

1. European Union Funds 2007-2013

In the programme period 2007-2013 the Czech Republic has available EUR 26.69 billion from European funds. In order to achieve the objectives and priorities defined in the National Development Plan and National Strategic Reference Framework, the Czech Republic has prepared 26 operational programmes for fulfilling the three objectives of the European Economic and Social Cohesion Policy:

- Objectives:
- 1) **Convergence**
 - 2) Regional Competitiveness and Employment
 - 3) European Territorial Cooperation

Operational Programmes – Convergence Objective

Operational Programmes	Allocation (mil. EUR)	Share of the whole (%)	Managing authority of the OP
OP Enterprise and Innovation	3041,2	11,8	The Ministry of Industry and Trade of the Czech Republic – The intermediate body: CzechInvest
OP Research and Development for Innovation	2070,6	8,0	The Ministry of Education, Youth and Sports of the Czech Republic
OP Human Resources and Employment	2588,2	10,0	The Ministry of Labour and Social Affairs of the Czech republic – Department 72
OP Education for Competitiveness	1811,8	7,0	The Ministry of Education, Youth and Sports of the Czech Republic
OP Environment	5176,5	20,0	The Ministry of the Environment of the Czech Republic – The intermediate body: the State Fund of the Environment
OP Transport	5564,7	21,5	The Ministry of Transport of the Czech Republic – Department of EU Funds
Integrated Operational Programme	1941,2	7,5	The Ministry of Regional Development of the Czech Republic
Regional Operational Programmes	3429,4	13,2	The Ministry of Regional Development of the Czech Republic
Operational Programme Technical Assistance	258,8	1,0	The Ministry of Regional Development of the Czech Republic
Total	25882,4	100	

2. The Operational Programme Enterprise and Innovation (OPEI)

The Ministry of Industry and Trade of the Czech Republic approved the framework of the Operational Programme Enterprise and Innovation and 15 grant programmes for the period 2007-2013.

Overview of OPEI grant programmes administered by CzechInvest

Priority Axis	Area of intervention	Programme	Description of the programme
1. Establishment of firms	1.1 Support of new entrepreneurs	START (Start)*	Financing of entrepreneurial projects of subjects entering into business for the first time or after an extended period of inactivity
2. Development of firms	2.1 Bank instruments to support small and medium-sized enterprises	ZÁRUKA (Guarantee)*	Facilitation of implementation of small and medium-sized enterprises' entrepreneurial projects through the use of advantageous bank guarantees
		PROGRES (Progress)*	Support for dynamically developing small and medium-sized enterprises in the form of subsidiary loans
	2.2 Support for new manufacturing technologies, ICT and selected strategic services	ICT A STRATEGICKÉ SLUŽBY (ICT and Business Support Services)	Support for acquisition of new technological equipment with higher technical and usability parameters in small and medium-sized enterprises
		ICT V PODNÍČÍCH (ICT in Companies)	Grants for introduction and expansion of information and communications technologies in enterprises and use of related services
3. Effective energy	3.1 Energy saving and renewable sources of energy	EKO-ENERGIE (Eco-energy)	Lowering of energy requirements of production and expanded use of renewable and secondary sources of energy
4. Innovation	4.1 Increasing the innovative performance of firms	INOVACE (Innovation)	Support for activities aimed at implementation of innovation projects in enterprises; support for activities aimed at the protection of industrial-ownership rights
	4.2 Capacities for industrial research and development	POTENCIÁL (Potential)	Support for creation and expansion of infrastructure for companies' development and innovation activities
5. Environment for enterprise and innovation	5.1 Cooperation platforms	SPOLUPRÁCE (Cooperation)	Support for the creation and development of cooperative branch grouping – clusters, fields of excellence, technology platforms and cooperative projects
		PROSPERITA (Prosperity)	Support for the establishment, development and operation of science-and-technology parks and technology-transfer centres
	5.2 Infrastructure for human resources' development	ŠKOLICÍ STŘEDISKA (Training Centres)	Support for the creation and development of infrastructure intended for education and development of human resources in businesses
	5.3 Infrastructure for enterprise	NEMOVITOSTI (Real Estate)	Support for the creation and development of business property including the related infrastructure, enterprise zones and brownfield regeneration

