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– ENGLISH TRANSLATION –

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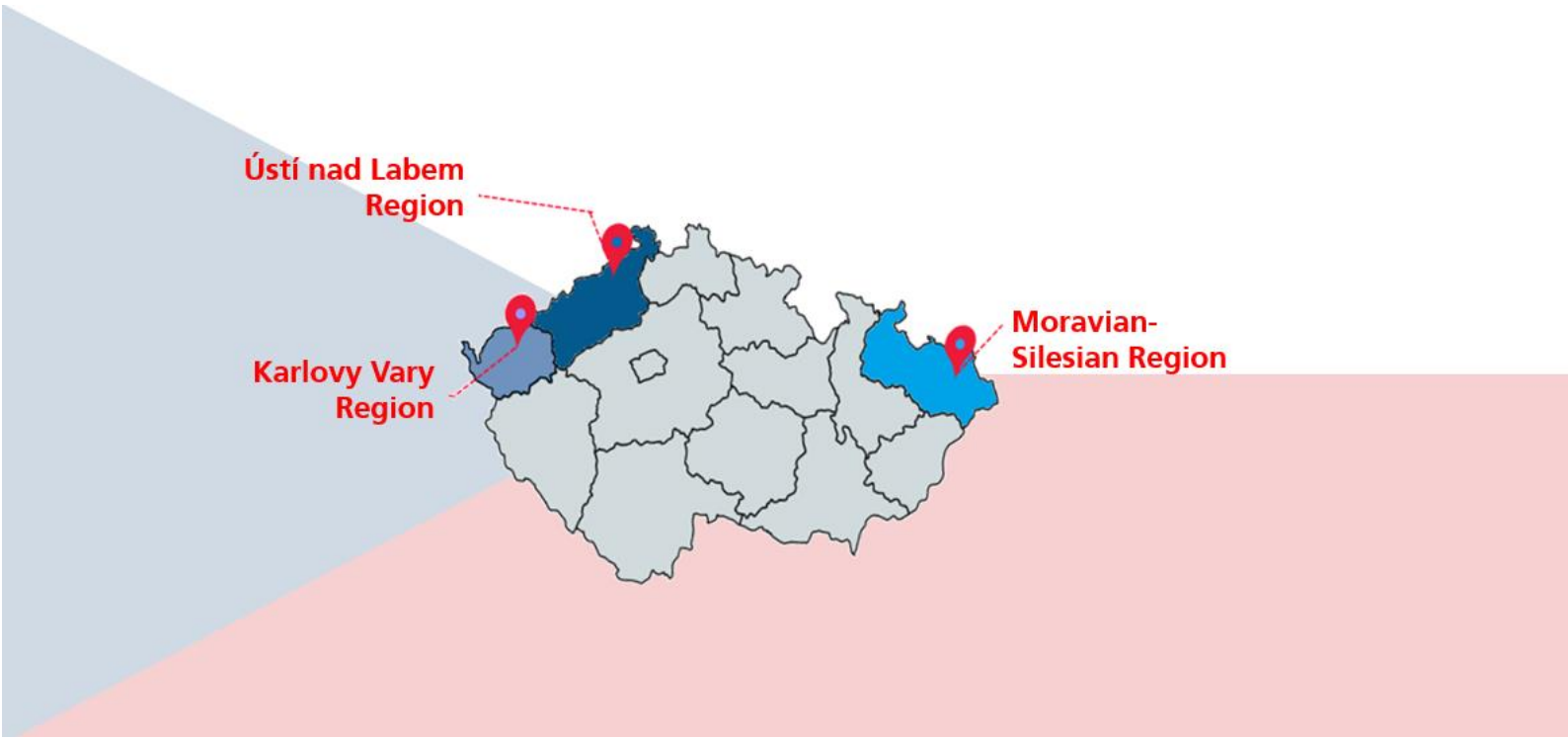

D3. DOCUMENTATION FOR APPLICATION TO THE JUST TRANSITION FUND UNDER THE "GROUPS OF PROJECTS" SCHEMES FOR SMALL PROJECTS (FINAL)

FOR PUBLICATION

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The English version of the current report is a translation of the original version prepared in Czech. In case of any variations in meaning, the Czech version shall prevail. Reasonable efforts have been made to ensure an accurate translation.

LIST OF ABBREVIATIONS

CNC	Computer numerical control
CO2	Carbon dioxide
CZ	Czech
CZK	Czech crown
DNSH	Do No Significant Harm
ESG	Environmental, social, and governance
EU	European Union
EUR	Euro
IROP	Integrated Regional Operational Programme
IT	Information technology
JTF	Just Transition Fund
MoE	Ministry of the Environment
MoRD	Ministry of Regional Development
NACE	Clasification of economic activities (Nomenclature statistique des activités économiques dans la Communauté européenne)
NGO	Non-governmental non-profit organisations
OP	Operational programme
OPE	Operational Programme Environment
PAYT	Pay-as-you-throw
PDMA	Product Development and Management Association
PJT	Programme Just Transition
RES	Renewable energy source
RIS3	Research and Innovation Strategies for smart specialisation
SME	Small and medium-sized enterprises
TA	Technical assistance
TRL	Technology readiness level
VAT	Value added tax
VŠE	Prague University of Economics and Business

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EXECUTIVE SUMMARY

This report is the output of Task 3 of the European Commission's technical assistance (TA) project "Support to the implementation of the Just Transition in the Czech Republic." It provides updates and on the work carried out and focuses on:

- **"Groups of projects" for small and medium-sized enterprises (SMEs)** that target the development of existing businesses or support for start-ups, support digitalisation within SMEs and support innovation in SMEs.
- **"Groups of projects" for the public sector that target the preparation of projects** focusing on energy savings and renewable energy (RES), circular economy, and craft incubators.

The objective of Task 3 is to prepare and review documents to support the application of promoters of small projects to the Just Transition Fund (JTF) under the "group of projects" schemes being prepared in the Karlovy Vary and Ústí regions. This includes reviewing the calls and guidelines for SME and public sector beneficiaries under the schemes prepared by the regions and formulating possible recommendations for improvement. **Another objective is to develop examples of filled templates with typical projects for inspiration** for each type of group of projects. The document is structured in such a way that the main outputs intended for the representatives of the regions for further use in relation to the final applicants or evaluators are set aside as separate annexes to facilitate their practical use.

The individual partial outputs and recommendations elaborated within this report were prepared on the basis of a series of meetings with representatives of the Karlovy Vary and Ústí regions, interviews with representatives of SMEs conducted in February and March 2023, consultations with representatives of the Innovation Centre conducted at the end of March 2024, and an assessment of available documents related to the announced calls for "groups of projects" for entrepreneurs.

A total of **14 illustrative examples of filled applications** have been prepared: **6 illustrative examples for "groups of projects" for entrepreneurs** and **8 illustrative examples for "groups of projects" for the public sector**. The illustrative examples for "groups of projects for entrepreneurs", **corresponds to structure of the eligibility criteria** that will subsequently be evaluated during the assessment process (see Annex 2 with examples in the format for the Ústí Region and Annex 3 with examples for the Karlovy Vary Region). For "groups of projects" for the public sector, the structure corresponds to the project fiches (see Annex 5). The aim of the illustrative examples is to show the type of projects that can expect to be funded under the calls and demonstrate how a properly filled project application should look like. At the same time, these examples have also been developed to serve as a possible basis for the evaluators when assessing applications and thus provide them with an illustrative example of a properly completed application in terms of the eligibility criteria. At the same time, **checklists** have been created **with an overview of other formal and eligibility criteria** to be fulfilled by the final applicant (see Annexes 4 and 6 for more details).

A selection of illustrative examples for "groups of projects" for entrepreneurs is as follows:

a) **Business development vouchers:** one example for a "simple" rather small investment such as the purchase of a machine or the expansion of the business to new markets, based on the example of the **expansion of a joinery company by additional activities** and one example of the "leverage" effect of public funds, where a small financial support through a voucher (e.g., to test an innovative solution) will help the beneficiary to significantly advance his/her business and may stimulate a much larger or more substantial investment project in the future (e.g., expansion of production or rebuilding of a production line based on an innovation), as shown in the example of the **development of a small company through customer diversification and production expansion**.

b) **Digital vouchers:** one example for the preparation of a corporate digital strategy and analysis in the field of digitalisation and one example for the implementation of investments based on this strategy. Both examples use the same **smaller engineering company in different time periods**.

c) **Innovation vouchers:** one example of product innovation aimed at **prototyping** a **new product in cooperation with research partners** and one example of process innovation aimed at **piloting a new business model and customer service**.

A selection of illustrative examples has been prepared for the overarching public sector project preparation in accordance with the various thematic areas supported:

a) **Energy savings and renewable energy:** one example for the project documentation for the construction of a new passive standard kindergarten instead of the reconstruction of an existing substandard building and one example for the assessment of two options for the construction of a photovoltaic panel system on the roof of a school, using energy in other public organisation co-funded by a municipality.

b) **Circular economy:** one example of a new recycling system for a federation of municipalities with the aim of reducing waste to landfill and one example of a project plan for sorting and further use of bio-waste from canteens operating in the city, including its offer to socially vulnerable groups.

c) **Local mobility:** one example for the assessment of several options for a cycle path to improve commuting of local residents to the catchment town and one example deals for the project documentation for the construction of a cycle path to connect two towns and facilitate commuting for work or recreation.

d) **Craft incubators**: one example for the preparation of project documentation for a major renovation of the existing city-owned high school training workshops and their transformation into open workshops and one example for the creation of a feasibility study for the expansion of the municipal technical services workshops of a small municipality and their opening to the public.

As another output for the “groups of projects” for entrepreneurs, a **Handbook for Evaluators (see Annex 1)** has been developed to serve as a practical guide and tool for evaluators to use when assessing submitted projects under the Programme Just Transition (PJT). The handbook emphasises harmonising the evaluators’ subjective interpretation of the eligibility requirements. Consequently, the aim is to establish standardised criteria for evaluating the suitability of a project in accordance with the Programme’s requirements.

An assessment of the documents related to the announced calls for “groups of projects” suggests that all types of vouchers for final beneficiaries are appropriately set in terms of their content. The programme conditions are clearly formulated and relatively easy to navigate. However, the administrative requirements for the final beneficiaries in relation to the preparation of applications are seen as the most problematic. The Project Team has the following recommendations in this area:

1) Maximise effort to reduce administrative burden. The current formal criteria and eligibility criteria, which must be met by SME applicants and subsequently integrated into of the evaluation process by the regions, represent a relatively significant administrative obstacle, especially for this type of financial support, when relatively smaller funds are distributed (see definition of “groups of projects” as a tool to support simple template projects). ***Recommendation:*** If similar calls are being preparing, the administrative burden for the final beneficiaries should be reduced, especially in the area of documentation during the preparation of the application itself.

2) Focus on problematic annexes to calls. In particular, the “Form for Assessment of Business Undertakings in Financial Difficulty” and the “Form for Determination of Business Size and Linked Enterprise.” As grant providers, the regions may shoulder the increased administrative burden, due to the possibility that beneficiaries will commit more errors. ***Recommendation:*** Simplify the forms as much as possible, ideally into the form of a sworn statement. The accuracy of the filled data can be verified through an on-site inspection. The sworn statement may contain information on the method of calculation or description of the individual items.

3) Use of sworn statements instead of other annexes and documents. ***Recommendation:*** We strongly recommend that a cautionary note be prominently displayed on every form or in another location, cautioning that the information provided in the sworn statement serves as the basis for the distribution of funds from public budgets and that by intentionally providing false information, the recipient may commit subsidy fraud or a serious breach of budget discipline.

4) Linking businesses with research organisations. SMEs often insufficiently develop their own research and development capacities and need to find suitable partners while some SMEs struggle with this and have no prior expertise in this area. ***Recommendation.*** We recommend adding a table with a list of possible research partners, including contact persons, together with the regional calls for innovation vouchers. It would also be appropriate to add the available infrastructure and capacity. Alternatively, a contact person(s) should be allocated who would be able to consult with

companies on their plans if necessary. Interested SMEs can refer to the database of the National Platform Transfera.cz (https://www.transfera.cz/).

5) **Scaling of the criteria and harmonising the view of evaluators.** Given the current set-up of the eligibility criteria, the evaluation might be considered subjective, i.e., two evaluators may independently assess the same application in ways that diverge. ***Recommendation:*** A simple handbook for evaluators prepared by the Project Team can be used (see Annex 1). At the same time, in view of the possible amount of the grant, a single developed sentence, or at most a paragraph, should be sufficient for the applicant to justify each criterion.

6) **Reconsider certain conditions for the use of vouchers for entrepreneurs.** The first experiences with the use of vouchers indicated that some conditions were identified which, from the point of view of the final beneficiaries, may represent obstacles to the use of the support, such as: the inability to use funds for the purchase of specific types of vehicles (micro-mobility, small excavators or lawnmowers), the inability to purchase training courses outside the database of experts, the impossibility of ex-ante financing for the smallest beneficiaries, the inability to finance the costs of company registration for non-entrepreneurs or the limited duration of project implementation. Another problematic limitation is the inability to develop a business in a different CZ-NACE than the existing one. ***Recommendation:*** Consider changes to conditions listed.

7) **Narrowing and specifying the focus of "group of projects" schemes.** The announced calls are quite broad in terms of themes, which is similar for all regions. Only the innovation vouchers are restricted to one of the dimensions of the Regional Innovation Strategy. ***Recommendation:*** It would be useful for the evaluators to be able to work with the consistency of the selected projects with the thematic priorities of the regions or the Ministry of the Environment (MoE). It might be desirable for projects supported by the "groups of projects" schemes to be complementary to strategic projects or key thematic areas, thus strengthening their synergistic impact.

8) **Communication of the specific conditions the "groups of projects" for the public sector. projects.** This includes, for example, the condition of having project plans included in their strategic plans, the need to comply with 'Do No Significant Harm' (DNSH) conditions for infrastructure projects, or the condition of having a contractor already selected before submitting an application. ***Recommendation:*** Clearly communicate specific conditions well in advance to allow the final applicant time to adequately prepare before the launch of the calls and include relevant paragraphs in the calls themselves that explicitly define these conditions.

1. BACKGROUND AND FOCUS OF THE REPORT

This report is the output of Task 3 of the European Commission's technical assistance (TA) project "Support to the implementation of the Just Transition in the Czech Republic." The report focuses on the “groups of projects” schemes being prepared and implemented within the Ústí and Karlovy Vary regions and financed by the PJT and managed by the Ministry of Environment (MoE).

Due to repeated postponements of the deadlines for the preparation and publication of calls for the “groups of projects” schemes, the deadlines for outputs under Task 3 were also postponed to the first quarter of 2024 in agreement with the Contracting Authority. While the “groups of projects” applications for entrepreneurs are nearing the evaluation and approval under the regional calls, the “groups of projects” applications for the public sector are at the preparation stage for schemes by the Programme Just Transition (PJT) Managing Authority. Therefore, the “groups of projects” for entrepreneurs have already been addressed in the interim Task 3 report, which was submitted at the end of 2023. This report is an update of the interim report and includes the “groups of projects” for the public sector and an update of the recommendations for the “groups of projects” for entrepreneurs based on the first experiences of representatives of final beneficiaries and project evaluators. Their experiences were obtained through consultations with representatives of the Innovation Center of the Ústí Region.

1.1 Objective of the Task 3 report

The objective of Task 3 is to prepare and review documents to support the applications of small project promoters to access the JTF under the “groups of projects” schemes developed by the Karlovy Vary and Ústí regions. This includes reviewing the related calls and guidelines prepared by the regions for SMEs, NGOs or public sector beneficiaries and making recommendations for improvement. Another objective is to develop examples of filled templates with typical projects to inspire final beneficiaries (at least two examples of projects per support area according to the types of “groups of projects” schemes).

Additional outputs of Task 3 included a workshop that was organised on 6 December 2023, which included training for evaluators and a presentation of illustrative examples of filled templates and their relationship to the evaluation process, as well as discussions of recommendations and appropriate approaches to the evaluation and administration of “groups of projects” of all types at the regional level. Representatives of all three regions were invited to the workshop. The workshop was attended by evaluators of “groups of projects” schemes for entrepreneurs and the public sector from the Ústí Region and two evaluators from the Karlovy Vary Region.

1.2 Method of processing the Task 3 report

Within the framework of the task, the Project Team cooperated with representatives of the Ústí and Karlovy Vary regions, as well as with representatives of the Ministry of Regional Development (MoRD) and the MoE. To this end, 15 meetings were held with representatives of the regions, where various details of the implementation of “groups of projects” schemes at the regional level and the process of preparing regional calls for final beneficiaries were addressed. These meetings identified problem areas for each region, including the requirements for the illustrative examples of “groups of projects” for entrepreneurs and the public sector. The templates served as both inspiration for final beneficiaries and served as a basis/model for the evaluators. During the subsequent preparation of illustrative examples, the Project Team mainly considered the requirements for final applicants. As a result, the texts for the “groups of projects” for entrepreneurs were delivered as project templates or business plans published by the regions, while the individual illustrative examples for the “groups of projects” for the public sector were processed as project fiches.

Available documents and materials were used in the preparation of the report, especially those published by the MoE within the framework of the PJT calls for regions and regional calls for each type of voucher. These documents contain detailed descriptions of the requirements for regions and final beneficiaries from non-business persons (e.g., start-up entrepreneurs), SMEs, municipalities and other public sector beneficiaries. During the preparation of this assignment, the Project Team encountered challenges with the availability of documents prepared by the regions for the final beneficiaries, prior to their official approval by the regional councils (e.g., regional calls). However, the PJT calls for proposals provided sufficient information on the formal criteria, eligibility criteria and other conditions on which the regions subsequently based their calls for final applicants, which were only published in mid-November 2023. In particular, the Project Team worked with the following documents:

- PJT 15/2023 Call for applications for the provision of support for the implementation of “groups of projects” (Vouchers for entrepreneurs - Ústí Region);
- PJT 14/2023 Call for applications for the provision of support for the implementation of “groups of projects” (Vouchers for entrepreneurs - Karlovy Vary Region);
- Binding guidelines for “groups of projects”: vouchers for entrepreneurs (version: 2.6);
- Grant programme "Digital voucher" from the Programme Just Transition 2021-2027 (call of the Ústí Region);
- Grant programme "Voucher for business development" from the Programme Just Transition 2021-2027 (call of the Ústí Region);
- Grant programme "Innovation voucher" from the Programme Just Transition 2021-2027 (call of the Ústí Region);
- Grant programme “Vouchers for entrepreneurs” of the Karlovy Vary Region;
- PJT 44/2023 Call for applications for the provision of support for the implementation of “groups of projects” (Vouchers for the public sector - Ústí Region);
- PJT 43/2023 Call for applications for the provision of support for the implementation of “groups of projects” (Vouchers for the public sector - Karlovy Vary Region);
- Binding Guidelines for “groups of projects”: project preparation for the public sector (version: 1.1).

To update the recommendations based on the initial experiences of final beneficiaries and project evaluators with the implementation of the “groups of projects” for entrepreneurs, the Project Team also consulted representatives of the Innovation Centre of the Ústí Region since they cooperate with the final SME applicants and also have insights into the evaluation process. The consultation took place in March 2024.

The Task 3 report is structured so that the main outputs can be further used by regional representatives as final applicants or evaluators. As a result, the report contains a summary of the main findings with links to more detailed annexes. The report is structured as follows. First, the “groups of projects” schemes for entrepreneurs and the public sector are introduced, followed by the main findings related to the expectations of SMEs and municipal representatives from the two surveyed regions. This is followed by illustrative examples of filled templates and a review of the assessment process and other programme documents. Finally, the main conclusions and recommendations are presented, which are addressed both to the representatives of the Karlovy Vary and Ústí regions and to the representatives of the MoE as the managing authority of the PJT.

2. Context of JTF application under the “Groups of Projects” schemes

2.1 Presentation of “groups of projects” for entrepreneurs

The “groups of projects” are to be implemented in all three regions and are aimed at supporting small grant applicants who have significant problems with project preparation, which prevents them from accessing public funding. These applicants are mainly SMEs, municipalities and non-governmental non-profit organisations (NGOs). Groups of projects are schemes that should enable these groups of applicants to overcome barriers related to the funding of small JTF projects, which are typically simple template projects.

On the basis of a call for proposals issued by the MoE, the regions apply for financial support from the PJT. After approval from the PJT, the regions announce their own funding calls (in this case for SMEs, including business and non-business natural persons, or for selected public sector entities). These entities can only submit their applications for financial support on the basis of the regional calls. All projects are subject to assessment and approval by the regions. Subsequently, the financial support is paid to the regions, and the information on the smaller projects is recorded and forwarded to the State Environmental Fund of the Czech Republic or the MoE as part of the monitoring process. Table 1 provides a brief overview of the calls that have been launched for Ústí and Karlovy Vary regions to

support small projects for entrepreneurs. Table 1 also details the preparation of public sector projects and contains information on the planned dates of the regional calls, including the financial allocation.

Table 1 : Overview of PJT calls for "groups of projects"

Call title PJT	Supported activities	Recipient	Dates of the PJT call	Dates of opening of regional calls	Allocation (in thousands CZK)
Vouchers for entrepreneurs	Business development vouchers, digital vouchers, innovation vouchers	Karlovy Vary Region	Announced: 5.4.2023 Closed: 30.9.2023	Q1 2024	30,000
Vouchers for entrepreneurs	Business development vouchers, digital vouchers, innovation vouchers	Ústí Region	Announced: 5.4.2023 Closed: 30.9.2023	Q1 2024	150,000
Vouchers for the public sector	Project preparation	Karlovy Vary Region	Announced: 2.1.2024 Closed: 30.4.2023	Q3-Q4 2024	50,000
Vouchers for the public sector	Project preparation	Ústí Region	Announced: 2.1.2024 Closed: 30.4.2023	Q3-Q4 2024	100,000

Source: prepared according to the overview of PJT calls

Under the announced PJT calls, the "groups of projects" for entrepreneurs aim to develop existing businesses or support start-ups (support to non-business natural persons), support digitisation and/or innovation within SMEs. Vouchers for the public sector aim to prepare projects across four thematic areas: (1) support for RES and energy savings, (2) support for the circular economy, (3) support for sustainable mobility and (4) support for craft incubators. Each "groups of projects" archetype has different supported activities or expected benefits and eligibility expenditures. Table 2 and Table 3 summarise the key parameters of each voucher type. More details on the parameters are available in the *Binding Guidelines for "groups of projects": Vouchers for entrepreneurs* (latest version 2.6.) or the *Binding Guidelines for* "groups of projects"*: Project preparation for the public sector* (latest version 1.1).

Finally, as agreed with the regions, other "groups of projects" for individual regions were not included in Task 3. Other "groups of projects" referred to the recruitment grants for teachers for the Karlovy Vary Region and film vouchers for the Ústí Region. As the planned timing of the upcoming "groups of projects" on creative, digital and pre-incubation vouchers for the public sector in the Karlovy Vary Region and creative vouchers for the public sector in the Ústí Region fall outside the timeframe of this TA project, they could not be included in the processing.

