COMMUNITY INITIATIVE PROGRAMME – CIP

INTERREG – III A

CZECH REPUBLIC - POLAND

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COMMUNITY INITIATIVE PROGRAM - CIP
INTERREG – III A

1. Description of Objectives and Priorities

1.1. Introduction of the INTERREG IIIA programme on the Czech-Polish border

For long centuries, the area along the current Czech-Polish borderline was a region with a strong common cultural heritage formed by several ethnicities. There were frequent political and business links, supported by a dense transport infrastructure.

In the 20th century the contacts between the both sides of the border were severely limited and the region was subject to immense transfers of population. At the same time the integrity of the region was further weakened by the fact that it became a border territory of the Czechoslovak and Polish states and that direct grass-root, institutional and business links between the both sides of the border were discouraged by the state policies. Moreover the economic structure within the border areas changed dramatically.

Following political changes in the end of 80s of the last century, the trend towards decentralization and policy of re-integration of border areas helped some of the former links be re-established and new contacts be made. The integration policy aims also at overcoming major economic, demographic and infrastructure challenges the Czech-Polish border faces.


It should be stressed that one of the main principles of the European Union is that national borders should not be a barrier to a balanced development and integration of the European territory. It is why a great effort is made to support cross-border cooperation between border areas disadvantaged by isolation of border communities from their natural neighbours on the other side of the border and at the same time by the peripheral position of territories within their own national borders and policies. The tool for overcoming these disadvantages is the INTERREG programme and its three strands: Strand A for cross-border cooperation, Strand B for transnational cooperation and Strand C for interregional cooperation.

This Programme forms a basis for planning of the cross-border co-operation within the INTERREG IIIA programme in the Czech-Polish border area for the period 2004-2006. A lot of relevant experience has been gained through the predecessor of the INTERREG III A on the Czech-Polish border, the Phare CBC programme (see the chapter 1.1.4.).

The most intense preparations for this Programme took place in the year 2003. The Task force was established in the beginning of the year and was composed of representatives of the following bodies:

- Ministry for Regional Development and the Centre for Regional Development, the Czech Republic (Managing and Paying Authority, Joint Technical Secretariat);
- Ministry of Economy, Labour and Social Policy, Poland;
- Euroregions and regional authorities (Czech regional offices, Polish marshal offices).

The following milestone meetings related to the preparation of the Programme were held:

- 18 February 2003, Katowice (setting up the Task force team and initial agreement concerning INTERREG IIIA on the Czech-Polish border);
- 21 March 2003, Warsaw (meeting of representatives of Polish euroregions)
- 25-26 March 2003, Katowice (responsibilities within Task force, preparation of Programme timetable, priorities and measures, Memorandum of Understanding);
- 8-9 April 2003, Prague (Launch seminar INTERREG III in the Czech Republic, attended also by Polish representatives);
- 5-6 May 2003, Warsaw (Launch seminar INTERREG III in Poland, attended also by Czech representatives);
- 21-22 May 2003, Kraliky (Programme draft, financial allocation, eligible areas, priorities and measures, ex ante evaluation, new members of the Task force)
- 27 June 2003, Opole (comprehensive draft of the Programme, including European Commission’s and ex-ante evaluation recommendations).

Apart from work of the Task force, the programme was prepared in the extensive consultation process with the representatives of other central, regional and local authorities from both countries, the European Commission and ex-ante evaluators.

The ex-ante evaluation is in the Annex 3.

The willingness of the Czech and Polish sides to cooperate within the INTERREG IIIA programme will be officially declared in the Memorandum of understanding.

1.2. Geographical eligibility

The following regions are eligible for support under the INTERREG IIIA programme:

- 5 administrative regions NUTS III (kraj) on the Czech side: Liberecký region, Královéhradecký region, Pardubický region, Olomoucký region, Moravskoslezský region;
1.3. Description and analysis of the border region, including SWOT analysis

Features, population and demographic structure of the cross-border area

The Czech-Polish border is 790 km long. This means that the area along the border is vast and its individual parts have their specific geographic characteristics and their own history, and that demographic and economic structures in various parts differ to a large extent. A characteristic feature of the Czech-Polish border area is the great diversity of the countryside, with mountainous regions located at higher elevations that have low pollution levels as compared to industrial agglomerations with higher levels of pollution. The individual regions of the Czech-Polish border area differ from one another in their potential for the development of tourism and conditions for economic development. Individual regions have different climatic and land conditions for the development of agriculture. Industrial centres, rural regions, and regions with a mixed economic structure all exist in the border area. One can find significant differences in the rates of unemployment in individual regions. Taking into account the phenomena, described below in more detail, relatively broad programme priorities have been formulated in order to enable involvement and co-operation of partners of different profiles and backgrounds.

The Czech side of the eligible border territory represents an aggregate area of ca 23 134 km\(^2\) and consists of 5 administrative regions (kraj): Liberecký region – districts: Liberec, Jablonec nad Nisou, Semily and Česká Lípa; Královéhradecký region – districts: Trutnov, Náchod, Rychnov nad Kněžnou, Hradec Králové and Jičín; Pardubický region – districts: Ústí nad Orlicí, Svitavy, Pardubice and Chrudim; Olomoucký region – districts: Šumperk, Jeseník, Olomouc, Přerov and Prostějov; Moravskoslezský region – districts: Bruntál, Opava, Karviná, Frydek-Místek, Ostrava and Nový Jičín.

On the Polish side the border with the Czech Republic goes through 3 voivodeships (regions): Dolnośląskie, Opolskie and Śląskie. The border area in Poland (23 489 km\(^2\), approx. 8% of the national area) consists of 4 subregions defined at NUTS III level: Jeleniogórsko-Wałbrzyski, Opolski, Rybnicko-Jastrzębski and Bielsko-Bialski. 3 778 thousand inhabitants live in the area. The settlement system is balanced and includes centres of different significance and functions. Due to their strength and influence, regional capitals (Opole, as well as located outside the border region, Wrocław and Katowice) play a leading role.

In the Czech part of the Czech-Polish border area, the demographic structure of 3 388 187 inhabitants living in the area does not differ significantly from that of the rest of the Czech Republic. There is a clear trend towards growing numbers of senior citizens in the economically post-productive age. The demographic structure develops in keeping with the birth and migration rates, the latter reaching - with the exception of Olomouc region (-0.5 ‰) - higher values than in the whole of the Czech Republic (-0.8 ‰). The Moravskoslezský region shows the highest migration loss (-1.7 ‰).

In the Polish part of the border region, population density is higher than national average (160/km\(^2\)). Population growth rate varies in particular towns and districts (poviats), in a large part of the area being of negative value, especially in part of Dolnośląskie and Opolskie voivodeships as well as Opolskie after 2001. Net migration is also negative in almost all border regions (e.g. in the Opolskie voivodeship – 3.4 per 1000 inhabitants). Disadvantageous situation reflected in the net migration and population growth indicators combined with growing longevity of the population result in changes in the age structure and lead to increase in the post-working age population. The possible consequence of this tendency may be a decline of economic activity and society wealth.

Economic structure

In the Czech part the agricultural and industrial structure undergoes complicated economic
changes affecting in its western part textile industry and partly also mechanical engineering. The eastern part of the area experiences decline in the traditional mining industry, metallurgy and related industries. Other important industrial sectors are chemical and pharmaceutical industries, mechanical and electrical engineering, as well as pulp and paper industry and, last but not least, food industry and civil engineering.

There is still a number of positive signals that prove the restructuring is a process that facilitates differentiation between obsolete and rigid enterprises on one side and dynamically developing industrial companies on the other side. Companies owned or co-owned by foreign capital and their subcontractors often serve as good examples. Industrial activities show a trend towards introducing HI-TECH technologies in new productions cooperating with and supported by universities and research centres.

Areas with economic problems include especially the areas of Jeseník, Šumperk, Bruntál, Opava, Karviná and the city of Ostrava, and microregions in the Frýdlant, Nové Město pod Smrkem, Broumov, Králíky and Osoblaha areas.

The private sector in the Czech border regions have been gradually growing and the quality of private facilities (accommodation, operation of border crossings, organisation of information base, solution to the most serious environmental problems etc.) increases. As a result, cross-border accessibility for tourism of the mountain ridges has also improved.

The restructuring of economy and the restitution of property have significantly changed the economic character of a number of Czech areas. Agriculture is in sharp decline, especially in mountainous areas with a potential for the development of new forms of tourism, e.g. rural tourism. This new product can, together with state support to tourism, revive the economy in the affected areas in Moravskoslezský (Bruntál, Jeseník, Šumperk areas) and in several micro-regions of Eastern Bohemia (Orlické hory, Králíky areas).

Rural tourism, with its sub-products (agri-tourism, eco-tourism, etc.) can be applied in the Czech part of the border region as a sustainable product more or less horizontally even in the protected landscape areas and national parks. There are optimum development conditions also in the fields of urban, congress, religious, sport and cycling tourism, and in the new products of cultural tourism (e.g. heritage paths).

Development of the tourism is limited mainly by factors such as inadequate integration into international transportation networks, but also because of the absence of an integrated information system, a system of reservations, a directory system, and inadequately equipped accommodation facilities and unprofessional services. Infrastructure development, further improvement of cross-border tourist access to mountain regions, and the further improvement of the still inadequate level of individual tourist industry infrastructures are the prerequisites for the further development of the tourist and travel industry. With regard to this, it is necessary to be mindful of the appropriate extent and capacities of carried out investments, and possibly their appropriate localization, with regard to the protected natural regions. However, due attention should be paid to minimize negative effects on environment resulting from such investments. Environment friendly types of tourism should therefore be promoted.

Due to many interregional and intraregional differences in the economic structure of the Polish part of border area, it is difficult to describe it as a whole and carry out an in-depth analysis of its features. In the border region there are industrial centres, rural areas, service centres and units with mixed up economic structure. The share of industry and construction in the employment structure exceeds 50% in Jastrzębie Zdrój, and is higher than 45% in the poviat: Zgorzelecki, Krapkowicki, Wodzisławski and in Rybnik. Agriculture prevails in the following poviat: Jaworski, Lwówecki, Strzeliński, Żąbkowicki, Złotorojski, Głubczycki, Kluczborski, Namysłowski, Oleski, Opolski, Prudnicki and Zywiecki. In all the districts the share of the primary sector exceeds 40%. In
part of the border area the share of services in the employment structure is also quite big, especially in poviats: Jeleniogórski and Wałbrzyski, in Opole and Bielsko-Biała, where this indicator exceeds 50%.

The role of the services in the employment should increase at the expense of industry (many industrial enterprises represent old declining branches which require restructuring). The task of Polish national and local governments is to define necessary conditions enabling to create new jobs in the service sector to replace those lost in the industry and agriculture. This plan will be implemented mainly through development of small and medium sized enterprises in the border area. In the districts dominated by industry the problem of decreasing number of jobs is combined with the necessity for revitalisation of post-industrial, degraded areas, which requires huge investments. The quality of soil and climatic conditions for development of agriculture differ to a large extent. Beside areas of favourable conditions for farming, there are also areas facing difficulties in this respect. They need assistance and reorientation of their production and employment structures (especially mountainous areas).

The level of GDP per capita is lower than national average of Poland in the Jeleniogórsko-Wałbrzyski (80.3%) and Opolski (85.5%) subregions, whereas the value of the indicator for the former Południowośląski subregion (including existing Rybnicko-Jastrzębski and Bielsko-Biański subregions) is slightly above the national average (103.6%). Taking into account the value of GDP and its level per capita, the biggest cities like Bielsko-Biała, Opole or Rybnik are in the most advantageous situation. One can observe similar phenomena in certain rural areas of the region, especially in comparison with other rural areas in the country and not with the national average. Apart from centres where GDP growth is quite dynamic, there are also areas in regress (the Opolskie voivodeship recorded the lowest growth of GDP among the Polish regions in 2001). This is a consequence of the overlapping economic (inappropriate economic structure) and demographic (negative net migration) phenomena.

As the unemployment problem is crucial for the Polish part of the border area, it is necessary to find new directions of economic development. Geographical situation and natural conditions as well as hitherto existing traditions, experiences and new tendencies open promising perspectives for development of tourism and recreation. Nevertheless, development of this sector depends on improvement of relevant infrastructure and tourist accommodation facilities. The above-mentioned natural resources (mountains, forests, water resources) and cultural assets can serve as a basis for economic activation of areas lagging behind and enrich their economic structure. Strong rural traditions and potential of many settlements in the border area can also contribute to development of tourism and recreation (agrotourism). Ustroń, Wiśla, Szczyrk, Karpacz, Szklarska Poręba, Kudowa Zdrój are reckoned among the most attractive and the best in terms of investments all-year tourist centres in Poland (though they are particularly renowned as winter sports resorts). In the border area there are also many known and well-invested spas: Polanica-Zdrój, Szczawnno-Zdrój, Łądek-Zdrój, Cieplice Śląskie, Świeradow Zdrój and before mentioned Kudowa-Zdrój and Ustroń.

SMEs in the Opolski subregion are operating mainly within the section "trade and repair" (approx. 30% of enterprises). In the years 1998-2001 the number of SMEs in this region grew by 9.2 %, in the case of the smallest enterprises this growth was the highest. Unfortunately, the conditions in which the enterprises operate have been deteriorating (high taxes and social security costs, changes in legislation, difficult access to financial resources). Consequently, profitability of many SMEs has decreased, the investments have been hampered and in many cases workers have been made redundant. The economic potential of SMEs in the Śląskie voivodeship is close to national average. However, given the role of this sector in restructuring of the region, this potential is insufficient, particularly as regards contribution to production of goods, investment expenses (below national average), participation in the international trade and competitiveness in general. On average, SMEs in Śląskie are more innovative than SMEs in other Polish regions and therefore their role in supporting the process of restructuring and improvement of competitiveness of the region may be considerable.
Economic activities based on the use of natural resources can be developed (including fuels, chemical raw materials, raw materials for ceramics, fire resistant materials, lime industry, road and construction stones, precious and semi-precious stones). On the other hand, environmental and landscape values as well as existence of protected areas or possible future protected areas impose restrictions on the use of some minerals, e.g. road and construction stones.

**Employment**

Since the beginning of transformation, the number of jobs has been declining; this process often accompanies the economic transformation. This process is particularly evident in the whole Czech-Polish border region due to areas of structural unemployment (Walbrzych, Katowice and Ostrava agglomerations). Imbalance in the quantitative and qualitative structure of the demand and offer of labour is the basic reason of the lack of balance in labour market.

Without support to the restructuring of economy, investment and training of labour, it will be difficult to improve this situation in the region.

In the individual areas of the Czech part, extreme differences in unemployment rates can be seen, which (especially in the Ostrava region) are above the national average. Higher unemployment rates are characteristic especially for the former districts of Karviná, Ostrava, Jeseník and Bruntál. These areas have also reached the highest values in the “number of candidates per 1 job opening” indicator, exceeding significantly the national average value. The lowest unemployment rates are in the former districts of Semily, Náchod and Rychnov nad Kněžnou.

