STANDARD SUMMARY PROJECT FICHE

1 Basic Information

1.1 Désirée Number: HU0108-05

1.2 Title of Project: Establishment of the Sopron Innovation Centre

1.3 Sector: Private Sector

1.4 Location: City of Sopron, Western Transdanubia region, Hungary and Burgenland, Austria

2 Objectives

2.1 Overall Objective:
Promote sustainable growth of the regional economy through the development of the economic potential of the innovation activities

2.2 Project Purpose:
- Increase competitiveness of the local economy (manufacturing, services, commerce, tourism) in the region
- Increase Research and Development activity of SMEs within the region in co-operation with the neighbouring Austrian Institutions
- Increase capital investment into the region
- Increase knowledge transfer in the border region

2.3 Accession Partnership and NPAA priority:
The objectives of the project are in line with AP chapter 3.2, subchapter on Internal Market, promotion of enterprise development and the fulfilment of the Copenhagen Criteria, development of a capacity to cope with competitive pressure. The implementation mechanism is indirectly contributing to the preparation of Hungarian central and regional authorities for the implementation of the Structural Funds. The same applies to the relation of the project to the NPAA, which covers the innovation objectives in its chapter 2, subchapter 2.5 Research and Technical Development.

2.4 Contribution to the Preliminary National Development Plan:
According to the revised PNDP (2001) based on the regional development strategies the project reflects to priority 2 “Business and Technological Innovation” and the measure 3. of “Development of institutions promoting enterprises and technological innovation (business infrastructure)” (PNDP 2001, Chapter 5.5.6, priority 2).

2.5 Cross Border impact:
This project is consistent with the priority Cross-border Economic Co-operation as defined by the Joint Programming Document (JPD) Austria-
Hungary 2000-2006 for Interreg III A-Phare CBC. It is in line with activities eligible under the measure Development and Support of Business Sites and Infrastructure in Border Areas.

The project will be an integral part of the cross-border innovation network being established together with and explicitly supported by the Eisenstadt Technology Centre (BIC), ECO Plus GmbH, Seibersdorf Research Centre and the ComSoft Technology Centre Development GmbH with clearly identified and complementary activity profiles. These Austrian institutions have offered their experience in the project preparation as well as in the process of operation, namely in the following fields:

BIC Burgenland GmbH (Johan Binder), experience exchange in:
- construction planning, modular constructions,
- optimisation of rents, relevant considerations
- optimisation of the business portfolio (multinationals, SMEs, incubator house tenants)
- hand over the financial part of the feasibility study, finance consulting
- common education programmes
- mutual use of each-others office infrastructure
- bank contacts
- common applications for funds

Seibersdorf Research Centre (Peter Krejsa):
- launching new projects in the Sopron Innovation Centre (Java, environmental technology, etc.)
- common applications for funds
- common research projects

ECO Plus GmbH (Wolf Bauer), Participation in the Lower Austrian wood industry cluster:
- common utilisation of the free capacities of the West-Hungarian University in furniture design
- experience exchange in surface treatment technology research with the Lower Austrian wood industry cluster
- investment possibilities for Lower Austrian entrepreneurs in Sopron
- handing over the ECO Plus knowledge management and know-how
- common application for funds

ComSoft Technology Centre Development GmbH:
- know-how transfer in the field of developing the environment suitable for “future technologies” (ICT, biotechnology, medical engineering, environmental engineering, material technologies etc.)
- offering internationally oriented ICT & Business training courses for companies of the Sopron Innovation Centre
- educational programme development for local schools in order to train the future work force in the Sopron Innovation Centre
The co-ordination of the activities will be ensured by the beneficiary organisation (SIP Ltd.)

The knowledge exchange specified hereinabove and the international portfolio of enterprises in the Innovation Centre will benefit to the Hungarian-Austrian economic co-operation.