Table 2 : Overview of voucher types of "groups of projects" for entrepreneurs

Voucher type	Voucher destination	Supported activities	Expected benefits	Eligible costs	Amount of support
Business development voucher	*The aim of the vouchers is to support the creation of new or the development of existing business plans and entrepreneurial activities.* *The main objects of support are expenditure on starting up or expanding production or services and improving the functioning of SMEs.*	• *The implementation of the project will enable the creation of a business.* • *The project will launch the production of a new product or the provision of new services.* • *The project will expand existing production or existing services.* • *The implementation of the project will increase the efficiency of business activities (e.g., reduction of operating costs).*	• *Increase in quality of production/service.* • *Increase in quantity of production/service.* • *Increase in value added.* • *Expanding the portfolio of customers or the quantity of subscriptions.* • *Optimization of existing internal processes and methods to significantly increase efficiency or reduce costs.* • *The launch of a new product or service on the market.*	• *Acquisition of tangible assets (e.g., machinery and equipment, hardware, etc.).* • *Acquisition of intangible assets (e.g., software).* • *Acquisition of buildings in the form of construction and building alterations (the SME is the owner of the premises or has a long-term lease agreement).* • *Rental expenses (including coworking rent) that serves the purpose of the final applicant's project (only for SMEs with a business history of up to 3 years).* • *Purchase of services - consultancy and training related to the objectives of the final applicant's project.* • *Insurance for assets subject to the sustainability condition.* • *Costs associated with participation in foreign exhibitions and fairs (only in the Karlovy Vary Region).*	*min. CZK 50,000, max. CZK 50,000 for non-business natural persons, max. CZK 500,000 for others (max. 80% of eligible expenses)*
Digital voucher	*The aim of the digital vouchers is to support the digital transformation of SMEs. The support mainly covers the acquisition of digital technologies and services or the automation of processes.*	• *The project will facilitate the digital transformation of the company by carrying out a digital maturity analysis of the company according to accepted methodologies or a technical-economic study (feasibility study) based on analysis of the digital maturity of the company.* • *The project will increase the level of digital maturity of the enterprise through the acquisition of hardware, software, machines and equipment that are in line with the analysis of the digital maturity of the enterprise according to accepted methodologies or a techno-economic study (feasibility study). However, none of the documents to be submitted must be older than 180 days as of the date of submission of the application.*		• *Purchase of services - processing of the of the digital maturity analysis of the company, processing of the technical and economic study. (feasibility study) for the deployment of digital tools within the process of digital transformation, digital audit.* • *Acquisition of tangible assets (e.g., machinery, equipment, hardware).* • *Acquisition of intangible assets (e.g., software).* • *Insurance for assets subject to the sustainability condition.*	*min. CZK 50,000, max. CZK 500,000 (max. 80 % of eligible expenditure)*

Voucher type	Voucher destination	Supported activities	Expected benefits	Eligible costs	Amount of support
Innovation voucher	*The aim of the voucher is to support the innovation potential of SMEs. The support is mainly aimed at the development, testing and creation of new products, improving the functionality of existing products or the acquisition of production equipment related to the innovative product. The purchase of services needed by the final applicant for its innovation activities is also a supported activity. The creation of targeted jobs in the field of innovation may also be supported.*	• *The final applicant must be the end user of the project outputs.* • *The sectoral focus of the project must be in line with the regional domains of specialisation of the Research and Innovation Strategy for Smart Specialisation (RIS3).* • *The project addresses the development and creation of new products and services.* • *The project will test new products and services.* • *The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, economy of use, affordability, usability and user-friendliness, improvement of technical parameters).* • *The project will create targeted jobs in product and service innovation (according to the previous criteria).*		• *Acquisition of tangible assets (e.g., machinery and equipment related to the new product, etc.).* • *Acquisition of intangible assets (e.g., purchase of intellectual property rights).* • *Acquisition of materials (e.g., materials related to the creation of a new product).* • *Purchase of services - access to research facilities and testing or measurement of product characteristics, development/design/creation of a new product or service (e.g., prototype, functional sample, utility design), enhancement of product or service functionality.* • *Personnel costs of a new job created specifically for the purpose of carrying out research, development and innovation.* • *Insurance for assets subject to the sustainability condition.*	*min. CZK 50,000, max. CZK 1,000,000 (max. 80 % of eligible expenditure)*

Source: prepared according to the Binding Guidelines for "groups of projects": vouchers for entrepreneurs: version: 2.6

Table 3 : Overview of voucher types of "groups of projects" for the public sector

Voucher type	*Supported activities and eligible costs*	*Eligible projects by theme*	*Amount of support*
Vouchers for the preparation of public sector projects	***Activity 1. Preparation of feasibility studies*** *Preparation of feasibility studies (including relevant documents, e.g., analyses and studies, surveys, multi-criteria and economic solutions, etc.) directly related and necessary for pre-project preparation and implementation of eligible projects.* *Expenditure on the preparation of a detailed feasibility study and all stages of the future project, including:* • *architectural, project or similar design,* • *landscape/urban studies,* • *studies of the plan and technical solution,* • *other background studies and analyses according to the specific requirements of the project (e.g. geological and hydrogeological survey, expert opinion, dispersion study, techno-economic analysis, waste production potential analysis/circular scan, biological assessment, structural assessment of buildings, etc.),* • *verification of the climate resilience of investments.* ***Activity 2. Preparation of project documentation*** *Preparation of project documentation and immediately related supporting documentation for eligible projects.* *Expenditure on follow-up project preparation for any of the sub-stages of a future project is eligible, including:* • *preparation of project documentation in the scope stipulated by Decree No. 499/2006 Coll., on documentation of buildings,*	***ENERGY SAVINGS AND RENEWABLE ENERGY SOURCE (RES)*** • *Reducing the energy consumption of public buildings and public infrastructure.* • *reducing energy consumption/increasing efficiency of technological processes.* • *Improving the indoor environment quality of public buildings.* • *Increasing the climate change adaptability of public buildings.* • *Construction of new public buildings that meet the parameters for passive or plus buildings.* • *Construction and renovation of RES for public buildings.* • *Construction and reconstruction of RES to provide system energy in the public sector.* • *Installation of new RES and elements of active energy management (photovoltaic power plants, geothermal energy sources).* • *Installation of new or modernisation of existing RES and active energy management elements (wind power plants, small hydroelectric power plants).* ***CIRCULAR ECONOMY*** • *Composters to prevent municipal waste.* • *RE-USE centres for product re-use, including activities for repair and life extension of products, promoting waste prevention.* • *Promoting the prevention of waste from disposable crockery or disposable packaging.* • *Construction and modernisation of collection yards, supplementing and streamlining the separate collection/collection system, especially for municipal waste, including the promotion of door-to-door systems and the introduction of PAYT ("Pay-as-You-Throw") systems.* • *Support for sorting and re-sorting systems (including treatment) for the separation of other waste.* • *Building facilities for the treatment and processing of sewage sludge from wastewater treatment plants, including treatment of treated wastewater for reuse.* • *Construction and modernisation of waste material recovery facilities (including chemical recycling facilities with material end).* • *Construction and modernisation of biogas plants for waste recovery.* • *Building and modernising facilities for the collection and management of hazardous waste.*	*The minimum amount of support is CZK 100,000. The maximum amount corresponds to the de minimis aid limit. The maximum limit also applies to projects supported outside the public aid rules.* *A maximum of 75% of the eligible expenditure of the final beneficiary's project.*

Voucher type	Supported activities and eligible costs	Eligible projects by theme	Amount of support
	• *preparation of tender documentation in accordance with Act No. 134/2016 Coll., on public procurement.*	***LOCAL MOBILITY*** • *Construction, modernisation and reconstruction of dedicated roads for cyclists for transport to work, schools and services, including accompanying infrastructure.* • *Construction, modernisation and reconstruction of dedicated roads for cyclists on the main cycling routes in the Czech Republic, including the accompanying infrastructure.* • *Implementation of accompanying cycling infrastructure on dedicated roads for cyclists with high traffic intensity.*	
		CRAFT INCUBATORS • *Expanding the premises and modernising the open craft workshop, including the acquisition of new equipment.* • *Building a new open craft incubator - space and facilities for workshops for traditional crafts, art and design, technology and gastronomy, such as:* ○ *woodworking (carpentry equipment)* ○ *metal shop* ○ *sewing workshop* ○ *audiovisual production (creative 4D studio),* ○ *industrial design, 3D printing* ○ *ceramics* ○ *open kitchen*	

2.2 Expectations of SME representatives on the "groups of projects" schemes

This chapter presents the main findings from interviews with representatives of SMEs in the Karlovy Vary and Ústí regions, which took place from February-March 2023. Five representatives of companies from the Ústí Region and four representatives of companies from the Karlovy Vary Region participated in the interviews. Aggregated results for other stakeholders (e.g., municipalities and NGOs) have already been published in Deliverable 2. For the purposes of this report, we focus purely on the main expectations and concerns of SME representatives regarding the "groups of projects" for entrepreneurs. The investigation took place at a time when neither the specific call for regions under the PJT nor the specific calls for final beneficiaries at the level of individual regions had been published. However, the basic parameters of these instruments were already known and could thus be assessed. The findings focus on three types of vouchers targeting SMEs:

1. Business development vouchers
2. Digital vouchers
3. Innovation vouchers

In general, SME representatives agreed that one of the fundamental challenges of any (operational) programme is that the conditions are unknown prior to the official launch and are shaped and changed during the process, which causes significant difficulties for final beneficiaries. They also agreed that another obstacle is the heavy administrative workload, the overload of administrative controls and the uneven standards of different staff, even from the same grant or voucher provider. According to the SME respondents, the support providers are not interested in the actual content of the projects but only in the administrative detail, which unnecessarily burdens the beneficiaries. According to one respondent, the vouchers lack template projects focused on training. Other representatives from the Ústí Region indicated that transformation support should be an injection for the flexibility of companies (i.e., diversification of the sector and support for training) and the search for new opportunities. Another respondent recommended creating a voucher for educational activities and consultancy in the field of law and economics. He added that the expenses under all vouchers should also consider the salaries of professional staff, the costs of measurement, prototyping (especially material costs), marketing, as well as social networks and presentation events - especially abroad.

Business development vouchers

Representatives of SMEs from the Karlovy Vary Region expect that the vouchers for business development will enable the launch of new production or the provision of new services, expansion of existing production or the scope of services provided, or lead to improvements in the functioning of the enterprise (e.g., reduction of operating costs). They also reported good experiences with the creative voucher, which had a simple application. SME representatives are interested in a similar, simple scheme. A complicated or non-intuitive system can be problematic for SMEs when applying for this type of voucher. It is not clear to them from the current information whether the purchase of new equipment (e.g., special vehicles) or market research will be possible under this voucher. One of the SME representatives added that market research could be the focus of a special voucher, which has already been implemented in the Karlovy Vary Region. Another SME respondent added that companies in the energy sector are not eligible for support/subsidies as they are part of the for-profit sector, but this is not logical and makes it impossible to apply for most support schemes. Representatives of SMEs unanimously consider the amount of CZK 500,000 to be sufficient.

Representatives of SMEs from the Ústí Region are concerned about the high administrative burden associated with the processing of voucher applications, long waiting periods for approval and the amount of co-financing, which often limits innovative projects and young companies. Additionally, according to a supplier, the most suitable type of instrument depends on the stage of development of a given company and the nature of risk involved. Another respondent stated that this type of voucher is suitable to address preliminary studies, for example, for the deployment of cost-saving measures, i.e., a techno-economic study of how the solution will be effective or feasible. Product and process innovation, cost cutting, automation, productivity improvement, scale up, human resources financing are expected to be supported.

Digital vouchers

Representatives of SMEs from the Karlovy Vary Region confirmed that digital vouchers can bring automation and digitalisation to the company, including increased skills. However, new software almost always requires training and should therefore be included as an eligible expenditure. One SME

representative considered the amount of CZK 500,000 insufficient and would recommend an increase to CZK 1-3 million.

Representatives of SMEs from the Ústí Region are concerned about the high administrative burden associated with their processing, long waiting times and the amount of co-financing, which often limits innovative projects and young companies. One respondent mentioned that this type of voucher can be applied to preliminary studies, for example for the deployment of cost-saving measures, i.e., a techno-economic study on how effective and feasible the solution will be. The other added that, from the perspective of information and communications technologies, it is important that the self-employed are not seen as subcontractors but as the equivalent of employees.

Innovation vouchers

Representatives of SMEs from the Karlovy Vary Region are interested in this type of voucher, which have received positive experiences from previous calls. The selected SME representatives would welcome a platform to search for scientific research partners with centralised information. One respondent added that providing evidence of time spent on development is generally difficult and vouchers should do something about this problem. Another SME representative considered the amount of CZK 1 million to be insufficient and would recommend an increase to CZK 1-3 million.

Representatives of SMEs from the Ústí Region are also concerned about the high administrative burden associated with processing the application, the long waiting period and the amount of co-financing. One SME representative mentioned that it is difficult to find suitable partners, for example research organisations or students, and would welcome a 'job agency' type platform. The second respondent stated that he expects to use the tool as part of a combination of resources to validate the feasibility of a research solution (proof of concept) or for product innovation. Another added that the voucher should also provide sufficient funding to reward experts (e.g., professors and experts from universities). Another respondent added that the proposed range of expenditure is sufficient, but it depends on the details. An important factor in research projects is the possibility of change; funders often rigidly insist on the solution described in the project, even though the technical situation or conditions during implementation may change. There is also significant research risk.

Figure 1: Overview of SME representatives' expectations of different types of "groups of projects"

SMEs in Ústí and Karlovy Vary regions: Perspective on the "groups of projects" and identification of the main problems

Expectations:
- Transformational support as an injection for firm flexibility (i.e., sector diversification and training support)
- Support to search for new market opportunities
- Support for training activities and advice in various fields (e.g., law and economics).

Main problems:
- Conditions are unknown prior to launch and there is concern about changes in conditions during implementation
- Heavy administration: too many administrative checks and divergent standards across support providers
- Providers are not interested in the real value and impact of the project, but in administrative detail
- Lack of template projects focused on education.

Business development vouchers

Ústí Region
- Concern about the high administrative burden
- Concern about limiting innovative projects among young firms
- Applications to solve preliminary techno-economic studies (e.g., for the deployment of cost-saving measures)
- Anticipation of funding opportunities for product and process innovation
- Possibility to finance cost cutting, automation, productivity improvement, scale up, human resource financing

Karlovy Vary Region
- Start new production or providing new services,
- Expand existing production or the range of services
- Improve the functioning of the company
- Good experience with simple applications for creative vouchers
- Concern about the complicated and non-intuitive system for receiving applications
- Special voucher for market research (previously implemented in Karlovy Vary Region)
- The amount of 500,000 CZK is considered sufficient

Digital vouchers

Ústí Region
- Concern about the high administrative burden
- Concern about the assessment of purchasing services from self-employed persons (in the field of information and communications technologies, self-employed persons are the equivalent of employees not as subcontractors)
- The need for preliminary techno-economic studies

Karlovy Vary Region
- Support for automation and digitalisation of the company, including skills upgrading
- Training for new software as an eligible expense
- Projects may require more than 500,000 CZK

Innovation vouchers

Ústí Region
- Concern about the high administrative burden
- Expressed a need for a partner search platform with centralised information
- Use of vouchers as part of a mix of resources for proof of concept research or product innovation
- Funding for remuneration of experts (e.g. professors and experts from universities)
- Flexibility may be needed to adjust the price or some parameters of innovation activities

Karlovy Vary Region
- Positive experience related to past calls
- Expressed a need for a platform to search for partners with centralised information
- Need to consider the problematic demonstration of time spent on development
- Projects may require more support (increase size of vouchers to 1-3 million CZK)

2.3 Expectations of municipal representatives from the "groups of projects" schemes

This chapter presents the main conclusions of the survey among representatives of municipalities in the Karlovy Vary and Ústí Regions, which took place in February and March 2023. Five municipal representatives from each region participated in the interviews. Aggregated results for other stakeholders (e.g., SMEs and NGOs) have already been published as part of the Task 2 output. For the purpose of this report, we focus exclusively on the main expectations and concerns of municipal representatives in relation to the "groups of projects" for the public sector. The survey took place at a time when neither the specific call for regions under the PJT nor the specific calls for final beneficiaries at the level of individual regions had been published. However, the basic parameters of these instruments were already known and could thus be assessed. The findings focus on two types of vouchers targeting municipalities:

1. Vouchers to support the preparation of public sector projects
2. Digital vouchers

When asked, "What forms of funding and support for your projects would you most like to see during preparation and implementation?", the vast majority of respondents said that they would consider using vouchers, although several respondents initially required clarifications on the definition of the term "voucher." Despite receiving an explanation, one respondent from the Karlovy Vary Region did not see a significant difference between vouchers and standard subsidies. However, other respondents already had experience with vouchers and evaluated them positively.

A question in the Task 2 survey, based on the preliminary information from the Managing Authority, also addressed the perceived barriers faced by municipal respondents in drawing funds through "groups of projects." Respondents also assessed the maximum limit of eligible expenditure for vouchers, which at the time was CZK 500,000 for both types of vouchers. Only a small minority assessed the maximum eligible expenditure of CZK 500,000 positively for both voucher types. Although respondents did not directly dispute the limit set at the time, they stated that these limits would only be able to cover part of the costs of project documentation, especially for larger infrastructure projects, and digitisation. However, it should be noted that during the preparation of the specific conditions of the calls the limit had already been significantly increased, which was not known at the time of the interviews.

Potential barriers to project preparation, implementation and funding needs identified by municipal representatives in the Task 2 report include:

- Administrative complexity;
- Limited time between the call announcement and the application deadline;
- Difficulty of budgeting for infrastructure project design in times of turbulent development; and,
- Restrictive requirements for the sustainability of projects.

Vouchers to Support the preparation of public sector projects
In both regions, there is agreement on the following three aspects:

- Positive evaluation of the implementation of the "groups of projects" scheme;
- The importance of simplifying the administrative process for vouchers; and,
- Low maximum limit of eligible expenditure (CZK 500,000).

Representatives of municipalities from the Karlovy Vary Region agreed that vouchers help support the preparation of public sector projects, particularly for project documentation, etc. One respondent indicated that vouchers allow for project preparation since documentation is often very expensive and municipalities would not have the means to do so without the financial contribution. Respondents agreed that keeping the vouchers administratively simple is critical. Simple procedures contribute to the positive perception and impact of vouchers and also reduce costs for municipalities, as they frequently have to hire private consulting firms for complicated subsidy applications. One interviewee identified an issue with the documentation for long-term project plans. This was based on their own experience, where they had already commissioned documentation to be prepared during the course of the project. However, due to subsequent changes in the subsidy title, it was necessary to

implement costly revisions to the previously prepared documentation. Another respondent mentioned a possible barrier to implementing the vouchers, in the sense that vouchers could place additional strain on the capacity of designers and processors of various documents, leading to increased costs for their services and difficulties in meeting deadlines. Some respondents stated that the initial limit of CZK 500,000 will only be sufficient for small-scale projects. However, for larger projects, they appreciated the possibility of co-financing from PJT funds.

Representatives of municipalities from the Ústí Region that vouchers help support the preparation of public sector projects, particularly for project documentation, etc. Many respondents have already mentioned specific projects for which they could use the vouchers, e.g., financing architectural, construction or energy consultancy. Respondents agreed that keeping the vouchers administratively simple is critical. Simple procedures contribute to the positive perception and impact of vouchers and also reduce costs for municipalities. Like Karlovy Vary Region, municipalities in the Ústí Region often hire private consulting firms when faced with more complex rules. Respondents added that the list of eligible costs was sufficient, only suggesting the possibility of adding the financing of engineering expenses. However, they added that the maximum eligible expenditure of CZK 500,000 – based on available documents at that time – would only be sufficient for small-scale projects. An example provided by a respondent concerning the documentation for the wastewater treatment plant in the municipality had a cost of CZK 2.5 million. Another respondent suggested to operate the vouchers as a continuous call since many applicants from the municipalities will not be able to respond to the time-limited call.

Digital vouchers

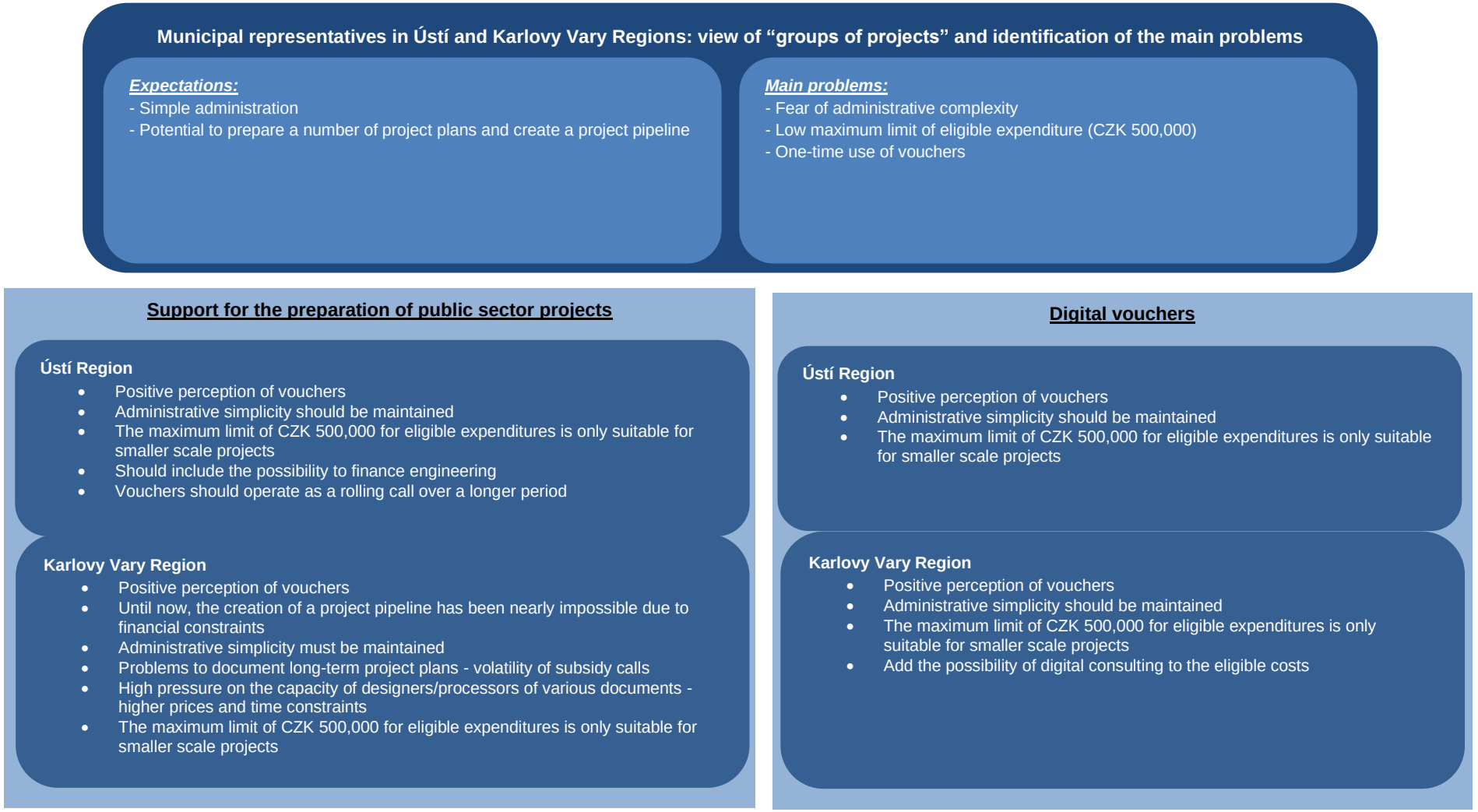
In both regions, there is agreement on the following three aspects:

- Positive evaluation of the implementation of the voucher tool;
- The importance of simplifying the administrative process for vouchers; and,
- Low maximum limit of eligible expenditure (CZK 500,000).

Representatives of municipalities from the Karlovy Vary Region generally agreed on the positive impact of digital vouchers. Respondents agreed that it is important to keep administrative simplicity of vouchers. For complex schemes, they indicated that the services of private consulting firms were required. One respondent suggested to include consulting services in the list of eligible costs for digital vouchers since municipalities, particularly smaller ones, do not have in-house experts on digitalisation. The maximum limit for eligible expenditure of CZK 500,000 was considered to be sufficient. However, it was mentioned that larger projects might require co-financing from other sources. Two respondents had already considered this type of voucher: one for the implementation of an electronic tourist board or purchase of a new data storage device, and the other for the implementation of an electronic office board. None of the respondents identified a barrier to implementing this tool.

Representatives of municipalities from the Ústí Region generally agreed on the positive impact of digital vouchers. Again, the respondents emphasised the need to keep them administratively simple to avoid the need to hire outside consulting firms. The maximum limit for eligible expenditure of CZK 500,000 is considered to be sufficient. One respondent had already considered a specific project proposal: building data networks in the municipality. None of the respondents identified a barrier to the implementation of this tool.

Figure 2: Overview of municipal representatives' expectations of different types of "groups of projects"



3. ILLUSTRATIVE EXAMPLES OF FILLED TEMPLATES

The aim of the illustrative examples is to show applicants applying to the "groups of projects" schemes what projects are expected to be funded under the calls and what a properly completed project application should look like according to the expectations of the funders. The Project Team also aimed to ensure that the illustrative examples could serve as a possible basis for evaluators when assessing applications, providing them with an illustrative example of a properly completed application. Given the expected diversity of project ideas, it is clear that illustrative examples cannot cover all specificities of these ideas, but they should always correspond to the basic principles.

3.1 Selection and design of illustrative examples for "groups of projects" for entrepreneurs

According to the terms of reference, two examples were unanimously selected for a specific type of "groups of projects." The options for the preparation of the proposals were consulted during meetings with representatives of the regions as well as the relevant ministries, the MoRD and the MoE. Also, in view of the requirements of the regions, the expert team mainly focused on the textual part of the applications. The expert team built on the published regional calls and their annexes, respecting the structure of the applications proposed by the regions. While Ústí Region announced a separate call for each type of voucher, Karlovy Vary Region announced one common call for all types of vouchers. Similarly, the structure of the illustrative examples of completed templates slightly differ, with the Ústí Region emphasizing the structure of the text application according to the eligibility criteria and the Karlovy Vary Region separating the text part into a separate annex in the form of a business plan. Illustrative examples were therefore processed into two templates to facilitate usability by the regions. The selection of the basic guidelines for the preparation of illustrative examples was as follows:

a) **Business development voucher:** one example for a "simple" (small) investment such as the purchase of a machine or the expansion of a business to new markets and one example for a specific "leverage" effect of public funds, where a small financial support through a voucher (for example to test an innovative solution) will help the beneficiary to move forward and stimulate a much larger or more substantial investment project in the future (for example, the expansion of production or the rebuilding of a production line based on an innovation).

b) **Digital voucher:** one example for the preparation of a corporate strategy or analysis in the field of digitisation and one example for the implementation of investments based on this strategy – this example corresponds to one company in different time periods.

c) **Innovation voucher:** one example of product innovation and one example of process innovation using existing practical examples.