Differences in the unemployment rates do not occur only between administrative regions but also within these regions. Small remote villages represent the most serious problem: job opportunities in the agriculture sector are extremely limited and the unemployment rates exceed 20%.

The major problem in the Polish part of the border area, as in the whole country, is unemployment. The situation varies from region to region, but all towns and districts must cope with it urgently. The unemployment rate is extremely high in the Jeleniogórsko-Wałbrzyski subregion. In eight districts belonging to this subregion unemployment rate at the end of 2002 was equal to or above 30%, the highest being in Wałbrzych without city of Wałbrzych (39.1%) and Złotoryjski (32.3%). In the Nyski district (the Opolski subregion) it reached 28.7% in June 2002. Until recently the situation was better in border districts of the subregions Jastrzębsko-Rybnicki and Bielsko-Białski, but now also in this area the unemployment rate is high. The fact that unemployment grows rapidly is particularly alarming.

Present development trends and the above described employment structure do not enable to tackle unemployment effectively. Endogenous potential which could be helpful in the creation of new jobs seems either used up, or unable to initiate changes in the majority of towns and districts. Without external incentives and, especially, support for restructuring of economy, improvement of investment attractiveness, permanent training for workers in order to improve their qualifications, and promotion of entrepreneurship, the situation on the labour market in the border area will not get better.

A lot of workers in the Polish part of the border area choose employment abroad. This is particularly true for the Opolskie voivodeship and western part of Śląskie, and results mainly from double citizenship of many inhabitants.

**Environmental situation**

The Czech-Polish border area is rich, almost through its length, in beautiful natural landscapes. The most precious areas are protected.
On the Czech side the following national parks and protected landscape areas are registered:

National parks: Krkonošský národní park.

Protected landscape areas: Chráněná krajinná oblast Beskydy, Chráněná krajinná oblast Broumovsko, Chráněná krajinná oblast České středohoří, Chráněná krajinná oblast Český ráj, Chráněná krajinná oblast Jeseníky, Chráněná krajinná oblast Jizerské hory, Chráněná krajinná oblast Kokořínsko, Chráněná krajinná oblast Litovelské Pomoraví, Chráněná krajinná oblast Lužické hory, Chráněná krajinná oblast Orlické hory, and Chráněná krajinná oblast Poodří.

Also on the Polish side, there are many large protected areas:

National parks: Karkonoski Park Narodowy, Park Narodowy Gór Stołowych.


The establishment of the NATURA 2000 network is the most important obligation related to the accession of the Czech Republic and Poland to the EU in the field of nature conservation. Both countries have made a considerable effort to prepare and submit the List of sites of Community importance to the European Commission within the stipulated deadline. Some of the proposed areas will be trans-boundary and will require mutual co-operation between the Czech Republic and Poland. The plans concerning the areas protected in line with the Habitat and Birds directives cover also a part of the border area. Programme Nature 2000 is being discussed in the Parliament of the CR since March 2004, it is also a part of a new bill under discussion in the Polish Parliament.

In the Czech part, the trend of gradual improvement and stabilization of the environment has continued. The aggregate pollution indicators have been decreasing (ashes, particulate matter, SO\textsubscript{2}); emissions from power plants in Chvaletice, Opatovice and Dětmarovice, as well as from iron works in Ostrava and Třinec, have also decreased. The decreasing volume of mineral extraction has positively contributed to this trend. On the other hand, traffic loads on main routes and at the largest border crossings have been increasing; insufficient standard of infrastructure affects the environment and is a source of various environmental problems.

The level of waste management in the border area has in general been improving (in the Czech Republic, all municipalities are obliged to separate waste). However, the objectionable situation continues to exist in the sphere of the protection of water and water management.

The risk of floods in mountainous border regions is a continuous problem and needs to be tackled as it poses environmental and hygienic threats going beyond state borders. This relates to almost all watercourses in the Czech part of the border area. The standards of water retention systems and information and warning systems are still insufficient.

The attractiveness of natural environment in the Polish part of the border area is very high and can be considered as one of its main strengths as well as basis for development of new economic functions. On one hand the state of environment has been improving steadily for last years due to restructuring of industry and closing down of many enterprises. On the other hand the high level of urbanisation and industrialisation led to degradation of large forest areas and inappropriate spatial development. Lack of modern solutions in municipal waste disposal, including their segregation and re-utilization (increasing number of illegal rubbish dumps makes it evident), is one of the weaknesses of the environmental protection system. Water supply and sewage systems
also require adjustment. Many investments are necessary in the border area in order to create coherent system of protection the soil as well as surface and underground water against communal and industrial pollution. High level of emission from transport and local sources (e.g. certain types of heating facilities) continue to unfavourably affect the environment and it is necessary to create programs directed at rectifying this problem, particularly in spa towns. It is worth mentioning that ecological problems concern the whole border area, not only industrialised parts of Śląskie voivodeship.

The recurring floods in the past few years, particularly in the mountain and foothill regions, have shown that modernizing the system of flood control is urgently needed. Ecological revalorization and infrastructure investments enabling to make use of retention reservoirs for economic and recreation purposes are necessary. In this context implementation of the Programme for the Oder 2006 constitutes great opportunity.

Infrastructure

There is a dense railway network in the Czech part of the region. The quality of main railway lines in the border region has been gradually enhanced but at the same time lines are in decline. Railways are insufficiently linked with the neighbouring Polish regions and the railway network as whole requires further upgrading.

General quality of the road network in the Czech part has been gradually improving. Nevertheless, the quality of transport infrastructure does not meet the demands and is deteriorated by the character of the region formed, in its largest part, by mountainous and sub-mountainous areas. The region lacks links to the international highway network.

The European transport corridor no. III runs through the Polish territory from the border with Germany to the border with Ukraine. The transport corridor no. VI (Gdańsk-Warszawa-Katowice-Zilina /Ostrawal/) runs through eastern part of the area and crosses corridor III in the centre of the Śląskie voivodeship. Other roads and railways running mainly from the north to the southern border of the country are complementary to the both corridors. These are: the international road (Warszawa-Wrocław-Kłodzko-Kudowa-Zdrój), international road (Świnoujście-Zielona Góra-Legnica-Jelenia Góra-Jakuszyce) and railway Wrocław-Kłodzko-Międzylesie (Prague). The road and railway network is particularly dense in the central and southern part of the Śląskie voivodeship. Additionally, the following connections are significant in the transport system of Polish-Czech border area: Kłodzko-Międzylesie-Brno, Pszczyna-Rybnik-Racibórz-Kędzierzyn-Koźle-Opole, Kłodzko-Nysa-Kędzierzyn-Koźle-Gliwice, Wrocław-Bolków-Jelenia Góra-Jakuszyce, and prospectively one road running along the Sudety mountains (Zgorzelec-Lubań-Bolków-Swiebodzice-Ząbkowice Śląskie) and second going through Sudety (Bogatynia-Frydlant-Czerniawa-Kowary-Lubawka-Mierszów-Broumov-Tłumaczów-Kudowa-Bystrzyca Kłodzka-Lądek Zdrój -Lutynia (especially with a view to developing tourism in the border area).

Due to rapid growth of road traffic in the Polish part, serious investments and improvements are necessary. Many roads, connections to highways and bypasses have to be built.

The increasing cross-border cooperation and therefore an urgent need for a denser network of cross-border infrastructural links between the both countries require tackling the problem of insufficient capacity of border crossings. Currently, there are 91 border crossings, among them 26 on roads, 8 on railways, 23 on tourist trails and 33 local crossings. The transport infrastructure linked to the crossings is unsatisfactory and requires further extensions and upgrading.

Water transport exists only on the Oder (river ports in Kędzierzyn-Koźle and Opole).

There are a few regional airports in the Czech part - in Ostrava-Mošnov, Pardubice, Liberec and Hradec Králové - which are important for regional development. Other airports are important especially for sporting activities. In the Polish part of the area, international airports located outside
the border area (Kraków, Katowice, Wrocław) play a main role in air transport. From among 3 airports in the Opolski subregion, only the one in Polska Nowa Wieś is being used (not for passenger transportation, though). Local airports in Jelenia Góra, Bielsko-Biała and Świebodzice used mainly for sports activities should also be mentioned.

Energy and gas distribution networks are being developed in the Czech part, although somewhat slower than in the rest of the country, the main reason being the mountainous character of the landscape and the dispersion of population in small and often remote municipalities. The characteristics of the landscape create suitable conditions for utilizing renewable sources of energy such as small hydroelectric and wind power stations, the utilization of biomass, and solar and geothermal energy sources.

The present state of sewerage system with sewage treatment plants directly affects environmental conditions. In water management, the quality of watercourses has been gradually improving thanks to the construction of new wastewater treatment plants, but insufficient sewerage in smaller municipalities (under 2000 inhabitants) still remains a problem. The percentage of housing units connected to utilities (sewerage, water supply, etc.) does not yet reach the Czech national average.

Low standard of water-retention infrastructure, anti-flood infrastructure and systems for exchanging information on threats and cooperation during natural disasters in Czech border areas present another challenge.

The situation in telecommunication sector in the border areas concerned is improving, though the use of telecommunication technologies for business purposes is still relatively low.

**Education and Research & development**

Education structure of the Czech – Polish border area is not favourable in comparison to other regions of both countries. The situation has improved recently due to changes in educational system resulting in wider access to secondary education, creation of new high schools and increasing number of university students. Better educated (and thus better adapted to socio-economic changes) society is one of the main aims of the development policy in all border regions.

On the Polish side of the border area 7% of national research and development units operate in the Dolnośląskie voivodeship (mainly in Wrocław located outside the programme area). Although the level of expenditure on R&D has increased recently, it is still not sufficient. Only 1.5% of national R&D units exist in the Opolski subregion; expenditure on R&D is very low there. This sector is not interconnected with economy (enterprises) and does not have appropriate financial means to conduct scientific research and implement its effects. The number of enterprises (especially SMEs) in the modern technology sector is limited; the mechanisms for transfer and implementation of modern technology processes are also scarce. An essential part of the national R&D potential is located in the Śląskie voivodeship; however, it is concentrated mainly in the central part of the region (not belonging to the border area). Additionally, R&D activity seems insufficient when taking into account the input of the region to the national GDP (13.9%).

On the Czech side of the border, current socio-economic developments, the reform of the state administration and subsequent transfer of responsibility for operating schools to the new regions, together with negative demographic growth, highlight the need for new education concepts and radical changes within education facilities. Schools have to take into account demands of the job market. As a result, facilities related to traditional but stagnating professions are replaced by those focusing on perspective sectors as e.g. private businesses and tourism. This trend is most apparent in the Liberecký region, and in the Hradec Králové and Ostrava-Karviná agglomerations.

On the other hand, significant potential for the development of sciences and research exists on both sides of the border. Cooperation between Research & Development institutions and public
universities and polytechnics (approximately 1/3 of their curricula being R&D) is developing favourably. The general trend towards concentration of education and R&D in bigger centres is also supported by the fact that the role of businesses in the education and R&D sector is decreasing.

Tab. 1  SWOT analysis

<table>
<thead>
<tr>
<th>FIELD</th>
<th>STRENGTHS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>sufficient raw material basis and varied structure of industrial branches</td>
<td>a significant number of development areas with the potential for links to</td>
</tr>
<tr>
<td></td>
<td>well-developed tourist, recreation and spa basis with numerous natural and</td>
<td>European transport and communication networks</td>
</tr>
<tr>
<td></td>
<td>cultural attractions</td>
<td>favourable price of sites for enterprise</td>
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<tr>
<td></td>
<td>location between strong economic centres</td>
<td>utilisation of the potential of science and research capacity of universities,</td>
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<td></td>
<td></td>
<td>R&amp;D institutes (on the Czech side) for the development of the economy of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>development potential in specific forms of tourism and low season tourism</td>
</tr>
<tr>
<td>Environment</td>
<td>improving air quality</td>
<td>gradual increases in the quality of surface water and waste disposal</td>
</tr>
<tr>
<td></td>
<td>existence of specially protected areas, national parks, nature reserves</td>
<td>improving of anti-flood measures</td>
</tr>
<tr>
<td></td>
<td>etc.</td>
<td>use of alternative sources of energy and introduction of recycling technologies</td>
</tr>
<tr>
<td></td>
<td>sustainable agriculture and revitalisation of forest ecosystems</td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>good quality of secondary and higher education system</td>
<td>tendency to accomplishing higher level of education and improving one’s</td>
</tr>
<tr>
<td>and education</td>
<td>low cost of labour</td>
<td>qualification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>creation of conditions supporting the mobility of labour and increasing its</td>
</tr>
<tr>
<td></td>
<td></td>
<td>flexibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>new job opportunities in connection with the development of tourism</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>favourable location - crossroads of European TEN corridors VI and III,</td>
<td>further construction of the motorways and expressways, gradual modernisation</td>
</tr>
<tr>
<td></td>
<td>proximity of airports, dense communication network</td>
<td>of railways and airports</td>
</tr>
<tr>
<td></td>
<td>numerous crossing points</td>
<td>increasing number of terminals for integrated transport</td>
</tr>
<tr>
<td></td>
<td></td>
<td>efficient use of the railway network, providing international links</td>
</tr>
<tr>
<td>Population</td>
<td>neighbourhood with the partner of similar features, objectives and close</td>
<td>further co-operation between local societies initiated within earlier CBC</td>
</tr>
<tr>
<td></td>
<td>language</td>
<td>programmes</td>
</tr>
<tr>
<td>FIELD</td>
<td>WEAKNESSES</td>
<td>THREATS</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Economy</td>
<td>negative profile of economic base (declining heavy industry, obsolete technologies) and large share of agriculture in some areas (Polish part)</td>
<td>delay in the provision of prepared development sites for business activities</td>
</tr>
<tr>
<td></td>
<td>insufficient preparedness of plots convenient for economic activities and information for investors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>unsatisfactory basis for research and development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>insufficient support of SMEs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>lack of capital for industry, commerce and services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>insufficient promotion of cross-border tourism</td>
<td></td>
</tr>
<tr>
<td></td>
<td>tourist attractions and infrastructure in need of investments</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>disintegrated ecosystems in the mountains, forests</td>
<td>danger of further large damage caused by floods due to delayed implementation of the required anti-flood measures</td>
</tr>
<tr>
<td></td>
<td>insufficient anti-flood and anti-erosion protection and monitoring of natural disasters</td>
<td>health and environmental hazards caused by contamination from landfills which have not been re-cultivated and are not monitored, and slow removal of past environmental liabilities</td>
</tr>
<tr>
<td></td>
<td>insensitive interventions into land and locations during the construction and operation of mining facilities (Czech side)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>insufficient measures for revitalisation of landscape</td>
<td></td>
</tr>
<tr>
<td>Employment and education</td>
<td>unemployment rate above the national averages and a decrease in the number of job openings</td>
<td>brain drainage” out of the region</td>
</tr>
<tr>
<td></td>
<td>unsuitable specialisation of secondary vocational schools and apprentice training schools</td>
<td>increase in long-term unemployment and social exclusion resulting in socially pathological phenomena in youth groups</td>
</tr>
<tr>
<td></td>
<td>inappropriate re-qualification system</td>
<td>reduction in the village school network (on the Czech side)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>mountainous character making the development of technical infrastructure difficult</td>
<td>insufficient investment in railways and delays in connecting the region to the Central European motorway network</td>
</tr>
<tr>
<td></td>
<td>bad state of existing communication networks, with some connections missing with border crossings</td>
<td>quick development of motoring to the detriment of the quality of roads, further limitation of public transport services</td>
</tr>
</tbody>
</table>
1.4. Cross-border initiatives on the Czech-Polish border, Programme objectives and coherence with other programmes

The first of the cross-border initiatives funded by the European Commission was Trilateral Phare CBC in the Czech-Polish-German border, the Nisa region, implemented in 1995-1996. The trilateral co-operation included both individual projects and Small project fund. Because of a complicated administration of such a programme, the scheme of trilateral co-operation was not included in subsequent initiatives. Examples of trilateral projects involve e.g. Upgrading of road Bolków - Lubawka, section Bolków - Kamienna Góra, and Water treatment plant in Nove Mesto pod Smrkem.