3 Description

3.1 Background and justification

Western Transdanubia is the most dynamic region after the Central Region in Hungary in terms of growth in exports, GDP per capita and FDI inflow. These quantitative indicators, however, hide how fragile this newly risen dynamism is. Although the FDI per capita is double of the national average, the R&D expenses per GDP as well as the ratio of researchers in the population is half of the national average here. This “R&D gap” may only be bridged by new ways of enhancing regional innovation. This is the only way how the hitherto low labour cost, low value-added production driven growth may successfully be converted into knowledge-intensive high value added production.

In the early 1990ies Sopron’s economy changed significantly. Most of the factories operating in Sopron and his area had to close their activity. Part of the workforce formerly working in these institutions found jobs in the service sector partly in Hungary, partly in Austria, the rest of the workers of the industrial sector had to start their own small businesses. Austrian shopping tourism was characteristic for the early ‘90ies in the town. There were not enough jobs available either then or today for higher educated people. The local Western Transdanubian University was not able to find organised linkages to the business sector to fuel knowledge-based business development.

By now it became apparent that a change in economic structure is needed. Jobs have to be created for highly educated people and support has to be given to new entrepreneurs in Sopron. This tendency would also be advantageous considering Hungary’s future joining the European Union and would ease the feared pressure on the Austrian job market.

The planned investment is an integral part of the Regional Innovation Strategy of Western Transdanubia region that was initiated by the Regional Development Council of the region in the 2nd half of 1999. The strategy is targeting the establishment of a harmonised institutional network for innovation. Concrete development needs have been identified in the framework of the strategy preparation i.e. Sopron and Szombathely innovation centres, Gyor Mechatronic Applied Research Centre, and the Zalaegerszeg Wood-industrial Innovation Centre.

The operation of the Sopron Innovation Centre will also be underpinned by the findings of the Regional Economic Trend and Market Analysis project supported under Phare CBC Hungary-Austria 1996 Programme and being sustained by the Regional Development Agency of Western Transdanubia.
According to international experience optimal environment for supporting starting entrepreneurs and creating jobs for higher educated people are technological centres. The Sopron Innovation Centre being situated at Sopron Industrial and Innovation Park and working together with the Western Transdanubian University will have positive catalytic impact on the scientific and innovation activities of the whole region. Its contribution to the development of a regional innovation network is consistent with the mission of the recently (February 2001) issued Western Transdanubian Innovation Strategy, especially with the 3rd priority of this strategy (Developing the Innovation Infrastructure).

In its international relations the Sopron Innovation Centre has the explicit support of several Austrian innovation centres (like the Business and Innovation Centre (BIC) Burgenland GmbH, the Austrian Research Centre Seibersdorf) that have offered their experiences in the project initiation, as well as in the process of operation.

The strategy ensuring the best added value concerning tenant structure consists of the following three elements:

1. **Required tenant structure according to enterprise size and branches**
   The main target group of tenants will be innovation-based enterprises namely
   - SMEs from the region;
   - foreign middle size enterprises
   - multinational companies;
   operating in the sectors of *environment, health care* and *wood industry, R&D* as well as *IT*. Because of the closeness of the downtown Sopron the Innovation Centre is not suitable to accommodate enterprises from the machinery sector.

2. **Terms of stay and complementary enterprise structure**
   New tenants will be allowed to stay in the Innovation Centre for a maximum of 3 years, after which they should look for other residence. The multinational and foreign middle size companies are expected to bring along demand necessary for domestic start-up SMEs as suppliers. As the Sopron Industrial Park housing the Innovation Centre is designed in a modular form, new buildings will have a capacity to accommodate companies that outgrow the Innovation Centre.

3. **Marketing activities and negotiations**
   In order to realise the above described structure, the tenant structure shall be evolved after a series of marketing activities including primarily personal negotiations, direct mail, direct e-mail, web-marketing and the involvement of investment-organising enterprises.
   These activities have already started beginning of May 2001. Potential tenants are being approached in two groups:
• Forms have been sent to regional enterprises of the preferred sectors – using direct mail methodology – including a letter of intent and a questionnaire about activity, required space, services. Target enterprises are selected from chamber of commerce databases.