Based on this assignment, individual examples were developed. The transformation potential was considered for all examples. For all illustrative examples, a checklist of formal and eligibility criteria that applicants must fulfil to receive support from the "groups of projects" schemes was also prepared (see Annex 4). Short summaries of each illustrative example follow. Full text versions are provided as separate annexes so that they can be easily used by regional representatives and evaluators (Annex 2 with illustrative examples in the template structure for the Ústí Region and Annex 3 with template structure as a business plan for the Karlovy Vary Region).

3.1.1 Illustrative examples for business development vouchers

Example 1: Expansion of a joinery company to include other activities

The joinery company decided to replace one of its suppliers with its own activities. The project proposes to expand the existing premises and introduce new production. The project will cost CZK 800,000 and is intended for minor structural modifications and the purchase of machinery and equipment. The outcome of the project is therefore to expand the company's activities within the value chain, increase the number of skilled workers and increase the added value with a payback period of less than 3 years from the start of the project. The project targets the same customer group and also aims to increase quality for the end user. A side effect is also a reduction in the logistics intensity of production and thus a reduction in CO_2 emissions.

Example 2: Growing a small company by diversifying customers and expanding production

A small company producing machine tools, whose current major customers are mining companies based in the Ústí and Karlovy Vary regions. Production now runs on ageing technologies which are also energy intensive. The company seeks to diversify its customers. During the presentation of products at a trade fair, the company was offered the opportunity to supply products to a major customer from abroad on a pilot basis. The project envisages investment to improve the quality and expansion of the current production. The total cost of CZK 565,000 will be spent on the analysis of the new market, the purchase of modern machinery and employee training. In the longer term, this initial investment should be followed by further expansion of production and therefore the recruitment of new employees. According to preliminary estimates, up to five new positions could be created, three of which are blue-collar positions and two with higher added value.

3.1.2 Illustrative examples for digital vouchers

Example 1: Digital voucher in a small engineering company (strategy)

Engineering manufacturer (50 employees) successfully supplying quality components to the automotive industry. However, production is becoming inefficient in some areas, mainly due to higher energy costs. A solution could be to digitise production and other company processes to increase efficiency. However, the company lacks up-to-date data on production and other business processes. The aim of the project is to prepare a digital maturity analysis of the company and a techno-economic study (feasibility study), which will include the prioritisation of appropriate measures to increase the production efficiency of the company. The total cost of the study was estimated at CZK 250,000. On the basis of the analysis and the study, the company will be gradually digitised and technologically modernised, partly financed from its own or other public sources.

Example 2: Digital voucher in a small engineering company (application)

The engineering manufacturer supplying components to the automotive industry, as in the previous example, now has a digital maturity analysis of the company and a techno-economic study. The analysis shows that the company needs to strengthen its ability to respond to energy price fluctuations. The digital consultants invited to the audit proposed an energy management system for the company. A prerequisite, however, is the fitting of older machine tools with measuring sensors to optimise their operation by collecting and analysing operational data in relation to sales, production management and energy supply. The total cost of the project is CZK 375,000 and includes the purchase of sensors, deployment of control software, testing and studies for further expansion of the investment. The outcome of the project is to strengthen not only the cost but also the environmental competitiveness of the company with a relatively short payback period. The use of the digital voucher brings new knowledge to the company and the voucher can act as leverage for other future corporate investments.

3.1.3 Illustrative examples for innovation vouchers

Example 1: Prototyping a new product in collaboration with research partners

A small engineering and assembly company working in the field of subcontracting for the automotive and especially the energy sector (air conditioning components). The company expects a decline in orders in these areas and has therefore started to work with a university to improve the quality of filtration technology. Subsequently, the company acquired contacts with three potential technology partners and pilot customers. The firm has obtained a non-exclusive intellectual property license from the university, but needs to scale up the device from the demonstration phase (technology readiness level - TRL6) to a prototype (TRL8). The total cost of the project is CZK 2.5 million, of which CZK 1 million is requested in the form of an innovation voucher (part of the salary of the new research and development staff, the cost of measuring and testing the new product, the cost of consulting for the certification of the product and its launch on the market). The aim is to develop an innovative product that will in the future account for up to 60% of the company's turnover in new markets outside the subdued energy and classic automotive sectors.

Example 2: Piloting a new business model and customer service

CXW manufactures relatively expensive electronic devices and sells them to end customers. The company is considering introducing a new model where products are no longer simply sold to end customers, but where customers can pay for their use and performance with a regular monthly or annual fee. The company will also offer services related to repair and servicing of the machines. The plan also includes buying back older equipment at the end of its useful life and reusing it. The aim of

the project is to test the new model in a pilot operation. The company hopes to change the model not only to expand the portfolio of existing customers, but also to save on its own costs and increase the profitability of its business in the long term. The total cost of the project is CZK 1,225,250 (consulting services, part of the salary of the research and development worker and the purchase of new equipment). This innovation in process approach represents a fundamental change in the way the company operates its business and adds value through sustainable and efficient use of resources and reduction of environmental impact.

3.2 Selection and design of illustrative examples for "groups of projects" for the public sector

Options for the preparation of proposals were consulted at meetings with representatives of the regions and presented at regular meetings with representatives of the MoRD, MoE and the European Commission. The expert team drew on the published PJT calls and the common Binding Guidelines for "groups of projects" for the preparation of projects for the public sector. As the exact format of the regional calls was not available at the time of preparation of this report, the format of project fiches was chosen for the preparation of illustrative examples in agreement with the representatives of the regions. Two illustrative examples were prepared for each supported topic. In each case, one example focuses on the preparation of feasibility studies and the other focuses on the preparation of project documentation, as the only two supported activities. The selection of the basic guidelines for the preparation of the illustrative examples was as follows:

a) **Energy savings and renewable energy:** one example for the project documentation for the construction of a new passive standard kindergarten instead of the reconstruction of an existing substandard building and one example for the assessment of two options for the construction of a photovoltaic panel system on the roof of a school, using energy in other public organisation co-funded by a municipality.

b) **Circular economy:** one example of a new recycling system for a federation of municipalities with the aim of reducing waste to landfill and one example of a project plan for sorting and further use of bio-waste from canteens operating in the city, including its offer to socially vulnerable groups.

c) **Local mobility:** one example for the assessment of several options for a cycle path to improve commuting of local residents to the catchment town and one example deals for the project documentation for the construction of a cycle path to connect two towns and facilitate commuting for work or recreation.

e) **Craft incubators**: one example for the preparation of project documentation for a major renovation of the existing city-owned high school training workshops and their transformation into open workshops and one example for the creation of a feasibility study for the expansion of the municipal technical services workshops of a small municipality and their opening to the public.

Based on this assignment, individual examples were developed. The transformation potential was considered for all examples. Together for all illustrative examples, a checklist of formal and eligibility criteria that applicants must fulfil to receive support from the "groups of projects" was also prepared (see Annex 6). Short summaries of each illustrative example follow. Full text versions of these are provided as a separate Annex 5 so that they can be easily used by regional representatives and final beneficiaries.

3.2.1 Illustrative examples for energy savings and renewable energy

Example 1: Building infrastructure and sharing solar energy for utilities

The aim of the project is to provide renewable energy for selected public buildings, to reduce the municipality's long-term energy costs and to increase energy self-sufficiency by installing photovoltaic panels on the roof of a local primary school that is scheduled for reconstruction. The solar energy generated will not only serve the school (electricity, water heating) but also the adjacent recreation centre, which is a public organisation co-funded by the municipality and which operates an outdoor swimming pool, saunas, whirlpool baths and a small indoor saltwater pool that is used all year round for health treatments and recreational purposes. The centre is not used much in the summer months when the school building is not used as much, and it is suitable to supplement the solar energy consumption. The subject of the project is the identification of the most suitable technological solution and the preparation of an application for financial support.

Example 2: Construction of a new kindergarten in Xy

The aim of the project is to provide documentation for the building permit, documentation for the implementation of the construction and documentation for the tender procedure for the construction of a new kindergarten with four classrooms for a total of 96 pupils, with the parameters set by the construction study prepared as part of the feasibility study. The new kindergarten building is located on the site of the existing kindergarten, which will be vacated and demolished before construction begins. The building study has shown that the current building cannot be reconstructed to meet current requirements. The feasibility study showed that the construction of a new nursery school would also be more economically viable in view of the possibility of obtaining a subsidy for passive construction. The building will be built to a passive standard, heated by central heating and equipped with grey water recycling. Solar panels will be installed on the roof, including the purchase of a battery for energy storage. The construction of the kindergarten will also include a playground and a children's traffic playground.

3.2.2 Illustrative examples for circular economy

Example 1: Sorting the recoverable light component from mixed municipal waste

The aim of the project is to reduce the amount of mixed municipal waste disposed of in the landfill of AB, a.s. by filtering out the usable components of this waste. AB, a.s. is a joint venture of the YZ municipal association and is 100% owned by the municipalities. The company is responsible for the collection, treatment and landfilling of municipal solid waste for these municipalities. Due to the increase in landfill charges, the company is obliged to ensure that the recoverable fraction is also sorted from mixed waste, in accordance with the principle of no significant harm to environmental objectives. A method of separation of mixed waste in a water bath has been confirmed as suitable by the research task, which will ensure the separation of the recoverable light fraction separated into plastics and other organic material by a wet separation method. Based on the results of the feasibility study, the Association of Municipalities decided to build two sorting lines for sorting mixed municipal waste, each with a capacity of 30 kt/year, at the existing AB, a.s.

Example 2: Comprehensive recovery of waste from catering facilities

The aim of the project is to prevent food waste from school canteens and public canteens by reusing it. The city's waste sorting and processing organisation will connect several important actors in the city, namely: school canteens and public canteens, the local branch of the Salvation Army, small businesses that use composted and treated waste and last but not least, secondary and primary schools in the city. Unconsumed food from the school canteens and public canteens will be primarily offered (during the same day) and transported to the local branch of the Salvation Army, which provides food for the homeless and the socially vulnerable. Leftover food will be composted in newly purchased composters and primarily offered to schools for use during school hours in school gardens. This will be accompanied by awareness-raising on the prevention and meaningful use of food and waste, aimed in particular at pupils and students in schools in the city.

3.2.3 Illustrative examples for local mobility

Example 1: Feasibility study for extending cycling infrastructure

The aim of the project is to increase the safety and therefore the interest in greater use of cycling in the municipality. This is a small village where the main traffic route was not designed for the needs of today. Cyclists (and pedestrians) can currently only use the shared roadway with heavy traffic especially in the morning and afternoon rush hours. The route is used not only by local residents but also by residents of neighbouring communities commuting to the nearby large town for work and leisure activities. A recent survey within the local action group area has shown that the number of regular cyclists using the route would be significantly higher if the safety and separation of the cycle route from car traffic were improved. One solution may be the addition of a separated pedestrian and cycle lane close to the carriageway, the other may be the construction of new infrastructure off the backbone route on council land. The feasibility study is to quantify the costs and realistic timescales of both options and highlight the long-term advantages and disadvantages of each solution.

Example 2: Sustainable mobility for commuting and recreation

The main goal of the project is to offer citizens the opportunity to safely commute to their jobs in the nearby industrial area on weekdays through the construction of a bike path. A secondary objective of the project is to use the cycle path for recreational purposes, particularly at weekends, especially for

journeys from town Y to town X. The project involves the construction of a cycle path along the route of the former railway, which runs partly along the industrial estate, where the main stream of daily commuters is directed. It is envisaged to move this traffic from the congested road to the new cycle path. The project should make it easier for local residents to commute to work. A survey of residents found a relatively high level of interest in using cycling rather than car transport for travel to work if the project were implemented. The village is located in the vicinity of the Z open-pit mine, where mining is being phased out and the area is gradually being reclaimed, so even greater use of the cycleway for recreational purposes can be expected in the future.

3.2.4 Illustrative examples for craft incubators

Example 1: Extension of the premises and modernisation of the open craft workshop

The aim of the project is to expand the existing school workshops and modernise them to extend their use to the professional and general public through an open craft workshop. In the craft incubator, interested members of the professional or lay public will be able to try out different crafts and also learn new skills in traditional crafts and new fields under the guidance of experienced masters, or carry out their own projects on modern equipment. The project includes a partial renovation of the existing premises. It is a building in full ownership of the municipality, which has recently undergone partial renovation (replacement of windows, waste). However, the project foresees further works including new electrical wiring and reconstruction of sanitary facilities to meet all hygiene regulations according to the 'Do No Significant Harm' (DNSH) principle to environmental objectives. The project also includes the acquisition of new modern equipment for a carpentry workshop, including tools necessary for traditional musical instrument making, a metal workshop, a ceramics workshop, a leather and textile workshop, a hi-tech workshop equipped with 3D printers and a fully equipped kitchen.

Example 2: Building a new open workshop

The aim of the project is to purchase equipment for sewing workshops and 3D printing within the technical services of the municipality and offer their capacities to schools and the public. The project also includes the retrofitting of the current metal and joinery workshops to promote greater cooperation with schools and the development of technical skills among citizens in open workshops. The project is expected to modernise and expand the equipment in the workshops owned by the municipality and used by the technical staff of the municipality for their facilities. Thanks to the implementation of the project, it is foreseen to expand the current offer with additional equipment for sewing workshops and 3D printing (including the necessary IT equipment), and a ceramics workshop is also being considered, especially based on the interest of representatives of the local school. Based on the results of the feasibility study, the project may then be expanded to include additional machines and equipment according to demand.

4. ASSESSMENT OF DOCUMENTATION FOR "GROUPS OF PROJECTS"

Regions have experience from similar programmes implemented in the past, such as innovation voucher programmes, creative vouchers or vouchers for the preparation of project applications for municipalities. However, it appears that implementation through the PJT will be more administratively demanding, as the region is bound by stricter subsidy rules for the use of JTF funds. At the same time, previous regional programmes were significantly smaller in terms of the volume of public funds, number of applicants, and beneficiaries.

4.1 Assessment of the evaluation process of received applications for vouchers for entrepreneurs

Each region prepared its own information system to receive applications and set up a system to evaluate applications. In doing so, the representatives of the regions drew upon the Binding Guidelines for "groups of projects": vouchers for entrepreneurs (version: 2.6), the Rules for applicants and beneficiaries of support in the PJT for the period 2021-2027 (version 12) and Annex 5 Description of the management and control system for the call for "groups of projects." The documents describe the entire project process and guide the reader through its different phases. The texts are clear, illustrative and instructive.

However, based on discussions with regional representatives, some problem areas were identified in the process of evaluating the applications received from final applicants. Specifically, the "Form for

Assessment of Business Undertakings in Financial Difficulty" and the "Form for Determination of Business Size and Linked Enterprise" could be challenging to complete and/or verify. Recommendations to address these problem areas are provided in the conclusion of this report. A further issue was the harmonising the views of the evaluators in areas that allow for different interpretations, in particular with respect to eligibility criteria.

On the basis of requests, especially from the Ústí Region, a handbook for evaluators was created (see Annex 1), which fulfils the function of a practical guide for evaluators in the evaluation of submitted "groups of projects" under the PJT. However, this output is also suitable for the Karlovy Vary Region and potentially also for the Moravian-Silesian Region. In particular, the guide aims to provide a unified perspective on the eligibility criteria. The aim is therefore to objectify the criteria where the evaluator needs to assess the acceptability of a project from the programme's perspective.

In preparing the guide, the authors have utilised the concept of 'good practice,' which suggests it is advisable to train evaluators before the evaluation period in order to align their approach to application assessment so that it is as consistent as possible. Although the criteria evaluation is binary (yes/no), most of the criteria are in principle scalable (quality growth, innovation, increase in competitiveness). The guide is based on the premise that public administration decisions should be evidence-based, i.e. data-driven. Quality project proposals should therefore also be based on data that describe their objectives.

The general rules for the evaluator stress that the evaluator must maintain objectivity and apply his/her knowledge and experience in the evaluation. The ultimate responsibility for the techniques used therefore lies with the evaluator. It should be stressed that this manual for evaluators is a methodological, not a binding, recommendation. However, the use of proven good practices is intended to facilitate the discussion between the grant providers and the controlling authority during the ex-post evaluation (e.g., use of the established Oslo Manual for evaluating innovations, etc.). Applying these approaches may therefore also make it easier for evaluators to defend their decisions in the future.

In general, the project should fulfil the aims of the pillar "Transition Plan of the Ústí Region", in particular Pillar I "entrepreneurship, research and innovation" and Pillar III "new energy." A project that fulfils the programme should therefore:

a) Provide product or process innovation or access to new markets or other means of improving the firm's competitiveness.

b) Have a so-called "leverage" effect, e.g., test solutions for larger investments or directly prepare a plan for further investments. This is particularly the case since the intervention itself is relatively small; the idea is that the voucher should trigger further follow-on investments.

From this point of view, the submitted projects should not simply renew equipment without significant qualitative change, preserve the technological and digital level of a given company or help companies in difficulty (see Annex 1 for more details).

4.2 Setting up "groups of projects" for entrepreneurs from the perspective of the final beneficiaries

The Project Team addressed the setting up of the "groups of projects" from the perspective of the final SME applicants, including integration of their expectations via interviews conducted under Task 2.

The thematic focus of the calls is suitable from the point of view of the final applicants and covers nearly all activities requested by companies. It can be expected that SMEs will be interested in all types of vouchers due to their focus. A similar assessment applies to the eligible costs for each type of voucher, which clearly define what the vouchers can be used for. Although some SMEs commented negatively on the levels of support set, the established limits should be sufficient for most applicants.

In general, the "groups of projects" for entrepreneurs are broadly conceived and provide wide support in terms of the projects of the final beneficiaries. On one hand, this should help the programme to be better utilised in the region. On the other hand, there is no concentration of projects in key areas. Apart from linking the innovation vouchers for entrepreneurs to the domains of the Regional Innovation Strategies, the calls are not linked to any thematic areas, e.g., strategic projects addressed in the respective region and/or thematic calls of the PJT. The strategic projects represent key differential development and transformation activities within the individual coal regions, which should be complemented and supported by projects that are logically and functionally linked and enable the

extension of the integrated and synergistic systemic impact of the use of PJT funds within the respective territory.

One of the main comments from SME applicants suggested that there was concern about the excessive administrative burden of preparing the application and the subsequent administration of the project. A review of the documents relating to “groups of projects” suggests that the administrative requirements for SMEs are relatively high in relation to the amounts that SMEs can draw from these schemes. This makes it relatively more expensive for them to obtain possible funding. A summary of administrative requirements for final applicants is also presented in a separate Annex 5.

The “Form for Assessment of Business Undertakings in Financial Difficulty” and the “Form for Determination of Business Size and Linked Enterprise” are seen as two of the most problematic annexes, which are both difficult to complete and provide scope for errors. These forms were also identified as problematic by the representatives of the regions, for whom it also requires more difficulty to review. Formal criteria can also be problematic to assess for de-minimis support, especially for interconnected businesses.

In the opinion of the Project Team, in the case of general principles of eligibility, there are individual criteria redundant in relation to the distributed amounts under the “groups of projects” schemes. For example, there are criteria of whether the project budget corresponds to the planned activities, the duration of implementation and its planned outputs, or the justification of the project budget (e.g., indicative offers, or compliance of personnel costs with the Average Earnings Information System), etc. In these cases, it depends on the depth to which the criteria are assessed and the demands made on the final beneficiary to demonstrate their fulfilment.

As the first round of applications has already been received, the first experience with the implementation of the scheme could be assessed by the Project Team. For this purpose, consultation was conducted with the representatives of the Innovation Centre of the Ústí Region. The institution engages in communication with the final beneficiaries and also participates in the evaluation process of the binding criteria. Based on the consultation that took place in March 2023, the final beneficiaries identified the following main issues:

- The “groups of projects” do not allow for the purchase of vehicles, even the purchase of specific types of vehicles such as small excavators, lawnmowers, etc. However, this equipment is important for certain types of beneficiaries, such as construction companies, glaziers or landscaping companies. According to the rules of the DNSH, it is even possible to purchase this equipment with fossil fuel power. Another category is micromobility, such as electric cargo bikes.
- Final beneficiaries expressed interest in adding professional education and training relevant to the applicant's project to the eligible costs (not only from the database of experts but also open courses).
- Some of the small applicants had a problem with ex-post financing, where at least partial ex-ante (ideally 50%) would help them on a similar principle that is already implemented in the Moravian-Silesian Region.
- For the business development voucher for non-entrepreneurs, applicants were interested in financing the costs of company registration, fees, etc. By contrast, entrepreneurs showed minimal interest in financing consulting services.
- In many cases, the industry in which the applicants are currently doing business (VZ-NACE) is different from the one registered in the application. If the applicant wants to expand the business in a different category than the one already registered, for example by acquiring a new machine, it will not pass review as this is an irreparable criterion.
- The evaluation process is being prolonged, and some companies are unlikely to be able to implement the project in a shorter period of time, for example in the case of the innovation vouchers, in order to not violate the rules of the call.

At the same time, there are problems on the evaluators' side with the binary evaluation of some criteria, and, in particular, the evaluation of the two problematic annexes mentioned above.

4.3 Setting up “groups of projects” for public sector from the perspective of the final beneficiaries

A review of documents related to the “groups of projects“ for the public sector suggests that they should be relatively simpler than the vouchers for entrepreneurs in terms of the criteria and conditions set for the final beneficiaries and the evaluation process by the regions. In the case of “groups of projects” for

the public sector, there are no specific eligibility criteria in place, which places high demands on the evaluation process.

In assessing the documents, the Project Team drew upon the Binding Guidelines for "groups of projects": preparation of projects for the public sector (version: 1.1) and the Rules for applicants and beneficiaries of support in the PJT for the period 2021-2027 (version 12). The documents provide a highly competent description of the entire project process, guiding the reader through its various phases, with clear, illustrative and instructive texts. Moreover, given the work in progress of the calls, the Project Team was directly involved in the feedback process of the documents published by the Managing Authority. From the perspective of the final beneficiaries and consultations with the regional representatives, comments were made on the Binding Guidelines for beneficiaries of vouchers for the preparation of public sector projects. In particular, the comments related to several conditions or criteria that may represent significant constraints for the final beneficiaries. For example, there is a condition to have the project plan directly stated in the strategic development plans of the municipalities, which is not a common requirement in other calls. Another condition requires the applicant to already have contracted a service provider before signing the contract with the region. Other comments mentioned that the list of beneficiaries is now significantly more limited for drawing funds for the preparation of projects from "groups of projects" than in the case of the calls themselves, where the prepared projects should subsequently be directed with requests for support for their implementation. For example, non-governmental non-profit organisations are not among the possible beneficiaries of either type of "groups of projects." The Managing Authority has addressed the comments raised and subsequently sent an official statement, which also includes the results of consultations with the regions.

At the same time, increasing the limit of support for individual vouchers, mentioned by the representatives of the final beneficiaries, has since increased from CZK 500,000 up to the maximum amount of de minimis support, which should already cover the requirements for the preparation of documentation – even for larger infrastructure projects.

Another area identified by the Project Team as problematic for the final beneficiaries may be some other rules that are not directly identified in the current call for "groups of projects" for public sector, but stem from the rules of the PJT, e.g., the 'Do No Significant Harm' principle in relation to the requirements for proposed infrastructure. These rules may not be sufficiently well known to the beneficiaries, especially small municipalities.

5. CONCLUSIONS AND RECOMMENDATIONS

In terms of content, all voucher types are appropriately set up for final beneficiaries. The terms and conditions of the programme are clearly formulated and relatively easy to navigate. As the first experiences of entrepreneurs with the implementation of "groups of projects" shows, there is also a significant absorption capacity for this type of support in the regions. To this end, the first round of applications received a lot of interest from SME final beneficiaries. At the time of writing this report, the evaluation of applications for support and the approval of the first successful applications were still ongoing.

Based on the documentation reviews and first experiences, the administrative requirements for the final beneficiaries in preparing the application are seen as the most problematic, echoing the concerns of final beneficiaries from the Karlovy Vary and Ústí regions. At the same time, the Project Team is aware that in some cases it will be difficult to address the concerns with respect to the current form of calls. However, it is advisable to at least partially implement some changes and, in particular, to address them when preparing future similar types of calls. After reviewing the documents and feedback, we have the following recommendations:

1) **Maximize effort to reduce administrative burden.** The current formal criteria and eligibility criteria, which must be met by SME applicants and subsequently integrated into of the evaluation process by the regions, represent a significant administrative obstacle, especially for this type of financial support (see definition of vouchers as a tool to support simple template projects). The current evaluation protocol corresponds to standard projects. Since smaller public funds are used by entities with lower absorption capacities, the administrative burden remains high. As a result, vouchers are relatively expensive money from an administrative perspective.

