



EUROPEAN TERRITORIAL CO-OPERATION  
AUSTRIA-CZECH REPUBLIC 2007-2013



## **OPERATIONAL PROGRAMME**

Objective European Territorial Co-operation Austria- Czech Republic 2007-2013  
CCI Nr. 2007 CB1 63 PO 002

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# 1 INTRODUCTION

## 1.1 Territorial co-operation

Cross border co-operation is a relevant topic in the European Union, with the aim to reduce some effects of these national borders, which very often present barriers for balanced socio economic development of the regions concerned.

After the accession of the new member states, to which the Czech Republic belonged, nowadays 25 member states participate in the Objective 3 programmes for territorial co-operation in the programme period 2007-2013. One of these programmes will be implemented in the border area between Austria and the Czech Republic, which should give new impulses to the cross border co-operation in the this region, after two programming periods have already been put into practice, . As the passed enlargement has a lot of impact also to this border region, this cross border co-operation programme should further support and deepen the internal cohesion of the border region and the European Union.

Austria and the Czech Republic already have a long history in cross border co-operation. Positive experiences from the last programming periods already exist. Since the accession of the Czech Republic to the European Union in 2004 now only one instrument guides the implementation of the cross border co-operation programmes, which allows a real joint implementation of the strategies and activities foreseen. This also contributes to the situation of reducing barrier effects and restrictions and should further motivate and activate institutions and partners in the programme region to intensify the cross border activities as well as to ensure transparent implementation processes.

The present joint programme is the result of an intensive and common working process, which led to increased quality of cross border co-operation, discussion and communication. This programme will be the basis for intensive co-operation in this cross border region. By implementing this programme, a new chance for closer co-operation and building of real sustainable cross border structures for the benefit of the people, organisations and regions on both sides of the border will be given.

Specific guidelines for the elaboration of this programme is the Council Regulation 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No° 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund.

This programme „Territorial Cross Border Co-operation Austria – Czech Republic 2007-2013“ contains priorities, which are co-financed by the European Regional Development Fund (ERDF).

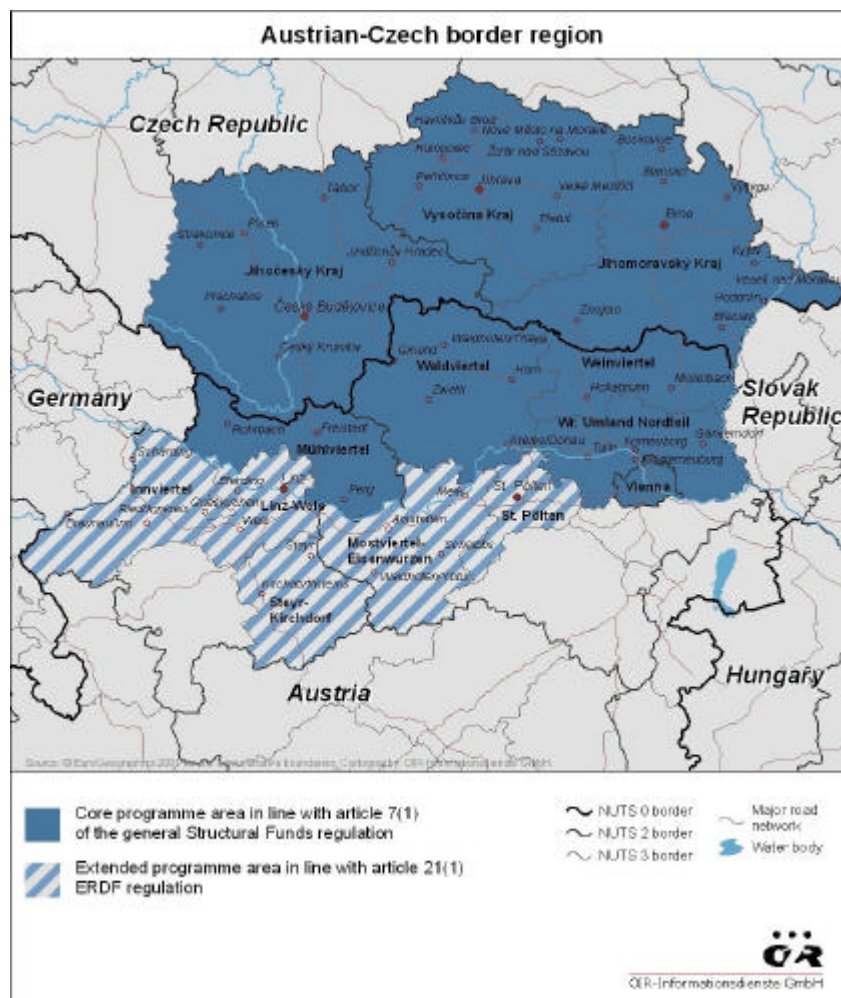
The programme aims at the active and offensive continuation and future development of the support of cross border co-operation, which already has a tradition for more than ten years. In this way the regions on both sides of the border should gain effective impulses for dynamic and sustainable cross border development. This should give all partners in the cross border region the possibility to achieve synergies and to be perceived as a model with high socio-economic, ecological and living standards in the heart of Europe.

