STANDARD SUMMARY PROJECT FICHE

1. Basic Information :

1.1. Desiree Number: CZ2003/004-338.08.01

1.2. Title: Small-scale Business-related Infrastructure Grant Scheme in selected NUTS II regions

1.3. Sector: Economic and Social Cohesion

1.4. Location: Czech Republic NUTS II regions

Moravia-Silesia, 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 favourable conditions for new jobs and to reduce unemployment in three selected NUTS II regions.

2.3. Accession Partnership and NPAA Priority

- Accession Partnership 2001: According to the priority Regional policy and co-ordination of structural instruments there are following intermediate objectives:
  - develop project and programme generation and implementation capacity at central and regional level
  - continue development of monitoring and evaluation capacity
  - develop the technical preparation of projects eligible for Structural and Cohesion Funds assistance (project pipeline)

- 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 business infrastructure grant scheme 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 JROP 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

This Phare programme Small-scale business related infrastructure grant scheme in selected NUTS II regions was originally intended to be implemented under the National Programme Phare 2001. After enormous damaging floods which affected the Czech Republic in August 2002 this Phare 2001 (ESC - investment) allocation was transferred to a special Phare Floods Reparation Programme and it was decided that original programme will be implemented under National Programme Phare 2003. The separate Financing Memorandum will be signed for this
Grant Scheme ahead of standard Phare 2003 ESC - investment package so that there will not be a significant delay in implementation of this programme for relevant NUTS II regions.

**The North-West Bohemia NUTS II Region**
The North-West Bohemia NUTS II Region consists of two NUTS III regions: Karlovy Vary and Ústí nad Labem that include 10 districts (Cheb, Sokolov, Karlovy Vary, Chomutov, Most, Teplice, Ústí nad Labem, Decín, Litomerice and Louňy).
The region covers 8 649,3 km$^2$, which equals to 10.97 % of the territory of the Czech Republic. Its population in 2000 amounted to 1 131 413 inhabitants, i.e. 11.02 % of the total population of the Czech Republic. The settlement density is 131 inhabitants/km$^2$. GDP per capita in Purchasing Power Standards amounted to 81,7 % of the national average and 49,0 % of the EU average. The unemployment rate in 2000 was 13,83 % (national average was 8,78 %).

**Moravia-Silesia NUTS II Region**
The Moravia-Silesia NUTS II Region corresponds to the Moravia-Silesia NUTS III region with its 6 districts (Bruntál, Opava, Nový Jičín, Ostrava, Karviná and Frýdek-Místek).
The region covers 5 554,1 km$^2$, which equals to 7,04 % of the territory of the Czech Republic. Its population in 2000 amounted to 1 278 036 inhabitants, i.e 12,45 % of the total population of the Czech Republic. The settlement density is 230 inhabitants/ km$^2$. GDP per capita in Purchasing Power Standards amounted to 84,2 % of national average and 50,2 % of the EU average. The unemployment rate in 2000 was 15,13 % (national average was 8,78 %).

**The Central Moravia NUTS II Region**
The Central Moravia NUTS II region consists of two NUTS III regions: Olomouc and Zlín that include 9 districts (Jeseník, Šumperk, Olomouc, Prostějov, Prerov, Kroměříž, Uherské Hradiště, Zlín and Vsetín).
The region covers 9 103,5 km$^2$, which equals to 11,54 % of the territory of the Czech Republic. Its population in 2000 amounted to 1 238 962 inhabitants, i.e 12,07 % of the total population of the Czech Republic. The settlement density is 136 inhabitants/ km$^2$. GDP per capita in Purchasing Power Standards amounted to 80,9 % of national average and 48,1 % of the EU average. The unemployment rate in 2000 was 10,09 % (national average was 8,78 %).

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 Moravia-Silesia and North-West Bohemia regions, investment support would be targeted.

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 restructurisation of many industrial firms in the region as well as by the activity of people. These firms gradually modernise their production or undergo a restructurisation, 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:
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 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. **(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. **(2) CZ9807.02** Training Programmes: Training of administrative structures for SF, providing participants with a general knowledge and understanding of EU structural policies and financial instruments, strategic planning, project development and financial management.

3. **(3) 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. **(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 co-ordinated approach for involvement of RDAs, BDAs & RPICs/BICs in the regions.

2. **(2) Phare CZ 99.16** - Project Preparation Facility (PPF) - will be used to assist in the efficient start up and implementation of the Phare projects, including preparation of necessary documents for investment projects and aid schemes.

**Phare NP 2000:** ESC support through:

1. **(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.

2. **(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 .

**Phare 2000 - Supplementary Investment Facilities**

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

2. **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

- 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
- relevant regional structures and municipalities gained experience in administration, management and monitoring of SF type projects.

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 (in particular: water, sewerage, high voltage system, public lighting system, gas system)
- land reclamation for commercial use
- construction, 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). A list of potential indicative projects is given in Annex 4.

The full detailed description of the grant scheme will be submitted to the Delegation of the European Commission for approval within 6 months after 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 assessment of the project proposals and selection of projects will be done by the Evaluation Committee, nominated by the PAO.