• Electronic forms are sent to international large and medium enterprises of the preferred sectors – primarily Austrian –, using direct mail methodology. This task is delegated to a direct marketing specialist in Vienna. Electronic marketing activities will be followed by personal interviews.

Concrete negotiations are already under way with several enterprises belonging to the above two target groups. Letters of intent are available from enterprises and institutions involved in laser technology, neutron spectroscopy, wood science, economic research and the IT sector, as well as service enterprises (logistics, marketing, design, conference organisation, legal services and catering).

Similar negotiations are under way with enterprises of the bank sector and multinationals of the IT sector, however at this stage letters of intent from these are not available yet.

3.2 Linked activities

The target region has participated in the Cross-Border Co-operation Programmes with Austria for five years. The Programmes have supported a range of important business related infrastructure projects such as the following:

• Sopron, Szombathely, Szentgotthárd industrial parks
  The Municipality of Sopron received 1,629 Million Euro PHARE funding for providing utilities (electricity, water, sewage, gas, telecommunication) on 18 ha of the 28 ha industrial and technological park. These works have started in March this year and are scheduled to be finished in November 2000. The area is already divided into individual plots, and the innovation centre will be built on plot No. 13.

• Lenti Incubator Centre
• Mobile Exhibition Hall in Zalaegerszeg
• Sopron Conference Centre
• Gyor Chamber of Commerce Centre
• Gyor, International Industrial Park, Centre of Innovation and Technology
• Gyor, Service and Training Centre

3.3 Results

The Sopron Innovation Centre will be created as an integral part of a cross-border innovation network utilising Austrian know-how, providing space for a national and international portfolio of innovative enterprises, including Austrian, Hungarian and other businesses.
The Sopron Innovation Centre will provide on a total surface of 3800 m$^2$ the following services for SMEs operating preferably in the sectors of telecommunication, electronics, environmental technology and the research of materials:

- High level common communication and IT infrastructure as well as broadband Internet access
- Office and workshop space
- Conference rooms with multimedia tools
- Laboratories
- Innovation brokerage
- Business consultancy including marketing, management organisation and development, human resources development, quality assurance, strategic planning and lifecycle monitoring of innovative products
- Training on the above topics
- Network formulation of innovative SMEs within the region
- Common secretariat, security service, reception etc.

3.4 Activities

This project will be carried out in the framework of one works contract concluded through local open tendering procedure and one supply contract concluded through international open tendering procedure. Tender documentation and supervision of the construction work will be provided by the Sopron Industrial and Innovation Park Ltd. (SIP Ltd.). SIP Ltd. will appoint a firm with relevant experience to act as Supervising Engineer prior to the award of the Works contract.

3.4.1 Construction:

The contract will cover the construction of the building: 3800 m$^2$, on three floors (as detailed in the Feasibility Study and the preliminary building and construction plan):

1$^{st}$ floor: reception, information center for the building, bank office rooms, post office rooms, customs, conference and meeting rooms,

2$^{nd}$ and 3$^{rd}$ floors: office rooms and labs for rent, common rooms (kitchens, workshop rooms).

3.4.2 Procurement and installation of necessary communication and IT equipment for purposes of the innovation centre management:

For the detailed list of equipment to be installed in the Innovation Centre see Annex 8.

All other services for the SMEs outlined under 3.3.3 will be provided by SIP Ltd. after the completion of the works contract.
4 **Institutional framework**

The beneficiary will be the Sopron Industrial and Innovation Park Ltd. (SIP Ltd.) that is owned 100% by the municipality of Sopron*. The beneficiary has already participated in Phare projects for the establishment of the Sopron Industrial Park.

The project manager will be the general manager of the beneficiary, Mrs. Márta Kapás Gálné (9400 Sopron, Szent György u. 16.; Telephone: +36 99 338 998; fax: +36 99 338 999, e-mail address: iparipark@Sopron.hu).

The owner of the assets after project completion will be the SIP Ltd. SIP Ltd. will appoint a firm with relevant experience to act as Supervising Engineer prior to the award of the Works contract.