The trilateral CBC was followed by the Phare Credo programme supporting both soft and investment cross-border projects in border regions in all Phare countries in 1997-1999. The programme, centrally administered, was a pilot initiative for establishment of regular Phare CBC programmes in the EU candidate countries. As examples of Credo activities on the Czech-Polish border the following projects can be named: Water treatment plant in Mikulovice - Glucholazy; and Tourism map of the Broumov mountain area.

In 1999 Phare CBC Czech Republic – Poland was launched in 1999. The programme in this border area was started following the adoption of the Commission Regulation of 18 December 1998 concerning the implementation of a programme for cross-border co-operation in the framework of the Phare programme that extended the eligible borders to the EU applicant countries. Communities and authorities on the both sides of the border were encouraged to strengthen their cooperation and Phare CBC projects were implemented with an aim to support local economy, to improve environment and to enhance development in the human resources sector. At the same time Phare CBC was an important tool for preparation for the INTERREG programme in the Czech-Polish border area. All efforts were made, despite the differences between the Phare CBC and INTERREG programmes, to apply as much as possible of the Structural funds and INTERREG rules and procedures in the programming of the Phare CBC on this border. The process of preparation and implementation of Phare CBC was seen as a vital part of the pre-accession learning process for both central government institutions and, most importantly, for local and regional authorities and partners.

Phare CBC was subdivided into Investment projects (individual projects and grant schemes, both with the minimum grant amount 2 MEUR) and Joint Small Project Fund (JSPF). The models of the grant schemes and JSPF mirror an approach of the INTERREG programme.
Majority of Phare CBC projects focused on the improvement of transportation between neighbouring countries (e.g. projects Construction of Prudnik bypass; Upgrading of road Duszniki Zdrój – Zieleniec; Reconstruction of road Orlické Záhoří – Mostowice I-II), and on environment protection facilities (e.g. Construction of waste water treatment plants in Bystrzyca Kłodzka and Międzylesie; Biodiversity protection system in “Zloty Potok” valley; Integrated infrastructure environment protection in the Euroregion Praděd; Sewage system facility in Horni Benesov I).

An important part of Phare CBC was the Joint Small project fund. It was managed by euregions located in the Czech-Polish border area (Nisa-Nysa, Glacensis, Praděd-Pradziad, Silesia, and Těšínské Slezsko-Śląsk Cieszyński). 10% of annual allocation from PHARE CBC programme was allocated to co-finance projects aimed at strengthening of cross-border relationships (e.g. organisation of seminars, trainings, establishment of common social and economic institutions, co-operation of communities, youth exchange).

To summarise experience gained via the above initiatives, several conclusions can be made:

- It appears that in most cases large infrastructure projects (over 2 MEUR) are not the best solution for tackling problems related to cross-border development. The amount of financial support allocated for the INTERREG IIIA programme should be distributed via a bigger number of small projects along the whole Czech-Polish border, while heavy investment projects should be implemented by the Structural and Cohesion funds. The trend towards smaller projects focusing less on heavy infrastructure is also seen in other INTERREG IIIA programmes of the already established member states.

- Objectives, strategy and priorities of the INTERREG IIIA programme should carefully distinguish, where possible, between general regional development goals and tools and those aimed at cross-border development (see also below in this chapter).

- Project selection criteria and selection process should even more than INTERREG IIIA predecessors accentuate the importance of real cross border impacts and the element of bringing people and institutions together during project preparation and implementation. Only projects that can demonstrate real cross-border effects should be selected, as opposed to projects fulfilling needs of only one side of the border. A special effort has to be made to properly promote INTERREG IIIA at the local level and to make the differences between INTERREG IIIA and Structural and Cohesion funds clear to potential project applicants.

- The INTERREG IIIA priorities and subsequently measures should be significantly reduced in comparison with the Czech-Polish Phare CBC and should focus on a smaller number of interventions likely to make a tangible impact on the border area concerned (see also below in this chapter).

All the above-mentioned findings, conclusions and recommendations will be further utilized during the implementation of the INTERREG program.

Based on the description of the Czech-Polish border area, on experiences gained trough the above mentioned initiatives, the following Programme objectives has been outlined:
The global objective of the Programme is **improvement of quality of living conditions and standards in the cross-border areas concerned** through common actions of societies and organisations from both parts of the border.

**Specific objectives (priority level):**
- Increasing economic integration of the Czech-Polish border;
- Improving conditions for economic growth of the cross-border area;
- Improving conditions for sustainable environmental development and/or regeneration of the cross-border area;
- Further social integration of the Czech-Polish border.

**Operational objectives (measure level):**
- Improvement of quality of transport infrastructure with a cross-border impact;
- Improvement of quality and quantity of infrastructure for environment protection of cross-border importance;
- Prevention of natural disasters, namely floods, via closer cross-border coordination of actions;
- Support to local SMEs and tourism sector via provision of relevant infrastructure of cross-border importance;
- Increase of cross-border coordinated international activities related to tourism;
- Intensification of cooperation between communities;
- Creation of cross-border networks and structures and strengthening their cooperation.

A significant effort was made to distinguish between general regional development objectives and objectives focused on cross-border development. However, this distinction is not always possible to make due to relative novelty of cross-border initiatives and thus the level of integration in the area concerned. Another challenge was to formulate attainable and if possible tangible objectives, given to limited time scale and size of funding available for implementation of the INTERREG IIIA Programme on the Czech-Polish border. Some of the objectives are nevertheless intangible by their nature. Also, it has to be stressed that namely the list of operational objectives is not exhaustive and will be further amended and detailed in the Programme Complement.

The objectives were developed in line with a wide number of other EU and national instruments, in particular with:
- Objective 1 of the Structural funds and the Cohesion fund. It is important to stress that while the INTERREG IIIA Programme on the Czech-Polish border is linked to the above mainstream programmes, a special attention was paid to create a complementary system of priorities and measures that does not duplicate, only on a smaller scale, the aims of the Structural funds and Cohesion fund. Though there is not always a strict borderline between general regional development interventions and those ones having a clear cross-border impact, the general objective, strategy, priorities and measures of the Czech-Polish INTERREG IIIA Programme are were carefully chosen to focus on the latter. A special effort has been made to explain the different functions of the mainstream and INTERREG
programmes at the regional and local level where the Structural funds are a new instrument that for the first time is available to the all area of the Czech-Polish border. The fact that the same Ministries are responsible in both countries for INTERREG and Objective 1 programmes, as well as active participation of regional administrations in the project assessment and implementation guarantee that the threat of possible overlapping will be avoided. Both programmes differ also in terms of financial extent of projects: INTERREG supports significantly smaller projects with clear cross-border impact.

- Rural development programmes (EAGGF). The principles of complementarity and additionality were applied when planning this Programme in relation to the above rural initiatives. Due to the fact that ERDF supports only certain aspects of rural development or food processing and marketing activities, a clear separation between the OP and CIP is ensured for the activities envisaged as part of the OP. In the framework of the CIP no profit making subjects eligible for the support under the Czech Operational Programme Rural Development and Multifunctional Agriculture will receive any support under the INTERREG IIIA Programme for the same activities to those supported by the OP RDMA. In the INTERREG III A programme the support of profit making entities is excluded. Rural development activities as part of the CIP have to prove significant cross-border impact.

- National employment action plans and EQUAL: INTERREG IIIA on the Czech-Polish border will complement activities undertaken through the National development plans, namely in the fields of support to SMEs and training. The priorities of EQUAL, in particular employability, entrepreneurship, adaptability and equal opportunities for men and women, will be an integral part of policy applied within relevant INTERREG IIIA actions.

- Pre-accession instruments Phare, Phare CBC, ISPA, SAPARD. These instruments are an immensely important tool for gaining experience in the pre-accession period. Moreover, within Phare CBC on the Czech-Polish a great effort was made to adopt, if possible, INTERREG rules and procedures in the programming of the Phare CBC. It is also the aim of the European Commission to enable the accession countries to retain certain continuity between Phare and INTERREG type of cross-border co-operation, also because the similar level of funding available for the last years of Phare CBC and the first years of INTERREG on this border. However, when planning this Programme the Task force and its partners were clearly aware that Phare CBC and INTERREG IIIA are two different programmes and that there are limitations in similarities between them. Also, lessons were learned from the Phare CBC and in line with the recommendations of the European Commission the broad range of strategic objectives and subsequently the priorities and measures of the Czech-Polish Phare CBC was significantly revised and reduced. As a result, the scope of the INTERREG IIIA Programme strategy, priorities and objectives targets a smaller number of interventions.

- Economic competitiveness. The INTERREG IIIA programme on the Czech-Polish border will be in line with Czech and Polish legislative regulations concerning anti-trust policy. These regulations are in compliance with EU legislation. Relevant public procurement rules will be applied in Czech Republic from 1st of May 2004.

- Sustainability. Environment impact assessment of infrastructural projects will be required according to directive 85/337/EEC as amended by directive 97/11/EC as well as a compliance with all obligations resulting from the Habitats and Wild Birds directives. The principle of sustainability will be carefully considered namely in case of projects where environmental and economical interests may be contradictory.

- Gender mainstreaming. The INTERREG IIIA Programme for the Czech-Polish border areas will respect principles of equal opportunities for men and women at all programme levels and at all stages of programme preparation, implementation and evaluation.
1.5. Priorities and summary description of the measures

To accomplish the objectives outlined in the previous section, the following strategy is to be applied:

- To facilitate institutional, economical, cultural, educational and personal links between the both sides of the border;
- to eliminate physical/infrastructure barriers preventing these links and to enhance tourism related infrastructure;
- to intensify exchange of information and enhance improvement of communication systems within cross-border areas;
- to protect and improve environment;
- to intensify co-operation in preventing natural disasters, particularly floods;
- to facilitate creation of new job opportunities;
- to support cross-border co-operation of local business, namely local SMEs;
- to jointly promote the cross-border area concerned;
- to strengthen links on the “grass-root” level, i.e. links between communities, in order to create a strong sense of neighbourhood and common identity and to encourage an active role of communities and individuals in cross-border cooperation;
- to encourage creation and sustainability of cross-border networks.

The above objective and strategy are transformed in the following priorities and measures:

1. Further development and modernisation of the infrastructure for improving the competitiveness of the cross-border area
   
   Measure 1.1: Support for infrastructure of cross-border importance
   Measure 1.2: Infrastructure for environment protection and flood prevention
   Measure 1.3: Provision of business and tourism related infrastructure

2. Development of local society in the cross-border area
   
   Measure 2.1: Tourism development
   Measure 2.2: Support for local community initiatives (Microproject facility)
   Measure 2.3: Development and support of cross-border organisational structures and networks.
3. Technical assistance

Measure 3.1: Management, implementation, monitoring and control

Measure 3.2: Programme publicity and evaluation

Priority 1: Further development and modernisation of the infrastructure for improving the competitiveness of the cross-border area

Although many infrastructure investments in the Czech-Polish border area have been implemented within PHARE CBC programme, economic development still depends to a large extent on infrastructure development. Within this priority local infrastructure of cross-border importance will be supported (especially in transports). Improvements of infrastructure for environment protection and flood prevention will help to preserve natural assets of the area. Development of business related infrastructure can support local SMEs sector and consequently lead to mitigation of problems on the labour market. Implementation of the priority will be coordinated with the Objective 1 programmes in order to avoid overlapping and double financing.

Measure 1.1: Support for infrastructure of cross-border importance

One of the preconditions for development of cross-border contacts is existence of good quality infrastructure. Road and railway connections in the Czech-Polish border area need to be modernised and further harmonised in order to create coherent cross-border system. Mountainous character of the area constitutes additional burden for development of transport connections, though new solutions in this field are to be promoted within INTERREG III A programme, including development of multimodal transport.

Due to limited resources allocated to the programme and the length of the borderline as well as due to efforts to carefully distinguish between aims of the INTERREG IIIA and other Structural funds programmes (see also the section 1.1.4), only local infrastructure of real cross-border importance can be supported from INTERREG funds. (It is important to mention that all NUTS III regions situated along the Czech-Polish border belong to the Objective 1 areas and thus infrastructure projects can be co-funded by regional programmes). This may include construction or modernisation of roads to border-crossings, construction of by-passes in the settlements located in the eligible areas or modernisation of railway network. Development of transport-related services is also promoted, which can contribute not only to facilitation of direct contacts between the societies from both sides of the border but also to economic development of this mainly peripheral area.

Within this measure plans or studies for development of joint transport systems and other infrastructure projects can be prepared. These actions should take into account the necessity to co-ordinate road and railway infrastructure investments on both sides (including connections to the trans-European transport networks) as well as amelioration of public transport in order to promote exchange of persons and goods at local level.

As many settlements in the area are not easily accessible, development of communication and related information systems within activities of the measure can be a tool to considerably foster tightening of social and economic relations. The actions related to the information infrastructure will be compliant with the respective EC regulations as well as national Information Society strategies. Further details will be provided in the Programme Complement.
Measure 1.2: Infrastructure for environment protection and flood prevention

Environmental values are considered as main assets of the Czech-Polish border area and thus can serve as a basis for development of these branches of economy, which to a large extent are dependent on natural conditions. Tourism and recreation as well as environmentally friendly activities that make use of rich natural resources can be further promoted thanks to improvements in the quality of environment. Though recent environmental developments are mostly positive, there is still much to be done, especially in the field of waste disposal (reutilization) and wastewater treatment. Joint solutions for settlements located near the border should be investigated and possibly implemented. Infrastructure investments, must have significant positive impact on both sides of the border, that has to be a decisive factor in project selection. Real cross-border impact as opposed to general regional development objectives has to be evident for each individual project.