The final list of projects to be awarded and the reserve projects will have to be approved by the PAO and the Delegation of the European 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 Delegation of the European 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 being prepared and implemented by other bodies, e.g. 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 key institutions involved in the implementation and monitoring of this project:

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 co-ordinates activities in the field of regional policy, ESC and preparation for structural funds.

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. They will 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

have been 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>Phare Support</th>
<th>National Co-financing*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (= I + IB)</td>
</tr>
<tr>
<td>Grant scheme</td>
<td>9.35</td>
<td>9.35</td>
<td>9.35</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>0.40</td>
<td>0.40</td>
<td>9.75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9.35</td>
<td>0.40</td>
<td>9.75</td>
</tr>
</tbody>
</table>

*The Phare contribution will be part of project joint co-financing. The share of Phare contribution to individual projects should be 50% of the total grant. The remaining 50% will be covered by the state budget. The minimum contribution by final beneficiary (municipality) will be 25% of the total project costs. Czech co-financing will be ensured from MRD chapter of State budget during years 2003 – 2006 (in 2003 app. 6 M €, in 2004 app. 1.4 M € and in 2006 app. 1.8 M €).

Within this project, technical assistance (TA) (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. This 5% will only be used to pay for TA external to the bodies indicated above (e.g. RCs) and will not be used to finance any of these bodies directly, including payment for equipment and staff.

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 PAO, after approval of the Delegation of the European Commission, will announce Call for proposals.

The project proposals from all three regions will be submitted to Evaluation Committee nominated by the PAO where representatives of the Ministry for Regional Development, the Ministry of Labour and Social Affairs, the Ministry of Industry and Trade and each of the respective NUTS II regions (two members of RC) will participate in, the Delegation of the European Commission will have observatory role. This Evaluation Committee will agree on draft final list of projects to be awarded and the list of reserve projects to be presented to the PAO and the Delegation of the European Commission.

After final approval by the Delegation of the European Commission projects will be implemented following the rules of Practical Guide with an ex-ante approval of relevant documents by the Delegation of the European Commission. Regional Development Committees (established by the RCs) 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 within 6 months after signature of the FM.

6.2. Non-standard aspects
The "Practical Guide to Phare, Ispa & Sapard contract procedures" shall be followed.

6.3. Contracts

(1) Grant Scheme - Phare contribution per grant contract will be from minimum 0.6 M € to maximum 2.0 M €
(2) Service Contract 0.40 M €

7. Implementation Schedule

Call for proposals in the regions 2Q/2003
Draft Final list of projects presented to the DEC 3Q/2003
Start of projects implementation 3Q/2003
Project completion 4Q/2005

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 will be requested for investment projects (works contracts) 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.

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. Co financing:
Phare contribution per grant contract will be from € 0.6m to maximum €2.0m and should be 50% of total grant. The remaining 50% will be covered by the state budget. The minimum contribution by final beneficiary will be 25% of the total project costs.
The maximum grant (joint financing of Phare and state budget) is 75% of total eligible project 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.

11.4 Project readiness and size:
All documentation required (see article 3.4) will be attached to the application submitted by applicants following call for proposals.

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 2003-6 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 grant scheme available

Annexes to Project Fiche

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
List of indicative projects with the reference to documentation available
<table>
<thead>
<tr>
<th>Project:</th>
<th>Small-scale Business-related Infrastructure Grant Scheme in selected NUTS II regions</th>
<th>Programme name and number:</th>
<th>CZ2003/004-338.08.01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Contracting period expires:</td>
<td>31/10/2005</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disbursement period expires:</td>
<td>31/10/2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Budget:</td>
<td>19.10 M€</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Phare contribution:</td>
<td>9.75 M€</td>
</tr>
</tbody>
</table>

### Overall objective
- 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
- Acknowledgement by the European Commission
- Monitoring Report

### Project purpose
- To create favourable conditions for new jobs and to reduce unemployment in three selected NUTS II regions
- No of new companies established in the 3 regions in 2004-2006 is 10% greater than in 2000-2002
- % rate of unemployment in the tree regions falls by 1 percentage point by 31/12/06 compared with 31/12/02
- Official statistics of the Czech Statistical Office
- Progress reports for MC - ESC
- Business and trade registers
- 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
- Successful implementation of IB projects in the filed of preparation for SF
- All relevant acquis adopted

