

CONSULTANCY

This Programme implements Priority Axis 6 “Business Development Services” of the Operational Programme Enterprise and Innovation 2007-2013.

Public support provided under this Programme meets all the criteria of Act No. 47/2002 Coll., on support of small- and medium-sized enterprises, as amended, of Commission Regulation (EC) No. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to state aid to small- and medium-sized enterprises (hereinafter the “SMEs”)¹, and of Commission Regulation (EC) No. 68/2001 on the application of Articles 87 and 88 of the EC Treaty to training aid. It is compatible with the common market within the meaning of Article 87(3) of the EC Treaty and exempt from the notification requirement of Article 88(3) of the EC Treaty.

1. Objective of the Programme

The objective of the Programme is better quality and accessibility of consulting, information and training services for small- and medium-sized enterprises, in order to increase their competitiveness through a comprehensive concept of consulting services whose particular elements support each other and are mutually interconnected. The Programme will further create the environment to analyse international and Czech development trends that have impact on the innovation activity of the Czech economy and thus on its competitiveness. The Programme has four specific activities:

1. Setting-up, maintenance and development of the Czech Register of Consultants (hereinafter the “NRC”) as a source of professional consultants capable of providing quality consulting services to enterprises in the CR.
2. Support of consulting services provided to SMEs particularly by consultants registered in the NRC.
3. Providing subsidised information, consulting and training services to SMEs through the Regional Information and Consulting Infrastructure (hereinafter the “RICI”).

¹ COMMISSION REGULATION (EC) No. 364/2004 of 25 February, 2004, amending Regulation (EC) No. 70/2001, as regards the extension of its scope to include aid for research and development

4. Analysing international and Czech development trends (hereinafter the “Trends”) that have impact on the innovation activity of the Czech economy and thus on its competitiveness.

Fundamental provisions

- a) The Managing authority is the Ministry of Industry and Trade of the Czech Republic, (www.mpo.cz).
- b) The implementing body for this Programme is the Investment and Business Development Agency – CzechInvest, organisation receiving contributions from the Ministry of Industry and Trade of the Czech Republic, with its seat at Štěpánská 15, 120 00 Praha 2, (www.czechinvest.org).

Basic terms

- **National Register of Consultants (NRC)**

A publicly accessible exclusive database of services of consultants registered in the NRC focusing particularly on the SMEs sector, (www.nrp.cz). The National Register of Consultants features the contact information and track record of consultants who, in addition to their specialisation, have comprehensive and integrated knowledge of all key aspects of business management (particularly sales, marketing, product manufacturing/development, finance, logistics, and HR management).

The main objective of the Register is to guarantee the professional qualities of the consultants, to enhance the transparency of the market of SMEs consulting services to make it easier for enterprises to choose consulting services. The number of consultants in the register is not restricted and it is assumed that the database will become a reliable instrument guaranteeing the quality of consulting services. The access of users to the database and the inclusion of consultants in the database will be free of charge. In order to increase the quality of the database, consultants will be provided with discounted training opportunities. Applications for consultants who wish to be included in the Register can be found at www.czechinvest.org. The services of the NRC consultants can be used by all enterprises without any limitations.

- **Consulting services provided by NRC consultants in particular**

The services of consultants provided to enterprises are consulting services intended particularly to analyse the standing of an enterprise, to recognise its management- and performance-related strengths and weaknesses, to identify possible remedial actions, to provide support while taking these actions, and to introduce new management methods with the aim of achieving higher competitiveness. A current overview of the services is listed under particular NRC areas of specialisations.

- **Regional Information and Consulting Infrastructure (RICI)**

The regional infrastructure within the meaning of the Czech Register of Consultants is a group of entities operating in regions, funded from public or private resources and focused on business development support by means of providing services (consulting, information, and training services). The entities will be selected based on a public tender which will specify the contents of the services, their quality and other criteria.

Selected entities of the regional infrastructure provide information on “business basics”, information services, training services and basic consulting services.

- **Trends**

Trend analyses will make it easier for ministries, implementation bodies, entrepreneurs, universities, research institutes and other relevant users to assess information necessary to develop valid forecasts of future developments and to take decisions in the area of innovation activities, with the aim of enhancing competitiveness of the Czech Republic.

