Incubator Havírov</td>
<td>0.5</td>
<td>Non residential building maintenance and reconstruction</td>
<td>Pre-feasibility study</td>
</tr>
</tbody>
</table>

The indicative list of projects is not completed and represents only examples of the pre-selected projects which are being prepared by different municipalities now. Other potential projects will be submitted after the call for project announcement.

**The feasibility study covers the whole area, where the potential of 213 hectares of land is available for future industrial development. The development is planned in three stages, the first stage is divided into two phases and covers the development of 20 hectares of industrial estate. The second phase of the project is covered by this proposal, in the first phase the 20 hectares of land were purchased by City of Ostrava and in 2001 first preliminary civil works started financed by City of Ostrava and Czech Invest contribution. The feasibility study proved the technical and economic feasibility for the second phase. The payback period was calculated for 12 years and the Economic IRR was calculated for 6.41 %. The Environmental Impact assessment study is also prepared, the final version is in disposal in February 2001. The proposed zone is located outside residential areas. The zone is aimed for light industrial production. The productive activities in the zone will not have negative effect to the environment.**
## North-West Bohemia Region

<table>
<thead>
<tr>
<th>No</th>
<th>Beneficiary</th>
<th>Project title</th>
<th>Phare support (MEUR)</th>
<th>Total budget (MEUR)</th>
<th>Activity description (Contractual works)</th>
<th>Feasibility study</th>
<th>EIA</th>
<th>Planning permission</th>
<th>Building permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Municipality Nové Sedlo</td>
<td>Sewage system in Nové Sedlo – Stage III</td>
<td>0.300</td>
<td>0.612</td>
<td>Building of a sewage system providing for 15.6 ha of land for SMEs use.</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
</tr>
<tr>
<td>3</td>
<td>Municipality Sokolov</td>
<td>Industrial Zone Sokolov</td>
<td>0.300</td>
<td>0.606</td>
<td>Creation of an industrial zone - in Sokolov– construction of energy, water, sewage and road network.</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
</tr>
<tr>
<td>4</td>
<td>Final beneficiary Sportcentrum Bournák o.p.s.</td>
<td>Revitalisation of technical infrastructure of mountain area Moldava-Bournák-Mikulov</td>
<td>0.300</td>
<td>0.650</td>
<td>Infrastructure and equipment for ski areal, providing the development of the tourist business of the mountain area.</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>3/2001</td>
</tr>
<tr>
<td>5</td>
<td>Municipality Cheb</td>
<td>Sewage system in Cheb</td>
<td>2.169</td>
<td>3.337</td>
<td>Reconstruction and modernisation of sewage system of the town facilitating business development</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
<td>Completed</td>
</tr>
</tbody>
</table>

**Note:** The Indicative list of projects is subject to the decision of the Regional Council NUTS II North-West Bohemia. Under the resolution of the Regional Council, change of the projects is possible.
<table>
<thead>
<tr>
<th>No</th>
<th>Beneficiary</th>
<th>Project title</th>
<th>Phare contribution (MEUR)</th>
<th>Total budget (MEUR)</th>
<th>Activity description (Contractual works)</th>
<th>Phase of Preparation</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Municipality Staré Mesto/ Uherské Hradište</td>
<td>Transport-integrated business site Staré Mesto-Uherské Hradište</td>
<td>1,95</td>
<td>9,0</td>
<td>- Thoroughfare, technical infrastructure for contiguous business sites - Transport interconnection of business sites with a road, 2 bridges over the river Morava - Infrastructural preparation and transport connection of business site Jaktáre</td>
<td>The documentation is in a different stage for different parts, building permit will be issued 03/01 for part SO I, 04/01 for SO III and 07/01 for SO II</td>
<td>Project comprises from 3 parts (SO I, II, III)</td>
</tr>
<tr>
<td>2</td>
<td>Municipality Valašské Meziříčí</td>
<td>Industrial Zone Lešná - Valašské Meziříčí</td>
<td>1,95</td>
<td>4,00</td>
<td>- industrial zone in the region with high unemployment - connection to future highway - area of interest: 51 ha - 2000 new job opportunities expected</td>
<td>Building permission Issued</td>
<td>The project is implemented gradually, possibility of financing one phase (according to construction timetable)</td>
</tr>
<tr>
<td>3</td>
<td>Municipality Vsetín</td>
<td>Industrial Zone Bobrky - Vsetín</td>
<td>0,85</td>
<td>1,70</td>
<td>- industrial zone in the region with high unemployment - area of interest: 26 ha - 1 800 new job opportunities expected</td>
<td>Building permission to be issued</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Municipality Zlín</td>
<td>Industrial Zone Zlín</td>
<td>0,83</td>
<td>1,67</td>
<td>- investment into area of 22.15 ha - area of qualified working power</td>
<td>Building permission Issued</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Municipality Prostejov</td>
<td>Industrial Zone Prostejov</td>
<td>0,71</td>
<td>1,43</td>
<td>Construction of part of the industrial zone – sectors D, E, F + central parking, construction of water pipeline. Sectors A, B are in function and under construction.</td>
<td>The documentation for an area permission will be completed under the pilot programme for micoregion Haná</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Municipality Prerov</td>
<td>Combined Transport Terminal – Central Moravia</td>
<td>1,95</td>
<td>4,00</td>
<td>Construction of the industrial zone – transport terminal - area of interest: 70 ha</td>
<td>As above</td>
<td>possibility of financing one phase (according to construction timetable)</td>
</tr>
</tbody>
</table>