### Results
- Objective indicators
- Sources of verification
- Assumptions
<table>
<thead>
<tr>
<th>Selected projects implemented. Expected benefits/outputs may, depending on selected projects, include.</th>
<th>At least 10 investment projects implemented by 4Q/2005, each of which falls into one of the categories listed under results</th>
<th>Integrated regional information system (CRD)  Monitoring system of structural funds (MRD)  Official statistics, studies, surveys - Labour Office (MoLSA), Finance Office (MF), CzechInvest (MIT), Czech Statistical Office</th>
<th>Funds for follow up investments into selected locations available  Successful implementation of other Phare and national activities in fields of revitalisation, restructuring, HRD, Transport, tourism  Positive annual world economic growth each year for 2003 to 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 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</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 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
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-financing of Business related infrastructure projects in following fields:</td>
<td>Grant scheme of 9,75 M€ from Phare and 9,35 M€ from national resources implemented by the CRD, acting as IA. The full detailed description of the grant scheme will be submitted to the DEC for approval within 6 months after signature of the Financing Memorandum. The grant scheme will follow provisions of the Practical Guide. A call for proposals will be launched by the PAO in the regions. The assessment of the project proposals and selection of projects will be done by the Evaluation Committee, nominated by the PAO. For basic criteria see 3.4, detailed set of criteria will be part of grant scheme description. Final list of projects to be awarded and the list of reserve projects is to be approved by the PAO and the DEC. Following that the implementation of projects will be done in line with Practical Guide, requesting an ex-ante approval of relevant steps by the DEC is obligatory. For details see section 3.4 and 6. 1 service contract for TA in evaluation of project proposals, implementation and monitoring up to 5% of above total budget.</td>
<td>• 9,35 M€ of national co-financing made available</td>
</tr>
<tr>
<td>• Construction and reconstruction of local access roads to business facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Development of engineering technical infrastructure networks (sewerage, high voltage system, public lighting system, gas system)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Land reclamation for commercial use</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Renewal and reconstruction of business facilities and buildings for entrepreneurs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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 regional and national/regional/local level established (e.g. financial flows, monitoring, reporting)
- Availability of well trained staff of regional executives and adequate institutional support
### Detailed Implementation Chart for the Project

#### Small-scale Business-related Infrastructure Grant Scheme in selected NUTS II regions

<table>
<thead>
<tr>
<th>Year</th>
<th>Detailed Project Implementation</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td><strong>Project selection (1st step) by regions (after Call for proposals)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Project selection – final list of project proposals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contracting</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Handing-over</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cumulative Contracting and Disbursement Schedule for the Project (MEUR)

Cumulative Quarterly Contracting Schedule (MEUR)

<table>
<thead>
<tr>
<th>Project</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>1Q/05</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale Business-related Infrastructure Grant Scheme in selected NUTS II regions</td>
<td>9.35</td>
<td>9.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.75</td>
</tr>
</tbody>
</table>

Cumulative Quarterly Disbursement Schedule (MEUR)

<table>
<thead>
<tr>
<th>Project</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>1Q/05</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale Business-related Infrastructure Grant Scheme in selected NUTS II regions</td>
<td>1.00</td>
<td>1.50</td>
<td>3.00</td>
<td>4.50</td>
<td>5.50</td>
<td>7.00</td>
<td>8.00</td>
<td>9.00</td>
<td>9.75</td>
<td></td>
<td></td>
<td></td>
<td>9.75</td>
</tr>
</tbody>
</table>
# Indicative list of Projects for Small scale business related infrastructure

<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></td>
<td></td>
<td>Industrial zone</td>
<td></td>
<td></td>
<td></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 Jicín</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>Stramberk municipality /District Nový Jicín</td>
<td>Compulsoryparking in Stramberk</td>
<td>0,6</td>
<td>Parking zone</td>
<td>Pre-Feasibility study</td>
</tr>
<tr>
<td>5.</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>6.</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>
</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 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>
</table>
| 1  | Municipality Staré Mesto/   | Transport-integrated business site Staré Mesto-Uherské Hradište              | 1.95                      | 9.0                 | - 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 | 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 | Project comprises from 3 parts (SO I, II, III) |
|    | Uherské Hradište           |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |
| 2  | Municipality Valašské      | Industrial Zone Lešná - Valašské Mezirici                                    | 1.95                      | 4.00                | - industrial zone in the region with high unemployment  
- connection to future highway  
- area of interest: 51 ha  
- 2000 new job opportunities expected | Building permission Issued | Building permission is issued gradually, possibility of financing one phase (according to construction timetable) |
|    | Mezirici                    |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |
| 3  | Municipality Vsetín         | Industrial Zone Bobrky - Vsetín                                              | 0.85                      | 1.70                | - industrial zone in the region with high unemployment  
- area of interest: 26 ha  
- 1 800 new job opportunities expected | Building permission to be issued | Building permission to be issued |
|    |                              |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |
| 4  | Municipality Zlín           | Industrial Zone Zlín                                                          | 0.83                      | 1.67                | - investment into area of 22.15 ha  
- area of qualified working power | Building permission Issued | Building permission Issued |
|    |                              |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |
| 5  | Municipality Prostejov      | Industrial Zone Prostejov                                                     | 0.71                      | 1.43                | 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. | The documentation for an area permission will be completed under the pilot programme for microregion Haná |                                                                      |
|    |                              |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |
| 6  | Municipality Prerov         | Combined Transport Terminal – Central Moravia                                 | 1.95                      | 4.00                | Construction of the industrial zone – transport terminal  
- area of interest: 70 ha | As above | possibility of financing one phase (according to construction timetable) |
|    |                              |                                                                               |                           |                     |                                                                                                                                  |                      |                                                                      |