   Recommendation: In case other similar calls are under development, the administrative burden for the final beneficiaries should be reduced, especially with respect to the documentation required in the process of application preparation. This general recommendation is further specified in other recommendations regarding individual types of vouchers.

2) **Focus on problematic attachments.** Based on interviews and meetings with regional representatives prior to the launch of the calls, it has been mentioned that final applicants may have problems with the suitability of certain annexes for "groups of projects" for entrepreneurs – particularly the *Form for Assessment of Business Undertakings in Financial Difficulty* and the *Form for Determination of Business Size and Linked Enterprise*. It is understandable that these criteria need to be verified in relation to the support provided, but given the expected scale of the grant funds, they will be unnecessarily demanding for business representatives. Given the potential for more errors on the part of beneficiaries and MoE's requirements to review 100% of submitted applications, the increased administrative burden is also passed on to the regional administrators of the "groups of projects" schemes and the entire evaluation process is prolonged. At the same time, the data filled in by the final beneficiaries are difficult to verify by administrators without further interaction with the grant recipient and the provision of additional documents (e.g., verification of the submitted company data).

   Recommendation: Simplify the forms as much as possible, ideally in the form of sworn statements, to eliminate calculation errors and the review of the calculations. The sworn statements may contain information on the method of calculation or a description of the individual items. Accuracy checks may be carried out as part of an "on-the-spot" or ex-post review before payment of the grant. In this case, reducing the proportion of the sample to be reviewed would also help.

   In addition, based on experiences of the initial project implementation, we recommend modifying or replacing the *Form for Assessment of Business Undertakings in Financial Difficulty*. Currrently, it is an unsuitable tool to assess micro and small enterprises (which are often financed by owner's loans that are currently captured as foreign capital) and leads to unintentional discrimination. In some cases, otherwise healthy or growing SMEs are excluded due to this criterion. Moreover, the rule can be circumvented, for example, by last-minute earmarking of reserves or capitalised shareholder loans.

3) **Use of sworn statements instead of other annexes and documents.** Discussions and meetings with regional representatives have raised concerns that false information may be provided in the mandatory sworn statements that applicants are required to submit. Subsequent verification of the facts presented also appears to be problematic.

   Recommendation: Each form/submission document should clearly state that the information provided in the sworn statement is the basis for the allocation of subsidy funds from public budgets and that by deliberately providing false information the beneficiary may commit subsidy fraud or serious breach of budgetary discipline. According to the methodology of the Ministry of Education, Youth and Sports, the wording can be as follows: "*The signatory is aware of the possible legal consequences of a false sworn statement. The sworn statement is the basis for the decision to grant the subsidy*."

4) **Linking businesses with research organisations.** SMEs often do not have sufficient in-house capacity to conduct research and develop, test and certify new products. As a result, they often rely on collaboration with other partners. For innovation vouchers, company representatives in several cases mentioned the difficulty of connecting with research organisations and networking. Some enterprises encountered difficulties to find a suitable research partner and have no previous experience of doing so.

   Recommendation: Add a table with a list of possible research partners to the calls for innovation vouchers, including contact information. Adding information about available infrastructure and capacity would also be appropriate. Regional representatives mentioned that similar databases already exist, e.g., in the framework of regional innovation strategies, etc. Updating these databases, e.g., by the research organisations themselves, to link supply and demand could help support the absorption capacity of the final beneficiaries. Where appropriate, a contact person(s) should be appointed who would be able to consult with companies on their intentions and recommend appropriate connections where necessary. In this respect, it would be good to support the functioning of technology transfer centres at regional universities or other research organisations. This is a longer-term recommendation since these capacities need to be gradually built up at the regional level or by the organisations established to update and maintain the databases on an ongoing basis. Interested SMEs can already refer to the database of the National Platform Transfera.cz (https://www.transfera.cz/).

5) **Scaling up criteria and harmonising the view of evaluators.** Given the current eligibility criteria for "groups of projects" for entrepreneurs, the evaluation may be viewed as subjective, i.e., two

evaluators may view a similar application differently and may differ in their evaluation. The binary evaluation method chosen is problematic as many of the criteria are scaled (e.g., increasing competitiveness). Thus, any increase, however minimal, in a firm's turnover could or should be considered as an increase in the firm's competitiveness. The effectiveness of the resources provided cannot then be assessed.

Recommendation: Establish uniform parameters for the evaluation of the admissibility criteria, ideally with the possibility of scaling. A simple handbook for evaluators prepared by the Project Team could be used to help unify the view of evaluators for different types of vouchers (see Annex 1). Importantly, the evaluator handbook is a methodological, *not a binding*, recommendation. The guide can be used in combination with illustrative examples that reflect the required level of fulfilment of the criteria (see Annex 2 for illustrative examples in a format suitable for the Ústí Region and Annex 3 with illustrative examples suitable for the Karlovy Vary Region). Given the size of the grant, a single developed sentence, or at most a paragraph, should be sufficient for the applicant to justify each criterion, even when filling in the business plan, which is an annex to the Grant Programme "Vouchers for Entrepreneurs" of the Karlovy Vary Region.

6) **Evaluation of certain conditions for the use of vouchers for entrepreneurs.** Based on consultations following the first experiences with the use of vouchers, some conditions have been identified that could hinder the utilisation of the support from the perspective of the final beneficiaries. These include the impossibility of using the funds from "groups of projects" to purchase different types of vehicles, even for micro-mobility or those for specific uses, such as small excavators or lawnmowers, the inability of purchasing training courses outside the expert database, the inability of ex-ante financing for the smallest beneficiaries, the inability of financing company registration costs for non-entrepreneurs, or the limited duration of project implementation. Another problematic limitation is the inability to develop a business in other than the existing CZ-NACE.

   Recommendation: Consider changes to the conditions mentioned above.

7) **Narrowing and specifying the focus of "groups of projects."** The announced calls are quite broad in terms of themes and are similar for all three regions. Only the innovation vouchers are restricted to one of the dimensions of the Regional Innovation Strategy. Thus, the selection of projects for support is not related to specific thematic priorities of the regions or the MoE. Currently, the priority areas considered by the regions include support for social stability, hydrogen projects (hydrogen valleys), cultural and creative industries (Ústí Region), research, development and innovation, linkages with projects supported by the centrally managed Horizon Europe programme (Ústí Region), vocational classrooms (Karlovy Vary Region) and links to transformation loans provided by the National Development Bank. At the same time, the MoE defines thematic areas, which can be considered as a selection of priority areas, as people and skills, territorial renewal, circular economy, digital innovation, new energies, research, development and innovation. The digital and innovation vouchers are therefore more positively perceived in this regard, which, according to the current set-up, have a stronger transformative potential compared to the business development vouchers.

   Recommendation: It would be desirable for evaluators to be able to work on the consistency of the selected projects with these priorities as part of their evaluation. This prioritisation is well developed in the above texts and it would be desirable to respect the consistency between the evaluators' recommendations and the priority areas. Furthermore, it might be desirable for projects supported by the "groups of projects" schemes to complement strategic projects or key thematic areas, thereby strengthening their synergistic impact. In this context, we propose increasing the allocation for the Digital and Innovation Voucher. In addition, the Digital and Innovation Voucher preparation is more demanding and therefore project pipelines will be filled gradually, reducing the pressure to evaluate a large number of applications simultaneously.

8) **Communication of specific conditions of public sector "groups of projects."** The current design of the conditions for the use of group of projects imposes several conditions on the final beneficiaries, which may not be easy to fulfil. The conditions may require, for example, longer preparation periods on the part of the final beneficiaries. In some cases, the conditions may lack sufficient comprehensibility. These include, for example, the condition to have project plans included in their strategic plans, the need to comply with the DNSH conditions for infrastructure projects, or the condition to already have a contractor in place to prepare documentation or studies before signing a contract with the region for the grant.

Recommendation: Clearly communicate specific conditions well in advance so that final applicants can prepare before the calls are launched. In the call announced by the region (or annex to the call), include relevant passages from the IROP calls or the rules for applicants and beneficiaries of support from the PJT or OPE, which specify the eligible expenditures of these operational programmes in more detail.

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7. ANNEXES

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7.1 Annex 1: Handbook for evaluators

The handbook fulfils the function of a practical guide and tool for evaluators in the evaluation of submitted “groups of projects” under the PJT. In particular, it aims to provide a unified perspective on the eligibility criteria, which can be perceived as somewhat subjective. The aim is therefore to objectify the criteria where the evaluator has to assess the acceptability of the project from the perspective of the programme.

In preparing the guide, the authors have utilised the concept of 'good practice', which suggests it is advisable to train evaluators before the evaluation in order to align their approach so that it is as consistent as possible. Although the criteria evaluation is binary (yes/no), most of the criteria are in principle scalable (quality growth, innovation, increase in competitiveness). The guide is based on the premise that public administration decisions should be evidence-based, i.e. data-driven. Quality projects proposals should therefore also be based on data that describe their objectives.

The general rules for the evaluator stress that the evaluator must maintain objectivity and apply his/her knowledge and experience in the evaluation. The ultimate responsibility for the techniques used therefore lies with the evaluator. It should be stressed that this manual for evaluators is a methodological, not a binding recommendation. However, the use of proven good practices is intended to facilitate the discussion between the grant providers and the controlling authority during the ex-post evaluation (e.g. use of the established Oslo Manual for evaluating of innovations, etc.). Applying these approaches may therefore also make it easier for evaluators to defend their decisions in the future.

In general, the project should fulfil the theses of the pillar "Transition Plan of the Ústí Region", in particular Pillar I "entrepreneurship, research and innovation" and Pillar III "new energy". A project that fulfils the programme should therefore:

a) Provide product, process or market access innovation or other means of improving the company's competitiveness

b) It should have a so-called "leverage" effect, i.e., for example, to test solutions for larger investments or to directly prepare a plan for further investments. This is especially true since the intervention itself is relatively small and the idea is that the voucher should trigger further follow-on investments.

From this point of view, the submitted projects should not provide a simple renewal of equipment without significant qualitative change, preserve the technological and digital level of the company or help companies in difficulties.

7.1.1 Voucher for business development

General eligibility criteria
General eligibility criteria that the applicant must meet. This criterion, taken from the call, is always followed by a proposal of how it should be assessed by the evaluator.

1. The project corresponds to the objectives of the programme and the call - development of existing enterprises as well as support for the creation of small and medium-sized enterprises.
The evaluator will assess whether the project supports the creation of new or the development of existing business plans and business activities. In particular, expenditure for the start-up or expansion of production or services and the improvement of the functioning of small and medium-sized enterprises is eligible for support.
2. The project budget corresponds to the planned activities, the duration of the project and its planned outputs.
The evaluator will assess whether the project's budget items correspond to the activities and timelines, and whether the budget items are effective. Logic of expenditure to activity and time.
3. The applicant (SME) has sufficiently justified and documented the method of establishing the project budget (indicative bids, in the case of personnel costs, consistency with the Average Earnings Information System, etc.).
Evidence of how the normal price was calculated (market research, offers, normal labour costs). In this case, it is sufficient to indicate how the applicant has proceeded and to justify that the costs claimed are appropriate to the objectives of the project and are reasonable in terms of local cost.
4. The final applicant has sufficiently described the use and benefit of the purchased product/service for his/her business (SME) / for setting up a business (natural persons not in business).
The evaluator assesses the effectiveness of the investment (costs x benefits). Alternatively, the evaluator assesses otherwise numerically defined benefits of the project (e.g. reduction of CO2 emissions, increased value added of production, improved cash flow, etc.). The return on investment is approximately 5 years for product innovation, 7 years for process innovation (e.g. energy savings).
5. The application provides sufficient evidence of the organisation of the project and the coordination of the activities of the various participants.
Ideally, the project management method should be stated; at a minimum, the responsibility for the project (a specific person) should be clearly stated.
6. The proposed activities and methods are appropriate to achieve the project objectives.
The evaluator will assess whether the project's intention (process) is appropriate to the objective, whether the methods of achieving it are appropriately chosen, and whether there are no obvious more appropriate ways of achieving the project's objectives
7. The proposed duration of the project corresponds to the planned activities and objectives.

The projects are relatively short, one year. The applicant takes into account, for example, the purchase of the equipment, its installation and the training of the operator.
8. The CZ-NACE code of the project (for SMEs) is in line with the economic activities (CZ-NACE) of the final applicant.
A very formal criterion, even a company that does agriculture can set up, for example, energy production. If the subject matter of the project differs significantly from the applicant's current activity, the applicant should clearly describe it (diversification, purchase of know-how, other companies, etc.)

Eligibility of supported activities
A project will meet the eligibility conditions if at least one of the following eligibility criteria for supported activities is met.

a. The implementation of the project will allow to start a business.
The project includes the usual activities of starting a business, completing a business plan, market research, setting up processes, completing a prototype, securing financing, etc.
b. The project will lead to the launch of a new product or service.
The project includes either all phases of the project's market introduction (development, prototype, testing, certification, initial campaign) or only some but leading to the project actually being brought to market.
c. The project will expand existing production or existing services.
Assessing to what extent the activities will actually be expanded (new machine, more powerful machine, new process).
d. The implementation of the project will increase the efficiency of business activities.
The applicant is able to quantify the impact of the project on the efficiency of its operations in measurable units. Input x output.

Benefits of the project implementation
The applicant is free to choose the appropriate combination of project objectives according to his/her needs and the nature of the planned activities. The project will meet the eligibility conditions if at least 2 of the above mentioned benefits of the project implementation are positively evaluated

a. Increase in the quality of production/service.
The applicant has clearly described the differentiation of the new product/service from existing ones in terms of technical and economic parameters (speed, performance, quality, consumption, price, etc.)
b. Increase in quantity of production/service.
The applicant described how production/services will be expanded in terms of increased production volume.

c. Increase in value added.
The applicant shall describe the effects leading, for example, to an increase in price or, for example, a reduction in the number of collaborations and subcontracts or other cost reductions.
d. Expanding the portfolio of customers or the quantity of subscriptions.
The applicant describes the new market segments (geographic, thematic or social) and indicates the increase in sales.
e. Optimization of existing internal processes and methods to significantly increase the efficiency or reduce the cost of the company.
The applicant shall describe how the change in processes will result in, for example, reduced material or energy consumption, production times, speed of delivery, reduced inventory, etc.
f. Launching a new product or service on the market.
The bidder described how the product will be marketed (sales channels, marketing communication, support campaign, etc.)

7.1.2 Digital voucher

General eligibility criteria
General eligibility criteria that the applicant must meet. This criterion, taken from the call, is always followed by a proposal of how it should be assessed by the evaluator.

1. The project corresponds to the objectives of the programme and the call - development of existing enterprises as well as support for the creation of small and medium-sized enterprises.
The evaluator will assess whether the digitisation project supports the digital transformation of small and medium-sized enterprises. The support mainly includes the acquisition of digital technologies and services or the automation of processes.
2. The project budget corresponds to the planned activities, the duration of the project and its planned outputs.
The evaluator will assess whether the project's budget items correspond to the activities and timelines, and whether the budget items are effective. Logic of expenditure to activity and time.
3. The applicant (SME) has sufficiently justified and documented the method of establishing the project budget (indicative bids, in the case of personnel costs, consistency with the Average Earnings Information System, etc.).
Evidence of how the normal price was calculated (market research, offers, normal labour costs).
4. The final applicant has sufficiently described the use and benefit of the purchased product/service for his/her business (SME) / for setting up a business (natural persons not in business).
The evaluator assesses the effectiveness of the investment (costs x benefits). The return on investment is approximately 5 years for product innovation, 7 years for process innovation (e.g. energy savings).
The application provides sufficient evidence of the organisation of the project and the coordination of the activities of the various participants.
Ideally, the project management method should be stated; at a minimum, project responsibility should be clearly defined.
6. The proposed activities and methods are appropriate to achieve the project objectives.
The evaluator will assess whether the project's intention (process) is appropriate to the objective, whether the methods of achieving it are appropriate, and whether there are no obvious more appropriate ways of achieving the project's objectives.
7. The proposed duration of the project corresponds to the planned activities and objectives.
The projects are relatively short, one year. The applicant takes into account, for example, the purchase of the equipment, its installation and the training of the operator.

8. The CZ-NACE code of the project (for SMEs) is in line with the economic activities (CZ-NACE) of the final applicant.
A very formal criterion, even a company that does agriculture can set up, for example, energy production. If the subject of the project differs significantly from the applicant's existing activities, the applicant should clearly describe this (diversification, purchase of know-how, other companies, etc.)

Eligibility of supported activities
A project will meet the eligibility condition if at least one of the following eligibility criteria for supported activities is met.

a. The project will prepare the process of digital transformation of the company by carrying out a digital maturity analysis of the company according to accepted methodologies or a technical-economic study (feasibility study) based on the digital maturity analysis of the company.
The project will result in a study or corporate strategy that, based on an analysis of the digital maturity of the company, justifies why digitalization is focused on a particular process, what technologies will be used, describes the openness of the system in terms of avoiding the "customer lock in" effect, determines the impact on the efficiency of digitized processes and the economic return on investment etc. according to the requirements of recognised methodologies.
b. The project will increase the level of digital maturity of the enterprise through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the enterprise according to accepted methodologies or a techno-economic study (feasibility study). However, none of the documents must be older than 180 days as of the date of submission of the application.
The technologies used reflect the recommendations of the study under a).

7.1.3 Innovation voucher

General eligibility criteria
General eligibility criteria that the applicant must meet. This criterion, taken from the call, is always followed by a proposal of how it should be assessed by the evaluator.

1. The project corresponds to the objectives of the programme and the call - development of existing enterprises as well as support for the creation of small and medium-sized enterprises.
The evaluator will assess whether the project supports potential of small and medium-sized enterprises. The support is primarily focused on the development, testing and creation of new products and improving the functionality of existing products, management of production facilities related to the innovated product, purchase of services that the applicant needs for its innovation activities, and the creation of purpose-built jobs in the field of innovation.
2. The project budget corresponds to the planned activities, the duration of the project and its planned outputs.
The evaluator will assess whether the project's budget items correspond to the activities and timelines, and whether the budget items are effective. Logic of expenditure to activity and time.
3. The applicant (SME) has sufficiently justified and documented the method of establishing the project budget (indicative bids, in the case of personnel costs, consistency with the Average Earnings Information System, etc.).
Evidence of how the normal price was calculated (market research, offers, normal labour costs).
4. The final applicant has sufficiently described the use and benefit of the purchased product/service for his/her business (SME) / for setting up a business (natural persons not in business).
The evaluator assesses the effectiveness of the investment (costs x benefits). The return on investment is approximately 5 years for product innovation, 7 years for process innovation (e.g. energy savings).
5. The application provides sufficient evidence of the organisation of the project and the coordination of the activities of the various participants.
Ideally, the project management method should be stated; at a minimum, project responsibility should be clearly defined.
6. The proposed activities and methods are appropriate to achieve the project objectives.
The evaluator will assess whether the project's intention (process) is appropriate to the objective, whether the methods of achieving it are appropriate, and whether there are no obvious more appropriate ways of achieving the project's objectives.
7. The proposed duration of the project corresponds to the planned activities and objectives.
The projects are relatively short, one year. The applicant takes into account, for example, the purchase of the equipment, its installation and the training of the operator.
8. The CZ-NACE code of the project (for SMEs) is in line with the economic activities (CZ-NACE) of the final applicant.

A very formal criterion, even a company that does agriculture can set up, for example, energy production. If the subject of the project differs significantly from the applicant's existing activities, the applicant should clearly describe this (diversification, purchase of know-how, other companies, etc.)

Innovative contribution
Both innovation criteria must be met for the project to meet the eligibility conditions.

1. The final applicant is the final user of the project outputs.
The evaluator assesses whether the development is for a third party.
2. The sectoral focus of the project is in line with the regional domains of specialisation of the RIS3 strategy.
Link to RIS3 specialisation domains.

Eligibility of supported activities
A project will meet the eligibility conditions if at least one of the following eligibility criteria for supported activities is met.

A. The project addresses the development and creation of new products and services.
It is a product innovation as defined in the Oslo Manual or other appropriate definitions.
B. The project will test new products and services.
Testing of the product with pilot customers or moving from minimum viable product to prototype with the participation of pilot customers.
C. The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, economy of use, affordability, usability and user-friendliness, improvement of technical parameters).
The candidate shall describe the shift of the technical and economic parameters of the product in measurable data.
D. The project will create targeted jobs in the area of product and service innovation (according to criteria A-C).
The applicant shall employ persons engaged in research, development and innovation as defined in the Oslo and Frascati Manual.

7.2 Annex 2: Illustrative examples for business vouchers for the Ústí Region

7.2.1 Illustrative examples for business development vouchers for the Ústí Region

The aim of business development vouchers is to support the creation of new or the development of existing business plans and entrepreneurial activities. In particular, expenditure on starting up or expanding production or services and improving the functioning of SMEs is eligible for support. The amount of support for this type of voucher is CZK 50 000 for non-entrepreneurs and ranges from CZK 50 000 (minimum amount) to CZK 500 000 (maximum amount) for other SME applicants, where the public funds provided account for a maximum of 80 % of eligible expenditure.

Supported activities:	
• The implementation of the project will allow to start a business. • The project will launch the production of a new product or the provision of new services. • The project will expand existing production or existing services. • The implementation of the project will increase the efficiency of business activities (e.g. reduction of operating costs).	
Expected benefits:	**Eligible expenses:**
• Increase in quality of production/service. • Increase in quantity of production/service. • Increase in value added. • Expanding the portfolio of customers or the quantity of subscriptions. • Optimization of existing internal processes and methods to significantly increase efficiency or reduce costs. • The launch of a new product or service on the market.	• acquisition of tangible assets (e.g. machinery and equipment, hardware, etc.); • acquisition of intangible assets (e.g. software); • Acquisition of buildings in the form of construction and building alterations (the SME is the owner of the premises or has a long-term lease agreement); • the rent of the space (including coworking rent) that serves the purpose of the final applicant's project (only for SMEs with a business history of up to 3 years); • purchase of services - consultancy and training related to the objectives of the final applicant's project; • insurance for assets subject to the sustainability condition; • costs associated with participation in foreign exhibitions and fairs (only in the Karlovy Vary Region).

Example 1: Expansion of a joinery company to include other activities

Project name
Expansion of the joinery company by other activities
Brief description of the project, its purpose and justification
The "XY" joinery is a traditional company operating in a central town, which produces and customizes 80% of its furniture for local clients. It sees growth in deepening its value chain rather than in capturing markets outside its location. The company has a specialist subcontractor for components outside the region (same NACE code as the existing business), which is relatively expensive and does not always achieve the required quality parameters. The aim of the project is to replace this subcontractor with its own component production. The project will require minor construction costs of CZK 100 thousand. CZK (list of building modifications) and investment in machinery in the amount of CZK 700 thousand. The company will cover part of the budget with a business development voucher and part with its own funds from the profits of previous years. The timetable assumes a month for project preparation, a month for construction modifications, and a parallel tender for technology suppliers including a price survey and determination of technical conditions of delivery. The technology will be delivered in the next two months and a month will be required for staff training and for test runs. The total project time including contingency will be 8 months. We expect to start sales within one month. The project will be under the responsibility of the company's managing director, who will provide project management (supply of technology and training of staff) and administrative support will be provided by the company's accountant. Furthermore, the retraining programme of the "Integrated High School XY" will be used for the implementation.

CZ-NACE of the project	selection from the codebook: supported CZ NACE	
Acceptability of supported activities:		
The project will launch the production of a new product or the provision of new services.	Yes	**No**
irrelevant		
The project will expand the existing production or existing services provided	**Yes**	No
The outcome of the project is the expansion of the company's activities within the value chain. The project will expand the company's own production activities. The company has the space to expand and introduce new production. The project will create three new jobs (3 skilled workers).		
The project will increase the efficiency of business activities	**Yes**	No
The aim of the project is to increase the efficiency of the company's operations, which should be reflected in a higher quality of production for end customers and also by reducing the overall cost of production. A side effect is also a reduction in the logistical intensity of production and a reduction in CO2 emissions. The expansion of production to include the production of new components will result in a reduction in transport costs of 2,200 km/year, including a corresponding reduction in CO2 emissions. Thanks to the improvement in production efficiency and the increase in added value, the total cost of 800,000 CZK will tentatively be repaid two and a half to three years after the start of operations.		
Benefits of project implementation:		
Increase in quality of production/service.	**Yes**	No
One of the goals of the project is to increase the quality for the end user, where the final products will still be aimed at the same customer group. The company is dissatisfied with the quality of production of one specialist subcontractor of components, which should be replaced by its own production with higher quality parameters thanks to the implementation of the project. A side effect is also a reduction in the logistical intensity of production and a reduction in CO2 emissions.		
Increase in quantity of production/service	Yes	**No**
irrelevant		
Increase in value added.	**Yes**	No
Expanding the company's activities along the value chain will increase the number of skilled workers. The project will replace an existing expensive subcontractor with its own production, which will increase the company's added value by 1.6 million. CZK/year. The expected return on investment is under 3 years from the start of the project.		
Expanding the portfolio of customers or the quantity of subscriptions.	Yes	**No**
irrelevant		
Optimizing existing internal processes and methods to significantly increase efficiency or reduce costs.	Yes	**No**
irrelevant		
The launch of a new product or service on the market.	Yes	**No**
irrelevant		

Example 2: Growing a small company by diversifying customers and expanding production

Project name
Development of "ABC" through customer diversification and production expansion
Brief description of the project, its purpose and justification
"ABC" is a small company operating on the Czech market for more than 10 years in the production of quality machine tools. Currently it employs a total of 8 employees. The company supplies products mainly to Czech customers, both small and large companies. Production is now carried out on aging technologies, which are also energy intensive. The production is carried out in series, but the company also supplies complex atypical solutions including service directly at the customer's premises. When presenting the products at the Czech trade fair, the company was approached by a representative of a major company operating in Scandinavia with the possibility of a pilot supply of products to the local market, which is, however, very demanding on the quality of the products supplied.