This programme should contribute to strengthen the border regions, to adjust the development status and put these in a position to manage the challenges and adaptations caused by the enlargement of the European Union. The Austrian-Czech cross border region should also be a capable partner for neighbouring regions in their respective counties.

The cooperation will be based and guided by a Memorandum of Understanding, which will be discussed and developed by the the Programming Group.

## 1.2 Programme area

In accordance with the programme period 2000-2006 the Austrian-Czech border region includes the following NUTS III regions: on the Czech side *Jihoceský kraj*, *Jihomoravský kraj* and *kraj Vysocina*; on the Austrian side the NUTS III regions *Waldviertel*, *Weinviertel*, *Wiener Umland Nordteil*, *Mühlviertel*, *Wien* and according to Art. 21 (1) ERDF Regulation the NUTS III regions *Mostviertel-Eisenwurzen* and *St.Pölten in Niederösterreich* and the NUTS III regions *Linz-Wels*, *Innviertel* and *Steyr-Kirchdorf* in *Oberösterreich*. The eligible region remained similar to INTERREG IIIA. In the Czech Republic, *Niederösterreich* and *Wien* the definition of the eligible area is the same as it has been under INTERREG IIIA. Only NUTS III region *Steyr-Kirchdorf* in *Oberösterreich* was added in accordance with Art. 21, where important strategic projects partners are located, such as Fachhochschule (College) and the Profactor Research Centre in Steyr as potential cooperation partners for the University of Ceske Budejovice. A second aspect is the development of key projects related to tourism, e.g. co-operation of the national parks Sumava (*Jihoceský kraj*), Kalkalpen (*Oberösterreich*) and Thayatal (*Niederösterreich*). This extension of the eligible area also contributes to narrowing the current gap between the Czech and Austrian territories for this programme in terms of area and population. The definition and extension of area of this size makes it easier to focus the Operational Programme on the objectives of European Cohesion policy and on the Lisbon and Gothenburg Strategies. Thus, in our view, the extension would create a significant value added for the effectiveness of the Operational Programme and for the economic future of the programme area.



### 1.3 Preparation of the programme

16. June 2005, by decision of the Joint Monitoring Committee for the INTERREG IIIA programme a bilateral “Programming Group” for the elaboration of this Objective European Territorial Co-operation Operational Programme “Territorial Cross border Co-operation Austria-Czech Republic 2007-2013” was established. Members of this programming group come from the relevant bodies at national and regional level from both programme partners. Information for relevant topics and themes have been collected from all partners involved and integrated in the programme. Social partners and authorities responsible for the environment and gender aspects have also been involved in the programming process.

17. October 2005 the programming process started with a multinational cross border programme kick-off meeting (AT-CZ, AT-SK, AT-HU, AT-SI) held in Wien, subsequently eleven bilateral meetings were held at various locations in the common border region.