6. Business development services	6.1 Support of consulting services	PORADENSTVÍ (Consultancy)	Development of the National Registry of Consultants, financing of information, consulting and education services for small and medium-sized enterprises
	6.2 Support of marketing services	MARKETING (Marketing)	Increase of small and medium-sized enterprises' marketing activities in foreign markets; Support for participation of production enterprises and service providers at foreign trade fairs and expositions

Note: *Programmes Start, Progress, Guarantee are administered by the Czech-Moravian Guarantee and Development Bank

3. Aid recipient

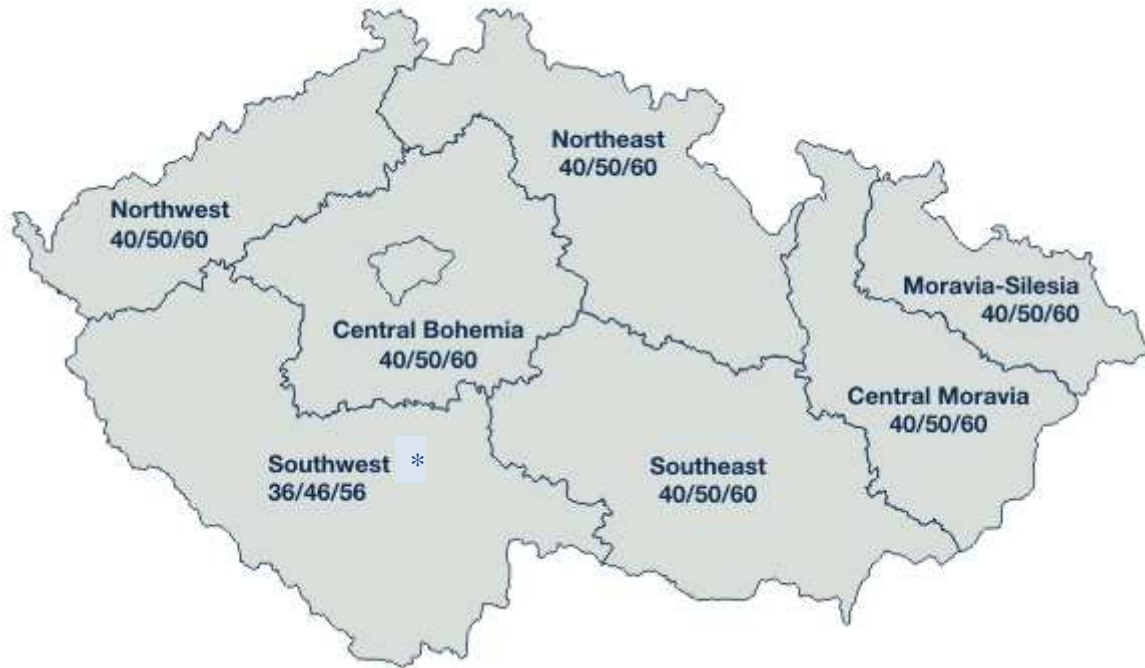
An aid recipient within OPEI can be a small or medium-sized enterprises (SME); in some programmes (depending on the particular call for proposals) large enterprises with more than 250 employees can also apply for aid¹. The project must be implemented within the Czech Republic, outside the city of Prague (the seat of the company can be located anywhere in the Czech Republic). In some programmes universities, municipalities, districts and other institutions can also be applicants.

The amount of the subsidy for eligible costs is governed by the Regional Map of State Aid Intensity.