The total cost of the project according to preliminary inquiries is set at CZK 565 000, of which CZK 452 000 is the requested subsidy. The project includes: - Supplier-provided analysis of the market and its potential for the company's products (Sweden, Finland, Norway, Denmark) (60 000 CZK), - purchase of two new certified six-axis CNC grinders, including their transport and installation in the company's production facilities (CZK 450,000), - property insurance for the period of sustainability (20 000 CZK), - language training for a sales representative (CZK 35 000). The company's managing director will be in charge of ensuring the implementation of the project. The total duration of the project is set at 9 months.		
CZ-NACE of the project	selection from the codebook: supported CZ NACE	
Acceptability of supported activities:		
The project will launch the production of a new product or the provision of new services.	Yes	**No**
irrelevant		
The project will expand the existing production or existing services provided	**Yes**	No
As part of the expansion into foreign markets, new machines will be purchased to replace the two original technologically obsolete machines and thus enable the production of larger volumes of products (by about 15%) with significantly lower unit costs (also thanks to energy savings) and at the same time ensure higher product quality for both domestic and new foreign markets. Foreign expansion is a relatively risky activity considered in the long term, requiring relatively larger investments for the company. The funds obtained from the innovation voucher will not only accelerate the whole process of business development, but will also enable the expansion of other activities and services that will significantly increase the likelihood of success in the foreign market. In the longer term, this initial investment should be followed by further expansion of production and hence the recruitment of new employees. According to preliminary estimates, this could involve up to 5 new positions, three of which are blue-collar and two with higher added value.		
The project will increase the efficiency of business activities	Yes	**No**
irrelevant		
Benefits of project implementation:		
Increase in quality of production/service.	**Yes**	No
The newly purchased machines will ensure higher quality products for both domestic and new foreign markets.		
Increase in quantity of production/service	**Yes**	No
As part of the expansion into the foreign market, new machines will be purchased to replace the two original technologically obsolete machines and thus enable the production of larger volumes of products (by about 15%) with significantly lower unit costs (also thanks to energy savings).		
Increase in value added.	Yes	**No**
irrelevant		
Expanding the portfolio of customers or the quantity of subscriptions.	**Yes**	No
One of the key customers of the company's products are mining companies operating in the Ústí nad Karlovy Vary region. Due to the expected decline in lignite mining and therefore the expected decline in demand, the company is actively seeking opportunities for greater diversification of customers and markets. Over time, it is envisaged to expand the export of products to other customers in this area. From the company's point of view, this would also mean further significant initial investments for which the company will be looking for other possible sources of financing.		
Optimizing existing internal processes and methods to significantly increase efficiency or reduce costs.	Yes	**No**
irrelevant		
The launch of a new product or service on the market.	Yes	**No**
irrelevant		

7.2.2 Illustrative examples for digital vouchers for the Ústí Region

Digital vouchers aim to support the digital transformation of SMEs. The support mainly covers the acquisition of digital technologies and services or the automation of processes. This call is open to projects requiring public support of at least CZK 50 000 and up to a maximum of CZK 500 000, with public funding representing a maximum of 80 % of eligible expenditure.

Supported activities:
• The project will prepare the process of digital transformation of the company by carrying out an analysis of the digital maturity of the company according to accepted methodologies or a techno-economic study (feasibility study) based on the digital maturity analysis of the company; • The project will increase the level of digital maturity of the enterprise through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the enterprise according to accepted methodologies or a techno-economic study (feasibility study). However, none of the documents to be submitted must be older than 180 days as of the date of submission of the application
Eligible expenses:
• purchase of services - processing of the analysis of the digital maturity of the company, processing of the technical and economic study (feasibility study) for the deployment of digital tools within the process of digital transformation of the company, digital audit; • acquisition of tangible assets (e.g. machinery and equipment, hardware); • acquisition of intangible assets (e.g. software); • insurance for assets subject to the sustainability condition.

Example 1: Digital voucher in a small engineering company (strategy)

Project name		
Digital voucher in a small engineering company (strategy development)		
Brief description of the project, its purpose and justification		
ZX is a traditional small engineering manufacturer (50 employees) supplying components to the automotive industry. The company has relatively older technological equipment. However, the company's equipment is in very good condition, regularly maintained and the products meet the quality needs of the customers. However, production is becoming inefficient in some areas, not least because of higher energy costs. The companies see as a potential solution the possible digitisation of production and other company processes, which would increase the efficiency of production, including its cost-effectiveness, and therefore strengthen the company's competitiveness. Although partial steps have been taken in the past to digitise some business processes, especially within the sales and finance departments. The company lacks up-to-date data on production and other business processes. The aim of the project is to prepare an analysis of the digital maturity of the company and at the same time a techno-economic study. On the basis of a preliminary request, the estimated cost was set at CZK 250,000 (of which the requested subsidy is CZK 200,000). Despite the contractor's delivery of the analyses, it is anticipated that a portion of the in-house capacity of 3 senior managers will be identified to liaise with the contractor. The implementation of the project will be the responsibility of the Director of the Economic Department, who will work closely with 2 other senior managers. The project implementation period is equivalent to 10 months.		
CZ-NACE of the project	selection from the codebook: supported CZ NACE	
A. The project will prepare the process of digital transformation of the company by carrying out a digital maturity analysis or a techno-economic study (feasibility study) based on the digital maturity analysis.	**Yes**	No
The project will include a contractor-developed digital maturity analysis of the company, as well as a techno-economic study (feasibility study) that will include prioritization of appropriate measures to increase the production efficiency of the company. The analysis must be based on one of the following methodologies: ADMA - full scope, DigitalPodnik.cz - extended test, INTEMAC-MSIC, National Centre for Industry 4.0. The subsequent feasibility study of appropriate measures should		

include market analysis and business strategy, technical design, project organisation and overheads, human resources required, implementation timetable, expected impacts, financial and economic analysis (including expected payback period). On the basis of the analysis and the study, the company will be gradually digitalized and technologically modernized, which will be partly financed from its own or other public sources. *[it is advisable to select one specific methodology in advance and describe the study specification in more detail if necessary]*		
B. The project will increase the level of digital maturity of the company through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the company according to accepted methodologies or technical-economic study (feasibility study).	Yes	**No**
irrelevant		
If you have prepared a Digital Maturity Analysis or a Techno-economic study (feasibility study), please attach the document		
irrelevant		

Example 2: Digital voucher in a small engineering company (application)

Project name	
Digital voucher in a smaller engineering company (application of digital strategy)	
Brief description of the project, its purpose and justification	
ZX is a traditional small engineering manufacturer (50 employees) supplying components to the automotive industry. The company has relatively older technological equipment, but it meets the quality requirements of customers. The company has strengthened its technological expertise to achieve high quality production in a relatively narrow market segment. The analysis shows that the introduction of the firm's energy management system is key. The subject of the digitalization project is the fitting of three machines with sensors for the analysis of operational data in the value of CZK 15,000/machine and the deployment of control software (CZK 150 thousand). Test operation with the supplier's experts (100 thousand CZK). Evaluation and enterprise-wide deployment study (80 thousand CZK). The total cost of the project is 375 thousand CZK. CZK for the testing phase and another CZK 1,200 thousand for the implementation phase. CZK for the live deployment phase, which should already be financed from other sources. The expected savings from the deployment of the whole system is 400 thousand CZK. CZK/year, the total payback is 4 years from the start of the pilot testing, if the pilot verifies the feasibility of the project. The project will be under the responsibility of the company's production director, whose team will include a technologist, IT specialist, admin support and two employees of the selected specialist supplier. The outcome of the project is to strengthen not only the cost but also the environmental (ESG) competitiveness of the company with a relatively short payback period. The use of the digital voucher brings new knowledge to the company and the voucher acts as leverage for further investments.	
CZ-NACE of the project	selection from the codebook: supported CZ NACE
Acceptability of supported activities:	

A. The project will prepare the process of digital transformation of the company by carrying out a digital maturity analysis or a techno-economic study (feasibility study) based on the digital maturity analysis.	Yes	**No**
irrelevant		
B. The project will increase the level of digital maturity of the company through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the company according to accepted methodologies or technical-economic study (feasibility study).	**Yes**	No

A few months ago, the company had a digital maturity analysis of the company and a techno-economic study (feasibility study) prepared by a contractor. The analysis shows that the company needs to strengthen its ability to respond to energy price fluctuations. Invited digital consultants audited and designed the company's energy management system. A prerequisite, however, is the fitting of older machine tools with measuring sensors to optimise their operation by collecting and analysing operational data in relation to sales, production management and energy supply. The outcome of the project is to strengthen not only the cost but also the environmental (ESG) competitiveness of the company with a relatively short payback period. The use of the digital voucher brings new knowledge to the company and the voucher acts as leverage for further investments.
If you have prepared a Digital Maturity Analysis or a Techno-economic study (feasibility study), please attach the document
[attach an existing digital maturity analysis or techno-economic study as an attachment]

7.2.3 Illustrative examples for innovation vouchers for the Ústí Region

The aim of the voucher is to support the innovation potential of SMEs. The support is primarily aimed at the development, testing and creation of new products and improving the functionality of existing products and the acquisition of production equipment related to the innovative product. The purchase of services needed by the final applicant for its innovation activities is also a supported activity. At the same time, the creation of targeted jobs in the field of innovation may also be supported. Public support for this type of voucher ranges from a minimum of CZK 50 000 to a maximum of CZK 1 000 000, with the public funding provided accounting for a maximum of 80 % of eligible expenditure.

Supported activities:	
• The project addresses the development and creation of new products and services. • The project will test new products and services. • The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, economy of use, affordability, usability and user-friendliness, improvement of technical parameters). • The project will create targeted jobs in product and service innovation (according to the previous criteria).	
Prerequisites:	**Eligible expenses:**
• The final applicant must be the end user of the project outputs. • The sectoral focus of the project must be in line with the regional domains of specialisation of the RIS3 strategy.	• acquisition of tangible assets (e.g. machinery and equipment related to the new product, etc.); • acquisition of intangible assets (e.g. purchase of intellectual property rights); • acquisition of materials (e.g. materials related to the creation of a new product); • purchase of services - access to research facilities and testing or measurement of product characteristics, development/design/creation of a new product or service (e.g. prototype, functional sample, utility design), enhancement of product or service functionality; • personnel costs of a new job created specifically for the purpose of carrying out research, development and innovation; • insurance for assets subject to the sustainability condition.

Example 1: Prototyping a new product in collaboration with research partners

Project name
Prototyping a new product in collaboration with research partners
Brief description of the project, its purpose and justification
AB is a traditional small engineering and assembly company working in the field of subcontracting for the automotive but mainly energy sector (air conditioning components). The company's strategy expects a decline in orders in these areas. The company is addressing sales opportunities outside these sectors. The company, with the help of a qualified external expert, has analysed technology trends using data from reputable foresight studies, which showed potential for new products in the healthcare and defence sectors. As part of the exploratory phase, the company attended several professional conferences and trade shows and obtained contacts with three potential technology partners and pilot customers. It formed a research and business alliance with them and started customizing its products for the specific requirements of engineering products for the defense and healthcare segment. The aim of the project is to measure and test the new product for market introduction and certification, including the work of consultants for product certification and market introduction. The total cost of the project is CZK 2.5 million of which CZK 1 million. CZK 1 million is requested in the form of an innovation voucher. The duration of the solution is one year. Due to its importance, the project will be directly under the responsibility of the company's director, whose team will include development staff, a technologist, a sales and marketing officer, admin support and two staff from the partner university, the licensor. The outcome of the project is a turnaround from energy and automotive subcontracting to a final product that builds on the company's manufacturing know-how, but adds more value in new markets.

CZ-NACE of the project	selection from the codebook: supported CZ NACE		
Conditions of admissibility			
The applicant is the end user of the project outputs		**Yes**	No
The sectoral focus of the project is in line with the regional domains of specialization of the RIS3 strategy		**Yes**	No
Acceptability of supported activities:			
The project addresses the development and creation of new products and services		**Yes**	No
The aim is to develop an innovative product that will in the future account for up to 60% of the company's turnover in new markets outside the subdued energy and classic automotive sectors. Two years ago, the company began working with a university on how to improve the quality of filtration technology. Based on the analyses carried out, which reflected major changes in the market, the healthcare sector emerged as a promising sector, especially the higher efficiency requirements for filtration equipment in connection with Covid 19, and in particular the possibilities of applying innovative products in the defence industry. There will be potential for further development and expansion into other product lines.			
New products and services will be tested as part of the project implementation		**Yes**	No
The aim of the project is to measure and test a new product for market introduction and certification, including the work of consultants for product certification and market introduction. The company has obtained a non-exclusive intellectual property license from the university, but needs to scale up the device from the demonstration phase (TRL6) to a prototype (TRL8) in order to obtain a device with 30% higher efficiency compared to the status quo, as well as antiviral effects. To do this, it has a proper project plan including a costing budget survey. In order to complete the project, collaboration with both pure researchers and development staff capable of working with the technology for mass production is necessary.			
The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, cost-effectiveness in use, price accessibility, usability and user-friendliness, improvement of technical parameters)		Yes	**No**
irrelevant			
The project will create targeted jobs in product and service innovation (according to criteria A-C)		**Yes**	No
The company plans to hire two new development staff to perform the task of customizing existing products for the specific requirements of engineering products for the defense and medical segment. The subject of the voucher support is part of the salary of these workers and cooperation with the licensor.			

Example 2: Piloting a new business model and customer service

Project name
Pilot testing of a new business model and customer service
Brief description of the project, its purpose and justification
CXW has 200 employees and manufactures expensive electronic equipment which it sells directly to end customers, mainly from the EU. This business model is associated with increased packaging waste and, more recently, increased costs for the purchase of the necessary raw materials and supplies, which also makes the resulting products more expensive for customers who are under long-term price pressure. The company is looking to introduce a new model where products are no longer just sold to end customers, but customers pay for their use and performance. Products are provided as a service to customers for a regular fee, including the provision of repair and maintenance services. Project objective: to test a new model in a pilot operation that would lead to savings in own costs (e.g. for the purchase of part of the raw materials and materials) and increased profitability in the long term.

Rationale: This model allows for higher margins than selling alone. The promise of this model is to expand the existing customer portfolio.

Duration: 12 months.

Total cost: CZK 1 225 250 (subsidy CZK 980 200): CZK 250 000 - purchase of consultancy services to manage the change from a process approach to a project approach, CZK 425 250 - part of the salary of a newly recruited R&D employee, including deductions (9 months), CZK 550 000 - purchase of flexible equipment for the service and repair offered.

Implementation team: responsible person (sales director), team members (production and finance department representatives), project management according to established PRINCE2 project management standards

CZ-NACE of the project	selection from the codebook: supported CZ NACE

Conditions of admissibility		
The applicant is the end user of the project outputs	**Yes**	No
The sectoral focus of the project is in line with the regional domains of specialization of the RIS3 strategy	**Yes**	No

Acceptability of supported activities:		
The project addresses the development and creation of new products and services	Yes	**No**
irrelevant		
The project will test new products and services	**Yes**	No

The aim of the project is to test a new model in a pilot operation, which in the long term would lead to savings in own costs (for example, for the purchase of part of the raw materials and materials) and increase the profitability of business activities. The change in model entails a higher cash flow requirement, but the company has already made the necessary provisions for this. The company has allocated part of the capacity of the production and sales departments to test the model. The intended changes involve significant changes in logistics, including the need to reconfigure our information systems. These changes also require strengthening the company's current research and development team.
We plan to use the voucher to cover only this crucial initial phase. We plan to cover the other costs in the order of millions of CZK associated with the transition to the new model, including other necessary adjustments to production technologies, including the recycling line, employee training, etc. in the coming years from our own resources in combination with borrowed foreign resources.
Thanks to the innovations in our products and services, we promise to increase customer satisfaction in the medium term and thus increase our sales. According to the calculations made by our sales department, the investments made, including the costs associated with higher capital commitment, should pay for themselves over the next 6 years. This innovation in process approach represents a fundamental change in the way the company operates its business and adds value through sustainable and efficient use of resources and reduction of environmental impact.

The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, cost-effectiveness in use, price accessibility, usability and user-friendliness, improvement of technical parameters)	Yes	**No**
irrelevant		
The project will create targeted jobs in product and service innovation (according to criteria A-C)	**Yes**	No

The project will recruit a new R&D worker, part of whose salary will be covered by the project for 9 months. His/her role will be to oversee the smooth process of changing and analysing data collected from our company and our customers, including evaluating pilot testing and suggesting further modifications to the company's software.

7.3 Annex 3: Illustrative examples for business vouchers for the Karlovy Vary Region

7.3.1 Illustrative examples for business development vouchers for the Karlovy Vary Region

The aim of business development vouchers is to support the creation of new or the development of existing business plans and entrepreneurial activities. In particular, expenditure on starting up or expanding production or services and improving the functioning of SMEs is eligible for support. The amount of support for this type of voucher is CZK 50 000 for non-entrepreneurs and ranges from CZK 50 000 (minimum amount) to CZK 500 000 (maximum amount) for other SME applicants, where the public funds provided account for a maximum of 80 % of eligible expenditure.

Supported activities:	
• The implementation of the project will allow to start a business. • The project will launch the production of a new product or the provision of new services. • The project will expand existing production or existing services. • The implementation of the project will increase the efficiency of business activities (e.g. reduction of operating costs).	
Expected benefits:	**Eligible expenses:**
• Increase in quality of production/service. • Increase in quantity of production/service. • Increase in value added. • Expanding the portfolio of customers or the quantity of subscriptions. • Optimization of existing internal processes and methods to significantly increase efficiency or reduce costs. • The launch of a new product or service on the market.	• acquisition of tangible assets (e.g. machinery and equipment, hardware, etc.); • acquisition of intangible assets (e.g. software); • Acquisition of buildings in the form of construction and building alterations (the SME is the owner of the premises or has a long-term lease agreement); • the rent of the space (including coworking rent) that serves the purpose of the final applicant's project (only for SMEs with a business history of up to 3 years); • purchase of services - consultancy and training related to the objectives of the final applicant's project; • insurance for assets subject to the sustainability condition; • costs associated with participation in foreign exhibitions and fairs (only in the Karlovy Vary Region).

Example 1: Expansion of a joinery company to include other activities

Identification of the beneficiary of the grant

Name of applicant	XY
Project name	Expansion of the joinery company by other activities

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
The company is dealing with an unreliable and relatively expensive subcontractor of components. At the same time, the company has vacant and unused space in a rented production hall and the necessary know-how to replace this supplier by ensuring its own production. The aim of the project is therefore to expand the company's activities within the value chain, increase the number of skilled workers and increase the added value with a payback period of less than 3 years from the start of the project. The project targets the same customer group and also aims to increase quality for the end user. A side effect is also a reduction in the logistics intensity of production and a reduction in CO2 emissions.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its nature, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.

The company is based in leased premises in an industrial area in the town of "X" (located in the Karlovy Vary Region). The entire project and its impacts will be implemented in the Karlovy Vary Region. *[appropriate to further specify the object/building, land and their nature, place of production, distribution, customers]*

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.
The project will purchase and install the necessary machinery. The company has the space to expand and introduce new production and the know-how to replace this supplier in-house. *[additional technical specification of products, materials, etc. may be added]*

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)
Outside the region, the company has a specialist component subcontractor (same NACE code as the current activity), which is relatively expensive and does not always achieve the required quality parameters. The company has the space to expand and introduce new production and the know-how to replace this supplier in-house. Thanks to the project, the necessary machinery will be purchased and installed, which will also ensure the production of products with higher quality parameters than the production supplied so far. The project will create three new jobs and increase the company's added value by CZK 1.6 million. It will also reduce transport costs by 2,200 km/year, including a corresponding decrease in CO2 emissions.

Market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
The "XY" joinery is a traditional company operating in a central town, which manufactures and customizes 80% of its furniture for local clients. It sees growth in deepening its value chain rather than in capturing markets outside its location. The project activities consist of project preparation, construction modifications, tender for technology suppliers including price survey and determination of technical conditions of supply, delivery and installation, training of personnel and test operation.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.
The benefits of the project are the expansion of the company's activities within the value chain, an increase in the number of qualified workforce and an increase in the added value of the company's activities. Another benefit is the increase in quality for the end user. A side effect is also a reduction in the logistical intensity of production and a reduction in CO2 emissions.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.
The basic method for achieving competitiveness is to shorten the supply chain and the resulting reduction in costs and increase in added value.

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).

The timetable envisages one month for project preparation, one month for construction modifications, and a parallel tender for technology suppliers including a price survey and determination of technical conditions of delivery. The technology will be delivered in the next two months and a month will be required for training of personnel and for test runs. The total project time including contingency will be 8 months.

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.
The project will require minor construction costs of CZK 100 thousand (list of building modifications) and investment in machinery in the amount of CZK 700 thousand. The company will cover part of the budget with a business development voucher and part with its own funds from the profits of previous years. The cash flow of the project will be partly secured by a pre-arranged short-term bank loan, which will be repaid from the grant provided, and the company's own resources. We expect the sales to start within one month. Total costs 800 thousand EUR. The total cost of CZK 800,000 will therefore be paid off approximately two and a half to three years after the start of operations

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
The project will be under the responsibility of the company's managing director, who will provide project management (supply of technology and training of staff) and administrative support will be provided by the company's accountant. Furthermore, the retraining programme of the "Integrated High School XY" will be used for the implementation.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".
The outcome of the project is the expansion of the company's activities within the value chain. The project will expand the company's own production activities. The company has the space to expand and introduce new production. The project will create three new jobs (3 skilled workers). The aim of the project is to increase the efficiency of the company's operations, which should be reflected in a higher quality of production for end customers and also by reducing the overall cost of production. A side effect is also a reduction in the logistical intensity of production and a reduction in CO2 emissions. The expansion of production to include the production of new components will result in a reduction in transport costs of 2,200 km/year, including a corresponding reduction in CO2 emissions. One of the goals of the project is to increase the quality for the end user, where the final products will still target the same customer group. The company is dissatisfied with the quality of production of one specialist subcontractor of components, which should be replaced by its own production with higher quality parameters thanks to the implementation of the project. Expanding the company's activities along the value chain will increase the number of skilled workers. The project will replace an existing expensive subcontractor with its own production, which will increase the company's added value by 1.6 million. CZK/year. The expected return on investment is under 3 years from the start of the project

Within the project I will fill:	
yes/**no**	The implementation of the project will allow to start a business.
yes/**no**	The project will launch the production of a new product or service.
yes/no	The project will expand existing production or existing services.
yes/no	The project will increase the efficiency of business activities.
The project will include (at least two activities must be fulfilled):	
yes/no	Increase in the quality of production/service.
yes/**no**	Increase in quantity of production/service.

yes/no	Increase in value added.
yes/**no**	Expanding the portfolio of customers or the quantity of subscriptions.
yes/**no**	Optimization of existing internal processes and methods to significantly increase efficiency or reduce costs.
yes/**no**	Launching a new product or service on the market

Example 2: Growing a small company by diversifying customers and expanding production

Identification of the beneficiary of the grant

Name of applicant	ABC
Project name	Development of "ABC" through customer diversification and production expansion

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
The company supplies products (quality machining tools) mainly to Czech customers, both small and large companies. One of the key customers of the company's products are mining companies operating in the Ústí nad Karlovy Vary region. Given the expected decline in lignite production and therefore the expected decline in demand, the company is actively seeking opportunities for greater diversification of customers and markets. Production is now taking place on ageing technologies that are also energy intensive. Production is in series, but the company also supplies complex atypical solutions including on-site service. During the presentation of the products at the Czech trade fair, the company was approached by a representative of a major company operating in Scandinavia with the possibility of a pilot supply of products to the local market, which is, however, very demanding on the quality of the products supplied. Over time, it is envisaged to expand the possibility of exporting products to other customers in this area. From the company's point of view, this would also mean a more significant initial investment.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its nature, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.
The company is located on the outskirts of the small village "X" in the Karlovy Vary region. The production is operated in its own premises with a small production hall and warehouses, which is owned by the company, including the land. One of the key customers of the company's products are mining companies operating in Ústí nad Karlovy Vary region. *[Possible further specification of the object/building, land and their nature, place of production, distribution, customers]*

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.
"ABC" is a small company operating on the Czech market for more than 10 years in the production of quality machine tools. At present it employs a total of 8 employees. *[add further technical specification of products and services as appropriate]*

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)

The company has been operating on the Czech market for more than 10 years in the field of production of quality machine tools. Currently, it employs a total of 8 employees. The company supplies products mainly to Czech customers, both small and large companies. Production is now carried out on aging technologies, which are also energy intensive. The production is carried out in series, but the company also supplies complex atypical solutions including service directly at the customer's premises. The new machines will replace the two original technologically obsolete machines and will enable the production of larger volumes of products with significantly lower unit costs (also due to energy savings), while ensuring higher quality products for both domestic and new foreign markets. This will also ensure the availability of the new equipment and therefore the sustainability of the project.

