

ICT IN ENTERPRISES

This Programme implements Priority Axis 2 “Development of Firms” of the Operational Programme Enterprise and Innovation 2007-2013.

The public support provided under this Programme complies with all terms and conditions of Commission Regulation (EC) No. 70/2001 of 24 October, 2001 on the application of Articles 87 and 88 of the EC Treaty to state aid to small- and medium-sized enterprises (OJ L 10, 13 January, 2001, pp. 33-42), and Commission Regulation No. ... of ... on the application of Articles 87 and 88 of the EC Treaty to de minimis aid¹, and it is compatible with the common market within the meaning of Article 87(3) of the EC Treaty and it is exempt from the notification requirement under Article 88(3) of the EC Treaty.

1. Objective of the Programme

The Programme objective is to promote competitiveness of small- and medium-sized enterprises (SMEs) through qualitatively better exploitation of their potential in the field of acquisition and extension of information systems (IS), or, specifically, to promote demand for information systems in order to enhance the effectiveness of small- and medium-sized enterprises.

Fundamental provisions

- a) The Managing authority is the Ministry of Industry and Trade of the Czech Republic, (www.mpo.cz).
- b) The intermediate 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).
- c) The Programme is implemented based on calls, which will specify detailed Programme criteria.

¹ To be specified upon approval of the relevant EC regulation.

Basic terms

- **IS** – Information system; an information system is a system constituting of the following elements: information and communication technology, data, and people. The goal of the information system is to provide efficient support of information and decision-making processes at all levels of the management of an organisation (enterprise).
- **ICT** – Information and communication technologies; this term means hardware and software for collection, transfer, storage, processing and distribution of data. Hardware (technical) elements include servers, stationary and portable personal computers, printers, communication and network equipment (particularly transmitters, routers, switches), and specialised peripherals (mouse, tablet, scanner, camera, PDA, mobile phone, etc.). Software (programme) elements include basic software (operating system, database system, and communication system), application software, and software for IT system modelling and development.
- **ERM** – Enterprise Resource Management systems cover management of enterprise functions particularly in the field of logistics, finance, production, sale, human resources, etc. They help the enterprise management automate, integrate and standardise processes, data sharing, and other enterprise functions.
- **CRM** – Customer Relationship Management combines staff, enterprise processes, and IS/ICT technologies with the aim of achieving maximum customer loyalty, and thus maximum profit for the enterprise.

2. Supported Activities

2.1. Supported activities shall include:

Such activities will be supported that aim at the growth of direct competitiveness of an SME, including support of efficient functioning of SMEs with low or zero IT development standard.

- **Projects focused on the introduction and extension of IT systems for increasing the enterprise internal effectiveness:**

- Implementation of ERM including configuration and adaptation to optimised processes and the organizational structure,
- Implementation of management and knowledge IT systems (e.g. Business Intelligence, Knowledge Management),
- Implementation of IT solutions to support enterprise administration and quality management (e.g. launch of the paperless office, document management, data and information archiving, support to ISO processes),
- Implementation of solutions for virtual workplaces (e.g. home office, teleworking),
- Implementation of a data center providing services to multiple enterprises.
- **Projects focused on the introduction and extension of IT application to development of new or innovation of existing products and technologies.**
- **Projects focused on introducing and wider exploitation of IS with the aim of enhancing the effectiveness of customer-supplier relationships:**
 - Implementation of IT solutions for business and marketing relationship with customers, supporting creation and expansion of trading channels, customer portfolio and business territories (CRM, HelpDesk, Call Centre, eCommerce),
 - Implementation of IT solutions supporting supplier relationship automation and management (electronic purchase, electronic auctions, inventory management).
- **Projects focused on development and improvement of technical infrastructure and elementary software, particularly in the following fields:**
 - Connection to external and sub-contractors networks and clusters,
 - Qualitative improvement of IT security,
 - Qualitative improvement of technical infrastructure accessibility and reliability,
 - Support to e-business and electronic communication with the public administration.
- **Projects focused on introduction and expansion of full or partial IT outsourcing in enterprises**
- **Projects introducing IT systems in small- and medium-sized enterprises with low or zero IT development standard:**

- High-speed connection to the Internet including acquisition of the relevant ICT and their security,
- Creation of websites supporting marketing presentation of an enterprise or the sale of its products and services,
- Establishing core corporate IT network up to 20 access points, including the end workstations equipment and security.