5 **Detailed budget (€ Million)**

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Phare Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Support</td>
<td>Building</td>
<td>Phare</td>
</tr>
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<td>Works Contract</td>
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<td>2.35</td>
</tr>
<tr>
<td>Supply Contract</td>
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<td>-</td>
<td>0.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.5</strong></td>
<td>-</td>
<td><strong>2.5</strong></td>
</tr>
</tbody>
</table>

**National Co-financing** will include €1.0 million that is 28% of the total project budget provided by the Municipality of Sopron according to the attached Statement (Annex 7).

The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national amount is also binding and has to be applied to the final contract price.

6 **Implementation arrangements**

6.1 **Implementing Agency**

The project will be implemented under the overall co-ordination and supervision of the Ministry of Agriculture and Regional Development, whose representative, Dr. Péter Szaló, Deputy Secretary of State, will be designated as PAO.

The Ministry for Agriculture and Regional Development, through its Phare Regional Development Implementing Agency (H- 1016 Budapest, Gellérthegy

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* The SIP Ltd. has been established by the Municipality of Sopron, as single (100%) owner for the purposes of the industrial park (and innovation centre) project, and it remains in the sole ownership of the Municipality. The legal form of a limited company has been chosen because the realisation of this project requires a legal person, and the Ltd. ensures most advantageous operating circumstances according to Hungarian legislation.
u. 30-32), will be responsible for all aspects of tendering and contracting as well as administrative and financial matters of the implementation.

Address:
Ministry for Agriculture and Regional Development
National Agency for Regional Development
1016 Budapest, Gellérthegy u. 30-32.
Phone: 488-7171
Fax: 488-7188

6.2 Twinning
Not applicable.

6.3 Non-standard aspects
The Practical Guide to PHARE, ISPA & SAPARD contract procedures (PRAG) valid from January 2001 will strictly be followed.

6.4 Contracts
This project will be carried out in the framework of one works contract concluded through local open tendering procedure and one supply contract concluded through international open tendering procedure. The procurement part will not exceed 30% of the contract value in the works contract.

The Works contract has an estimated value of 3.3 Meuro. The Supply contract has an estimated value of 0.2 Meuro.

7 Implementation schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works Contract</td>
<td>November 2001</td>
<td>May 2002</td>
<td>May 2003</td>
</tr>
<tr>
<td>Supply Contract</td>
<td>July 2002</td>
<td>Jan 2003</td>
<td>May 2003</td>
</tr>
</tbody>
</table>

8 Equal opportunity
In the whole process of the preparation and implementation of the project no discrimination between men and women will be made.

9 Environment
The project will be carried out in full respect of all valid environmental regulations. The Feasibility Study and Business Plan of the Sopron Innovation Centre allows to settle only those SMEs to settle down in the Centre that operate strictly in line with the environmental regulations of Hungary and follow EU environmental standards. No discernible effects on the environment are expected according to the environmental impact assessment.

According to Hungarian legislation regarding environment protection - Government Regulation 152/1995 (XII.12.), completed with Government Regulation 20/2001. (II.14.)-, the construction of an Incubator House does not require an Environmental Impact Assessment. The EIA is required to be elaborated only by companies starting
their activity in the Incubator House that perform activities specified in the regulation. This Hungarian Government Regulation is in full compliance with relevant EC legislation (97/11/EC amending Directive 85/337/EEC on assessment of certain public and private projects on the environment).

10 Rates of return
The feasibility study proved that the project would have a financial rate of return of 6.86%, assuming a period of 20 years of operation after completion of the works and supply contract. The Net Present Value of the project (for a period of 20 years of operation) is €3.97 million. The project will break even after 11 years of operation in the year 2014. No wider positive social and economical effects have been calculated. The economic rate of return is assumed to be substantially higher than the financial rate of return. The relevant calculations are available in the feasibility study.