Market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
One of the key customers of the company's products are mining companies operating in the Ústí and Karlovy Vary Regions. Given the expected decline in lignite production and therefore the expected decline in demand, the company is actively seeking opportunities for greater diversification of customers and markets. Expansion into foreign markets is a relatively risky activity that has been considered for a long time and requires relatively larger investments for the company. The funds obtained from the innovation voucher will allow not only to accelerate the whole process of business development but also to expand it with additional activities and services that will significantly increase the probability of success on the foreign market. In the longer term, this initial investment should be followed by further expansion of production and hence the recruitment of new employees. According to preliminary estimates, this could involve up to 5 new positions, three of which are blue-collar and two with higher added value.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.
The new machines will enable the production of larger volumes of products with significantly lower unit costs (also thanks to energy savings) and at the same time ensure higher quality products for both domestic and new foreign markets. In the longer term, this initial investment should be followed by further expansion of production and hence the recruitment of new employees. According to preliminary estimates, this could involve up to 5 new positions, three of which are blue-collar and two with higher added value.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.
All cost items are supplied by contractors. In preparing the application, contractors have been approached for quotations and consulted on the scope of work required. The project will be continuously monitored during implementation by the company's managing directors and new quality management methods will be used (production control technology and statistical samples, EFQM model).

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).
The total duration of the project is set at 9 months. The project includes an analysis of the market and its potential for the company's products (M1-M3). The initial pilot phase will include the purchase of two new certified six-axis CNC grinding machines, including their transport and installation in the company's production facilities and their insurance (M1-M8), language training for the sales representative (M5-M8).

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.
Part of the project is an analysis of the market and its potential for the company's products, which will be provided by the supplier, the total cost for all 4 countries (Sweden, Finland, Norway, Denmark) is estimated according to the preliminary demand at 60 000 CZK. The initial pilot phase will involve the purchase of two new certified six-axis CNC grinding machines with an estimated purchase price of 450,000 CZK, including their transport and installation in the company's production facilities. In addition, the project also includes property insurance for the period of sustainability at a cost of CZK 20,000. Language training for a sales representative in the amount of CZK 35 000. The total cost of the project is therefore CZK 565,000, of which CZK 452,000 is the requested subsidy. This is matched by the total funds required, the cash flow available to the company from its reserve resources, and the company has also arranged a bridging loan if necessary.

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
The company's managing director will be in charge of ensuring the implementation of the project.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".	
The newly purchased machines will ensure higher quality products for both domestic and new foreign markets. As part of the expansion into the foreign market, new machines will be purchased to replace the two original technologically obsolete machines and thus enable the production of larger volumes of products (by about 15%) with significantly lower unit costs (also thanks to energy savings). One of the key customers of the company's products are mining companies operating in the Ústí nad Karlovy Vary region. Due to the expected decline in lignite mining and therefore the expected decline in demand, the company is actively seeking opportunities for greater diversification of customers and markets. Over time, it is envisaged to expand the export of products to other customers in this area. From the company's point of view, this would also mean further significant initial investments for which the company will be looking for other possible sources of financing.	
Within the project I will fill:	
yes/**no**	The implementation of the project will allow to start a business.
yes/no	The project will launch the production of a new product or service.
yes/**no**	The project will expand existing production or existing services.
yes/**no**	The project will increase the efficiency of business activities.
The project will include (at least two activities must be fulfilled):	
yes/no	Increase in the quality of production/service.
yes/no	Increase in quantity of production/service.
yes/**no**	Increase in value added.
yes/no	Expanding the portfolio of customers or the quantity of subscriptions.
yes/**no**	Optimization of existing internal processes and methods to significantly increase efficiency or reduce costs.
yes/**no**	Launching a new product or service on the market

7.3.2 Illustrative examples for digital vouchers for the Karlovy Vary Region

Digital vouchers aim to support the digital transformation of SMEs. The support mainly covers the acquisition of digital technologies and services or the automation of processes. This call is open to projects requiring public support of at least CZK 50 000 and up to a maximum of CZK 500 000, with public funding representing a maximum of 80 % of eligible expenditure.

Supported activities:
• The project will prepare the process of digital transformation of the company by carrying out an analysis of the digital maturity of the company according to accepted methodologies or a techno-economic study (feasibility study) based on the digital maturity analysis of the company; • The project will increase the level of digital maturity of the enterprise through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the enterprise according to accepted methodologies or a techno-economic study (feasibility study). However, none of the documents to be submitted must be older than 180 days as of the date of submission of the application
Eligible expenses:
• purchase of services - processing of the analysis of the digital maturity of the company, processing of the technical and economic study (feasibility study) for the deployment of digital tools within the process of digital transformation of the company, digital audit; • acquisition of tangible assets (e.g. machinery and equipment, hardware); • acquisition of intangible assets (e.g. software); • insurance for assets subject to the sustainability condition.

Example 1: Digital voucher in a small engineering company (strategy)

Identification of the beneficiary of the grant

Name of applicant	ZX
Project name	Digital voucher in a small engineering company (strategy development)

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
ZX is a traditional small engineering manufacturer (50 employees) supplying components to the automotive industry. The company's production is becoming inefficient in some areas, not least because of higher energy costs. The companies see as a potential solution the possible digitalization of production and other company processes that would increase the efficiency of production, including its cost-effectiveness, and thus strengthen the company's competitiveness. The aim of the project is to prepare an analysis of the digital maturity of the company and at the same time a techno-economic study (feasibility study), which will include the prioritization of appropriate measures to increase the production efficiency of the company. Both the analysis and the feasibility study will be prepared by contractors.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its character, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.
The place of implementation is the company's production plant located in the Karlovy Vary Region in the industrial zone in the village of X. All project activities will thus have an impact on the territory of the Karlovy Vary Region. *[Possible further specification of the object/building, land and their nature, place of production, distribution, customers]*

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.

The project will include an analysis of the digital maturity of the company and a techno-economic study, which will include the prioritization of appropriate measures to increase the production efficiency of the company. Both the analysis and the feasibility study will be prepared by contractors. The analysis must be based on one of the following methodologies: ADMA - full scope, DigitalPodnik.cz - extended test, INTEMAC-MSIC, National Centre for Industry 4.0. The subsequent feasibility study of appropriate measures should include market analysis and business strategy, technical design, project organisation and overheads, human resources required, implementation timetable, expected impacts, financial and economic analysis (including expected payback period). *[Select specific methodology as appropriate]*

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)
The company has relatively older technological equipment. However, the company's equipment is in very good condition, regularly maintained and the products meet the quality needs of customers. Although partial steps have been taken in the past to digitise some business processes, particularly within the sales and finance departments. The company lacks up-to-date data on production and other business processes.

Market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
The project will select a contractor to prepare the analyses. Although the analysis and the feasibility study will be prepared by the contractor, it is envisaged that a certain part of the in-house capacity of 3 senior managers of the company will be allocated to work in synergy with the contractor. The digital audit will provide insight into the methods used by other competing firms in the industry.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.
On the basis of the analysis and the study, the company will be gradually digitalized and technologically modernized, which will be partly financed from its own or other public sources.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.
A proven digital audit method will be used, see above.

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).
The duration of the project corresponds to 10 months. At the very beginning of the project (M1), the contractor will be selected and the contract will be concluded. The contractor will submit the analyses for comments to the contracting authority no later than 6 months after signing the contract (M7), with final delivery and payment for the service no later than the end of the project (M10).

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.

On the basis of a preliminary request, the estimated costs for the preparation of a digital maturity analysis of the company and a technical and economic study (feasibility study) were set at CZK 250,000 (of which the requested subsidy is CZK 200,000). The company will pre-finance the project from its own resources.

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
The Director of the Economic Department will be in charge of the implementation of the project and will work closely with 2 other managers.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".
The project will include a contractor-developed digital maturity analysis of the company, as well as a techno-economic study (feasibility study) that will include prioritization of appropriate measures to increase the production efficiency of the company. The analysis must be based on one of the following methodologies: ADMA - full scope, DigitalPodnik.cz - extended test, INTEMAC-MSIC, National Centre for Industry 4.0. The subsequent feasibility study of appropriate measures should include a market analysis and business strategy, technical design, project organisation and overheads, human resources required, implementation schedule, expected impacts, financial and economic analysis (including expected payback period). On the basis of the analysis and the study, the company will be gradually digitalized and technologically modernized, which will be partly financed from its own or other public sources. *[it is advisable to select one specific methodology in advance and describe the study specification in more detail if necessary]*

Within the project I will fill:	
yes/no	The project will prepare the process of digital transformation of the company by carrying out a digital maturity analysis or a techno-economic study (feasibility study) based on the digital maturity analysis.
yes/**no**	The project will increase the level of digital maturity of the company through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the company according to accepted methodologies or technical-economic study (feasibility study).

Example 2: Digital voucher in a small engineering company (application)

Identification of the beneficiary of the grant

Name of applicant	ZX
Project name	Digital voucher in a smaller engineering company (application of digital strategy)

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
ZX is a traditional small engineering manufacturer (50 employees) supplying components to the automotive industry. The analysis shows that the firm needs to strengthen its ability to respond to energy price fluctuations. Invited digital consultants audited and designed the company's energy management system. A prerequisite, however, is the fitting of older machine tools with measuring sensors to optimise their operation by collecting and analysing operational data in relation to sales, production management and energy supply. The total cost of the project is CZK 375,000 and includes the purchase of sensors, deployment of control software, testing and studies for further expansion of the investment. The outcome of the project is to strengthen not only the cost but also the environmental competitiveness of the company with a relatively short payback period. The use of the

digital voucher brings new knowledge to the company and the voucher can act as leverage for other future corporate investments.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its character, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.
The place of implementation is the company's production plant located in the Karlovy Vary Region in the industrial zone in the village of X. All project activities will thus have an impact on the territory of the Karlovy Vary Region. *[Possible further specification of the object/building, land and their nature, place of production, distribution, customers]*

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.
On the basis of the analyses, older machine tools will be equipped with measuring sensors that will enable their operation to be optimised by collecting and analysing operational data in relation to sales, production management and energy supply. *[possibility to add more technical data]*

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)
The company has relatively older technological equipment, but it meets the quality requirements of customers. The company has done market research and defined products that will not be threatened by the introduction of new technologies in the automotive industry, such as electric cars. The company has strengthened its technological expertise to achieve high quality production in a relatively narrow market segment. However, the analysis shows that the company needs to strengthen its ability to respond to energy price fluctuations. Invited digital consultants audited and designed the company's energy management system. A prerequisite, however, is to equip older machine tools with measuring sensors. By collecting and analysing operational data from these sensors, the operation of the machines will be optimised in relation to sales, production management and energy supply.

Market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
The company is implementing a strategy of equal quality at a lower price (energy savings through digitalisation) which is suitable for medium series production in the lower supply tiers of the automotive industry.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.
The expected savings from the deployment of the entire system is 400 thousand CZK/year, the total payback is 4 years from the start of the pilot testing, if the pilot verifies the feasibility of the project. The outcome of the project is to strengthen not only the cost but also the environmental (ESG) competitiveness of the company with a relatively short payback period. The use of the digital voucher brings new knowledge to the company and the voucher acts as leverage for further investments.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.
The company will use the agile scrum method, i.e. incremental development in short periods, to deliver the project. The target state after the completion of the whole investment will be the creation of an energy dashboard that will show the online status of consumption in the company, while storing data for future datamining and further optimization based on long-term data (artificial intelligence methods).

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).
The duration of the project will be 12 months. First, the contract will be signed with the supplier and the sensors will be installed in the machine. Subsequently, data collection and continuous evaluation will take place. Subsequently, the machine operation will be adjusted and the operational data will be measured and evaluated again and the first phase of the pilot will be evaluated.

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.
The subject of the digitization project is to equip three machines with sensors worth CZK 15,000/machine and to deploy control software (CZK 150,000). Test operation with the supplier's experts (100 thousand CZK). Evaluation and deployment study for the whole enterprise (80 thousand CZK). The total project cost is 375 thousand CZK for the testing phase and another CZK 1,200 thousand for the implementation phase. CZK for the live deployment phase, which should already be financed from other sources. The company has sufficient own resources to pre-finance and co-finance the voucher. It plans to address further investments through external sources (probably a bank loan or other suitable private or public financial instruments).

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
The project will be under the responsibility of the company's production director, whose team will include a technologist, IT specialist, admin support and two employees of the selected specialist supplier.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".	
A few months ago, the company had a digital maturity analysis of the company and a techno-economic study (feasibility study) prepared by a contractor. The analysis shows that the company needs to strengthen its ability to respond to energy price fluctuations. Invited digital consultants audited and designed the company's energy management system. A prerequisite, however, is the fitting of older machine tools with measuring sensors to optimise their operation by collecting and analysing operational data in relation to sales, production management and energy supply.	
Within the project I will fill:	
yes/**no**	The project will prepare the process of digital transformation of the company by carrying out a digital maturity analysis or a techno-economic study (feasibility study) based on the digital maturity analysis.
yes/no	The project will increase the level of digital maturity of the company through the acquisition of hardware, software, machines and equipment that are in line with the already processed analysis of the digital maturity of the company according to accepted methodologies or technical-economic study (feasibility study).

7.3.3 Illustrative examples for innovation vouchers for the Karlovy Vary Region

The aim of the voucher is to support the innovation potential of SMEs. The support is primarily aimed at the development, testing and creation of new products and improving the functionality of existing products and the acquisition of production equipment related to the innovative product. The purchase of services needed by the final applicant for its innovation activities is also a supported activity. At the same time, the creation of targeted jobs in the field of innovation may also be supported. Public support for this type of voucher ranges from a minimum of CZK 50 000 to a maximum of CZK 1 000 000, with the public funding provided accounting for a maximum of 80 % of eligible expenditure.

Supported activities:	
• The project addresses the development and creation of new products and services. • The project will test new products and services. • The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, economy of use, affordability, usability and user-friendliness, improvement of technical parameters). • The project will create targeted jobs in product and service innovation (according to the previous criteria).	
Prerequisites:	**Eligible expenses:**
• The final applicant must be the end user of the project outputs. • The sectoral focus of the project must be in line with the regional domains of specialisation of the RIS3 strategy.	• acquisition of tangible assets (e.g. machinery and equipment related to the new product, etc.); • acquisition of intangible assets (e.g. purchase of intellectual property rights); • acquisition of materials (e.g. materials related to the creation of a new product); • purchase of services - access to research facilities and testing or measurement of product characteristics, development/design/creation of a new product or service (e.g. prototype, functional sample, utility design), enhancement of product or service functionality; • the personnel costs of a new job created specifically for the purpose of carrying out research, development and innovation; • insurance for assets subject to the sustainability condition.

Example 1: Prototyping a new product in collaboration with research partners

Identification of the beneficiary of the grant

Name of applicant	AB
Project name	Prototyping a new product in collaboration with research partners

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
A small engineering and assembly company working in the field of subcontracting for the automotive and especially the energy sector (air conditioning components). The company is expecting a decline in orders in these areas and has therefore started working with a university to improve the quality of filtration technology. Subsequently, the company acquired contacts with three potential technology partners and pilot customers. The company has obtained a non-exclusive intellectual property licence from the university but needs to scale up the equipment from the demonstration phase (Technology Readiness Level - TRL6) to a prototype (TRL8). The total cost of the project is CZK 2.5 million, of which CZK 1 million is requested in the form of an innovation voucher (part of the salary of the new development staff, the cost of measuring and testing the new product, the cost of consulting for the certification of the product and its launch on the market). The aim is to develop an innovative product that will in the future account for up to 60% of the company's turnover in new markets outside the subdued energy and classic automotive sectors. There will be potential for further development and expansion into other product lines.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its nature, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.
The place of implementation is the existing production plant of the company at the address of its headquarters in the village X, in the district Y in the Karlovy Vary Region. The territorial impact of the project is mainly on the territory of the Karlovy Vary Region.

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.
The company is active in the field of subcontracting for the automotive and especially the energy sector (air handling components). The company's strategy expects a decline in orders in these areas. The company is addressing sales opportunities outside these sectors. The company, with the help of a qualified external expert, has analysed technology trends using data from reputable foresight studies, which have shown the potential for new products in the healthcare and defence sectors. As part of the exploratory phase, the company attended several professional conferences and trade shows and obtained contacts with three potential technology partners and pilot customers. It formed a research and business alliance with them and started customizing its products for the specific requirements of engineering products for the defense and healthcare segment.

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)
Two years ago, the company began working with a university on how to improve the quality of filtration technology and began looking at other outlets beyond the energy sector. The company, with the help of a qualified external expert, conducted an analysis of technology trends using data from reputable foresight studies. The research reflected the major changes in the market, in particular the higher efficiency requirements for filtration equipment in connection with Covid 19 and especially the possibility of applications in the defence industry. As part of the exploratory phase, the company attended several trade conferences and trade fairs and obtained contacts with three potential technology partners and pilot customers. With them, it formed a research and business alliance and started to customize its products for the specific requirements of engineering products for the defense and medical segment. The company has obtained a non-exclusive intellectual property license from the university, but needs to scale up the device from the demonstration phase (TRL6) to a prototype (TRL8) in order to obtain a device with 30% higher efficiency compared to the status quo and further with antiviral effects.

Market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
During the project, marketing will be handled using the Product Development and Management Association (PDMA) methodology, i.e. testing the product with pilot customers so that the product is customized to their real requirements. This will reduce the risks associated with bringing an innovative product to market.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.

The outcome of the project will be an innovative product that will in the future account for up to 60% of the company's turnover in new markets outside the subdued energy and classic automotive sectors. The innovative product is a device with a 30% higher efficiency compared to the status quo, as well as anti-virucidal effects. The expected benefit of the project is the turnover of the company from energy and automotive subcontracting to the final product, which, although based on the company's manufacturing know-how, brings higher added value in new markets.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.
The PDMA method of new product and process development, as well as technology transfer methods (transfer of licence from universities) will be used to manage the project.

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).
The solution period is one year. The company has a proper project plan including a budget cost survey. The main planned activities are testing of the new product for market introduction (M1-M6), its certification (M4-M9), contracting with suppliers (M1), and the work of consultants for product certification (M2-M9) and market introduction (M9-M12).

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.
The subject of the voucher support is part of the salary of these workers, cooperation with the licensor and measurement and testing of the new product for its introduction to the market and its certification, as well as the work of consultants for the certification of the product and its launch on the market. total cost of the project is CZK 2.5 million, of which CZK 1 million is requested in the form of an innovation voucher. The voucher will be pre-financed with own funds and partly with a short-term loan, which will be repaid after receiving payment from the voucher.

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
Due to its importance, the project will be directly under the responsibility of the company's director, whose team will include development staff, a technologist, a sales and marketing officer, admin support and two staff from the partner university, the licensor. In order to complete the project, it is necessary to cooperate with both pure researchers and development staff who are able to work with technologies for mass production. The company plans to recruit two new development staff to carry out this task.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".

The aim of the project is to measure and test a new product for market introduction and certification, including the work of consultants for product certification and market introduction. The aim is to develop an innovative product that will in the future account for up to 60% of the company's turnover in new markets outside the depressed energy and classic automotive sectors. Two years ago, the company began working with a university on how to improve the quality of filtration technology. Based on the analyses carried out, which reflected major changes in the market, the healthcare sector emerged as a promising sector, especially the higher efficiency requirements for filtration equipment in connection with Covid 19, and in particular the possibilities of applying innovative products in the defence industry. There will be potential for further development and expansion into other product lines. The company has obtained a non-exclusive intellectual property license from the university, but needs to scale up the device from the demonstration phase (TRL6) to a prototype (TRL8) in order to obtain a device with 30% higher efficiency compared to the status quo and further with antiviral effects. To do so, it has a proper project plan including a costing budget survey. In order to complete the project, collaboration with both pure researchers and developers who are able to work with the technology for mass production is necessary.

Within the project I will fill:	
yes/no	I am the end user of the project outputs
yes/no	The sectoral focus of the project is in line with the regional domains of specialization of the RIS3 strategy
The project will include (at least two activities must be fulfilled):	
yes/no	The project addresses the development and creation of new products and services
yes/no	The project will test new products and services
yes/**no**	The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, cost-effectiveness in use, price accessibility, usability and user-friendliness, improvement of technical parameters)
yes/no	The project will create targeted jobs in product and service innovation (according to criteria A-C)

Example 2: Piloting a new business model and customer service

Identification of the beneficiary of the grant

Name of applicant	CXW
Project name	Pilot testing of a new business model and customer service

Description of the business opportunity:

Describe the objectives of the project, explain how the project will develop your business or create a new business, why you have chosen this particular product/service.
CXW is a medium-sized company with 200 employees that manufactures relatively expensive electronic equipment and sells it directly to end customers, mainly from the EU. This business model is associated with increased packaging waste and, more recently, increased costs for the purchase of the necessary raw materials and supplies, which also makes the resulting products more expensive for customers, who have been pushing up the price of products for a long time. The company is looking to introduce a new model where products are no longer just sold to end customers, but customers pay for their use and performance. Products are provided as a service to customers for a regular fee, including the provision of repair and maintenance services. The aim of the project is to test a new model in a pilot operation, which in the long term would lead to savings in own costs (for example, for the purchase of part of the raw materials and materials) and increase the profitability of business activities. The intended changes involve major changes in logistics, including the need to reconfigure our information systems. These changes also require strengthening the company's current research and development team.

Place of implementation, impact of the project on the territory of the Karlovy Vary Region

Describe the exact location of the project implementation, or addresses of other implementation sites (specify the object/building, land and its nature, production site, distribution, customers), or describe the specific impact of the project on the territory of the Karlovy Vary Region.

The place of project implementation and project impacts is the company's facility located in the village X in the Karlovy Vary Region.

Project/product/service description Part 1

Specify the characteristics, technical parameters, manufacturing requirements, materials, etc. Describe the service, what you will need to provide it, where it will be provided, ownership rights if applicable, etc.
This is a new business model for the company, where products are no longer just sold to end customers, but customers can pay for their use and performance with a regular monthly or annual fee. It will also offer services related to repair and servicing of the machines. The plan also includes buying back older equipment at the end of its useful life and reusing it. *[further technical specification of the solution can be added]*

Product/Service Project Description Part 2

Please state: 1. current state of the product/service 2. the new state of the product/service after the implementation of the project 3. sustainability (if relevant)
The company is looking to introduce a new model where products are no longer just sold to end customers, but customers can pay for their use and performance. We thus want to sell our products as a service to our customers, where they will pay a regular monthly or annual fee for their use. Recently, the company has already upgraded its products to make them suitable for continued use beyond their useful life in line with forthcoming European legislation. We also intend to offer a buy-back of our equipment from existing customers and repair and servicing services. By surveying its existing customers, the company found that some of them would be very interested in this new model. This model allows for higher margins than selling alone. The company hopes to change the model not only to expand the portfolio of existing customers, but also to save its own costs in the long term and to increase the profitability of its business by adding more value to the solution.

Company's market position, competition and marketing

Describe what activities you will implement in the project (tendering, production, distribution, competition, marketing, pricing, etc.).
A supplier of consultancy services will be contracted, internal processes will be reconfigured, a supplier of maintenance and service equipment will be selected and subsequently purchased and delivered, company data (production and sales departments) and data from our customers will be collected and continuously evaluated, and at the end of the project, pilot testing and proposals for further modifications within the company software will be evaluated. We plan to use the voucher to cover only this crucial initial phase. We plan to cover the other costs in the order of millions of CZK associated with the transition to the new model, including other necessary adjustments to production technologies, including the recycling line, employee training, etc. in the coming years from our own resources in combination with borrowed foreign resources.

Description of the use and benefits of the product/service acquired

Describe the use and benefits of the product/service purchased.
Thanks to the innovations in our products and services, we promise to increase customer satisfaction in the medium term and thus increase our sales. According to the calculations made by our sales department, the investments made, including the costs associated with higher capital commitment, should pay for themselves over the next 6 years. This innovation in process approach marks a fundamental change in the way the company operates its business and adds value through sustainable and efficient use of resources and reduction of environmental impact.