Maximum state aid intensity (as % of eligible costs)

NUTS II Region	Small enterprises	Medium enterprises	Large enterprises
Central Moravia, North-West, Central Bohemia, Moravian Silesia, North-East, South-East	60	50	40
South-West 1 Jan 2007 – 31 Dec 2010	56	46	36
South-West 1 Jan 2011 – 31 Dec 2013	50	40	30

¹ For the definition of small and medium-sized enterprises - <http://www.czechinvest.org/data/files/definition-of-sme-494.pdf> .



*30/40/50 (valid for the period 1 January 2011 – 31 December 2013)

Applicants must be permitted to conduct business in the territory of the Czech Republic corresponding to the aided economic activity, for which the project is being implemented. Furthermore, applicants must be registered with the tax office as an income tax payer pursuant to Section 33 (1) of Act No 337/1992 Coll., on the administration of taxes and charges, as amended, i.e. uninterruptedly for a period of no less than two closed tax periods preceding the date of the submission of the aid application (two years history).

In cases of particular calls for proposals, the two-year history can be substantiated by a parent company:

Programme	Open for large company	History through parent company (if applicant can't prove two years of history)
DEVELOPMENT (Rozvoj)	-	-
ICT AND BUSINESS SUPPORT SERVICES (ICT a strategické služby)	yes	yes
ICT IN COMPANIES (ICT v podnicích)	-	-
ECO-ENERGY (Eko-energie)	yes	yes
INNOVATION (Inovace)	yes	-
POTENTIAL (Potenciál)	yes	yes
COOPERATION (Spolupráce)	yes	-
PROSPERITY (Prosperita)	yes	yes
TRAINING CENTRES (Školicí střediska)	yes	yes
REAL ESTATE (Nemovitosti)	yes	yes
MARKETING (Marketing)	-	-
CONSULTANCY (Poradenství)	-	-

Another important criterion is that any project implemented within OPEI must be implemented in the manufacturing industry according to the sectoral classification – generally in the sectors CZ-NACE 10-33. However, this criterion depends on the particular programme and call for proposals.

4. Process of applying for provision of aid and project evaluation

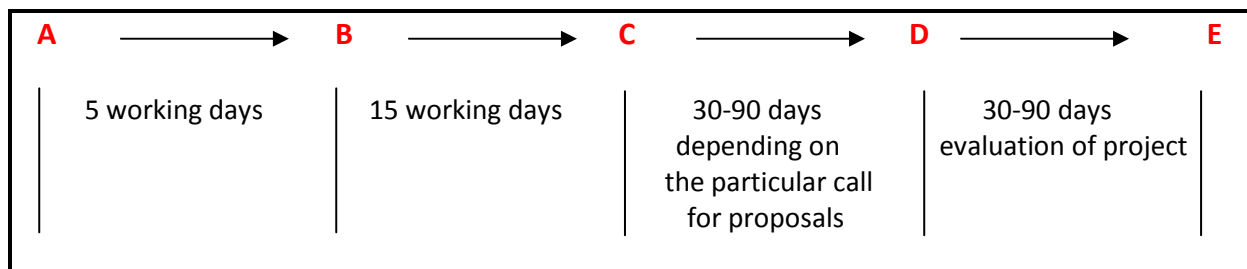
Applications for the OPEI grant programmes are submitted in two steps (Registration Application and Full Application) via the eAccount internet application, which is only in the Czech language. The eAccount application can be accessed via <http://eaccount.czechinvest.org>.