The outputs will be in the form of structured information concerning new trends, technologies, R&D findings, business opportunities and also examples of successful innovation and success stories from particular industries. At the same time, they will focus on raising general awareness about the necessity of implementing progressive innovations and state-of-the-art methods of conducting business, and about their effective contribution to the prosperity and competitive edge of firms and the national economy in general.

The outputs will include pilot projects to optimise the OPEI objectives, measures and Programmes, to be carried out based on the assessment of both national and international economic and technical development criteria of 2007-2013.

2. Supported Activities

2.1. Supported activities shall include:

2.1.1. National register of consultants

In order to create a baseline for the provision of consulting services, it is necessary to develop certain infrastructure, i.e. the organisational and technical background to achieve the guaranteed level of consultants, particularly a system of recruitment, selection, evaluation and registration of professional NRC consultants, along with professional training activities to be used while performing consulting activities. Supported activities are those necessary for the operation and development of the NRC.

2.1.2. NRC consulting services

Supported are consulting services provided primarily by consultants of particular specialisations registered in the NRC, intended particularly to analyse the standing of an enterprise, to recognise its management- and performance-related strengths and weaknesses, to identify possible remedial actions, to provide support while taking these actions, to introduce new management methods, etc., with the aim of achieving higher competitiveness.

2.1.3. Support of information, consulting and training services through selected regional entities of the information, training and consulting infrastructure (RICI)

Supported are activities focusing on the provision of a comprehensive and integrated system of information to meet the requirements of a public information service for entrepreneurs and enterprises, provided as close as possible to the locations where they conduct their business activity.

Within the meaning of this activity, training services shall be particularly activities to enhance knowledge and awareness of the business basics and of the criteria of conducting business, thus enhancing the general professional level of entrepreneurs.

Within the framework of the RICI, consulting services shall mean basic consulting services dealing with the issues of enterprises.

2.1.4. Trends

This activity of the Programme shall include particularly development of methodologies and criteria to select key industries, of implementation documentation, initial analyses of

the needs of the system users, an analysis of information resources, design and implementation of information systems, ensuring the operation of and updating information in the system, ensuring access to information concerning R&D trends and innovation processes, market development, etc., examples of successful innovation activities and innovative ways of thinking, development of sectoral or thematically focused analyses, international comparison of the selected sectors and directions of efficient business undertaking from the viewpoint of long-term competitiveness factors (R&D, innovation, management activity, human resources, funding, etc.), processing (purchasing) of forecasts and scenarios of possible ways of development of selected industries.

2.2. Supported activities shall not include:

Under Article 5(b) of Commission Regulation (EC) No. 70/2001 no support shall be provided to a continuous or periodic activity or an activity related to the usual operating expenditure of the enterprise, such as routine tax consultancy services, regular legal services, or advertising.

3. Beneficiary

- a) Beneficiaries of a subsidy are small- and medium-sized enterprises (in the case of activities under item 2.1.2).
- b) In the case of activities under items 2.1.1, 2.1.3, and 2.1.4, the beneficiary is CzechInvest.

4. Programme Criteria

4.1. Formal eligibility criteria of a project:

- a) The project shall be implemented in the Czech Republic, outside of the territory of the Capital City of Prague.
- b) The project shall contain all mandatory elements specified in the call for submission.
- c) The project does not violate the horizontal policies of the EU and their basic principles, particularly:
 - Equal opportunities of men and women;
 - Sustainable development.

4.2. Other criteria

- a) The subsidy shall be provided to the beneficiary based on a Decision to Provide Subsidy issued by the Managing authority (hereinafter the “Decision”), containing also the binding Terms and Conditions of Subsidy Provision (hereinafter the “Terms and Conditions”).
- b) The beneficiary shall keep separate records and documents on eligible project expenditure and on the use of the subsidy intended for the funding of the eligible expenditure as stipulated in the Terms and Conditions of the Decision to Provide Subsidy and keep it for a period of 10 years following the date of closure of the project, and at the same time for a period of at least three years following the closure of the OP Enterprise and Innovation (anticipated in 2020) in compliance with Article 90 of Council Regulation (EC) No. 1083/2006. All beneficiaries will be informed of the closing date of OP Enterprise and Innovation.
- c) The beneficiary may not be an entrepreneur, if, as at the date of submission of the application, s/he is the beneficiary to rescue and restructure a firm in difficulty as specified in the Community guidelines on state aid for rescuing and restructuring firms in difficulty, Communication No. 2004/C 244/02 from the Commission; this shall not apply to small entrepreneurs.
- d) The subsidy is paid out to the beneficiary retroactively upon termination of the project, or a particular project phase, provided that the Terms and Conditions are complied with.
- e) Other obligations of beneficiaries are specified in the Terms and Conditions.