Common programmes for protection of soil, surface and underground water as well as forest areas are to be prepared. In this respect the problem of low emission should be additionally studied. Appropriate solutions can also be prepared for degraded, industrial areas.

The Czech-Polish border area is particularly exposed to floods. Elimination of this danger requires huge infrastructure investments, however, cross-border co-operation within the INTERREG programme aimed at flood prevention can bring many positive effects, especially joint planning of flood prevention system (water reservoirs or early warning systems).

Measure 1.3: Provision of business and tourism related infrastructure

The problem of unemployment in mostly backward border areas can be softened through support of SMEs, primarily in the field of the tourism which is an important part of the economy of the territory and constitutes a substantial precondition for its development. This in turn requires creation of favourable conditions, including appropriate infrastructure (investment projects). Joint elements of this infrastructure can be developed under this measure (provision of basic technical infrastructure, improved accessibility, hiking trails and bicycle paths, parking places, tourist routes etc.). This infrastructure could be used for creation of information or business development centres. In order to facilitate exchange of information and foster cross-border economic relations, improvements in information and communication systems for development of business and tourism of cross-border importance are to be promoted. All actions related to the information society will be in line with the respective EC regulations and national information strategies. Details will be provided in the Programme Complement. Due to limited resources allocated to the programme and the length of the borderline as well as due to efforts to carefully distinguish between aims of the INTERREG IIIA and other Structural funds programmes, only local infrastructure of real cross-border importance can be supported from INTERREG funds.

Priority 2: Development of local society in the cross-border area

This priority is designed to promote joint socio-economic activities in the Czech-Polish border area. As tourism is considered most dynamic sector with high economic potential, its development will be promoted under this priority. Measure 2 is supposed to be implemented by the euroregions with a view to supporting small projects of "people to people" type. Cross-border networks of institutions can link different public and private organisations in order to exchange information and seek new solutions for overcoming the most pertinent problems in the border area.
Measure 2.1: Tourism development

New jobs and new possibilities for regional economy can turn up as a result of tourism development. General conditions for this sector are favourable, however, new investments and plans of development are necessary. Even though this issue will be addressed also within Objective 1 programmes, more efficient use of rich natural and cultural resources can be achieved through implementation of joint cross-border projects. Appropriate programmes for joint management of valuable natural areas (e.g. water resources, areas of high biodiversity), taking into account their socio-economic functions, are envisaged. New structures, methodologies and tools can be developed.

This measure focuses on non infrastructural tourism projects, whereas certain elements of the tourist infrastructure can be realized within Measure 3 under Priority 1. New tourist packages and tourist products linking areas sharing the same cultural and natural heritage are to be promoted. Tourist offices representing both countries can co-operate and set up joint information centres. Although divided by national border, Czech and Polish parts of the area have many similarities and can be jointly promoted, such actions are to be undertaken within the INTERREG programme. Tourism may turn out advantageous also for rural settlements, thanks to cross-border co-operation new prospects for agrotourism can appear. Data transfer networks should be created in order to integrate tourist potentials from both sides of the border.

Measure 2.2: Support for local community initiatives (Microproject facility)

Under this measure small projects of "people to people" type will be implemented. It is expected to replace the successful "Joint small project fund" hitherto existing within the Czech-Polish PHARE CBC programme. Overall objective of this measure is development and increase in co-operation between communities from both sides of the border with the prospect of joint improvements in cultural, educational, social and economic spheres. Close co-operation between people living in the border area (e.g. cultural and sporting exchanges) deepens neighbourly relations.

Euroregions will play crucial role in the implementation of this measure, funds will be allocated by them to local initiatives (Microproject) on the basis of decisions taken by euroregional Microproject Steering committees. Activities undertaken within this measure will encourage local institutions and citizens to get involved in the INTERREG programme. Support for small-size local initiatives can also create basis for large cross-border co-operation projects.

Measure 2.3: Development and support of cross-border organisational structures and networks

Regional and local governments co-operate with their counterparts on the other side of the border. This co-operation is based on formal agreements concluded between cities and regions and can be substantiated through creation of networks linking different institutions. Such networks are promoted under this measure. Thematic networks can be established covering all important aspects of socio-economic development in the border area. Networks are not open to only public authorities, but also universities and socio-professional organisations, NGOs, rescue services are welcome. The main tasks of these networks would be exchange of information and elaboration of new policy proposals. Cross-border structures can be set up and strategies and plans prepared.
Networks may turn out good tools for development of co-operation in the field of culture and education. As lack of connections between SMEs, research and development institutions and universities hampers development of enterprises, this linkage should be promoted under this measure. Due to the high unemployment rate, especially on the Polish side, cross-border co-operation between labour offices is encouraged. Co-operation between Czech and Polish media can bring about positive effects with regard to formation of common identity. Additionally, co-operation between emergency services is to be further promoted.

**Priority 3: Technical assistance**

Technical assistance may be used to ensure efficient, effective and transparent management as well as smooth operation of the INTERREG IIIA programme. Technical assistance is divided into two categories. The first category refers to management, implementation, monitoring and control of expenditure, the second deals with other costs like studies, information actions, evaluation etc. Based on these two categories the priority is split up into two measures.

**Measure 3.1: Management, implementation, monitoring and control**

This measure includes setting up and financing of eligible expenditure of the Managing Authority, Paying Authority and Joint technical secretariat. Additionally it may cover costs of the Info point in the country not hosting the managing institutions as well as Euroregions participating in the implementation of local community initiatives. The financial allocation for this measure is in compliance with (EC) regulation no. 1685/2000 in the wording of regulation No 448/2004 of 10 March 2004 and will be equal to 5% of the programme budget.

**Measure 3.2: Programme publicity and evaluation**

The costs of programme publicity and evaluation will be covered under this measure. A communication action plan is to be prepared and several seminars or information events are to be organised. Exchange of information on different project proposals will be encouraged. Actions to support beneficiaries in project development and search of partners can be undertaken. The use of information technologies (Internet) should be promoted in compliance with the EC regulations and national information strategies. Funding for this measure is in line with the Regulation (EC) No. 1685/2000 as amended by Regulation 448/2004 and will be equal to 2% of the programme budget.

**1.6. Indicators for programme monitoring**

The following indicators were outlined for the three Programme levels (programme, priorities, and measures). The goal was to quantify as much measurements as possible where they lend to quantification. As further information concerning namely the measure and project levels is not available at the time of submission of this Programme and will be provided in the Programme Complement, the following set of indicators is preliminary and will be revised in the Complement.
Tab. 2: Indicators for programme monitoring

<table>
<thead>
<tr>
<th>Level</th>
<th>Type of indicator</th>
<th>Indicator</th>
<th>Planned number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme</td>
<td>Impact</td>
<td>Number of projects planned/prepared in cooperation</td>
<td>At least 150</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects jointly realised</td>
<td>At least 27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects contributing to the development of cross-border networks</td>
<td></td>
</tr>
<tr>
<td>Priority 1</td>
<td>Impact</td>
<td>Number of infrastructure projects planned/prepared in cooperation</td>
<td>At least 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of infrastructure projects jointly realised</td>
<td>At least 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects contributing to the development of cross-border networks</td>
<td></td>
</tr>
<tr>
<td>Priority 2</td>
<td>Impact</td>
<td>Number of projects improving cross-border mobility, accessibility and</td>
<td>At least 10</td>
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<tr>
<td></td>
<td></td>
<td>communication</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Number of projects aimed at environmental protection and flood prevention</td>
<td>At least 6</td>
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<tr>
<td></td>
<td></td>
<td>Number of projects aimed at improvement of business-related infrastructure</td>
<td>At least 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects aimed at improvement of tourism infrastructure</td>
<td>At least 8</td>
</tr>
<tr>
<td>Priority 3</td>
<td>Impact</td>
<td>Number of projects improving cross-border mobility, accessibility and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects aimed at development of local society in cross-border area</td>
<td>At least 140</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects jointly realised</td>
<td>At least 25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of projects contributing to the development of cross-border networks</td>
<td></td>
</tr>
<tr>
<td>Priority 3</td>
<td>Impact</td>
<td>Number of projects aimed at development of co-operation of organisations</td>
<td>At least 6</td>
</tr>
<tr>
<td></td>
<td>Output</td>
<td>Establishment and operation of cross-border programme structures</td>
<td>Qualitative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in awareness of cross-border co-operation</td>
<td>Qualitative</td>
</tr>
</tbody>
</table>

Indicators on the programme level

Cross-border integration:
If adapting characterisation of cross-border integration from the Working paper No. 7 for INTERREG IIIA programmes, the level of integration on the Czech-Polish border can be described as intermediate: „Various forms of co-operation between public institutions, private businesses and
other interests from ether side of the border exist and partly integrated and closely co-coordinated management structures of the INTERREG programmes are in place. “This integration level was achieved to a great extent thanks to the INTERREG predecessor on this border, the Phare CBC programme. The overall logic of the programme in the context of the European integration and cohesion is that border regions should be moving progressively toward higher levels of co-operation and integration. The ultimate goal of the Czech-Polish border area is the high level of integration. However, it would be unrealistic to expect that during the initial short period of INTERREG existence on this border such a progress can be achieved, though joint projects should inevitable lead to a higher level of integration. For purposes of this document, such level of integration can be measured by number of cooperation projects.

Finally, the context indicators below summarise key information and statistical data related to the Czech-Polish border area. It is not expected that these indicators will be significantly changed via implementation of the Programme, namely because of time and financial limitations of INTERREG IIIA in the area concerned, but they should give a general overview of the Czech-Polish border.

Tab. 3: Indicators on the programme level

<table>
<thead>
<tr>
<th>Length of the border area</th>
<th>790 km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of border crossings, of which</td>
<td>91</td>
</tr>
<tr>
<td>- road crossings</td>
<td>26</td>
</tr>
<tr>
<td>- railway crossings</td>
<td>8</td>
</tr>
<tr>
<td>- local crossings</td>
<td>33</td>
</tr>
<tr>
<td>- tourist trail crossings</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Border area covered, of which</th>
<th>46 623 km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Polish border areas</td>
<td>23 489 km²</td>
</tr>
<tr>
<td>- Czech border areas</td>
<td>23 134 km²</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of inhabitants, of which</th>
<th>7 166 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Czech border areas</td>
<td>3 388 000</td>
</tr>
<tr>
<td>- Polish border areas</td>
<td>3 778 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GDP</th>
<th>in PLN</th>
<th>in EUR (rate: 1 March 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita in Polish border sub-regions</td>
<td>14 231</td>
<td>2919,42</td>
</tr>
<tr>
<td>- Jeleniogórsko-Wałbrzyski</td>
<td>15 146</td>
<td>3107,13</td>
</tr>
<tr>
<td>- Opolski</td>
<td>18 364</td>
<td>3767,28</td>
</tr>
<tr>
<td>- former Południowośląski subregion (including existing Rybnicko-Jastrzębski and Bielsko-Bialski subregions)</td>
<td>17 637</td>
<td>5420</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GDP</th>
<th>in KC</th>
<th>in EUR (rate: 1 March 2004)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita in Czech border regions</td>
<td>176 379</td>
<td>5420</td>
</tr>
<tr>
<td>- Liberecký</td>
<td>183 280</td>
<td>5630</td>
</tr>
<tr>
<td>- Královéhradecký</td>
<td>176 475</td>
<td>5435</td>
</tr>
<tr>
<td>- Pardubický</td>
<td>163 125</td>
<td>5023</td>
</tr>
<tr>
<td>- Olomoucký</td>
<td>176 377</td>
<td>5431</td>
</tr>
<tr>
<td>- Moravskoslezský</td>
<td>176 377</td>
<td>5431</td>
</tr>
</tbody>
</table>
### Unemployment rates

**Czech regions:**
- Liberecký: 7.35%
- Královéhradecký: 6.32%
- Pardubický: 7.93%
- Olomoucký: 11.78%
- Moravskoslezský: 15.11%

**Polish regions:**
- Jeleniogórsко-Wałbrzyski: 27.4%
- Opolski: 18.2%
- Rybnicko-Jastrzębski and Bielsko-Biały subregions: 13.9%

### National parks and protected areas

**National parks:**

- **Poland:** Karkonoski Park Narodowy
- **Czech Republic:** Park Narodowy Gór Stołowych

**Protected areas:**

- **Poland:** Park Krajobrazowy Doliny Bobru, Rudawski Park Krajobrazowy, Książański Park Krajobrazowy, Śnieżnicki Park Krajobrazowy, Park Krajobrazowy Gór Sowich, Park Krajobrazowy Sudetów Wałbrzyskich, Ślęzański Park Krajobrazowy, Park Krajobrazowy Góry Opawskie, Zespół Rudnickich Parków Krajobrazowych (Cysterskie Kompozycje Krajobrazowe Rud Wielkich), Park Krajobrazowy Beskidu Śląskiego, Żywiecki Park Krajobrazowy, Park Krajobrazowy Beskidu Małego, Stobrawski Park Krajobrazowy, Park Krajobrazowy Góra Św. Anny

- **Czech Republic:** Chráněná krajinná oblast Beskydy, Chráněná krajinná oblast Broumovsko, Chráněná krajinná oblast České Stredohoří, Chráněná krajinná oblast Český ráj, Chráněná krajinná oblast Jeseníky, Chráněná krajinná oblast Jizerské hory, Chráněná krajinná kokořínsko, Chráněná krajinná oblast Litovelské Pomoraví, Chráněná krajinná oblast Lužické hory, Chráněná krajinná oblast Orlické hory, Chráněná krajinná oblast Poodří
1.7. **Indicative financing plan**

The indicative financing plan is in the Annex 5. EU contribution has been calculated on total public costs.

2. **Competent authorities**

For managing and implementing of the programme, the joint organisational structure has been created. These are: Managing Authority represented by the Ministry for Regional Development of the Czech Republic, Paying Authority – Ministry of Finance of the Czech Republic and Joint Technical Secretariat - Centre for Regional Development - the non-profit organisation set up by the Ministry for Regional Development of the Czech Republic.

The Joint Monitoring Committee and the Joint Steering Committee will be set up according to the rules for INTERREG III.

The implementation structure is stated in Annex 4, detailed contact information concerning individual bodies of the program will be stated in the Program’s Complement.

