

## DEVELOPMENT PROGRAMME – CALL II

If your business is a small or medium-size enterprise and you need new production capacity and the ability to produce with greater speed, precision and efficiency, then the Development Programme is intended for you.

Through the provision of subsidies for technical equipment, the Development Programme helps to accelerate the development of small and medium-size enterprises. By aiding investments in modern technologies, the programme promotes the development of firms in selected regions and sectors of the Czech economy. Applicants can thus implement their projects only in regions with concentrated state aid for the period 2007-2013.

### SCHEDULE

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- Acceptance of Registration Applications: 15 April 2009 – 15 July 2009
- Acceptance of Full Applications: 1 July 2009 – 15 September 2009

### SUPPORTED ACTIVITIES

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- Acquisition of new technological equipment with more advanced technical and utility parameters and implementation of projects leading to the increased efficiency of processes.

### APPLICANT

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- **legal entity** (specification of supported legal forms is provided in the text of the Call) with its registered office in the Czech Republic and conducting business pursuant to Act No. 513/1991 Coll., the Commercial Code, or
- **natural person** with his/her place of business in the Czech Republic, entered into the Commercial Register pursuant to Act No. 513/1991 Coll., the Commercial Code

### SECTOR DEFINITION

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Within this call, aid cannot be provided for activities connected with export, i.e. aid directly connected with a balanced quantity, aid for the establishment and operation of a distribution network, and aid undermining the use of domestic goods in favour of imported goods.

**Supported activities** must be focused on the following defined areas:

- Manufacturing industry and trade according to the CZ-NACE categories set forth in Annex No. 1.
- Activities of cross-sector branches of industry (e.g. biotechnology, nanotechnology, optoelectronics, etc.)

Projects focused on the manufacture, processing and introduction to the market of products set forth in Annex No. 2 of the Call **will not be supported**.

## **MAIN CONDITIONS OF THE CALL**

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- Within this call, each applicant is authorised to submit one project (i.e. one approved Registration Application) for one region.
- Projects must be implemented in the regions set forth on Annex No. 3 of the Call-Supported Regions.
- Technology financed via leasing will not be supported.
- **The applicant's financial health** expressed by a rating evaluation determined by the mediating entity (CzechInvest) may not be lower than C+.
- The project may not be in contravention of the European Union horizontal policies and their basic principles, particularly:
  - Equal opportunities between men and women
  - Sustainable development

## **ELIGIBLE COSTS**

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- Eligible costs must be expended in accordance with the programme's objectives, must be immediately connected with the project's implementation and there must exist a demonstrable direct connection to the project's output.
- Eligible costs may not be expended prior to the date of the project's acceptability (i.e. prior to the date on which CzechInvest provides to the applicant written confirmation that the project essentially fulfils the given programme's conditions).
- Prior to reimbursement from structural funds, eligible costs must be demonstrably paid by the aid recipient.
- Eligible costs must be corroborated with evidential documentation and must be paid to suppliers, whereas assets cannot be acquired through capitalisation.

### **The following are eligible costs:**

- Long-term tangible assets – purchase of machines and equipment, including control software, that have not be the subject of amortisation.

- Long-term intangible assets – costs connected with the acquisition of patent licences for know-how, control software for acquired machines and equipment.

### **The following are not eligible costs:**

- Construction work
- VAT, if the aid recipient is a VAT payer
- Costs arising prior to the project's date of acceptability
- Loan and credit payments
- Sanctions and penalties
- Warranty costs, insurance, interest, bank fees, exchange-rate losses, customs and administrative fees
- Leasing
- Costs expended on project publicity

## **FORM AND AMOUNT OF AID**

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- Aid is provided in the form of a subsidy
- The subsidy is intended for the payment of eligible costs arising in connection with fulfilment of the project's purpose. The subsidy is provided in the amount of **CZK 1 million – 20 million**, though maximally up to the amount set forth by the regional map of state aid intensity for the regions of the Czech Republic and Commission Regulation (EC) No. 800/2008, as amended.
- The subsidy shall be provided to the recipient retroactively upon completion of the project or phases thereof providing that the conditions set forth in the Decision have been fulfilled.

## Maximum permissible state aid intensity (valid for the period 1 January 2007 – 31 December 2013)



NUTS II Region	Small enterprise	Medium-sized enterprise
Northwest, Central Bohemia, Northeast, Southeast, Central Moravia, Moravia-Silesia	60%	50%
*Southwest (1. 1. 2007 - 31. 12. 2010)	56%	46%
*Southwest (1. 1. 2011 - 31. 12. 2013)	50%	40%
Prague	0%	0%