- I. Successful registration requires a qualified certificate (electronic signature), which is available at Česká pošta, s.p., identity, a.s., První certifikační autorita, a.s. and our regional offices. For more information, please contact these institutions.
- II. The first step is to establish a Master Account.
- III. After that the Registration Application must be prepared. It contains basic information about applicant and project. After sending the Application with all necessary appendices, CzechInvest will perform their material and formal inspection. You (the applicant) and your project will undergo an evaluation of acceptability including an economic evaluation (rating/scoring). The aim of this is to assess whether the project is in accordance with the announced conditions of the programme and whether it fulfils all prerequisites for obtaining aid, according to the conditions of the programme.
- IV. You will obtain information on the evaluation results not later than within two weeks after sending the Application for Registration electronically via eAccount. In the event that your Application for Registration is accepted, CzechInvest will impart to you the date on which eligible costs arise. From this date, costs expended in connection with the project can be considered as deductible. Applicant can also begin with construction works, sign contracts, order, pay orders etc. After acceptance of Application for Registration the time limit for submission of the Full Application is also defined.
- V. Next step is completion and sending of the Full Application including the required appendices, particularly the business plan, within the stipulated time limit, according to specific requirements of particular programme. Afterwards, Full Application including the required appendices will be inspected. You will receive information on the result of the inspection electronically via eAccount. In the event that the Full Application is correct, the project will be passed on for further evaluation; in the opposite case, the Full Application will be excluded from further evaluation and you will be notified of the reason for its rejection.
- VI. Project evaluation is performed in the regime of small, medium-sized and large projects. Categorisation of projects is determined according to the complexity of the project and the

grant amount. Projects are evaluated on the basis of clearly defined and publicly known criteria. You will receive information on the result of the evaluation via eAccount and you will subsequently be informed of the result of the evaluation in writing. In the event that the project is approved, we will also electronically send to you the Terms and Conditions of Decision to Provide a Subsidy together with a request for their signing and other instructions. The time limit for sending information on the result of the evaluation varies depending on the complexity of the project, whereas it is necessary to take into account that you can be requested to provide missing information about the project, which will probably prolong the evaluation. In the ideal case, the time limit for sending information on the result of the evaluation is estimated for small projects as up to approx. two months from submission of the Full Application and for medium-sized and large projects as up to three months from submission of the Full Application.

VII. The Ministry of Industry and Trade subjects the signed Terms and Conditions of Decision to Provide a Subsidy, which is then sent to the applicant.

Scheme of project administration:



- A** ... establishment of the Master Account
- B** ... submission of the Registration Application
- C** ... acceptance of the Registration Application
- D** ... submission of the Full Application
- E** ... signing of the Decision to Provide a Subsidy

The conditions to which the applicant is bound to comply include, in particular:

- conducting of analytical accounting
- selection of suppliers of orders for which aid will be provided from the Operational Programme Enterprise and Innovation in accordance with previously established regulations
- ensuring publicity of projects for which grants are provided, in the form of posters, signs, billboards, etc. during and after implementation of the project in accordance with the established regulations
- division of projects into individual phases according to the schedule of works on the basis of previously established conditions (the length of phases is limited by time duration and the grant-payment amount)

5. Payment Application and on-site inspection

Aid will be reimbursed to you on the basis of a submitted application for payment. You will submit the Payment Application in electronic form via eAccount following completion of a phase or of the entire project in accordance with the Terms and Conditions of Decision to Provide a Subsidy and with the Project Phase Regulations.

The formally correct and complete application will be passed on to the relevant agency through the process of payment authorisation and, if no deficiencies are found, it will be handed over to the Ministry of Industry and Trade for approval and subsequent reimbursement.

In the course of implementation or finalisation of a project/phase (i.e. following submission of the application for payment) an on-site inspection may be performed at your location.

6. Monitoring the benefits of the supported project

Monitoring of projects is performed in the course of their implementation (i.e. before payment of aid) and following completion of their implementation. The main goal of monitoring is the continual determination of progress in the implementation of supported projects. As an aid recipient, you must keep CzechInvest apprised of your project in monitoring reports, which you will regularly submit via the eAccount internet application. The indicators that you will include in the reports are stipulated in the Terms and Conditions of Decision to Provide a Subsidy. The monitoring period is three years in the case of SMEs or, in the case of large enterprises, five years for large enterprises following project completion.

7. More information about the Operational Programme Enterprise and Innovation (OPEI) in English is available at:

Investment and Business Development Agency CzechInvest - <http://www.czechinvest.org/en/opei>

The Ministry of Industry and Trade - <http://www.mpo.cz/en/business-support/opei/>