2.1. **Managing Authority**

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managing Authority</strong></td>
<td>National Authority of the Programme</td>
</tr>
<tr>
<td>Ministry for Regional Development of the Czech Republic</td>
<td>Ministry of Economy, Labour and Social Policy of Poland</td>
</tr>
</tbody>
</table>

**Overall responsibility for programme management, namely for:**

- setting up a system to gather reliable financial and statistical information on implementation, for the monitoring indicators and for evaluation and forwarding this data in accordance with arrangements agreed between the Member States and the Commission;
- adjustment and the implementation of the Programme Complement;
- drawing up and, after obtaining the approval of the Programme Monitoring Committee, submitting to the Commission the annual implementation report;
- ensuring that those bodies taking part in the management and implementation of the assistance maintain either a separate accounting system or an adequate accounting code for all transactions relating to the assistance;
- ensuring the correctness of operations financed under the assistance, particularly by implementing internal controls in keeping with the principles of

**Responsibility for:**

- cooperation with the Managing Authority for the purpose of ensuring efficiency and the correctness of management and smooth implementation of the programme;
- contributing to monitoring and control;
- verification of payment application presented by voivodship offices, approving and forwarding them to the Sub-paying Authority, together with confirmation of correctness of expenditures.
- executing recovery
sound financial management and acting in response to any observations or requests for corrective measures;
- ensuring compliance with Community policies;
- compliance with the obligations concerning information and publicity;
- acting in full compliance with the institutional, legal and financial systems of the Member State concerned;
- organising of the preparation of the decisions to be taken by the Monitoring and Steering Committees;
- co-coordinating the work of authorities or bodies designated to implement sub-programmes and measures.

**Responsibilities on the national level:**
- identification and allocation of national funds for programme co-financing;
- concluding subsidy contracts (related to contribution from ERDF and from national sources) with final beneficiaries in the Czech Republic;
- drawing up statements of expenditure and their submission to Paying Authority;
- informing the Paying Authority, Central Harmonization Unit for Financial Control and Paying Unit on identified irregularities;
- maintenance of a central evidence of irregularities occurring in the Czech Republic.

---

**2.2. Paying Authority and Sub-paying Authority**

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying Authority</td>
<td>Sub-paying Authority</td>
</tr>
<tr>
<td>Ministry of Finance of the Czech Republic</td>
<td>Ministry of Finance of Poland</td>
</tr>
<tr>
<td>National Fund Department</td>
<td></td>
</tr>
</tbody>
</table>

**Responsibility for:**
- setting up and keeping a bank account for funds
receipt of funds for the programme from the EU budget;

- financial management of ERDF funds;
- allocation of interest earned on the payment on account to the programme;
- drawing up applications for payments and their submission to the Commission;
- certification of statements expenditure obtained from the Managing Authority and Sub-paying Authority and their submission to the Commission along with the application for payment;
- presenting updated forecasts for payment for the current and the following year by April 30 to the European Commission based on forecasts of the Managing Authority and Sub-paying Authority;
- transferring the part of ERDF funds for reimbursement of eligible expenditure of the final beneficiaries located in the Czech Republic to the Paying Unit;
- transferring the part of ERDF funds for reimbursement of eligible expenditure of the final beneficiaries located in Poland to the Sub-paying Authority;
- accounting for incoming and outgoing payments, establishment of a reconciliation system;
- administration of a joint information database of liabilities and expected payments;
- returning the unused funds to the Commission;
- returning payments unduly used including interest to the Commission;
- settling exchange rate differences for EU resources managed by the Paying Authority.

2.3. Paying Unit

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Management and Paying Unit of SF Department</td>
<td></td>
</tr>
<tr>
<td>Ministry for Regional Development of the Czech Republic</td>
<td></td>
</tr>
</tbody>
</table>
Responsibility for:
- preparation and submission of summary applications for payments concerning Czech beneficiaries to the Paying Authority;
- administration of funds transfers to beneficiaries in the Czech Republic;
- accounting for incoming and outgoing payments, establishment of a reconciliation system in the Czech Republic.

2.4. Joint Technical Secretariat

The Joint Technical Secretariat for the INTERREG IIIA Czech Republic – Poland is to be located on Czech side. The Czech Republic and Poland staff the Joint Technical Secretariat, in accordance with the principle of equal treatment and partnership. The employees of the Secretariat will come from both Member states involved in the programme, and both language will be covered.

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Technical Secretariat</td>
<td></td>
</tr>
<tr>
<td>Centre for Regional Development of the CR</td>
<td></td>
</tr>
</tbody>
</table>

Responsibility for:
- support to the Managing Authority in efficient and correct management and implementation of the Programme;
- secretariat function for the Monitoring Committee including preparation and mailing of documentation before its meetings and producing minutes after meetings;
- drawing up reports on Programme implementation;
- preparing and making available standardised forms for project applications and for project assessment of projects coordinated by the Managing Authority;
- assessment of the operations proposed for financing or co-ordination of such tasks;
- registration of applications and their encoding into the monitoring system;
- coordinating Microproject facility implementation;
- generating project assessment sheets, in cooperation with relevant bodies, as a basis for decision of the Steering Committee;
- programme promoting, distributing project application forms and evaluation forms;
- preparing basic joint information database;
- administrating contracts for complementary services (translations, publications);
- preparing drafts of Annual reports.

### 2.5. Intermediate Bodies

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate bodies I</strong> – Regional councils secretariats located within the Regional offices</td>
<td><strong>Intermediate bodies</strong> – voivodeship offices of the Dolnośląskie, Opolskie and Śląskie regions</td>
</tr>
<tr>
<td><strong>Responsibility for:</strong></td>
<td><strong>Responsibility for:</strong></td>
</tr>
<tr>
<td>- carrying out consultation on project applications before they are sent to the Joint Technical Secretariat;</td>
<td>- concluding contracts with beneficiaries from Poland, administration of fund transfers to beneficiaries;</td>
</tr>
<tr>
<td>- concluding subsidy contracts related to contributions from regional budgets;</td>
<td>- approving payment requests from beneficiaries;</td>
</tr>
<tr>
<td>- reporting for monitoring system;</td>
<td>- management of regional system of financial and statistical information related to projects implemented in the region and forwarding the date to the National Authority and Sub-paying Authority;</td>
</tr>
<tr>
<td>- regional public relations.</td>
<td>- participation in work of the Monitoring Committees;</td>
</tr>
</tbody>
</table>

**Intermediate bodies II** – The Centre for Regional Development CR

<table>
<thead>
<tr>
<th><strong>Responsibility for:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- preparing and drawing up subsidy contracts with beneficiaries from the Czech Republic related to ERDF funds and ensuring their signature by the Managing Authority;</td>
</tr>
<tr>
<td>- checking payment requests received from final beneficiaries for their content and compliance with the supporting accounting documents before submitting them to the Managing Authority;</td>
</tr>
</tbody>
</table>

Co-financed by the Marshals and Technical assistance of the programme, in line with the section of 1.2.4 of the Practical Guide. The TA funds foreseen for an Info Point will be divided
- drawing up statements of expenditure. between three such points located in the Marshal offices on the equal basis since the programme is not of a region-to-region-type, but three regions along a very long borderline are involved, this solution is meant to facilitate access of potential beneficiaries to information and help in preparing applications. Another reason to opt for splitting of the info point is that the INTERREG programme is a new initiative in this territory and requires more publicity actions on the local level, as well as more assistance to applicants may be necessary in comparison with borders with already established EU member states. Active participation of the Marshal offices in preparing project applications will also facilitate avoiding overlapping Objective 1 programmes and INTERREG III A.

**Main responsibilities:**
- assisting to potential project applicants in development of projects via information and advisory services;
- carrying out consultation on project applications before they are sent to the Joint Technical Secretariat;
- cooperation with the Joint Technical Secretariat in programme promotion and publicity;
- distribution of application forms.

### 2.6. Monitoring Committee

Monitoring Committee will supervise the INTERREG IIIA programme on the Czech-Polish border. It will be set up in agreement with the Managing Authority after consultations with the Czech and Polish partners on both the national and regional/local levels. The Committee will be established no more than three months after the decision on the contribution of the Funds.

The Committee will act and draw up its own rules of procedure under the authority and within the legal jurisdiction of the Czech Republic and Poland.

The Monitoring Committee will consist of representatives of Czech and Polish ministries, Czech IB II (Center for Regional Development), Polish voivodes, euroregions, regional authorities and social and economic partners from the cross-border area inc. NGO representatives. A representative of the Commission is a member of the Monitoring Committee in an advisory capacity. The Monitoring Committee will be chaired by a representative of a Czech or Polish national authority (or by the Managing Authority). The chairmanship will rotate between the Czech Republic and Poland on a yearly basis. During the creation of the Monitoring Committee, attention will be paid to keeping
a balance in the sphere of equal rights of men and women as well as representation by persons with knowledge concerning environmental issues.

The main responsibilities of the Monitoring Committee will be:

- to confirm or adjust the Programme Complement;
- to consider and approve the criteria to be used for the selection of projects with the aim of determining the cross-border or transnational character of the operations;
- to review periodically progress made towards achieving the specific objectives of the programme and to examine the results of implementation (achievement of the targets set for the different measures);
- to consider and approve the annual and final implementation reports before they are sent to the Commission;
- to consider and approve any proposal to amend the contents of the Commission decision on the contribution of the Funds, especially in order to improve the programme administrative and financial management;
- to approve the framework for the Joint technical secretariat’s tasks;
- to approve operations under the Technical Assistance budget.

2.7. Steering Committee

Whereas the Monitoring committee can be considered the strategic body of the programme, the Steering Committee is rather the operational body, and is overseen by the Monitoring Committee.

The Steering Committee will consist of representatives of Czech and Polish euroregions, regional authorities, social and economic partners from the cross-border area and some national authorities, though the involvement of national authorities will be smaller than in the Monitoring Committee. A representative of the Commission may attend as an observer. Its rules of procedure will be endorsed by the Monitoring Committee.

The main responsibility of the Steering Committee is the joint selection and approval of projects and the monitoring of their implementation. The projects have to be selected by agreement of all members entitled to vote. If no agreement can be reached among the voting members, the project will not be approved for funding. The project selection procedure and criteria are/will be outlined in the Programme and in the Programme Complement.

In so far as Microprojects are concerned, every CZ-PL euroregion responsible for the running of the Microproject will have their own Microproject Steering Committee acting on the same basis and principles as described above. Such a structure corresponds to the specific situation on the Czech- Polish border, namely:

- The length of the borderline and therefore ensuring even and qualified distribution of Microprojects along the whole border;
- already indicated significant interest of potential applicants in the Microproject facility and therefore potential difficulties in administration of such a number of projects by one body responsible for both „mainstream“ INTERREG IIIA projects and Microprojects during the selection and monitoring phases.

3. Programme Implementation

3.1. Programme monitoring system

The programme will be monitored as a part of the Czech Monitoring system of Structural funds (MSSF) – a monitoring system of EU support in the Czech Republic. MSSF will cover all
project stages from submission of project application on the primary level to communication with the European Commission. At the same time the system will enable direct communication between relevant ministries and will offer a safe access for external users.

Basic information about projects submitted under the INTERREG IIIA programme will be entered into the system on the MONIT level by Czech Intermediate bodies and into the IT system by Polish Intermediate bodies. Transfer of data from Polish IT to MSSF will be provided. The programme will be monitored using indicators described in this Programme as well as those specified in the Programme Complement.

As the system is able to use the standard XML, it will be compatible with other information systems in the public sphere related to EU support monitoring, including the system of intermediaries and regions in case they have its own information system.

3.2. Information, publicity and consulting

The Managing Authority is responsible for information and publicity related to the INTERREG IIIA programme on the Czech-Polish border. The body implementing these measures on behalf of the Managing authority will be the Joint secretariat whose role will be to ensure the widest possible participation by eligible organizations in the programme via organising promotion events and campaigns.

Additional details will be stated in the communication plan and worked into the Program Complement in compliance with EC regulation no. 1159/2000. The results of evaluations, including ex-ante evaluations, will be available to the public upon request.

3.3. Programme evaluation system

In course of preparation of the programme its ex-ante evaluation was carried out and its conclusions are included in the Programme document (see Annex 3). Ex-post evaluation will be conducted by an independent assessor and will cover utilisation of resources and effectiveness and efficiency of the assistance as well as its impact. In accordance with the regulation (EC) No. 1260/1999 ex-post evaluation is of responsibility of the Commission, in collaboration with the Member States and the Managing Authority.

A separate department within the Managing Authority will provide managing and monitoring systems compliant with requirement concerning financial monitoring as stipulated in the Regulation (EC) No. 438/2001.

3.4. Compliance with other community policies

To ensure compliance with the Treaty, the Programme implementation will be based on the following Community policies:

generally not envisaged. In such cases individual notification, approval by the EC and registration is required.

- Award of public contracts. The Czech and Polish legislative rules to be applied on the INTERREG IIIA programme reflect EU requirements for transparent public procurement, for elimination of any possible discrimination and for stipulation of preliminary conditions for rational use of resources from the Structural Funds.


- Evaluation of the environmental impact of projects in the infrastructure sphere will be required pursuant to Directive 85/337/EEC, as amended by directive 97/11/EC, just as fulfilment of all the obligations arising from the Directive on biotopes and avifauna will be required. Environmental protection and improvement. The INTERREG IIIA programme on the Czech-Polish border will comply with EU environmental policies and directives. This concern namely directives 92/43/EEC (Habitats) and 79/409/EEC (Birds directive) related to Natura 2000. Environmental impact assessment of investment projects will be carried out according to the directives 85/337/EEC and 97/11/EEC. Waste treatment and waste water treatment projects will have to comply with the directives 75/442/EEC (Waste) and 91/271/EEC (Urban waste water treatment).

- Elimination of inequalities and promotion of equality between men and women. This policy is to be applied horizontally across all elements of the Programme. The main tool for achieving elimination of inequalities between men and women is creation of sufficient number of job opportunities, together with improved flexibility of the labour market, accessibility and diversity of different types of employment. As stipulated in the regulation (EU) 438/2001, Annex IV, Field 39, information concerning effect on equality of opportunities will be summarised in the Scope of information on operations to be made available to the Commission on request for the purpose of documents and on-the-spot checks.

The body responsible for checking compliance with the above policies and other programmes (see also 1.1.4) as well as preventing double financing is the Managing Authority (Ministry for Regional Development, the Czech Republic). The Ministry is at the same time responsible for management of the Objective 1 of the Structural funds, which means that it has first-hand overview of the Structural funds financing in the Czech Republic. The Ministry will regularly consult its Polish counterpart (Ministry of Economy, Labour and Social Policy) to ensure compliance and prevent any potential double financing on the both sides of the border.

4. Implementation at project level

4.1. Submitting of project applications

A rolling system for project proposals will be used. Project applications will be presented, after the carrying out of a IB consultation, directly to the Joint Technical Secretariat, which will register and encode it into the monitoring system. With regard to microprojects, the application will be submitted to the relevant Euroregion. The system is decribed also in the Annex 4.
4.2. Selection of project applications

The assessment of project applications against core criteria, as well as specific selection criteria outlined in the Programme Complement is carried out by the Joint Technical Secretariat assisted by relevant regional authorities (Czech regional offices, Polish Marshal offices) and experts.