4.3. Eligible expenditure

4.3.1. Eligible expenditure shall comply with the following criteria:

- Shall be expended in accordance with the objectives of the Programme and immediately related to the project implementation,
- Shall be expended no earlier than on the date of eligibility of a project²,
- Shall be demonstrably paid by the beneficiary before they are reimbursed from the Structural Funds, unless stipulated otherwise,

² The eligibility date of a project shall be the date when the provider or the relevant agency confirms in writing to the beneficiary that s/he complies with the eligibility criteria of the given Programme.

- Shall be supported by conclusive evidence, paid to suppliers, property may not be acquired by means of capitalisation.

4.3.2. The eligible expenditure shall include:

NRC

- Tangible fixed assets (particularly hardware and networks)
- Intangible fixed assets (particularly costs of acquisition of licences and software)
- Selected operating expenditure (particularly purchasing of consulting and training services)
- Education and training of consultants
- Costs of project publicity

NRC Consulting Services

- Services of the NRC external consultants in particular
- Cost of activity administration
- Costs of project publicity

RICI

- Purchasing of information, consulting and training services
- Organisation of a tender
- Cost of activity administration
- Costs of project publicity
- Education and training of consultants

Trends

- Services of experts and consultants
- Development of studies
- Organisation of conferences and seminars
- Organisation of a tender
- Costs of project publicity
- Cost of activity administration

The eligible expenditure of a project shall be further specified in particular calls.

4.3.3. The eligible expenditure of a project shall not include:

- VAT, provided that the beneficiary is a VAT payer,
- Costs paid prior to the eligibility date of a project,
- Loan and credit instalments,
- Sanctions and penalties,
- Costs of guarantees, insurance, interests, banking fees, exchange rate losses, customs and administration fees.

4.4. Sectoral classification

NRC

The coal industry as defined by NACE CA 10, D 23. 1³ shall be excluded from the training and follow-on training of consultants registered in the NRC or to be registered in this database.

NRC Consulting Services

The classification of economic activities shall be specified in particular calls.

RICI, Trends

- Irrelevant due to the fact that it is used by CzechInvest to provide services with no restrictions related to economic areas

5. Form and Amount of the Support

NRC

- a) Support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. The subsidy is provided in the amount of 100% of the project costs.
- c) As regards projects which constitute state aid as specified under Article 87 of the EC Treaty, it is necessary to observe limits stipulated by particular regulations, namely Commission Regulation (EC) No. 68/2001 on the application of Articles 87 and 88 of the EC Treaty to training aid (particularly any training provided to individuals).

³ The definition is based on Council Regulation (EC) No. 1407/2002 on State aid to the coal industry.

NRC Consulting Services

- a) Support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. Pursuant to Commission Regulation (EC) No. 70/2001 on the application of Articles 87 and 88 of the EC Treaty to state aid to small- and medium-sized enterprises, as amended, the subsidy is provided to SMEs up to the amount of 50% of the project eligible expenditure.

RICI Services

- a) Support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. The subsidy is provided up to the amount of 100% of the project costs.

Trends

- a) Support is provided in the form of a subsidy.
- b) The subsidy is purpose-built to cover eligible expenditure arising from and in relation to the implementation of a project. The subsidy is provided in the amount of 100% of the project costs.

The amount of support shall be further specified by the Managing authority in particular calls.

6. Project Selection

6.1. Selection criteria

In the case of activity 2.1.2, selection criteria including evaluation methodology shall be specified in particular calls, in the case of activities 2.1.1, 2.1.3 and 2.1.4 they shall be specified in tendering procedures.