The feasibility study proved also that the project could not be realised without Phare support, as a bank loan under the available circumstances could not be reimbursed. Even in the case the project allowed the reimbursement of the loan, it would result in an exceptionally long payback period far beyond the life cycle of the project (around 30 years), and an extremely low rate of return of 2.58%.

11 Investment criteria

11.1 Catalytic effect

The project will have substantial knock-on effects concerning the economic development of Sopron city and the Western Transdanubia region. It is expected that the innovation Centre will attract considerable investment from companies which will decide to settle in the area.

11.2 Co-financing
Phare support for the project will attract 28% (€1.0 million) local co-financing that will be ensured by the Municipality of Sopron.

11.3 Additionality
The Phare support to the project will not displace any national budgetary support, private investors or IFIs. Although the calculated IRR of 6.86% is relatively high, bank support is not available. Possible loans would be provided only under short term loan conditions that require interest payments high above the expected incomes of the Innovation Centre.

11.4 Project readiness and size
The value of the project complies with the minimum project size requirements. The feasibility study and business plan has already been prepared for the project. The design for approval is ready (prepared by KÖZTI Rt. in October 2000), the preparation of the Tender Documentation can be started right after the Phare Management Committee has approved the Financing Proposal. All required permits have been granted. A statement about the availability of these permits is in Annex 9.
11.5  **Sustainability**

According to the Feasibility Study and the Business Plan of the Innovation Centre, the planned investment will generate sufficient incomes for the operator (SIP Ltd.) to sustain the Centre in the long run.

The positive cash flow generated by the project will always be reinvested in the project itself, and will contribute to its specific objective, enabling to provide high level services to the tenants, including innovation brokerage, business consultancy, training activities and network development for innovative SMEs in the region. Further possible use of the positive cash flow (if financial conditions allow) includes technical development and reserving for new construction.

11.6  **Compliance with state aids provisions**

The state aid and competition provisions of the Europe Agreement will be respected during implementation.

12  **Conditionality and sequencing**

No conditionality is applicable. The required permits have already been granted. Sequencing as indicated in the implementation schedule above.
Annexes to Project Fiche