The core criteria are as follows:

- all projects must demonstrate cross-border impact,
- activities undertaken within the project framework shall relate to the measures (and targets) defined in the Programme and Programme Complement,
- appropriate level of co-financing ensured,
- coherence with national and regional strategies and policies;
- compliance with community policies (e.g. competition, environment protection and promotion of equality between men and women) and complementarity with other European programmes (prevention of double financing),
- contribution to the socio-economic development of the cross-border area.

The regional authorities evaluate applications’ compliance also with regional development concepts and participate in formulating joint evaluation report submitted to the Steering Committee for approval. The members of the Steering Committee will be provided with full information on all applications. The regional authorities also have to confirm that co-financing from regional funds is available for individual project applications. Co-financing from the state budgets is confirmed by state authorities responsible for relevant budget chapters.

For joint projects either one application form will be submitted by a Lead Partner, or two applications will be prepared, one for the Czech and another for the Polish part of a project. Projects will be implemented according to the legal provisions in the Czech Republic and Poland; when possible the Lead Partner principle will be followed.

The goal of the above process is an overall evaluation of project applications and subsequent decision which projects meet technical quality requirements and are in line with priorities outlined in the Programme and in regional development concepts.

Each project application will be evaluated on the basis of INTERREG IIIA criteria as well as criteria specified in the Programme Complement.

4.3. Co-financing decisions

On the basis of the Steering Committee decision, the Joint Technical Secretariat will inform applicant on the co-financing decision. In the Czech Republic, a subsidy contract shall be signed by the Managing Authority and the final beneficiary. In Poland the contract shall be signed by the respective voivode, acting on behalf of the National Authority, and the final beneficiary.

This contract is a legally binding document, which has to meet requested formal criteria and has to include verifiable information concerning:

- final beneficiary;
- project character and content;
- detailed financial specification.
4.4. Project monitoring system

The final beneficiaries are responsible for project implementation. At the same time they submit interim and final reports and financial reports to the relevant Intermediate body.

The Intermediate body gathers, encodes and monitors all reports, financial reports, invoices, documents and requests for payments. Results of monitoring checks are available also to co-financing national and/or regional bodies.

Within the organizations responsible for carrying out Intermediate body role a special attention will be paid to division of responsibilities on personal and if possible also organizational levels to avoid any potential conflict of interest.

Based on checked reports and requests for reimbursement of incurred expenditure, including invoices and other documentation, the Intermediate body will send the checked documentation to the Managing Authority/corresponding National Authority on the Polish side that then instructs the Paying/Sub-paying Authority to issue relevant payments. The Intermediate body will record this information in the monitoring system, including cases when funding is to be returned to the Paying Authority.

Final reports will be submitted to the Intermediary body after completion of a project. After checking the reports, the Intermediate body will request payments to the final beneficiary.

5. Financial implementation and control

5.1. Single bank account

The Paying Authority (the Ministry of Finance of the Czech Republic) will set up a bank account at the Czech National Bank to receive payments from the European Commission. The number of this bank account will be stated in the Programme Complement. From this account funding will be transferred to the account of the Sub-paying Authority set up by the Polish Ministry of Finance and to the account of the Paying Unit (account owned by the Czech Ministry of Finance). The Paying Unit within the Ministry for Regional Development (Czech Republic) will have rights of disposal for providing payments to Czech final beneficiaries. Payments from the Sub-paying Authority account will be further transferred to the Polish final beneficiaries via intermediate bodies (voivodship offices) in Poland. When the Lead Partner principle is allowed by law and followed, the payments shall be made to the Lead Partner who would transfer the respective amounts further to his/her projects partners.

5.2. Applications for Payments and forecasts

The Paying Authority (National Fund Department within the Ministry of Finance, of the Czech Republic) will submit applications for payments to the European Commission for the whole programme. The payment from the Commission may take the form of payments on account, interim payments and payments of the final balance. Applications for interim payments will as a general rule be submitted three times a year.

Based on article 32, paragraph 7 of the regulation (EC) No. 1260/1999 the Paying Authority will submit to the European Commission by 30 April each year updated forecasts of applications for payment for the current and following year. The forecasts will be compiled estimates made by the Managing Authority and Sub-paying Authority.
5.3. **Financial implementation on project level**

A chart of financial flows is in the Annex 4 (implementation of the projects).

5.4. **Financial control**

Financial control will be performed in accordance Art. 38 Council Reg. 1260/1999 and Commission Reg. 438/2001 and the relevant national regulations.

According to Reg. No. 1260/1999, and Reg. 438/2001 the Ministry for Regional Development acting as the Managing Authority together with the Polish Ministry of Economy, Labour and Social Policy acting as the corresponding National Authority have the overall responsibility for proper use of INTERREG IIIA funding provided by the European Commission, including financial monitoring.

The financial control of INTERREG IIIA funds is executed by the following institutions:

1) **1st level control pursuant to Article 4 of Commission Regulation No. 438/2001:**

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Body II.</td>
<td>National Authority of the programme:</td>
</tr>
<tr>
<td>Center for Regional Development</td>
<td>Ministry of Economy, Labour and Social Policy of Poland</td>
</tr>
</tbody>
</table>

2) **2nd level control in accordance with Articles 10-12 of Commission Regulation No. 438/2001:**

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry for Regional Development of the Czech Republic</td>
<td>Ministry of Finance of Poland</td>
</tr>
<tr>
<td>Project Inspection Unit</td>
<td>The Bureau for International Treasury Relations</td>
</tr>
</tbody>
</table>

3) **winding-up of the assistance pursuant to article 15 Commission Regulation No. 438/2001:**

<table>
<thead>
<tr>
<th>Czech Republic</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance of the Czech Republic</td>
<td>Ministry of Finance of Poland</td>
</tr>
<tr>
<td>The Central Harmonisation Unit for Financial Control</td>
<td>Body for certifying and issuing declarations on Winding-up of EU Assistance</td>
</tr>
</tbody>
</table>

Simplified schema of the financial control – see Annex 7.

Details concerning financial control will be stated in the separate document.
Annex 1

Selected statistical data, Czech Republic

Tab.: Basic characteristics of the Czech part of border area CR – PL (as of 31/12/2001)

<table>
<thead>
<tr>
<th>Administrative region</th>
<th>Area (km²)</th>
<th>Population</th>
<th>Population density (cap./km²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberecký</td>
<td>3 163</td>
<td>427 396</td>
<td>135</td>
</tr>
<tr>
<td>Královéhradecký</td>
<td>4 758</td>
<td>549 329</td>
<td>115</td>
</tr>
<tr>
<td>Pardubický</td>
<td>4 519</td>
<td>507 176</td>
<td>112</td>
</tr>
<tr>
<td>Olomoucký</td>
<td>5 140</td>
<td>638 374</td>
<td>124</td>
</tr>
<tr>
<td>Moravskoslezský</td>
<td>5 554</td>
<td>1 265 912</td>
<td>228</td>
</tr>
<tr>
<td>Total</td>
<td>23134</td>
<td>3 388 187</td>
<td>146</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>78 866</td>
<td>10 206 436</td>
<td>129</td>
</tr>
</tbody>
</table>

Tab.: Number of inhabitants in the area addressed (SLBD 2001)

<table>
<thead>
<tr>
<th>Administrative region</th>
<th>Population (as of 1/3/2001)</th>
<th>% share of the whole CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberecký</td>
<td>428 184</td>
<td>4,19</td>
</tr>
<tr>
<td>Královéhradecký</td>
<td>550 724</td>
<td>5,38</td>
</tr>
<tr>
<td>Pardubický</td>
<td>508 281</td>
<td>4,97</td>
</tr>
<tr>
<td>Olomoucký</td>
<td>639 369</td>
<td>6,25</td>
</tr>
<tr>
<td>Moravskoslezský</td>
<td>1 269 467</td>
<td>12,41</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>10 230 060</td>
<td>100,00</td>
</tr>
</tbody>
</table>

Tab.: Labour market in the Czech part of border area CR – PL (as of 31/12/2001)

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of job applicants</th>
<th>No. of job openings</th>
<th>No. of applicants/1 job opening</th>
<th>Registered unemployment rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberecký</td>
<td>15 987</td>
<td>2 677</td>
<td>6</td>
<td>7,35</td>
</tr>
<tr>
<td>Královéhradecký</td>
<td>17 433</td>
<td>3 950</td>
<td>4</td>
<td>6,32</td>
</tr>
<tr>
<td>Pardubický</td>
<td>19 911</td>
<td>2 729</td>
<td>7</td>
<td>7,93</td>
</tr>
<tr>
<td>Olomoucký</td>
<td>37 215</td>
<td>3 264</td>
<td>11</td>
<td>11,78</td>
</tr>
<tr>
<td>Moravskoslezský</td>
<td>94 226</td>
<td>2 566</td>
<td>37</td>
<td>15,11</td>
</tr>
<tr>
<td>Area addressed</td>
<td>184 772</td>
<td>15 186</td>
<td>12</td>
<td>X</td>
</tr>
<tr>
<td>CR</td>
<td>461 923</td>
<td>52 084</td>
<td>9</td>
<td>8,9</td>
</tr>
</tbody>
</table>

Tab.: Gross Domestic Product by region in 2000

<table>
<thead>
<tr>
<th>Administrative region</th>
<th>Population (thous.)</th>
<th>Gross domestic product (GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bill. CZK</td>
</tr>
<tr>
<td>Liberecký</td>
<td>427</td>
<td>127,9</td>
</tr>
<tr>
<td>Královéhradecký</td>
<td>549</td>
<td>171,7</td>
</tr>
<tr>
<td>Pardubický</td>
<td>507</td>
<td>153,4</td>
</tr>
<tr>
<td>Olomoucký</td>
<td>638</td>
<td>175,4</td>
</tr>
<tr>
<td>Moravskoslezský</td>
<td>1 266</td>
<td>379,9</td>
</tr>
<tr>
<td>Aggregate area</td>
<td>3 388</td>
<td>1008,3</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>10 206</td>
<td>3653,3</td>
</tr>
</tbody>
</table>
### National parks, protected landscape areas (CHKO)

<table>
<thead>
<tr>
<th>Protected area (title)</th>
<th>Year of establishment</th>
<th>Area (ha)</th>
<th>Location (administrative region)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Park</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Krkonošský NP</td>
<td>1963</td>
<td>36 300</td>
<td>7 459</td>
</tr>
<tr>
<td>Protected landscape areas (CHKO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHKO Beskydy</td>
<td>1973</td>
<td>116 000</td>
<td>Zlínský, Moravskoslezský</td>
</tr>
<tr>
<td>CHKO Broumovsko</td>
<td>1991</td>
<td>41 000</td>
<td>Královéhradecký</td>
</tr>
<tr>
<td>CHKO České středohoří</td>
<td>1976</td>
<td>107 000</td>
<td>Ústecký, Liberecký</td>
</tr>
<tr>
<td>CHKO Český ráj</td>
<td>1955</td>
<td>12 500</td>
<td>Královéhradecký, Středočesky, Liberecký</td>
</tr>
<tr>
<td>CHKO Jeseníky</td>
<td>1969</td>
<td>74 000</td>
<td>Moravskoslezský, Olomoucký</td>
</tr>
<tr>
<td>CHKO Jizerské hory</td>
<td>1967</td>
<td>35 000</td>
<td>Liberecký</td>
</tr>
<tr>
<td>CHKO Kokořínsko</td>
<td>1976</td>
<td>27 000</td>
<td>Středočesky, Ústecký, Liberecký</td>
</tr>
<tr>
<td>CHKO Litovelské Pomoraví</td>
<td>1990</td>
<td>9 600</td>
<td>Olomoucký</td>
</tr>
<tr>
<td>CHKO Lužické hory</td>
<td>1976</td>
<td>35 000</td>
<td>Ústecký, Liberecký</td>
</tr>
<tr>
<td>CHKO Orlické hory</td>
<td>1969</td>
<td>20 000</td>
<td>Královéhradecký, Pardubický</td>
</tr>
<tr>
<td>CHKO Poodří</td>
<td>1991</td>
<td>8 150</td>
<td>Moravskoslezský</td>
</tr>
</tbody>
</table>
## Annex 2

### POLAND - SELECTED DATA AT NUTS III LEVEL IN 2001, POLAND

<table>
<thead>
<tr>
<th>Specification</th>
<th>NUTS III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jeleniogórsko - Wałbrzyski</td>
</tr>
<tr>
<td><strong>Area (km²)</strong></td>
<td>10371</td>
</tr>
<tr>
<td><strong>Population, total</strong></td>
<td>1383542</td>
</tr>
<tr>
<td>- Pre-working age</td>
<td>21.8%</td>
</tr>
<tr>
<td>- Working age</td>
<td>62.7%</td>
</tr>
<tr>
<td>- Post-working age</td>
<td>15.5%</td>
</tr>
<tr>
<td><strong>Population per 1 km²</strong></td>
<td>133</td>
</tr>
<tr>
<td><strong>Natural increase per 1000 inhabitants</strong></td>
<td>- 1.2</td>
</tr>
<tr>
<td><strong>Migration net per 1000 inhabitants</strong></td>
<td>- 1.8</td>
</tr>
<tr>
<td><strong>Registered unemployed persons in thous. women</strong></td>
<td>151.5</td>
</tr>
<tr>
<td><strong>Long term unemployed (more than 1 year) in % of total</strong></td>
<td>46.5</td>
</tr>
<tr>
<td>*<em>Unemployment rate</em> **</td>
<td>27.4%</td>
</tr>
<tr>
<td><strong>Employment - total</strong></td>
<td>316345</td>
</tr>
<tr>
<td>- Agriculture, hunting and fishery</td>
<td>24.8%</td>
</tr>
<tr>
<td>- Industry and construction</td>
<td>37.7%</td>
</tr>
<tr>
<td><strong>Entities recorded in the REGON register</strong></td>
<td>25415</td>
</tr>
<tr>
<td><strong>GDP per capita in 2000</strong>*</td>
<td>14231</td>
</tr>
<tr>
<td><strong>Industrial and municipal waste water discharged into surface water or soil (hm³)</strong></td>
<td>87.3</td>
</tr>
<tr>
<td>- Treated in % of total</td>
<td>94.2</td>
</tr>
<tr>
<td><strong>Wastes (without municipal wastes) generated during the year in thous. t</strong></td>
<td>3405.9</td>
</tr>
<tr>
<td><strong>Legally protected areas possessing unique environmental value in % of total area of the country</strong></td>
<td>20.9</td>
</tr>
<tr>
<td><strong>Tourist accommodation establishments</strong></td>
<td>712</td>
</tr>
<tr>
<td><strong>Number of beds in tourism</strong></td>
<td>43398</td>
</tr>
<tr>
<td><strong>Agricultural land in % of the area of the country</strong></td>
<td>55.1</td>
</tr>
<tr>
<td><strong>Forest land in %</strong></td>
<td>32.5</td>
</tr>
</tbody>
</table>

* Data for the former NUTS III Południowopomoślnski
EX – ANTE EVALUATION

COMMUNITY INITIATIVE PROGRAMME

INTERREG III A

CZECH REPUBLIC - POLAND

AUTHORS:

Doc. RNDr. René Wokoun, CSc.
Ing. Zdeněk Lukáš, PhD.