Methods for achieving the objectives

Indicate whether the proposed activities and methods of project implementation are appropriate to achieve the project objectives and how they will contribute to the project objectives.

The project will be managed according to the PRINCE2 project management standards recently introduced in the company, including training of key personnel.

Project timetable

Describe the planned activities of the project in time (planned activities, their duration and planned outputs of the project).
The total duration of the project is set at 12 months. A consultancy service provider (M1) will be contracted. Re-engineering of internal processes (M2-M7), selection of equipment supplier for maintenance and service (M4-M5), purchase and delivery of equipment (M7), collection of company data (production and sales department) and data from our customers (M3-M11), ongoing evaluation of data (M4-M11), evaluation of pilot testing and suggestions for further modifications within the company software (M9-M12).

Financial plan of the project (the aim is to demonstrate the feasibility of the project in time)

Describe how the project budget corresponds to the planned activities, duration of implementation and planned outputs of the project. Describe the cash flow in relation to the acquisition of the product/service before and after the project.
The change in model is associated with a higher cash flow requirement, but the company has already made the necessary provisions for this. The company has allocated part of the capacity of the production and sales departments to test the model. The planned costs of the project include the purchase of consulting services 250,000 CZK with regard to change management and the change from a process approach to a project approach, part of the salary of the newly hired employee in the field of research and development, including social security and health insurance contributions for 9 months in the amount of 425,250 CZK, the purchase of equipment that is necessary for the newly offered service and repair, i.e. allowing a more flexible setup, in the total amount of 550,000 CZK. The total cost of the project is CZK 1,225,250, of which the requested subsidy from innovation vouchers is CZK 980,200.

Staff resources, indicators

Describe the staffing and organisation of the project, the jobs created (if any).
For the implementation of the project, an entire implementation team was created, consisting of people from different departments of the company (production, finance department), under the leadership of the main person responsible for the implementation of the project, the director of the sales department. The project will recruit a new R&D worker, part of whose salary will be covered by the project for 9 months. His/her role will be to oversee the smooth process of changing and analysing data collected from our company and our customers, including evaluating pilot testing and suggesting further modifications to the company's software.

Further description of project acceptability

Please elaborate on each individual field selected in the "*Basic information for assessing eligibility*" section of the electronic application form in which you have indicated "YES".
The aim of the project is to test a new model in a pilot operation, which would lead to savings of own costs (e.g. for the purchase of part of raw materials and materials) and increase the profitability of business activities in the long term. The change in model entails a higher cash flow requirement, but the company has already made the necessary provisions for this. The company has allocated part of the capacity of the production and sales departments to test the model. The intended changes involve significant changes in logistics, including the need to reconfigure our information systems. These changes also require strengthening the company's current research and development team. We plan to use the voucher to cover only this crucial initial phase. We plan to cover the other costs in the order of millions of CZK associated with the transition to the new model, including other necessary adjustments to production technologies, including the recycling line, employee training, etc. in the coming years from our own resources in combination with borrowed foreign resources.

The project will recruit a new R&D worker, part of whose salary will be covered by the project for 9 months. His/her role will be to oversee the smooth process of changing and analysing data collected from our company and our customers, including evaluating pilot testing and suggesting further modifications to the company's software.	
Within the project I will fill:	
yes/no	I am the end user of the project outputs
yes/no	The sectoral focus of the project is in line with the regional domains of specialization of the RIS3 strategy
The project will include (at least two activities must be fulfilled):	
yes/**no**	The project addresses the development and creation of new products and services
yes/no	New products and services will be tested as part of the project implementation
yes/**no**	The implementation of the project will increase the functionality of products and services (increase in quality, reliability, durability, cost-effectiveness in use, price accessibility, usability and user-friendliness, improvement of technical parameters)
yes/no	The project will create targeted jobs in product and service innovation (according to criteria A-C)

7.4 Annex 4: Checklist for SME final beneficiaries

Due to the expected administrative complexity of filling in the application by the final beneficiaries, the following checklist of necessary conditions that must be fulfilled by the applicant in order to receive support from the “groups of projects”, the so-called vouchers for entrepreneurs, has been prepared. The aim of the checklist is to facilitate the beneficiary's orientation in the necessary formal and eligibility criteria that have to be fulfilled in order to be granted a voucher. The form of the document is based on the texts that were published in the framework of the PJT call for regions and from which the requirements of the regions for final applicants from the SME side are based. The checklist is not aimed at a specific example of the filled application, including its annexes, but is mainly used to check the necessary requirements by the final beneficiaries.

Checklist of formal and admissibility criteria

- Duly completed and signed grant application form
- Required attachments:
    - Form for determining the size and economic group of an enterprise
    - Form F2, F2a and F2b for information on the assessment of the criteria for undertakings in difficulty Information on the assessment
    - Form for Assessment of Business Undertakings in Financial Difficulty (calculator/autotest)
    - Extract from the Criminal Register or the Corporate Criminal Register - the extract must not be older than 3 months at the date of application.
    - Economic statements, on the basis of which the county will carry out a check according to the State Environmental Fund Guideline for the evaluation of a company in difficulty.
- Other attachments:
    - An extract from the Register of Beneficial Owners pursuant to Act No. 37/2021 Coll., on the registration of beneficial owners, in the form of a complete extract of valid data and data that have been deleted without replacement or with replacement by new data.
    - The articles of association and, where applicable, other documents showing who is the settlor, trustee, person entitled to supervise the administration, if the final applicant has shares or stocks contributed to the trust
- A sworn statement where the applicant declares that:
    - Provided correct and complete information in the application and in the annexes
    - No conflict of interest
    - The applicant and the related public contract are not subject to sanctions issued in connection with Russia's illegal activities against Ukraine
    - Is registered as an income tax payer in the Czech Republic
    - It has no arrears to providers of support from projects co-financed from the EU budget
    - It is not an undertaking in respect of which a recovery order has been issued and is outstanding following a decision of the European Commission declaring unlawful and incompatible with the internal market on the basis of which aid received from a provider in the Czech Republic has been declared unlawful and incompatible with the internal market (Section 18(2)(i) of Act No 130/2002 Coll.)
    - The statutory body of the final applicant or a member thereof and persons in an employment or similar relationship with the final applicant are not also in an employment or similar relationship or a member of any body of service suppliers
    - No debts to state and local government authorities, the tax office, health insurance companies, the Czech Social Security Administration - annex to the application
    - The applicant has secured co-financing for the project and the amount of support requested is stated in accordance with the call
    - The subject of the aid is not legally encumbered
    - It has settled its employees' outstanding payroll liabilities
    - The project does not violate horizontal EU policies (principles of non-discrimination, principles of sustainable development and compliance with the Charter of Fundamental Rights of the European Union)
    - It has settled the outstanding payroll liabilities of its employees.

  - The applicant is entitled to receive other de minimis aid under Regulation No 1407/2013 as of the date of submission of the application.
  - The applicant has ownership or similar rights to the real estate where the project will be implemented

Other formal and admissibility criteria to look out for when preparing your application:

- The place of implementation and impact of the project is in the territory of the region.
- The information in the application matches the information in the commercial/trade register (if the final applicant is an SME).
- The application complies with the invitation and has been submitted in the prescribed form.
- The application was sent within the deadline set by the call.
- The expected term of project implementation is 1 year for SMEs and 6 months for non-business FOs from the start of project implementation to its completion.
- The project respects the financial limits of the budget and the minimum and maximum subsidy limits set by the call.
- In the application, the final applicant (enterprise) indicated the CZ-NACE in which the project is implemented.
- The final applicant has not been the final beneficiary of a subsidy through Vouchers for Entrepreneurs more than once for the same type of voucher.
- The applicant is a natural or legal person in business or a natural person not in business (for business development vouchers).
- The applicant has its registered office, branch or establishment, or permanent residence (in the case of a non-entrepreneur), or place of business (in the case of a self-employed person) in the territory of the region.
- No insolvency proceedings have been opened with the final applicant.
- The applicant (company) has been assigned a Czech identification number and is authorized to conduct business in accordance with the economic activity (CZ-NACE) in which the project is implemented, in accordance with the legal regulations of the Czech Republic.
- The applicant is not a limited liability company where the share(s) of the shareholder(s) is (are) issued a share certificate pursuant to Section 137 of Act No. 90/2012 Coll., on Companies and Cooperatives (Corporations Act), as amended.

7.5 Annex 5: Illustrative examples of project fiches for public sector project preparation vouchers

The aim of the illustrative examples is to show the final applicants for the "groups of projects“ of the PJT the types of projects that are expected to be submitted under the calls. The illustrative examples can also be used by evaluators when assessing applications.

Given the expected diversity of project ideas, it is clear that illustrative examples cannot cover all possible specificities of these ideas, but they should always correspond to the basic principles of the calls.

The annex contains two illustrative examples for each area of the public sector voucher support. For each theme, the activities supported and the focus of the projects are listed, including, where appropriate, a note on specific conditions. In each area, one example illustrates a project plan in a situation where a feasibility study is being prepared, while the second example illustrates projects that are already in the phase of preparing the actual project documentation.

Supported activities

Activity 1. Preparation of feasibility studies
Preparation of feasibility studies (including relevant documents, e.g., analyses and studies, surveys, multi-criteria and economic solutions, etc.) directly related to and necessary for pre-project preparation and implementation of eligible projects.

Expenditure on the preparation of a detailed feasibility study and all stages of the future project, including:

- architectural, project or similar design,
- landscape/urban studies,
- variant studies of the plan and technical solution,
- directly related other background studies and analyses according to the specific requirements of the project (e.g., geological and hydrogeological survey, expert opinion, dispersion study, techno-economic analysis, waste production potential analysis/circular scan, biological assessment, structural assessment of buildings, etc.),
- verification of the climate resilience of investments.

Activity 2. Preparation of project documentation
Preparation of project documentation and immediately related supporting documentation for eligible projects.

Expenditure on follow-up project preparation for any of the sub-stages of a future project is eligible, including:

- preparation of project documentation in the scope stipulated by Decree No. 499/2006 Coll., on construction documentation,
- preparation of tender documentation in accordance with Act No. 134/2016 Coll., on public procurement.

Excluded activities
Activities aimed at:

- the production, processing, transport, distribution, storage or combustion of fossil fuels (in particular coal-fired boilers, natural gas, etc.);
- energy recovery of waste.

Amount and rate of aid
Support for final beneficiaries is provided in the form of a subsidy of a maximum of 75% of the eligible expenditure of the final beneficiary's project. The maximum amount of aid corresponds to the de minimis aid limit. The maximum limit also applies to projects supported outside the public aid rules. The minimum amount of aid is CZK 100,000.

Illustrative examples for energy savings and renewable energy

Projects eligible under specific objectives 1.1 and 1.2 of the OPE and the RES+ programme of the Modernisation Fund can be supported:

- reducing the energy consumption of public buildings and public infrastructure;
- reducing energy consumption/increasing efficiency of technological processes;
- improving the quality of the indoor environment of public buildings;
- Increasing the climate change adaptability of public buildings;
- Construction of new public buildings that meet the parameters for passive or plus buildings;
- construction and renovation of renewable energy sources for public buildings;
- Construction and reconstruction of renewable energy sources to provide system energy in the public sector;
- installation of new renewable energy sources and elements of active energy management (photovoltaic power plants, geothermal energy sources);
- installation of new or modernisation of existing RES and active energy management elements (wind power plants, small hydroelectric power plants).

The projects to be prepared must comply with the **conditions of the relevant programme. We explicitly draw attention to the conditions based on the principle of** 'Do No Significant Harm' (DNSH) based on Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088.

Example 1: Building infrastructure and sharing solar energy for public services

Project name:	**Building infrastructure and sharing solar energy for utilities**
Applicant:	Municipality with 5 000 inhabitants
Thematic focus:	(reducing the energy consumption of public buildings and public infrastructure); improving the quality of the indoor environment of public buildings; Increasing the climate change adaptability of public buildings; construction and renovation of renewable energy sources for public buildings;
Expected cost of the voucher:	500 000 CZK
Expected total cost of project implementation:	8 million CZK
Project readiness:	Project plan
Funding sources:	Voucher/Grant from the programme (implementation: Modernisation Fund/RES+ sub-programme)
Supplier:	The company BNM, s.r.o.
Voucher Output Type:	Feasibility study (alternative technological solutions and economic analysis of alternatives)
Project location (expected area of impact):	Just Transition Region
Project implementation period within the voucher:	Voucher: 5 months (2024), implementation 9 months (2025)

Brief description of the project
During the planned reconstruction and insulation of the local primary school, photovoltaic panels will be installed on the roof of the building (alternatively in combination with solar collectors for water heating). The solar energy will be used primarily for the needs of the school (electricity, water heating). The surplus energy will be used in a relaxation centre adjacent to the primary school (water heating, possibly electricity). The relaxation centre is a municipal organisation and its portfolio of services includes the operation of an outdoor swimming pool, sauna, whirlpool and a small indoor saltwater pool (16 m2), which is used all year round for health treatments and recreational purposes. The operation of the centre is partly financed by income from entrance fees (65 %), contributions from health insurance companies (15 %) and the municipal budget (20 %). The school is fully financed by the municipal budget. Due to the year-round operation of the Relax Centre, the greatest use of surplus energy is planned for the summer period, when the school is closed and solar energy reaches its highest capacity. Rising energy prices and energy self-sufficiency are forcing the municipality to look for new solutions if the Relaxation Centre is to continue to operate sustainably in the future. Saving energy and utility costs for the primary school is a must. The large area of the school provides the conditions for a combined energy solution for the needs of the school and the relaxation centre, and the planned modifications associated with the insulation of the school will allow for savings in costs and operational constraints. At the same time, the municipality will not lose the land around the Relax Centre, which was originally considered for RES use but the solution was not recommended by the councillors. The project will also have an impact on the inhabitants of the surrounding villages who also use the services of the relaxation centre (long-term statistics show that 80% of visitors to the relaxation centre live within a catchment area of 30 km; 95% of visitors are from this region). The subject of the project is the identification of the most suitable technological solution and the preparation of an application for financial support.
Objectives of the project
The main objective of the project is to provide renewable energy for selected public buildings, to reduce the municipality's long-term energy costs and to increase energy self-sufficiency. Another aim of the project is to promote a healthy lifestyle in the village and the catchment area.
Need for the project (description of the problem the project solves)
The municipality and its contributing organisations are struggling with rising energy prices, which are putting pressure on the municipal budget and have limited some of the other investments made in recent years. The project is also seen as necessary with regard to climate change mitigation measures.
Expected benefits and impacts of the project (changes that will occur due to the implementation of the project)
• Savings in the municipal budget • Maintaining affordable services that contribute to a healthy lifestyle • Modernisation of infrastructure for education • Increasing energy self-sufficiency

Example 2: Construction of a new kindergarten in Xy

Project name:	**New nursery**
Applicant:	City Xy
Thematic focus:	Construction of a new public building in passive standard Construction and reconstruction of renewable energy sources for public buildings;
Expected cost of the voucher:	4.6 million CZK
Expected total cost of project implementation:	73.5 million CZK
Project readiness:	A construction study has been prepared in the variants of reconstruction of the existing kindergarten and construction of

	a new kindergarten. On the basis of the construction studies and the cost estimates for both options, a feasibility study for these two options and their economic evaluation was prepared. The feasibility study showed that the construction of a new kindergarten would be economically more advantageous in view of the possibility of obtaining a subsidy for passive construction.
Sources of funding for project implementation costs:	OPE 1.1.5 Construction of new public buildings that meet the parameters for passive or plus buildings
Supplier of the documentation financed by the voucher:	MNB, a.s.
Output type:	Project documentation, i.e. documentation for permitting and implementation of construction according to Act 283/2021 Coll. and processing of procurement documentation according to Act No. 134/2016 Coll.
Project location (expected area of impact):	City Xy
Project implementation period:	Voucher 08/2024-03/2025, realization 04/2025 - 08/2027

Brief description of the project

The subject of the project is the preparation of documentation for the construction permit, documentation for the construction implementation and documentation for the tender procedure for the construction of a new kindergarten.
The documentation will be prepared for a kindergarten with four classrooms for a total of 96 pupils, with parameters set by the building study in the feasibility study phase (see separate annex for details)

Description of the building

The kindergarten is located on the site of an existing kindergarten that will be vacated and demolished prior to construction. The construction of the kindergarten will also include a playground and a transport playground.
The nursery is designed as a two-storey school with two wings, each with two classrooms for a total of 96 children. The building has one main common entrance, a vestibule and an entrance hall with a staircase. Between the two wings, a multi-purpose community hall has been designed to combine several functions: not only the movement of the children, but also a certain relaxation function and, last but not least, a space for various performances, musical performances, etc. The multi-purpose hall also provides for the possibility of organising other events of the kindergarten or other schools of the joint founder.
The building will be implemented in passive standard , will be heated by CZT (central heat supply), will be equipped with grey water recycling . Solar panels will be installed on the roof, including the purchase of a battery for energy storage.

Implementation process:

The implementation of the project documentation financed by the voucher application will be carried out in three stages:

- Month 0-6: Stage 1a - preparation of joint documentation for the location and permitting of the construction
- Month 7-11: Stage 1b - joint procedure for the location and permitting of the construction
- Month 10-12: Stage 2 - preparation of the documentation for the construction and the list of works and supplies
- Month 12-13: Stage 3 - preparation of documentation for the tender procedure

Cost:

The construction costs and the costs of the project documentation were determined using the calculator of the Czech Chamber of Architects for Civil and Landscape Construction.
The cost of the school building with the above parameters was set at CZK 73 million. CZK.
The cost of the project for the location and permitting of the construction was set at CZK 2.5 million.
The cost of the project for the construction implementation, including the list of works and deliveries, will be CZK 1.7 million. CZK. The cost of documentation for the tender procedure will be approx. CZK 0.4 million. CZK. The cost of the solar system including the battery will be approx. CZK 600.

The total cost of the project for which the voucher subsidy will be requested is CZK 4.6 million. The requested subsidy will be 75% of the total cost, i.e. CZK 3.65 million. CZK.
Objectives of the project
The aim of the project is to provide documentation, i.e. documentation for building permits, documentation for construction implementation and documentation for the tender procedure for the construction of a new kindergarten. The documents will be used for the preparation of the application for funding from the OPE, measure 1.1.5 Construction of new public buildings that meet the parameters for passive or plus buildings
Need for the project (description of the problem the project solves)
Current status The city of Xy has two kindergartens for a population of 6,000, each with 4 classes. One kindergarten was built in the 1990s and has been renovated by insulating the outer shell, connecting to the district heating system, providing ventilation with heat recovery and renovating the interiors. The second kindergarten was built in the 1970s in the Z action. The layout and the quality of the internal environment are inadequate. A building study has shown that the current building cannot be reconstructed to meet current requirements. The feasibility study showed that the construction of a new nursery school would be more economically viable, given the possibility of obtaining a subsidy for passive construction (which the current building will not allow even after renovation). **Proposed solution** The new kindergarten will be built on the site of the existing kindergarten, which will be demolished. During the demolition of the existing building and the construction of the new kindergarten, the children from this kindergarten will be placed in a containerised makeshift school, which will be built for a period of 2 years on the neighbouring land, which is also owned by the municipality. After the removal of the temporary container yard, this land will be reclaimed and a recreational area will be built for the residents of the adjacent housing estate. The design and implementation of the recreational area will be financed by the OPE, measure 1.3.2 Preparation of studies and plans and 1.3.1 Support for nature-friendly measures in the landscape and settlements, activity 1.3.1.4 Establishment and restoration of public settlement greenery, but is not the subject of this project. The construction and operation of the Kindergarten Container Provisional School will be financed from the City's own resources.
Expected Benefits and impacts of the project (changes that will occur as a result of the project)
The citizens of Xy will get a modern kindergarten for 96 children located in the immediate vicinity of the estate. The new kindergarten building, built to a passive standard, will reduce the city's energy costs for this kindergarten, and the use of grey water recycling will reduce drinking water costs. The community hall will be used by schools established by the city, and possibly by associations for cultural events. The building can serve surrounding communities as a demonstration example of a passive public building. This will increase the range and quality of public and leisure services provided to our citizens. Municipal representatives anticipate attracting young families with children to the region. An indirect impact of the project will be the reclaimed land from the temporary container nursery used for recreational purposes by residents of the surrounding housing estate.

Annex 1: Specification of the project documentation

Basic capacities:

- Number of classes: 4
- Total number of pupils: 96
- Number of teachers: 8
- Number of operational staff: 6

Land affected by the construction:

- Total land area according to the cadastre: 8 804 m^2
- Actual land area used for the needs of the kindergarten: 5 901 m^2
- Land area as public open space: 2 903 m^2

Actual area data according to the building design:

- Built-up area of the existing removed building of the kindergarten: 1 106 m^2
- Built-up area of the new kindergarten building: 1 251 m^2
- Total gross floor area: 1 790 m^2
- Playground and garden area: 3 247 m^2

Illustrative examples for circular economy

Projects eligible under the specific objectives 1.5 of the OPE may be supported:

- composters to prevent municipal waste;
- RE-USE centres for product re-use, including activities for repair and life extension of products, promoting waste prevention;
- promoting the prevention of waste from disposable crockery or disposable packaging;
- Construction and modernisation of collection yards, supplementing and streamlining the separate collection/collection system, especially for municipal waste, including the promotion of door-to-door systems and the introduction of PAYT ("Pay-as-You-Throw") systems;
- support for sorting and re-sorting systems (including treatment) for the separation of other waste;
- Building facilities for the treatment and processing of sewage sludge from wastewater treatment plants, including treatment of treated wastewater for reuse;
- Construction and modernisation of waste material recovery facilities (including chemical recycling facilities with material end);
- construction and modernisation of biogas plants for waste recovery;
- building and modernising facilities for the collection and management of hazardous waste.

The projects to be prepared must comply with the conditions of the relevant programme. We explicitly draw attention to the conditions based on the principle of 'Do No Significant Harm' (DNSH) based on Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088.

Example 1: Sorting the recoverable light component from mixed municipal waste

Project name:	**Sorting the recoverable light component from mixed municipal waste**
Applicant:	Ab, a.s..
Thematic focus:	Circular economy - promoting sorting and re-sorting systems (including treatment) for the separation of other waste
Expected cost of the voucher:	5 million CZK without VAT
Expected total cost of project implementation:	315 million CZK without VAT
Project readiness:	A feasibility study was prepared
Funding sources:	OPE, Measure 1.5.6 Support for sorting and re-sorting systems (including treatment) for the separation of other waste
Supplier:	The company WT, s.r.o.
Output type:	Procurement documentation according to Act No. 134/2016 Coll., project documentation, i.e. documentation for the permit and implementation of the construction according to Act No. 283/2021 Coll. and documentation for the implementation of the construction.
Project location (expected area of impact):	Territory of the YZ municipal association
Voucher/project implementation period:	Processing of project documentation and construction permit proceedings 3/2024-3/2025 Construction implementation 3/2025-12/2025

Brief description of the project
AB, a.s. is a joint venture of the YZ Municipal Association and is wholly owned by the municipalities. The company is responsible for the collection, treatment and landfilling of municipal solid waste for these municipalities. By means of separate collection and re-sorting on a mechanical sorting line, the company ensures the recovery of recyclable waste such as selected plastics, paper, metals, glass and bulky waste (furniture, electrical appliances, etc.). Mixed municipal waste is disposed of in a landfill owned by AB, Inc. Due to the increase in landfill charges (Annex 9 of Act No. 541/2020 Coll. on Waste), the company is obliged to ensure that the recoverable fraction is also sorted from mixed waste, in accordance with the principle of significant non-detriment of environmental objectives . The method of separation of mixed waste in a water bath has been confirmed as suitable by the research task, which ensures the separation of the recoverable light fraction divided into plastics and other organic material by the wet separation method. The sorted light fraction after drying meets the requirements for feedstock for chemical recycling in the pyrolysis unit (plastics) and for other organic material suitable for processing in biogas plants (wood, paper, organic component). The share of plastics in the sorted lightweight component is about 2/3. This process reduces the amount of waste going to landfill by about 80%. Based on the results of the feasibility study, the Association of Municipalities has decided to build two sorting lines for sorting mixed municipal waste, each with a capacity of 30 kt per year at the existing plant of Ab, a. s. The contracting authority for the supply of the sorting lines will be Ab. The construction of the sorting lines will be carried out on a design &build basis, due to the more than 2/3rds cost share of the technology, which must be designed to exact specifications by a specialist design firm familiar with sorting line systems. All other ancillary equipment must be designed to communicate with the main part of the line. The implementation is divided into three stages: • In the first stage, the documentation for the award of the public contract for negotiated procedure with publication will be prepared by the law firm WT, s.r.o., which was selected in the simplified sub-limit procedure. This law firm also secured the implementation of the public contract by negotiated procedure with publication for the supplier of the sorting lines, including the construction part and the accompanying technologies by means of the design&build system. • In the second stage, the selected contractor will prepare the design and project documentation for the construction of the lines and buildings, which will be implemented in the third stage. The first two stages will be co-financed by a voucher for the preparation of the project documentation. • The third stage will be the implementation of the sorting lines, for which an application to the OPE will be submitted for co-financing. <u>Public support</u> In order to obtain OPE support, it was necessary to assess the risk of public support. The project for the construction of the separation line undoubtedly has the characteristics of public aid and, given that the shareholders of AB, a.s. include municipalities with more than 5 000 inhabitants, which collectively own more than 25 % of the company's shares, AB, a.s. must be considered a large company, regardless of the number of employees and turnover. Consequently, the rate of subsidy that this company can receive is a maximum of 25 % of the eligible expenditure. Financing was assessed on the assumption of obtaining a 25% subsidy and financing the remaining 75% of the costs from external sources (loan, bonds).
Objectives of the project
The overall aim of the project is to reduce the amount of mixed municipal waste disposed of in AB's landfill by sorting out the recoverable components of this waste.
Need for the project (description of the problem the project solves)
In view of the legally increasing landfill fees, it is necessary to find ways to reduce the amount of waste landfilled. AB, a.s., owned by the YZ Association of Municipalities, provides municipal waste collection and treatment for the municipalities of this association. The collection of the material recoverable fraction of municipal waste is provided by a separate collection system, but in the region of AB a.s.'s current operations, there is still approximately 45 kt of mixed municipal waste per year that is landfilled. The amount of waste going to landfill can be reduced by sorting out the light component, which is more than 50 % of the mixed municipal waste. At the same time, metals, which

are about 4 % of the mixed waste, will be sorted out. About 20% of mixed municipal waste is water, which is also partially removed in the sorting process. The residual waste after sorting out the recoverable component is subject to significantly lower landfill charges than mixed municipal waste. A marketing survey found that municipalities within 25 km of AB, a.s.'s headquarters generate an additional 40 kt of mixed municipal waste and are therefore potential customers for the sorting line.
Expected benefits and impacts of the project (changes that will occur due to the implementation of the project)
The impact of the project will be to maintain or reduce the costs of municipal waste management for the municipalities associated with the YZ municipal association, even in the face of rising municipal waste landfill fees. At the same time, the lifetime of the landfill operated by AB, a.s. will be multiplied, with a lower burden on the environment from landfill gas production.