6.2. Project selection method

Project selection and evaluation shall be performed based on the criteria specified by the Managing authority. The OPEI Managing Authority (MIT) shall decide on the provision of a subsidy based on Government Resolution No. 175/2006. Further details concerning activity 2.1.2 shall be specified in particular calls; details concerning activities 2.1.1, 2.1.3 and 2.1.4 shall be specified in tendering procedures.

7. Participation in Other Support Programmes

The eligible expenditure of a project supported under this Programme shall not receive any other state aid as defined under Article 87 of the EC Treaty.

8. Duration of the Programme

The Programme shall be implemented in the period 2007-2013. In the case of activity 2.1.2 it shall be implemented based on calls, in the case of activities 2.1.1, 2.1.3 and 2.1.4 it shall be implemented based on tenders to be published at the website of the Managing authority (MIT) and of the CzechInvest implementing body. The Managing authority reserves the right to suspend the Programme or terminate it prematurely (e.g. due to exhaustion of the allocated funds).

9. Details of an Application for Support and its Submission

The method of submission of an application and its essential elements shall be stipulated by the call.

10. Sanctions for Violation of Programme Criteria

Sanctions for violation of the Programme criteria are stipulated in the Terms and Conditions of Subsidy Provision.

11. Other Provisions

There is no legal entitlement to the subsidy.

Annex 1 of the Programme

Annex I to the EC Treaty – manufacturing, processing and marketing of the products specified in Annex I to the EC Treaty are excluded from the Programme

Number in nomenclature	Name of goods
Chapter 1	Live animals
Chapter 2	Meat and edible offal
Chapter 3	Fish, crustaceans and molluscs
Chapter 4	Milk and dairy products; birds' eggs; natural honey
Chapter 5	
05.04	Animal guts, bladders and stomachs (other than fish), whole and parts
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
Chapter 6	Cut flowers and flower products
Chapter 7	Vegetables, edible plants, roots and tubers
Chapter 8	Edible fruit; skins of citrus and melon
Chapter 9	Coffee, tea, spices, other than maté (number 09.03)
Chapter 10	Cereals
Chapter 11	Mill products: malt, starch, gluten, inulin
Chapter 12	Oil seeds and oleaginous fruits; various seeds and fruits, industrial and medicinal plants; straw and fodder crops
Chapter 13 ex 13.03	Pectin
Chapter 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oils of fish and of sea mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified

15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, artificial pig fat and other processed fats
15.17	Waste after processing animal fats or animal or plant waxes
Chapter 16	Prepared meat, fish, crustaceans or molluscs
Chapter 17	
17.01	Beet sugar and cane sugar, solid
17.02	Other sugars; sugar syrups; artificial honey (also mixed with natural honey); caramel
17.03	Molasses, also decolourized
17.05	Aromatized or colourized sugars, syrups and molasses (including vanilla sugar or vanillin), excluding fruit juices with sugar additives in any ratio
Chapter 18	
18.01	Cocoa beans, whole or broken, raw or roasted
18.02	Cocoa shells, husks and other cocoa waste
Chapter 20	Preparations from vegetables, edible plants, fruit or other parts of plants
Chapter 22	
22.04	Grape must in fermentation, or with fermentation arrested otherwise than by the addition of alcohol
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.07	Other fermented drinks (apple, pear, mead)
ex 22.08	Ethyl alcohol denatured or undenatured, of any strength, made from agricultural products listed in Annex I to the EC Treaty, excluding spirits, liqueurs and other spirituous beverages and compound alcoholic preparations (known as "concentrated extracts") for the manufacture of alcoholic beverages
ex 22.09	
22.10	Table vinegar and its substitutes
Chapter 23	Rests and wastes in food industry; processed fodder
Chapter 24	
24.01	Unmanufactured tobacco, tobacco refuse

Chapter 45

45.01 Unworked natural cork, cork refuse; granulated or ground

Chapter 54

54.01 Flax, raw or processed but not spun; flax tow and waste (including pulled or garneted rags or ropes)

Chapter 57

57.01 True hemp (*Cannabis sativa*) raw or processed but not spun; tow and waste of true hemp (including pulled or garneted rags or ropes)

(Note: concerns partially NACE D 15, 17, 24 (bio-ethanol), G 51.11, 51.17, 51.2, 51.3, 52.1, 52.2, 52.48 –wholesale, retail)