University of Economy, Faculty of International Relations, Prague

September 2003
1. Introduction
2. Analytical part
   a. Socio – economic analysis
   b. Analysis of previous results and experiences
   c. SWOT analysis
3. Strategy of the programme
4. Indicators
5. Financial plan
6. Implementation
7. Conclusion
1. Introduction

Preliminary (ex-ante) evaluation of the Community Initiative Programme INTERREG III A was elaborated in accordance with the requirements of the European Commission for the preparation of Programme Documents. The following documents in particular are concerned:

- Ex Ante Evaluation and Indicators for INTERREG (Strand A and B), The New Programming Period 2000-2006: methodological working papers, Working Paper 7 (October 2000);
- Council Regulation (EC) No. 1260/99 laying down the general provisions of the Structural Funds, in particular Article 41 thereof defining the purpose, applicability and content of the ex-ante evaluation and Article 18(2) thereof, determining the content of the programme documents;
- MEANS Collection, Volume 1, Evaluating socio-economic programmes: Evaluation design and management, EC 1999;
- MEANS Collection, Volume 2, Evaluating socio-economic programmes: Selection a use of indicators for monitoring and evaluation, EC 1999;
- MEANS Collection, Volume 3, Evaluating socio-economic programmes: Principal evaluation techniques and tools, EC 1999;
- MEANS Collection, Volume 4, Evaluating socio-economic programmes: Technical solution for evaluation within a partnership framework, EC 1999;
- MEANS Collection, Volume 5, Evaluating socio-economic programmes: Transversal evaluation of impacts on the environment, employment and other intervention priorities, EC 1999;

As concerns the preparation of the programme document, the evaluators state that the Ministry for Regional Development, elaborators, and evaluating team cooperated
throughout the entire period of preparation of the programme document of the Community Initiative Programme INTERREG III A. The elaborators have accepted most of the comments and recommendation of the evaluators and incorporated the same directly into the text of the programme document.

As concerns the above-mentioned co-operation between all participating parties, only a minimum of negative remarks to the text of the programme document of the Community Initiative Programme INTERREG III A presented appear in the text of the said ex-ante evaluation.

This ex-ante evaluation shall be a full version thereof. The abbreviated form thereof shall directly constitute, as Appendix 3, a part of the programme document Community Initiative INTERREG III A Programme.

2. Analytical part

The analytical part of the presented programme document is contained in sub-chapters 1.1.3 and 1.1.4. Sub-chapter 1.1.3 is focused on the socio-economic analysis and SWOT analysis, while sub-chapter 1.1.4 is focused on the analysis of previous results and experiences.

2.1. Socio-economic analysis

The socio-economic analysis is divided in the programme document presented into several basic parts, which are, to a certain extent, elaborated parallel both for the Czech Republic and Poland, thus increasing its informative value.

The first part of the analysis is focused on the basic geographic and demographic characteristics. The evaluating team considers this part as being well elaborated and has no remarks thereto. The analysis reveals, inter alia, that the size of the territory in question is approximately the same for Poland and the Czech Republic (23,489km$^2$ and 23,134km$^2$). A certain difference between the two countries is found in the number of people living in the territory that belongs to the program (Czech Republic – 3,388,187 inhabitants; Poland – 3,778,000 inhabitants), and a higher population per square km in Poland. However, for both sides of the state borders it is valid that the population per km
ratio in the area in question is higher than the national averages. Another characteristic common for the territories on both sides of the border is a negative migration balance.

The second part of the analysis focuses on the economic structure of the cross-border territories under monitoring. Also, this part of the overall socio-economic analysis is considered as relevant by the evaluating team. The problems of the individual regions on both sides of the border are referred to distinctly and at the same time, it is properly indicated that all regions (sub-regions) in question are not identical in terms of economic structure. In addition, several possible branches of development of regions are indicated in this part.

The evaluators will perform a certain supplementation of the analysis in relation to this part of the analysis. The text of the programme document indicates that several Polish regions in the respective territory have a lower per capita GDP than the overall national average in Poland, while the value of this indicator is higher than the national Polish average in other regions. The per capita GDP data for the Czech Republic is not shown in the text of the programme document. However, the situation in the Czech Republic is specific due to the existence of the Prague region, which ranks among the 30 richest regions of the European Union at the NUTS II level (measured as per capita GDP, according to PPP) and is by far the most developed region within Central and European countries. As a result, the per capita GDP in all Czech regions is lower than the national Czech Republic’s average at NUTS II level. However, if we omitted the Prague region from the Czech Republic’s average, we would obtain similar results to those for Poland. This means that some of the regions within the cross-border territory belonging to the INTERREG programme would be lower than the national per capita GDP indicator while the other would be above the average.

The third part of the socio-economic analysis is focused on the issue of employment. The situation in the area of employment (unemployment) is poor in most of the regions under monitoring, which is inter alia a consequence of ongoing restructuring processes, overall economic structure, infrastructural non-development and geographic position with respect to the overall territory of both countries. The territory under monitoring includes regions (micro-regions) wherein the unemployment rate is about 30% or even more (regions with more than 30% unemployment rate exist in particular on the Polish side of the border).

Unemployment is one of the key problems on both sides of the border. As indicated in the analysis, the management of this problem is impossible without a comprehensive
approach. It can be expected that the Community Initiative Programme INTERREG III A could contribute to, but not substantially influence, the management of the problem.

For the said reason, the evaluators consider that the performance of a deeper analysis of unemployment in the areas under monitoring within the Community Initiative Programme INTERREG III A is not necessary. In addition, these analyses are available within other programme documents for the utilization of structural funds in the Czech Republic (2004 – 2006) or within the programme document of the Community Initiative Programme EQUAL.

The fourth part of the socio-economic analysis focuses on the situation in the area of environment. This part clearly indicates that the biggest common problem of the territories on both sides of the border is a risk of floods and related risks. The evaluators believe, based on their own experience, that this conclusion is relevant.

The fifth part of the socio-economic analysis focuses on the issues of infrastructure in the territories under monitoring. This part can be considered as sufficient in terms of breadth. The evaluators only note certain inaccuracies in the text pertaining to the importance of regional airports. They agree with the introduction of Mošnov as the first in importance. However, the Pardubice airport would follow in terms of importance, which exceeds the other airports referred to herein in terms of volume of traffic.

The last part of the socio-economic analysis is dedicated to the issue of education and science and research. According to the opinion of the evaluators, this part accurately describes the reality with the basic statement that the structure in the area of educational/school system (in particular the system of secondary schools) in the territory under monitoring is not favourable compared to the other regions in territory of both countries.

On the other hand, however, it must be emphasized that significant potential for the development of science and research is present at both sites of the common border.

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**Overall conclusion from the socio-economic analysis:**

The analysis has met its purpose within the programme document, i.e., it has become one of the key elements for the definition of objectives, and priorities, measures and strategies of the Community Initiative Programme INTERREG III A Czech Republic-Poland.
2.2. Analysis of the previous results and experiences

The elaborators of the Community Initiative Programme document INTERREG III A have carried out analysis of the previous results and experiences, in particular based on the description of the PHARE CBC programs as implemented at the border between the Czech Republic and Poland (or as the case may be, Germany). Based on the programmes implemented, the elaborators have made four main conclusions with respect to recent experiences.

In association with the extent and depth of the performed analysis of previous results and experiences, the evaluators state that the existing circumstances do not allow the performance of a more detailed analysis than that performed by the elaborators of the programme document. This statement is in particular based on the following reasons:

1. There are limited experiences with the implementation of programmes and projects compared to current EU member countries, while the experience in implementing INTERREG program is zero.

2. To date, there has been no coherent system for the evaluation of effects of programmes and projects implemented, neither for those co-financed by the EU nor for those financed purely from the state budget. The existing state based on various progress or final reports is non-transparent and insufficient in terms of deducting reasonable conclusions and experiences or evaluation of the overall effectiveness, and others. All of this is closely associated with the fact that:

3. Only a very limited number of ex-post evaluations have been carried out.

4. Irrespective of all declarations about the compatibility of the structure of data provided (special case of Czech Republic and of Czech Statistical Office) with the structure and content provided by EUROSTAT or statistical offices/authorities of the EU member countries, the quality of regional statistics is very low, especially at the level lower than NUTS III.

Concerning the four more general conclusions made by the elaborators within the analysis of the previous results and experiences, the evaluators have the same opinion on them, both in terms of the extent of projects, and geographic implementation and overall extent of priorities thereof.
Overall conclusion to the analysis of previous results and experiences:

The analysis of the previous results and experiences has contributed to the definition of objectives, priorities, measures and strategies of the Community Initiative Programme INTERREG III A Czech Republic–Poland to the extent which is limited by the existing situation in the Czech Republic and Poland.

2.3. SWOT analysis

The SWOT analysis carried out within the presented programme document is divided into five sections – economics, environment, employment and education, infrastructure, population.

The opinion of the evaluators on the respective parts of the SWOT analysis is as follows:

Section Economics – the evaluators recommend including the point “Unfinished restructuring of an industrial business” into the section “weaknesses”. It is without a doubt a problem existing in most of the territory under monitoring and as such, the problem is also referred to by the socio-economic analysis within the programme document submitted. In addition, the bullet point „Problems with restructuring of businesses“ naturally continues this problem and formation of negative factors related thereto in the item “threats”.

We recommend keeping the points in the other sections.

Section Environment – The evaluators have no objections to the respective sections of SWOT analysis.

Section Employment & Education – The evaluators recommend that the first point in the “strengths” be adjusted as follows “A widely developed and high-quality system of universities“. Based on their experience and on the text of the programme document of the presented socio-economic analysis, the evaluators do not think that the level of secondary school education can be classified within the “strengths”. On the contrary (which was already done by the authors of the programme document themselves in the presented SWOT analysis,) the current, in particular content-related, level of secondary school education can be classified among the “weaknesses”. In the case of university education, it can be on the contrary claimed that the coverage of disciplines as well as applicability of the graduates on the labour market is very high.
In the “weaknesses”, the evaluators recommend re-formulating the second bullet point as follows: “The content-related specialization of secondary schools and specialized vocational schools, which does not fully correspond to the current conditions of the labour market” This is only a mild adjustment to the statement as the content-related specialization of secondary schools and vocational schools currently for the most part fails to reflect the needs of the labour market, nevertheless this statement has no absolute validity.

We recommend keeping the points in other sections.

**Section Infrastructure** – The evaluators consider it is necessary to add a point in the “opportunities” section as follows: “The development of border crossings and related transportation infrastructure”. As the authors of the programme document themselves note in the socio-economic analysis, this is one of the biggest infrastructure problems, and the evaluators also believe that the classification of this problem into the “opportunities” item is fully justified. In addition, it is a problem, which is manageable by the implementation of the Community Initiative Programme INTERREG III A.

We recommend keeping the points in other sections.

**Section Population** – in the “weaknesses”, we recommend replacing point 2 with the “weakness” as follows: „The loss of in particular young population in villages and peripheral areas”. Based on the official statistics and their own experience, the evaluators recommend explicitly inserting the formulation of young population in the statement of this point.

The said areas face not only the absolute loss of population, but also a considerable ageing of the population even in comparison with regional or national averages.

We recommend adding the following points into the section “threats”: “The continuing loss of in particular young population in villages and peripheral areas” and “The continuing existence of a negative migration balance in the regions under monitoring, pertaining in particular to young, educated and qualified persons”. The evaluators believe that the continuation of the above-suggested trends is very risky, in particular with respect to the relation between structure of the labour force, labour market and overall socio-economic development of the area under monitoring.

We recommend keeping the points in other sections.

With respect to SWOT analysis in its entirety, the opinion of the evaluators is that the SWOT analysis performed concerned a relatively large territory on both sides of the border. However, this area features an internal heterogeneity (which is also confirmed by
the socio-economic analysis performed in the programme document, meaning that not all the regions face an identical problem to the same extent).

However, the evaluators do not believe that a more detailed SWOT analysis, e.g., analysis focused on the respective regions within the entire territory under monitoring, is needed within the program document.

Based on their own experience, the evaluators state that the SWOT analysis performed by the elaborators as a unit in fact covers all cross-sectional problems of the respective regions within the territory under monitoring.

<table>
<thead>
<tr>
<th>Overall conclusion for the SWOT analysis:</th>
</tr>
</thead>
<tbody>
<tr>
<td>After carrying out some partial adjustments, one can claim that the analysis met its purpose within the programme document, i.e., it has become one of the key elements for the definition of objectives, priorities, measures and strategy of the Community Initiative Programme INTERREG III A Czech Republic–Poland.</td>
</tr>
</tbody>
</table>

3. Strategy of the programme

In the beginning of this part the ex–ante evaluation, the evaluators claim that the overall strategy of the program is, in their opinion, in accordance with the analytical part of the submitted document Community Initiative Programme INTERREG III A.

Hence, the evaluators agree with the set-up of the global objective and operational objectives without any remarks. In the case of specific objectives, they propose a certain re-formulation thereof given the closeness of contents. Therefore, they propose the following four specific objectives:

<table>
<thead>
<tr>
<th>Increase of economic integration of the Czech-Poland border</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of conditions for economic growth of the cross-border areas</td>
</tr>
<tr>
<td>Improvement of conditions for a sustainable development of the environment and/or rejuvenation of the cross-border area</td>
</tr>
<tr>
<td>Additional social integration of the Czech-Poland border</td>
</tr>
</tbody>
</table>
Be replaced with two new specific objectives:

| Increase in the economic and social integration of the Czech and Poland border |
| Improvement in the conditions for sustainable economic growth |

The reasons that have led the evaluators to the proposal of the aforementioned reformulation are as follows:

1. Economic and social processes are very closely linked and hence there is no substantial reason to separate them
2. The term "sustainable economic growth" currently (according to the EU concept) automatically includes the issue of environment and the development and protection thereof
3. The foregoing defined specific objectives better express the existence of two dimensions of cross-border programs: regional development and cross-border regional integration.

The sense and substance of the programme document, including a link of specific objectives to global objective and operational objectives, shall not change by the adjustment proposed by the evaluator; only the hierarchy of the objectives proposed will become clearer.

The programme document presented contains proposals for the implementation of a total of three priorities, of which one is focused on the issue of technical assistance. The other two priorities are as follows:

1. Additional development and modernization of the infrastructure to improve competitiveness of cross-border regions
2. Development of local community in the cross-border region.

