

EU Funds and Private sector in Czech Republic

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ecoplus. Die Wirtschaftsagentur des Landes Niederösterreich



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Tomáš Gago
Partner EUFC CZ

EUFC CZ s.r.o.



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EUFC CZ - Introduction

- **Belongs to EUFC International Group**
- **Primarily: helping clients funding their projects via EU funds**
- **More than 200 successful projects**
- **History: from 2004 on the market**
- **Scope of Services: A – Z**
- **Branches/offices in Czech Republic – Brno, Jihlava, Prague**
- **Area of Regional development:**
 - Energy sector – energy savings and renewable sources
 - Company infrastructure – buildings, machinery, technologies
 - Tourism and tourism infrastructure
 - Municipal infrastructure – leisure, social, cultural
 - Agriculture and food production – machinery, technologies, buildings
 - Reconstruction of historical buildings for new cultural services



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Current Economic Situation and Structural Funds

Economic Crisis (1)

- **Impacts not different from other CE countries**
- **Mostly affected sectors:**
 - **automotive and connected sub-contractors**
 - **building industry**
 - **glass production**
 - **textile**
 - **steel industry – decline in production**
 - **slightly all production export-oriented sectors**



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Current Economic Situation and Structural Funds

Economic Crisis (2)

Related to EU funds:

- **So far structure of grants and subsidies did not change in relation to crisis**
 - **No change in sectoral focus**
 - **No change in requirements**
- **Banking sector conservative and reluctant to bridge or co-finance subsidies**
- **Banks do not consider potential subsidy as an equity to guarantee loan payback**



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Current Economic Situation and Structural Funds

Economic Crisis – opportunities (3)

Related to EU funds:

- **Less competing applications – even some supported gave up**
- **Applicants that have secured co-financing are in advantage**
- **Opportunity to invest to technologies to support competitiveness via subsidies**



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EU funds and entrepreneurs

Entrepreneurs in production/manufacturing sector

OP Enterprise and Innovation – 3 041 MEUR

Managing Authority: Czech Ministry of Industry

- 15 sub-programmes
- direct subsidies, max. 60 % (40-60 %)
- 2 years history
- SMEs and large enterprises

Supported areas:

- new machinery and technologies
- new ICT technologies and applications in companies
- energy savings and renewable energy sources in production and operations
- innovative approaches to processes, products and know-how protection
- applied research and its utilisation in production
- Building infrastructure for training, human resource development and production
- marketing a promotion to support competitiveness
- co-operation of companies on sectoral or interest platforms – clusters
- infrastructure for research and business co-operation – Development centres



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OP Enterprise and Innovation (1)

Sub-program: Development

Supported activities:

Long-term tangible assets:

- acquisition of machinery technologies and other facilities
- buildings (up to the amount of 40% of eligible investment costs)
- land (up to the amount of 10% of eligible investment costs)

Long-term intangible assets:

- acquisition of licenses and know-how

Subsidy per project: 35 000 – 730 000 EUR

Rate of success: supported/submitted cca 45 %

Specificities:

1. Applicable only in regions with concentrated state support
2. Only for SMEs



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OP Enterprise and Innovation (2)

Sub-program: Marketing

Supported activities:

- acquisition and creation of marketing information
- creation of promotional materials and foreign-language website
- rental, set-up and operation of stands at exhibitions and trade fairs abroad.

Subsidy per project: 3700 – 73 000 EUR

Rate of success: supported/submitted cca 85 %

Specificities:

1. Only for SMEs and groupings of SMEs

Calls: Summer 2009



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OP Enterprise and Innovation (3)

Sub-program: Innovation

Supported activities:

Innovation projects

- product innovation – improvement of technical and use values of products, technologies and services
- process innovation – improvement of production processes and provision of services
- organisational innovation – introduction of new methods of organizing company processes and cooperation with other firms and public institutes
- marketing innovation – introduction of new sales channels

Projects for protection of industrial property rights

- licences, patents etc.

Subsidy per project: up to 5 500 000 EUR

Rate of success: supported/submitted cca 50 %

Calls: by end June 2009, Next: spring 2010



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OP Enterprise and Innovation (4)

Sub-program: ICT in Companies

Supported activities:

ICT introduction :

- increasing the internal efficiency of companies
- development of new products and technologies
- improvement of existing products and technologies
- increasing the efficiency of supplier-customer relationships
- for small enterprises with a low or zero degree of development of information systems

Subsidy per project: up to 720 000 EUR

Rate of success: supported/submitted cca 50 %

Calls: Summer 2009



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OP Enterprise and Innovation (5)

Sub-program: Eco- energies

Supported activities:

- support to energy savings
 - Heat cladding of facades, roofs, system of E measuring and regulations, elimination of losses in E distribution , re-utilisation of waste energy etc., increase of energy efficiency of technological and production processes
- support to renewable energy resources
 - Small water plants 35%
 - Biomass – electricity and/or combination with heat 30%
 - **Photovoltaic systems 30%**
 - Biogas – electricity and/or combination with heat 30%
 - **Geothermal energy 20%**
 - Production of pellets and green pellets from 15%
 - Heat from renewable sources 30%

Subsidy per project: 18 000 – 3,6 mil. EUR

Rate of success: supported/submitted cca 40 %

Calls: 2009/2010



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OP Enterprise and Innovation (6)

Sub-program: Real Estate

Supported activities:

- Industrial zone (min. 2 ha): zone preparation
- Business facility (min. 500 m² of floor space after project implementation) renovation, demolition, reconstruction
- Project documentation development

Subsidy per project: 18 000 – 3,6 mil. EUR

Rate of success: supported/submitted cca 40 %

Calls: June 2009 ???