1. Logical framework matrix in standard format
2. Detailed Implementation Chart
3. Cumulative contracting and disbursement schedule
4. Reference to feasibility/pre-feasibility studies
5. List of relevant Laws and Regulations
6. Reference to relevant Government Strategic plans and studies
7. Statement of the Municipality of Sopron on the availability of the co-financing
8. Detailed list of equipment to be installed in the Innovation Centre
9. Statement of the beneficiary about the availability of all required permits
10. Letters of support and of co-operation on behalf of BIC Burgenland GmbH, ECO Plus GmbH, Seibersdorf Research Centre and the ComSoft Technology Centre Development GmbH
<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Project</th>
<th>Programme name and number:</th>
<th>HU0108-05</th>
</tr>
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<tbody>
<tr>
<td>Overall objective</td>
<td>Objectively Verifiable Indicators</td>
<td>Sources of Verification</td>
<td></td>
</tr>
<tr>
<td>● Promote sustainable growth of the regional economy through the development of the economic potential of the innovation activities</td>
<td>● Regional GDP/capita and employment growth higher than national average.</td>
<td>● Regional and national economic statistics</td>
<td></td>
</tr>
<tr>
<td>Project purpose</td>
<td>Objectively Verifiable Indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>● Increase competitiveness of the local economy (manufacturing, services, commerce, tourism) in the region</td>
<td>● Growth in expenditure on R&amp;D within the region</td>
<td>● Company registry</td>
<td>● Steady market demand for products of enterprises benefiting from the project</td>
</tr>
<tr>
<td>● Increase Research and Development activity of SMEs within the region – in co-operation with the neighbouring Austrian institutions</td>
<td>● Growing number of patents</td>
<td>● Regional economic statistics</td>
<td>● Substantial share of income generated by the investment reinvested in the target region (positive capital balance)</td>
</tr>
<tr>
<td>● Increase capital investment into the target region</td>
<td>● Growing number of business start-ups in the sectors covered by the Innovation Centre</td>
<td>● Periodic reports and statistics from Chambers of Commerce</td>
<td></td>
</tr>
<tr>
<td>● Increase knowledge transfer in the border region</td>
<td>● Growing value added inward FDI in the region</td>
<td>● Business Plan of the Centre</td>
<td></td>
</tr>
<tr>
<td>Results</td>
<td>Objectively Verifiable Indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>The Sopron Innovation Centre will be created as an integral part of a cross-border innovation network utilising Austrian know-how, providing space for an international portfolio of innovative enterprises, including Austrian, Hungarian, and other businesses. The following services will be provided for the tenants:</td>
<td>● Regional Innovation Network created</td>
<td>● Reports of project managers</td>
<td>● In case of a good business climate normal business conditions in the region.</td>
</tr>
<tr>
<td>● High level communication and IT infrastructure</td>
<td>● New products/processes marketed by firms located in the Innovation Centre</td>
<td>● IA/Regional Office progress reports</td>
<td></td>
</tr>
<tr>
<td>● Office workshop and space, conference rooms, laboratories</td>
<td>● Number of new patents</td>
<td>● Press reports</td>
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<tr>
<td>● Business consultancy and training</td>
<td>● Joint R&amp;D projects</td>
<td>● Feasibility study</td>
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<tr>
<td>● Network formulation</td>
<td>● Number of training participants</td>
<td></td>
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<tr>
<td>● Common secretariat</td>
<td>● Number of innovative SMEs that have settled in the Centre</td>
<td></td>
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<tr>
<td>Activities</td>
<td>Means</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>● Construction of 3800 m2 office and workshop space</td>
<td>Project reports to the stakeholders</td>
<td>● High quality project management</td>
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</tr>
<tr>
<td>● Procurement and installation of the necessary communication and IT equipment.</td>
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<td>● Co-finance contributions available when required</td>
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<td></td>
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<td>Preconditions</td>
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<tr>
<td></td>
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<td>● Feasibility study and other preparation studies have either been completed or are under completion</td>
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<tr>
<td></td>
<td></td>
<td>● The required permits have been granted</td>
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<td></td>
<td></td>
<td>● Institutional structure to implement and operate the project is in place</td>
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## Establishment of the Sopron Innovation Centre
### Detailed Implementation Chart

<table>
<thead>
<tr>
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<th>2001</th>
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<td>Supply contract</td>
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Annex 3

Establishment of the Sopron Innovation Centre
Cumulative contracting and disbursement schedule (€ Million)

<table>
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<tr>
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<tr>
<td>Disbursement</td>
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<td>2.5</td>
</tr>
</tbody>
</table>
Annex 4

Establishment of the Sopron Innovation Centre
Reference to feasibility/pre-feasibility studies

1. Feasibility study by the West-Transdanubian Regional Development Research Centre of The Hungarian Academics of Sciences as well as FÖMTERV, authors: Dr J. Rechnitzer and T. Dori, September 1999

2. Business Plan by István Madácsi, September 2000

3. Conception of the Enterprise Incubator of the Sopron Industrial and Innovation Park prepared the Innolt Ltd, authors: T. Lippényi and A. Révai, Hungarian Association of Innovation, May 2000


5. Assignment Plan for Construction for the Sopron Innovation Centre; Environmental Impact Assessment Chapter: prepared by the Oxinit Environmental Services., authors: József Kutas and András Kotschy

The documents have been prepared under the request of SIP Ltd. (9400 Sopron, Szent György u. 16.; Telephone: +36(99)338 998; fax: +36(99)338 999, e-mail address: iparipark@Sopron.hu)
Establishment of the Sopron Innovation Centre
List of relevant Laws and Regulations

1. Act XXI/1996 on Regional Development and Physical Planning;
Establishment of the Sopron Innovation Centre
Reference to relevant Government Strategic plans and studies

The Global Development Plan collected by the Ministry of Economic Affairs in 1999, as well as the Hungarian Preliminary National Development Plan both specify the development of business related infrastructure and the fostering of R&D activities in the SME sector as key priorities.