Annex 1: Main findings from the previously conducted feasibility study

The feasibility study evaluated two technical design options and several capacity options for the sorting line based on preliminary offers from potential technology suppliers. The feasibility study resulted in the following findings:

- The two technologies for separating the combustible component from the mixed municipal water bath are comparable in terms of both investment and operating costs
- More advantageous in terms of capacity and flexibility of operation will be two identical lines, each with a capacity of about 30 kt of mixed waste per year, This capacity is higher than the waste production in the municipal association and allows to attract additional customers from other municipalities within a radius of 25 km from the plant AB, a.s. With higher capacity, the cost per ton of fuel produced is reduced.
- The market for the sale of plastics for chemical recycling (pyrolysis) is limited to the upcoming Unipetrol pyrolysis unit (expected commissioning 2027, capacity 20 kt of plastics).
- The sale of the other organic fraction sorted together with plastics is possible in three biogas stations already operating within a 25 km radius from the headquarters of AB, a.s.
- The investment in the separation lines will be recoverable within 15 years even if the amount of processed municipal waste is not increased from the current 45 kt per year and even if the current price for municipal waste processing charged to municipalities is maintained.

Example 2: Comprehensive recovery of waste from catering facilities

Project name:	**Comprehensive use of waste from catering facilities, waste prevention, social support, education**
Applicant:	Municipal subsidiary organisation (sector: sorting and processing of municipal waste)
Thematic focus:	• composters for municipal waste prevention • support for sorting and re-sorting systems (including treatment) for the separation of other waste • construction and modernisation of facilities for material recovery of waste
Expected cost of the voucher:	350,000 CZK Feasibility study Market research, demand mapping of small companies (SMEs) Public sector survey (schools, catering facilities of public institutions in the city) Preparation of the project application
Expected total cost of project implementation:	1 500 000 - 2 500 000 CZK
Project readiness:	Project plan
Funding sources:	Project preparation: voucher PJT

	Implementation of the project: operational programme (possibly LIFE or other source) + municipal budget
Supplier:	Preparer of the study and application, company XY
Output type:	Feasibility study and market analysis
Project location (expected area of impact):	Czech Republic, region Fair transformation, city over 50 thousand inhabitants
Project implementation period:	4 months - 2024 (study and project preparation) 18 months - 2025+ (project implementation)

Brief description of the project

The city's waste sorting and processing organization will connect several important actors in the city, namely: school canteens and canteens of public administration, the local branch of the Salvation Army, small businesses that use composted and treated waste and last but not least secondary and primary schools in the city. Unconsumed food from the school canteens and public canteens will be primarily offered and transported (during the same day) to the local branch of the Salvation Army, which provides food for the homeless and socially vulnerable. Leftover food will be composted in newly purchased composters and primarily offered to schools for use during school hours in school gardens. Unused compost will be offered to small local businesses (horticulture sector, agriculture). A separate part will be the collection and processing of used cooking oil (it is expected to confirm the cooperation with a company in the chemical industry that has expressed interest in the long-term use of this waste. The cooperation, which will ensure income from the waste provided, is conditional on regular long-term deliveries in an agreed volume). During the preparation of the project, two options will be assessed - a) investing in the waste oil treatment plant and its subsequent sale, b) providing the project without further investment in the plant, i.e. the treatment of the waste oil will be provided by the customer.
It is accompanied by education on prevention and meaningful use of food and waste, based on a concrete example, aimed especially at pupils and students in schools in the city, including information on how these resources are further used. The campaign will also include awareness-raising aimed at the wider public (in particular on the prevention of food waste and the problematic waste oil - why it is necessary to separate it and what benefits it can bring. Including information on household waste oil collection points).
The waste sorting and processing organisation (the applicant) will ensure regular transport of unconsumed food, the purchase and commissioning of composters, education (including accompanying information materials) for pupils, students, teachers and the general public, monitoring of daily activities (including statistics on waste used), the purchase and operation of an oil processing line, if economically viable in the long term, and ensuring its subsequent use in the private sector. Part of the income (estimated at 30%) from waste oil will be donated to competitions as part of awareness raising and small equipment in schools. The use of the unconsumed food has been discussed with the NGO and will be further elaborated in the project.
The applicant will also be responsible for the coordination of the overall project and the cooperation between the different project partners, including the ongoing communication of benefits.

Objectives of the project

The aim of the project is to prevent food waste from school canteens and public canteens by reusing it. Through the cooperation of the public sector with the non-profit and private sector, material assistance will be provided to the socially disadvantaged population, small businesses will be supported, and the general public will be made aware of the prevention and reuse of food waste through awareness raising and educational activities.

Need for the project (description of the problem the project solves)

At the moment, the city is producing mixed waste that contains a high proportion of Organic Component, which currently ends up in landfills. This leads to a lack of use of food waste that is compostable or can be further used in the context of providing meals for the socially disadvantaged, through basic support of the French 'Resto du coeur' model. One of the problematic components of waste is oil, which is also a valuable raw material if properly treated, which is not currently the case. Given the rising cost of landfilling, the project seeks to focus on:

- Reducing overall waste, preventing unnecessary waste, preventing waste of resources
- Strengthening awareness through meaningful real-life examples

Expected benefits and impacts of the project (changes that will occur due to the implementation of the project)
The project will lead to downstream benefits and impacts: • Food waste reduction (volume/year) • Utilisation of unconsumed food (volume/year) • Utilisation of food waste and prevention of problematic waste, i.e. reduction of municipal impact costs (CZK/year) • Financial benefits from sorted waste (oil; CZK/year)); non-financial benefits from sorted waste (compost) • Support for the socially disadvantaged (number of persons/year) • Support for small companies (number of companies) • Raising pupil/student/public awareness (food; waste) - number of people

Illustrative examples for local mobility

Support can be provided for projects that are eligible under the support for infrastructure for cycling transport in the relevant IROP calls:

- construction, modernisation and reconstruction of dedicated roads for cyclists for transport to work, schools and services, including accompanying infrastructure;
- construction, modernisation and reconstruction of dedicated roads for cyclists on the main cycling routes in the Czech Republic, including the accompanying infrastructure;
- implementation of accompanying cycling infrastructure on dedicated roads for cyclists with high traffic intensity.

The projects to be prepared must comply with the conditions of the relevant programme.

Example 1: Feasibility study for the extension of cycling infrastructure

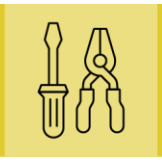
Project name:	**Feasibility study for the extension of cycling infrastructure**
Applicant:	Municipalities up to 1 000 inhabitants
Thematic focus:	• construction, modernisation and reconstruction of dedicated roads for cyclists for transport to work, schools and services, including accompanying infrastructure; • implementation of accompanying cycling infrastructure on dedicated roads for cyclists with high traffic intensity.
Expected cost of the voucher:	600,000 CZK.
Expected total cost of project implementation:	4 million CZK
Project readiness:	Project plan
Funding sources:	Voucher/Grant from IROP programme, call No. 35 - Infrastructure for cycling transport.
Supplier:	Faculty of XB, ABC University
Voucher Output Type:	Feasibility study
Project location (expected area of impact):	Just Transition Region
Project implementation period within the voucher:	Voucher period 06-12/2024, planned project documentation and implementation in 2025-2026
Brief description of the project	
Village X is traditionally a small community where the main thoroughfare was not sized for today's needs. Cyclists (and pedestrians) can currently only use the shared roadway with heavy traffic especially in the morning and afternoon rush hours. The route is used not only by local residents but also by residents of neighbouring communities commuting to work in the nearby large city. A recent survey within the local action group area has shown that the number of regular cyclists using the route would be significantly higher if the safety and separation of the cycle route from car traffic were improved. A large number of parents of children from the local primary school also complain about the need to bring and take their children to classes and clubs because there is not adequate infrastructure for pedestrians or cyclists in the village. These deliveries further unnecessarily increase traffic in the village. The municipality is now considering two options: 1. the construction of a separate cycle and pedestrian lane close to the roadway (length 6.5 km; subject to the purchase of private land), 2. the construction of new infrastructure for approximately 8 km off the backbone route on municipal land. The existing emergency solution, i.e. marking of less frequented routes on the territory of the municipality, proved to be insufficient and underused due to the increase in the total travel time.	

Objectives of the project
The main objective of the project is to increase safety and therefore the interest in the greater use of cycling in the municipality. The feasibility study is to quantify the costs and realistic timetable of both options and to highlight the long-term advantages and disadvantages of each solution.
Need for the project (description of the problem the project solves)
Currently there is limited use of sustainable mobility in the village due to high traffic on the current road and reduced safety in daily travel to work, school or other leisure activities in the adjacent town.
Expected impacts of the project (changes that will occur due to the implementation of the project)
Reduction of individual car traffic in the village in favour of cycling and walking (including proportional reduction of emissions and noise). Increased safety in daily mobility for the catchment area.

Example 2: Sustainable mobility for commuting and recreation

Project name:	**Sustainable mobility for commuting and recreation**
Applicant:	City
Thematic focus:	• construction, modernisation and reconstruction of dedicated roads for cyclists for transport to work, schools and services, including accompanying infrastructure;
Expected cost of the voucher:	3 million CZK.
Expected total cost of project implementation:	15 million CZK.
Project readiness:	Preparation of project documentation
Funding sources:	Voucher/Grant from the IROP programme, Call No. 35 - Infrastructure for cycling transport.
Supplier:	Company ASD, s.r.o.
Voucher Output Type:	Project documentation
Project location (expected area of impact):	Cities X and Y located in the Ústí nad Labem/Karlovy Vary region
Project implementation period within the voucher:	Voucher: 5 months in 2024, 18 months of investment in 2025-2026
Brief description of the project	
The project concerns the construction of a cycle path between town X with about 5,000 inhabitants and town Y with 20,000 inhabitants located in the Ústí nad Labem/Karlovy Vary region, which will run along the route of the former railway, with a total length of 6.7 km. The route of the cycle path runs partly along the industrial area, where the main flow of daily commuters is directed. It is planned to shift this traffic from the congested road to the new cycle path and should make it easier for local residents to commute to work. A survey of residents identified a relatively high level of interest in using cycling rather than car transport for travel to work if the project were to be implemented. The village is located in the vicinity of the Z open-pit mine, where mining is being phased out and the area is gradually being reclaimed, so even more use of the cycle path for recreational purposes can be expected in the future. According to the feasibility study, which the municipalities had prepared by an external company, the best economic and technical option is to run the cycle path along the route of the old disused railway. It is not technically feasible to widen the road to include dedicated lanes for cyclists. The municipalities have already acquired all the necessary land in the past.	

Objectives of the project
The main goal of the project is to offer citizens the opportunity to safely commute to their jobs in the nearby industrial area on weekdays through the construction of a bike path. A secondary objective of the project is to use the cycle path for recreational purposes, particularly at weekends, especially for journeys from town Y to town X.
Need for the project (description of the problem the project solves)
At present, most residents travel to the nearby industrial zone by their own motor vehicles. This puts a disproportionate burden on local residents during peak hours. A survey of commuting residents found that they do not use cycling, mainly because of concerns about their safety due to the volume of traffic.
Expected impacts of the project (changes that will occur due to the implementation of the project)
Reduction of individual car traffic in the city and the associated proportional reduction in emissions and noise. Increase the attractiveness of the region for recreation.



Illustrative examples for craft incubators

Projects that are eligible under the terms of the PJT may be supported:

- expanding the premises and modernising the open craft workshop, including the acquisition of new equipment;
- building a new open craft incubator - space and facilities for workshops for traditional crafts, art and design, technology and gastronomy, e.g:
    - woodworking (carpentry equipment),
    - metal shop,
    - sewing workshop,
    - audiovisual production (creative 4D studio),
    - industrial design, 3D printing,
    - ceramics,
    - open kitchen.

The projects to be prepared must comply with the conditions of the relevant programme. In this context, it is always necessary to observe all the specific conditions attached to a particular call. For example, for the calls of the Just Transformation Operational Programme focusing on Craft Incubators (currently calls 19, 20 and 21), we explicitly draw attention to the conditions based on the principle of 'Do No Significant Harm' (DNSH), based on Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088. These conditions, for example, regulate the requirements for sanitation facilities using water (showers, toilets, urinals, etc.).

Example 1: Extension of the premises and modernisation of the open craft workshop

Project name:	**Craft incubator: expansion of the premises and modernisation of the open craft workshop**
Applicant:	Municipality in the Karlovy Vary Region
Thematic focus:	expanding the premises and modernising the open craft workshop, including the acquisition of new equipment;
Expected cost of the voucher:	3 million CZK
Expected total cost of project implementation:	25-35 million CZK
Project readiness:	Elaboration of project documentation
Funding sources:	Voucher/Grants from the PJT programme (19th call - Craft Incubators - Karlovy Vary Region)
Supplier:	Company XYZ, s.r.o.
Output type:	Project documentation
Project location (expected area of impact):	Municipality in the Karlovy Vary Region
Project implementation period:	Exhaustion of the voucher during 2024, actual implementation in 2025-2026
Brief description of the project	
The municipality owns suitable premises which are currently partly used as school workshops for the neighbouring secondary school. The project aims to extend and modernise the existing school workshops and to add additional space to serve as new open craft workshops. The project includes a partial renovation of the existing space. This is a fully municipally owned building which has recently undergone partial renovation (replacement of windows, waste disposal). However, the project foresees further works including new electrical wiring and reconstruction of sanitary facilities to meet all hygiene regulations according to the 'Do No Significant Harm' (DNSH) to environmental	

objectives. The project also includes the acquisition of new modern equipment for the craft workshops. The project envisages the purchase of equipment for a carpentry workshop, including tools necessary for traditional musical instrument making, a metal workshop, a ceramics workshop, a leather and textile workshop, a hi-tech workshop equipped with 3D printers and a fully equipped kitchen.
An integral part of the operation of the workshop will also be professional workshops and training for experienced professionals and the general public.
To ensure the smooth operation of the craft incubator, there is a collaboration with the high school, which will continue to use the workshops, but also have its masters involved in advising and supervising the running of the workshop for the public. Collaboration has also been established with selected SMEs operating in and around the town who will be actively involved in providing various thematic workshops. The following outputs are foreseen in the project implementation:

- 500 apprentices and students trained per year
- 100 trained persons (over 19 years of age) from the Karlovy Vary Region
- 10 trained teachers/instructors
- 5 budding entrepreneurs in relevant industries

Objectives of the project
The aim of the project is to expand the existing school workshops and modernise them to extend their use to the professional and lay public through an open craft workshop. In the craft incubator, interested members of the professional or lay public will be able to try out different crafts and also learn new skills in traditional crafts and new fields under the guidance of experienced masters, or carry out their own projects on modern equipment.
Need for the project (description of the problem the project solves)
The whole region is experiencing a low interest in crafts, even though they have traditionally been strongly represented in the region in the past, and traditional crafts are thus declining. Demand for craftsmen and technical trades is still strong in the region, but the supply of craftsmen is not expanding despite high unemployment. Companies operating in and around the city also face low levels of manual and craft skills. All these problems are addressed by the present project.
Expected benefits and impacts of the project (changes that will occur due to the implementation of the project)
Thanks to the implementation of the project, it is expected to increase interest in technical fields in the city and its surroundings. Through long-term cooperation with secondary schools, the quality of teaching in technical fields will be improved and the skills of apprentices/students of secondary schools will be enhanced. By offering courses, trainings, workshops and individual consultations for the professional and general public, the skills of craftsmen and others interested in traditional crafts and contemporary fields in the Karlovy Vary Region will be increased. Thanks to the active programmes offered directly in the craft incubator, we also expect an increased interest in running their own business and offering their services on the market, which will increase the overall supply of craft services in the region.

Example 2: Craft incubator: building a new open workshop

Project name:	**Craft incubator: building a new open workshop**
Applicant:	Municipalities up to 2 000 inhabitants
Thematic focus:	building a new open craft incubator - space and workshop facilities for traditional crafts, art and design, technology and gastronomy
Expected cost of the voucher:	450 000 CZK
Expected total cost of project implementation:	1.5-2.5 million CZK
Project readiness:	Project plan
Funding sources:	Voucher/Grants from the PJT programme (20th call - Craft Incubators - Ústí nad Labem Region)

Supplier:	ABC University
Output type:	Feasibility study
Project location (expected area of impact):	Municipalities up to 2 500 inhabitants
Project implementation period:	Voucher redemption during 2024, project implementation during 2025.

Brief description of the project

The project is expected to modernize and expand the equipment of the workshops owned by the municipality, which are used by the technical staff of the municipality for their facilities. For several years the municipality has been cooperating with a nearby secondary school by providing work experience for its students. The workshop is also partly used by the local primary school.
At the moment, the municipal workshop is fully equipped for metalwork and woodwork (carpentry workshop). Thanks to the project, it is foreseen to expand the current offer with additional equipment for sewing workshops and 3D printing (including the necessary IT equipment), and a ceramics workshop is also being considered, especially based on the interest of representatives of the local school. Based on the results of the feasibility study, the project may then be further expanded to include additional machines and equipment according to demand.
Once the project is completed, courses for budding entrepreneurs will also be offered in collaboration with the region's Innovation Centre to facilitate the start-up of a new business or support the development of an existing business through consultation, as well as other courses and training to help develop craft skills and upskill the area's workforce.

Objectives of the project

The aim of the project is to purchase equipment for sewing workshops and 3D printing within the technical services of the municipality and offer their capacities to schools and the public. The project also includes the retrofitting of the current metal and joinery workshops to encourage greater cooperation with schools and the development of technical skills among citizens through open workshops.

Need for the project (description of the problem the project solves)

There are no similar facilities in the wider surroundings of the village. At the same time, the municipality is already being approached by some local residents asking to use the existing equipment and machinery of the municipality with an interest in expanding it. There has also been interest in the use of 3D printing technology, including the possibility of custom programming.
Representatives of the municipality want to carry out an independent feasibility study on the project plan to build a new craft workshop. Particularly in relation to the interest in the potential services that a shared workshop could provide, amongst local residents from the immediate and wider area - Demand Analysis for the services supported by the facility. A key aspect of the study will be the sustainability of the operation of the workshop in relation to the demands on the municipal budget after the end of the grant funding of the project, as well as with regard to the need to provide for inspections, revisions, higher rates of wear and tear of machinery and equipment or expected consumption and provision of various materials. The study should also include a proposal for an optimal. The expected output at this stage of the project design is a study containing alternative solutions that will serve as a basis for the council to vote on the final design of the project.

Expected benefits and impacts of the project (changes that will occur due to the implementation of the project)

Due to the implementation of the project, it is expected to increase the interest of students in attending the local primary school to receive practical training within the community. We also expect to increase the entrepreneurial spirit of the local population and to promote community life in the village through opportunities for greater neighbourly assistance within an environment where users can help each other, share experiences and collaborate on projects.

7.6 Annex 6: Checklist for public sector final beneficiaries

Due to the expected administrative complexity of completing the application by the final beneficiaries, the following checklist of necessary conditions that must be met by the applicant in order to receive support from the “groups of projects” for the preparation of projects for the public sector has been prepared. The aim of the checklist is to facilitate the beneficiary's orientation on the necessary formal and eligibility criteria that must be fulfilled in order to be awarded a voucher grant. The format of the document is based on the texts that were published in the framework of the PJT call for regions and on which the requirements of the regions for final applicants are based. The checklist is not aimed at a specific example of the completion of the application including its annexes, but is mainly used to check the necessary requirements by the final beneficiaries.

Checklist of formal and admissibility criteria

- Duly completed and signed grant application form
- Required attachments:
    - Form for determining the size and economic group of an enterprise
    - Form F2, F2a and F2b for information on the assessment of the criteria for undertakings in difficulty Information on the assessment
    - Form for Assessment of Business Undertakings in Financial Difficulty (calculator/autotest)
    - Extract from the Criminal Register or the Criminal Register of legal entities - the extract must not be older than 3 months at the date of submission of the application.
    - Alternatively, the economic statements, on the basis of which the county will carry out an inspection according to the State Environmental Fund Guideline for the assessment of enterprises in difficulty.
    - Contract with the selected supplier according to Act 134/2016 Coll., on public procurement.
- Other attachments:
    - Extract from the Commercial/Labor Register;
    - Extract from the Land Registry or other proof of the legal relationship to the property (e.g. lease agreement, future contract, lease/purchase agreement);
    - A specific reference to the strategic document and its relevant section to demonstrate that the planned project is based on the strategic plan of the municipality in whose territory it will be implemented;
    - An extract from the insolvency register showing that the final applicant is not the subject of insolvency proceedings;
    - Indicative tenders for the supply of the services required.
- A sworn statement where the applicant declares that:
    - the project is prepared in accordance with the terms of the relevant aid scheme;
    - does not provide false or incomplete information in the application;
    - has secured co-financing for the project, and the amount of support requested is stated in accordance with the call;
    - has no debts to state and local government authorities, the tax office, health insurance companies and the Czech Social Security Administration;
    - He does not have a conflict of interest pursuant to Section 4c of Act No. 159/2006 Coll., on Conflicts of Interest, as amended.
    - He or she is of good criminal character (no criminal convictions; if the applicant is a legal person, this requirement must be met by the statutory body or each member of the statutory body, and if the applicant's statutory body or a member of the statutory body of the applicant is a legal person, this requirement must be met by the statutory body or each member of the statutory body of that legal person).
    - The final applicant and the related public contract are not subject to sanctions issued in connection with Russia's illegal activities against Ukraine

Other formal and admissibility criteria to look out for when preparing your application:

- The place of implementation and impact of the project is in the territory of the region.
- The grant application was submitted in the prescribed form.
- The grant application was sent within the deadline set by the call for proposals.

    - The project respects the financial limits of the budget and the minimum and maximum limits of the total eligible expenditure set by the call.
    - The grant application shall bear an electronic signature or a handwritten signature. The signature belongs to the authorised person or a certified power of attorney issued by the statutory body for another authorised person is provided.
    - All mandatory information in the grant application is duly filled in.
    - The final applicant has provided the relevant affidavits and a declaration declaring the accuracy and completeness of the information provided in the application and the annexes.
    - The grant application is accompanied by all the mandatory annexes and in the required form according to the call for proposals.
    - The project meets the objectives of the call.
    - The project must not be completed before the aid application is submitted.
    - The project plan contains only eligible expenditure.
    - The submitted application for support is in line with the supported and excluded activities according to chapter 3.4.1.2 and 3.4.1.3.
    - The application for support contains the information required under Section 10a, paragraph 3, of the Act No. 250/2000 Coll., on budgetary rules of territorial budgets.
    - The project budget corresponds to the planned activities, the duration of the project and its planned outputs.
- The applicant has sufficiently justified and documented the method of setting the project budget (indicative offers).