2.2. Supported activities shall not include:

Simple renewal of the existing technical infrastructure, basic and application software, unless contributing to qualitative increase in functionality of the respective system leading to higher competitiveness of the enterprise.

Separate acquisition or extension of existing software processing standard office agenda – standard graphic and office SW packages (e.g. MS Office, 602PC Suite, WordPerfect Office, dictionaries, file managers, CorelDraw, Adobe Acrobat, PhotoStudio).

3. Beneficiary

An enterprise under S.2(2)(a) of the Commercial Code which is a small- and medium-sized enterprise pursuant to Commission Regulation (EC) No. 70/2001 of 12 January, 2001, and pursuant to Act No. 47/2002 Coll., on the support of small- and medium-sized enterprises, as amended; or a grouping of legal entities (e.g. clusters) in manufacturing industry established under S. 20(f) et seq. of Act No. 40/1964 Coll., Civil Code, as amended.

4. Programme Criteria

4.1. Formal eligibility criteria of a project:

- a) The project shall be implemented in the Czech Republic, outside the territory of the Capital City of Prague.
- b) The beneficiary shall demonstrably prove his/her title or other rights to buildings and land plots where the project will be implemented. The method and deadline for proving these titles or other rights shall be specified by the Managing authority in the respective call.

- c) The project shall contain all mandatory elements specified in the call for submission.
- d) The project shall contain a chapter in which the applicant justifies the project benefits for business undertaking (e.g. development concept, strategy, vision, investment effectiveness).
- e) The project shall not violate the EU horizontal policies, 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 a 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 the 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, or upon termination of a particular phase of the project, provided that the Terms and Conditions of the Decision are observed.
- e) Other obligations of the 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 project,²
- Shall be demonstrably paid by the beneficiary before they are reimbursed from the Structural Funds, unless stipulated otherwise in the call,
- Shall be supported by conclusive evidence, paid to suppliers, assets may not be acquired by means of capitalisation.

4.3.2. The eligible expenditure shall include:

- Tangible fixed assets (particularly hardware and networks, other machinery and equipment),
- Intangible fixed assets (particularly software, licences, know-how),
- Selected operating costs (particularly compilation of the application for support; travel costs, training, re-qualification courses, seminars, workshops; access to information and databases; creation of websites; mandatory publicity; utility non-storable supplies; and other services),
- Costs of project publicity.

All operating costs included in the project eligible expenditure shall be of a degressive nature (i.e. they shall gradually decrease with the duration of support).

The eligible expenditure shall be further specified in particular calls.

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

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

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.

4.4. Sectoral classification

The support shall be channelled to projects implemented in sectors defined under NACE D15.1 – D 37.2 (manufacture).

Support shall not be granted to projects whose outputs will impact any of the following sectors:

- Manufacture, processing and marketing of products listed in Annex 1 of this Programme shall not be supported,³
- Agriculture, fishing, aquaculture,⁴
- Manufacture of coke oven products.⁵

5. Form and Amount of the Support

- 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 as a percentage of the project eligible expenditure according to the Regional Map of State Aid Intensity in the Czech Republic for years 2007-2013, up to maximum of CZK 20M per project.
- c) The amount of support towards eligible expenditure on consulting services incurred in relation to an investment project by an SME shall be maximum 50% (pursuant to Commission Regulation (EC) No. 70/2001 of 12 January, 2001 on the application of Articles 87 and 88 of the EC Treaty (OJ L 10, 13 January, 2001, pp. 33-42)).

A subsidy provided under the block exemption regime shall be governed by the Regional Map of State Aid Intensity and it shall not exceed:

NUTS II region	Small-sized enterprise	Medium-sized enterprise	Large enterprise
Central Moravia,	60%	50%	40%

³ Annex I to the EC Treaty

⁴ NACE A01, A02 and B 05

⁵ NACE C 10, D 23.1

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Northwest, Central Bohemia, Moravia-Silesia Northeast, Southeast			
Southwest 1 January, 2007- 31 December, 2010	56%	46%	36%
Southwest 1 January, 2011- 31 December, 2013	50%	40%	30%

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

6. Project Selection

6.1. Selection criteria

Selection criteria including evaluation methodology shall be stipulated by the call.

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 shall be specified in the call.

7. Participation in Other Support Programmes

The eligible expenditure of a project supported under this Programme shall not receive any other state aid, i.e. 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. It shall be implemented based on calls which will be published at the website of the Managing authority (MIT) and of CzechInvest. 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 a Decision to Provide Subsidy.

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)