The following measures have been proposed for implementation within the first priority:

1. Support of infrastructure of cross-border importance
2. Infrastructure aimed at environmental protection and flood prevention
3. Provision of infrastructure for the support of business
The following measures have been proposed for implementation within the second priority:

1. Development of tourism.
2. Support of initiatives of local communities
3. Development and support of cross-border organizational structures and networks

The evaluators have no objections to the proposed priorities and measures related thereto, as they are, in their opinion, in accordance with the analytical part of the programme document, global objective of the programme, and in the compliance with the fulfilment of two dimensions of the cross-border programmes.

The evaluators believe that the fulfilment of the global objective “Improvement in the quality of environmental conditions and levels in the respective cross-border areas“ by means of implementation of the respective priorities and measures is realistic.

To maximize the fulfilment of objectives of the program document, the evaluators recommend that projects from those areas that directly neighbour the border of both countries be preferentially treated during the project tenders. This spot preferential treatment should be adjusted in the programme supplement.

In addition, the evaluators claim they have found no dispute between the strategy of implementation of the program documentation presented and other program documents intended the utilization of resources from structural funds for the years 2004-2006.

In this respect, however, it should be noted that the programme documents, with which the presented programme document of the Community Initiative Programme INTERREG III A was compared, were not in their final (i.e., approved by the European Commission) form.

Therefore, the evaluators consider the presented programme document of the Community Initiative Program INTERREG III A as being generally consistent both in terms of internal structure of the presented programme document and in terms of the relation to other currently implemented or prepared programme documents.

With respect to the impact on the environment, the evaluators state that given the total amount of financial funds and in particular due to the character of potential projects, no negative effects on the environment need be expected.
On the contrary, a considerably positive effect related to flood protection could be expected after implementation of measure 1.2.

Mildly positive to zero effect to the environment can be expected upon implementation of other measures. Impacts of the implementation of any measure on the environment will have only regional to micro-regional character.

In addition, the individual projects proposed (in this case, probably in particular some infrastructure-related projects) will be available for specific evaluation for their effects on the environment, always prior to the implementation thereof, should the concerns, if any, occur in the relevant region or micro-region with respect to the effect on the environment. However, these situations are governed by the special legislation outside the scope of this programme document.

The issue of equal opportunities of men and women has not been worked out in detail given the character of the program document of the Community Initiative Programme INTERREG III A and of the individual measures in the programme document. The evaluators recommend including this issue at the general level in the program supplement.

**Overall conclusion to the program strategy:**
The evaluators consider the proposed strategy of program implementation as being generally consistent, with a realistic anticipation for the fulfilment of the objectives determined.

**4. Indicators**

In the beginning of this part the ex-ante evaluation, the evaluators generally claim that the set-up of indicators in the presented programme document Community Initiative Programme INTERREG III A have been carried out at three levels (programme, priorities, measures).

With the exception of two cases, these are quantitative indicators. The use of two qualitative indicators is justifiable, because it enables the expression of the impacts that cannot be expressed quantitatively.

Quantitative indicators are based on the number of implemented projects, which can be considered suitable given the character of priorities and measures. In addition, the
use of this form of indicators helps to avoid unintentional exclusion of some types of submitted projects, such as innovative projects.

The evaluators have no substantial reservations to the presented structure of indicators or to the proposed quantification thereof, which they consider as being relevant given the amount of financial means available, provided that the final form of indicators will be included in the program supplement.

The evaluators have objections to the second table (statistical data) indicated within subchapter 1.1.6 as follows:

1. It is generally required to number the individual tables (in the text of the program document) to make the document clearer.
2. Units must be shown in all data (indicators).
3. The values of per capita GDP shown for Polish cross-border regions are incorrect and should be corrected.

In relation to the issue of the indicators, the evaluators think that the data should be unified within Appendices 1 and 2. The data in the current form are not fully comparable.

The evaluators agree with the statement of the elaborators that the current level of integration at the Polish-Czech border can be evaluated as average, i.e., corresponding to the definition contained in Working Paper 7 issued by the European Commission in October 2000.

The objective of the implementation of the presented programme document of the Community Initiative Program INTERREG III A Czech Republic-Poland for the years 2004-2006 would be to aim at reaching a higher level of integration at the mutual border, i.e., a high level of integration.

In respect thereto, the evaluators are inclined to the opinion of the elaborators specified in the presented programme document that it is not realistic to expect achievement of the high level of integration within a single programming period, which has been, in addition, in the case of Czech Republic and Poland, as well as in case of other future new member countries, reduced to three years. Achievement of a limit integration that can be characterized as above average is possible.
Overall conclusion on the indicators:

The proposal of the structure of indicators, including suggestion for their quantification, is elaborated in the presented programme document Community Initiative Program INTERREG III A. The result of the fulfilment of the global objective of the program would be an above-average level of integration at the Czech-Polish border. The final nature of indicators will be included in the programme supplement.

5. Financial plan

The financial plan of the Community Initiative Program INTERREG III A is specified in Appendix 5 of the presented programme document. The evaluators agree with the proposed allocation of financial resources, which is according to their opinion, in accordance with the analytical part of the submitted program document. The allocation reflects the highest requirement of implementation of the measure within Priority 1, which is fully in accordance with the opinions, which have been presented by the representatives of the respective regions in the individual phases of discussing the preparation of the program document.

The evaluators have the following two partial recommendations with respect to the financial plan as specified in Appendix 5:

In the table submitted, partial summation error should be corrected, which probably occurred due to the inattention of the elaborator of the respective table. The sum of resources for Priorities 1-3 for the year 2004-2006 is 46,000,000 rather than 46,000,010 shown in the table (column C 25). The difference in question is EURO 10, which cannot be considered as a substantial problem, but neither should such difference appear in the said table.

The submitted financial plan table in Appendix 5 of the program document is clear in terms of distribution of expenses for the respective priorities and their general internal structure, however, the evaluators recommend including additional text in the text of subchapter 1.1.7, where only a reference to Appendix 5 is specified in the current version of the programme document. This text should briefly explain the anticipated rates of co-financing both from public and private resources.

Overall conclusion to the financial plan:

The evaluators have no substantial remarks to the financial plan presented

6. Implementation

The implementation structure of the Community Initiative Program INTERREG III A comprises a managing body, the Ministry for Regional Development of the Czech Republic, a payment unit, the Ministry of Finance of the Czech Republic, and a shared technical secretariat, the Centre for Regional Development. In Poland, the Ministry of
Economy, Labour and Social Policy of the Polish Republic act as a national authority. Establishment of the Joint Monitoring Committee and Joint Managing Committee is expected according to the instructions for the implementation of the Community Initiative INTERREG III. The tasks determined for the individual authorities and bodies are in accordance with the relevant regulations of the Community.

The anticipated composition of the Monitoring Committee and Managing Committee is in accordance with the principle of partnership. The Managing Committee will bear the main responsibility for common selection and approval of projects, while the projects must be selected with the approval of all members eligible to vote. This fact can delay the implementation of the program under certain situations. To avoid such problems, absolutely clear selection criteria should be determined and the high-quality work of the Joint Technical Secretariat and all intermediating subjects will be needed throughout the entire process of selection of project applications.

Given the aforementioned facts, the evaluators clearly recommend that the Managing Authority ensure in a timely manner the elaboration and publication of criteria for the evaluation of projects and that the Monitoring Committee timely review and approve these criteria.

Monitoring of the Community Initiative Programme INTERREG III A will proceed as part of Czech monitoring system of structural funds (MSSF) and will be the backbone for the Monitoring Committee, Managing Committee, and other parts participating in this program, and an independent department within the managing authority will implement managing and monitoring system complying with the requirements for financial control pursuant to the Council Regulation No 438/2001.

Elaboration of annual and final reports on the implementation of the program will be provided by the managing authority in accordance with the relevant legislation, and once approved the reports will be submitted to the EC.

In accordance with the Council Regulation (EC) No 1260/1999, the Community Initiative Program INTERREG III A shall be a subject matter of evaluation by independent evaluators. An ex-ante evaluation shall proceed in accordance with relevant legislation and in cooperation with the managing authority. The half-period evaluation will not be performed due to the short duration of the period of programme implementation. Greater attention will have to be paid during the final evaluation, which will be elaborated by the managing authority and during ex-post evaluation, which will be elaborated by independent evaluators.
The evaluating team recommends paying special attention to monitoring and then to evaluating the results of the implementation of the project within the INTERREG III A programme. Later, the experiences gained should be evaluated such that these can be used for the creation and implementation of the program in the next programming period.

The evaluators state that the frameworks for monitoring and evaluation have been set up in accordance with the Council Regulation (EC) No 1260/1999 and with other recommendations of the Commission.

7. Conclusion

In this part of ex-ante evaluation of the Community Programme INTERREG III A, tables are presented to summarize the main conclusions achieved by the evaluators during their activity.

<table>
<thead>
<tr>
<th>Level of socio-economic analysis</th>
<th>The analysis met its purpose within the programme document, i.e., it has become one of the key elements for the definition of objectives, priorities, measures and strategy of the Community Initiative Programme INTERREG III A Czech Republic–Poland.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of analysis of current results and experiences</td>
<td>The analysis of the current results and experiences contributed to the definition of objectives, priorities, measures and strategy of the Community Initiative Programme INTERREG III A Czech Republic–Poland, which is limited by an existing situation in the Czech Republic and in Poland.</td>
</tr>
<tr>
<td>Level of SWOT analysis</td>
<td>After partial adjustments, one can say that the analysis met its purpose within the programme document, i.e., it has become one of the key elements for the definition of objectives, priorities, measures and strategy of the Community Initiative Programme INTERREG III A Czech Republic–Poland.</td>
</tr>
<tr>
<td>Evaluation of program strategy</td>
<td>The evaluators consider the proposed strategy of implementation as being generally consistent, featuring realistic chances for meeting the determined objectives.</td>
</tr>
<tr>
<td>Evaluation of indicators</td>
<td>The proposal of structure of indicators, including the suggestions of their quantification, is well elaborated in the presented document for the Community Initiative INTERREG III A Czech Republic–Poland. The fulfilment of the global objective should result in the above-average level of integration at the Czech-Polish border. The final version of indicators will be included in the programme supplement.</td>
</tr>
<tr>
<td>Evaluation of the financial plan</td>
<td>The evaluators have no substantial remarks to the financial plan presented.</td>
</tr>
<tr>
<td>Evaluation of the implementation</td>
<td>The evaluators recommend that a managing body secure a timely elaboration and publication of criteria for the evaluation of draft projects and that the Monitoring Committee evaluate and approve the said criteria in a timely manner. The proposed implementation of the Community Initiative INTERREG III A corresponds with the requirements of the European Commission.</td>
</tr>
</tbody>
</table>

**OVERALL EVALUATION:**

THE EVALUATORS CONSIDER THE PRESENTED COMMUNITY INITIATIVE PROGRAMME INTERREG III AS MEETING THE REQUIREMENTS AND THUS SUITABLE FOR IMPLEMENTATION.
Annex 4

Implementation of the projects
Annex 5

Indicative Financing plan
## INDICATIVE FINANCING PLAN (2004-2006)
**Interreg III A Czech Republic - Poland**

<table>
<thead>
<tr>
<th>Priority/Year</th>
<th>Total eligible cost</th>
<th>Total public expenditure</th>
<th>Priority/Year</th>
<th>Total eligible cost</th>
<th>Total public expenditure</th>
<th>Priority/Year</th>
<th>Total eligible cost</th>
<th>Total public expenditure</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>1</td>
<td>2=3+5</td>
<td></td>
<td>3</td>
<td>ERDF</td>
<td></td>
<td>4</td>
<td>5</td>
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<td>Priority 1</td>
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<tr>
<td>2004</td>
<td>29 442 516</td>
<td>29 442 516</td>
<td>2004</td>
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<td>6 218 675</td>
<td>2006</td>
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<td>8 291 567</td>
<td>2005</td>
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<td>2 354 991</td>
<td></td>
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<tr>
<td>2006</td>
<td>9 419 963</td>
<td>9 419 963</td>
<td>2006</td>
<td>8 798 239</td>
<td>8 798 239</td>
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<td></td>
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<td>4 190 571</td>
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<td>5 257 670</td>
<td>2006</td>
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<td></td>
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<td>Priority 3</td>
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<td>3 220 275</td>
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<td>2 415 206</td>
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<td>2005</td>
<td>209 928</td>
<td></td>
</tr>
<tr>
<td>2004</td>
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<td>1 239 324</td>
<td>2004</td>
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<td>855 929</td>
<td>2005</td>
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<td></td>
</tr>
<tr>
<td>2006</td>
<td>1 141 239</td>
<td>1 141 239</td>
<td>2006</td>
<td>285 310</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals by year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
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<td>13 423 791</td>
<td>2004</td>
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<td>10 067 843</td>
<td>2005</td>
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<td>2006</td>
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<td>18 129 895</td>
<td>2006</td>
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<td>4 532 475</td>
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<tr>
<td>TOTAL</td>
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<td>46 003 932</td>
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<td>34 502 947</td>
<td>34 502 947</td>
<td></td>
<td>34 502 947</td>
<td>11 500 985</td>
</tr>
</tbody>
</table>

The ERDF contribution has been calculated on the basis of the total public expenditure.
Annex 6

Sample checks
Paying Authority (PA)
Ministry of Finance of CR
- receiving control reports of 5% control from PIU
- receiving declaration on winding up for the whole programme and attaching it to the application for the payment of final balance sent to the Commission

Central Harmonisation Unit for Financial Control at the Ministry of Finance of CR (CHU)
- methodological guidance on the system of financial control of SFs in the Czech Republic
- drawing up declaration on winding up of the assistance for the whole programme
- receiving control plans and control reports of the 5% control from PIU
- receiving information from ITR pursuant to Article 13 of 438/2001
- informing the European Commission in accordance with art. 13 of 438/2001

Project Inspection Unit (PIU)
Ministry for Regional Development of CR
- drawing up control plans and their submission to the CHU
- executing sample checks covering at least 5% of the total eligible expenditure effected by the Czech final beneficiaries
- drawing up control reports and their submission to CHU, MA and PA
- quarterly informing OLAF on irregularities

Body for Certifying and Issuing Declarations on Winding-up of EU Assistance
Ministry of Finance of Poland
- Drawing up partial declaration on winding up of the assistance and its submission to CHU
- receiving control reports of 5% control from ITR

Sub-paying Authority (Sub-PA)
Ministry of Finance of Poland
- receiving control reports of 5% control carried out in Poland from ITR

Bureau for International Treasury Relations (ITR)
Ministry of Finance of Poland
- supervision and co-ordination of 5% controls in Poland
- submission of control reports to, the Body for Certifying and Issuing Winding-up declaration of EU Assistance and to Sub-PA
- informing CHU in accordance with Art. 13 of 438/2001
- quarterly informing OLAF on irregularities and simultaneously sending a copy of the relevant part of it to the PA

Treasury Control Offices
- executing sample checks covering at least 5% of the total eligible expenditure effected by the Polish final beneficiaries
- drawing up control reports and their submission to the Bureau for International Treasury Relations

consultation