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OP Enterprise and Innovation (7)

Sub-program: Training Centres

Supported activities:

- purchase or modification of property
- construction or renovation of buildings
- technical and transport infrastructure
- project documentation
- training aids, machines and equipment for ensuring education training programs, software

Subsidy per project: 7000 – 3,6 mil. EUR

Rate of success: supported/submitted cca 40 %

Calls: Autumn 2009



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OP Enterprise and Innovation (8)

Commitment – Disbursement rate March 2009:

- Subject to rapid changes

Individual Programme	Funds for program EUR	Disbursed March 2009 Approx. / EUR	%
Development	107 340 442	39 000 000	36
Marketing	103 404 627	20 428 000	20
Innovation	500 922 066	60 509 909	12
ICT in Companies	150 276 620	45 679 000	30
Eco-energy	143 120 591	32 014 388	22
Real Estate	576 060 376	34 145 280	6
Training Centers	178 900 738	24 218 181	14



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Entrepreneurs in Tourism Sector

Regional Operation Programs

Managing authorities: 7 Offices of Regional Councils (represented by NUTS III regions) = 7 NUTS II - regions in Czech Republic

- **EUR 4,6 billion, around 20 % to tourism**

Specificity: 2 years of history

Rural Development program

- **2 815 MEUR around 15 % to tourism**
- **SMEs in agriculture, farmers or natural persons**

Supported activities :

- Spa and wellness infrastructure
- Hotels, apartment hotels, hostels, gastronomy services and congress centres
- Sport sights and resorts
- Museums, cultural and technical sights and monuments
- Tourism product promotion
- Rural tourism, farms, horses, small low capacity guest houses

Max. funding: 60 %



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Entrepreneurs in the area of environmental-related sector

Supported areas:

- measures and investment in pollution elimination
- waste separation and treatment
- waste treatment and recycling,
- decontamination and recultivation of waste dumps

Funding source:

OP Environment 4 917 MEUR cca 10 % to waste-related measure

Specific : Entrepreneurs and natural persons without size limit

Calls: 1-2 per year (Last Q of 2009)

Support : max. 60 %, max. 2 mil. EUR



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Entrepreneurs in agriculture and food industry

Supported areas:

- technologies, machinery and equipment for agriculture and food enterprises
- Infrastructure for above mentioned
- energy efficiency and small renewable sources of energy

Source:

Rural Development Program - 2 815 MEUR – 15 % of allocation

Managing Authority: Ministry of Agriculture

Specificities : entrepreneur (even natural persons) in food industry or agricultural production

Calls: 1-2 per year (June 2009)



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Business plans in Prague

Supported areas:

- Technologies and machinery
- ICT HW and SW
- Building reconstruction for business purposes
- Complementary infrastructure

Source:

- **OP Prague Competitiveness - 3 317 MEUR**
Managing authority: City of Prague

Specifics : SMEs even with no history

Calls: 1 per year (next last quarter of 2009)
Support : max. 80 %, max. 200 000 EUR



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Training and Human Resource Development

Supported areas:

- Employee training
- Qualification increase and enrichment,

Source:

- **OP Human Resource and Employment – 1,84 mld. EUR**
- **OP Prague Adaptability (only for Prague) - 108 MEUR**

Specificity : no limits for entrepreneurs as regards, size, legal nature or sector

Call: 1-2 per year

Funding : subsidies up to 100 %



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Opportunities for suppliers

- **No subsidies for companies but companies supplying technologies and Services**

Programme:

- **„Green to savings“ – cca 1. bil. EUR – households, owners of flats and housing buildings**
- **OP Environment - 4 917 MEUR, for public institutions, municipalities, schools and NGOs**
- **Managing subject/authority:** Czech Ministry of Environment
- **Since April 2009 - heat cladding of facades, roofs, photovoltaic and photometric systems, thermodynamic heating sources, biomass burning sources**



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Recommendations

Project preparation

- **Monitor calls for applications**
- **Have minimum 1 contact person in your company who knows local legislation, administrative procedures, respective legislation and language in Czech Republic**
- **Have prepared :**
 - **Needs – so that you get what you want**
 - **Technical documentation – building permits and land-use permits, technical specification to equipment (2 months must not be enough)**

Project implementation

- **Respect rules for public procurement**
- **Respect rules and restrictions defined by contract with grant provider**
- **Each problem, insufficiency and change in project consult with grant provider**



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Practical cases

- Complicated to select – more than 200 successful projects
- Most experiences and rate of EUFC Success:
 - Business infrastructure – 95 %
 - Business equipment and technologies – 95 %
 - Energy – 95 %
 - Tourism – 70 %
 - Agriculture and Food Industry – 70 %
 - Concrete cases in paper form in German



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Contact

- **Vanda Medvedová**
 - +43 (0) 2742 9000 19718
 - Mobil: +43 (0) 664 612 6935
 - v.medvedova@ecoplus.at
- **Robert Kremnitzer**
 - +43 (0) 664 184 3520
 - r.kremnitzer@ecoplus.at
- **Eva Farkačová**
 - + 420 221 507 340
 - Mobil: +420 606 633 878
 - office.prag@ecoplus.at



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Thank you for your attention

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