The Western Transdanubian Regional Innovation Strategy – prepared by the Hungarian Academy of Science, Regional Research Centre in February 2001 – specify the development of an innovation network in Western Transdanubia in its mission statement, denominating the improvement of the innovation infrastructure as one of its main objectives.
Establishment of the Sopron Innovation Centre
Statement of the Municipality of Sopron on the availability of the co-financing

Letter of Commitment

I hereby confirm that the Municipality of Sopron will contribute to the realisation of Innovation and Incubator Centre to be built on the premises of the Sopron Industrial and Innovation Park with €1.0 million in case the Phare supports the project.

Gábor Ágota
Vice mayor of Sopron
Establishment of the Sopron Innovation Centre
Detailed list of equipment to be installed in the Innovation Centre

The following networks will be installed in the Innovation Centre during construction:

1. heavy-current networks:
   • electric power supply system including the transformer station, a gas-engine (providing electric current and heat supply) and a pause-less power supply
   • overcharge protection system (EMC protection)
   • interference protected earthing
   • flexible cable installation (for electricity, phone and computer networks)
   • cutting edge lighting for offices and workshops
   • complex conference room illumination with remote control

2. weak-current networks
   • facility management system for all electronic systems, made up of automatic elements, DDC stations and central computer
   • structured cabling (228 phone connections, 214 computer connections, allowing to build up intranet)
   • ISDN phone operator centre
   • fire alarm system
   • CO gas perception system,
   • electronic break-in signalling system,
   • video security control system
   • card-entry system,
   • CATV network (cabling, amplifier, connectors).
   • complete conference room equipment including the video system (projector, amplifier, microphones, speakers) and an infrared interpretation system for two languages and 50 participants

The above-mentioned pieces of equipment are all complete systems, installed during the construction works.

Procurement and installation of necessary communication and IT equipment for purposes of the innovation centre management:

1. Computers and accessories:
   • 2 databank server computers
   • 1 central computer for the knowledge management system
   • 1 system computer capable of running a firewall program
   • 10 high capacity office multimedia computers with monitors and Internet access capability
• 1 colour laser printer and 6 colour inkjet printers
• 4 High capacity notebooks for flexible working

2. 2 digital copiers with attach and sort capacity

3. Portable presentation equipment:
   • multimedia projector, DVD player, digital camera, VCR, 2 screens, 3 overhead projectors, 3 episcopes
   • audio equipment: amplifier, mixer, microphones, digital recorder

4. Communication: GSM adapters in order to enable reliable internal (DECT) and external (GSM) communication.
Establishment of the Sopron Innovation Centre
Abstract of the Resolution issued by the Technical Office of the Municipality of Sopron about building permission for the Sopron Innovation Centre

The Municipality of Sopron has issued a building permission for the Innovation Centre according to the conditions specified by the following authorities:

- Sopron Branch of the State Public Health Service
- Fire Department of Sopron Municipality
- North-Transdanubian Environment Protection Inspectorate
- Gyor-Moson-Sopron County Traffic Authority
- Gyor-Moson-Sopron County Animal Health and Food Control Station

The building permission has been issued according to the declarations of above authorities as well as the Act LXXVIII/1997 § 18, 19 (1), 31, 34, 36, 37, the KTM Decree 46/1997 § 17-23, 25, Government Decree 253/1997 and the Assembly Decree 20/1998 amending Assembly Decree 28/1887.

Katalin Bedo
Head of Office
Municipality of Sopron, Technical Office

* According to relevant Hungarian legislation, the only required permit for the construction of the Innovation Centre should be issued by the Technical Office of the relevant municipality. This permit is issued based on the declarations of the above listed authorities.
Annex 10

Establishment of the Sopron Innovation Centre
Letters of support and of co-operation on behalf of BIC Burgenland GmbH, ECO Plus GmbH, Seibersdorf Research Centre and the ComSoft Technology Centre Development GmbH