Since March 2006 three external expert teams that drafted supported the programming group:

- Specific chapters of the Operational Programme (OP)
- The Ex-ante evaluation and



- The Strategic Environmental Assessment (SEA)

To ensure broad regional and sector acceptance as well as participation of social partners and NGOs the bilateral programming process was accompanied by various internal feedback loops on regional and national level on both sides of the border. In addition the results of SEA and Ex-ante Evaluation were continuously integrated in the programming document.

## 1.4 Lessons learned

In the updated midterm evaluation<sup>1</sup> recommendations for co-operation and implementation improvement are stated. These concern the spirit of cross border co-operation, the sound implementation of the activities, efficient programme management and project generation. It is the aim of this OP and the partners involved to respect these recommendations as valid as possible in this cross border co-operation programme. In detail directions for improvement are listed, e.g.:

- Motivate/activate institutions in border regions to start and intensify cross border activities
- Reduce barriers and restrictions
- Assure transparent implementation processes
- Improve in-time cross border information flow/exchange
- Support project applicants in project development, introduction of project coaches
- Reduction and limitation of the time frame for administrative procedures
- Organise joint and efficient project assessment procedures
- Maintain regular contact with partners
- Organise joint training for project owners
- Prepare joint formats for the administration of the projects (applications, contracting, monitoring, reporting etc.)
- Introduce cross border Small Project Fund (SPF) at regional level: over past few decades, "mental borders" have been formed in the minds of the border region inhabitants due to interrupted economic, cultural and social relationships. An important foundation for intensifying communication was achieved via regular contacts in the form of small – often regional and/or subject-specific – projects. The experiences from the implementation of the cross border programmes (CBC) Small project Fund/INTERREG IIIA Disposition Fund have shown that integrated (non-profit orientated) "small projects" were very helpful for various target groups. The SPF represents a flexible tool for implementation of the smallest activities of the Programme - projects of a local nature with cross border impact. The continuation of such activities in the form of the SPF, which enables also smaller projects is generally supported in all cross border regions and is also recommended for future programming by the Midterm Evaluation of the Community Initiative Program (CIP) Austria-Czech Republic.

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<sup>1</sup> Update of Mid Term Evaluation, for the Community Initiative Programme INTERREG IIIA Austria-Czech Republic, Vienna/Praha, October 2005

## 1.5 Ex-ante-Evaluation, Strategic Environmental Assessment

### 1.5.1 Ex ante Evaluation

The ex-ante evaluation was prepared simultaneously and continuously with the OP. The evaluation team was continuously informed of the updated outputs of each part of the OP. The parties communicated at meetings and via e-mail. The contracting authority provided an updated version of the document to the ex-ante evaluation team (ET) for consideration. While working on the evaluation, the ex-ante evaluators were providing continuous work evaluations both to the OP processing team and to the contracting authorities in written and oral form.

The ET was also considering the relation of the OP to the documents of both the member states, mainly the National Strategic Reference Framework (NSRF), since the topic of regional cooperation has become a constitutive part of these documents.

The ET states that the process of the OP elaboration and bringing in of the ex-ante positions was realized by the institution (mechanisms) of Task Force, with participation of representatives from the Czech territorial authorities (kraj), Austrian countries, Euroregions and the ET observes. The principle of equal representation of men and women was respected.

#### *1. Social and Economic Analysis and SWOT Analysis*

These two chapters have been changed significantly during the work on the OP and finally respect main issues touched by ET. The ET pointed out the following issues: 1) the necessity to consider the area as one region; 2) focus on areas that may be subsidised; 3) social and economic description needs to be concise and factual. In compliance with the recommended methodology the ET has repeatedly advised the analytical part and the SWOT analysis be reduced to 15-20 pages with respect to significant internal diversity of the subsidised area.

The ET recommended the opportunities and threats in the SWOT analysis to be further developed in all individual topics due to the strategy set-up that relies, to a great extent, on the opportunities. The ET pointed out the necessity to prove links between the statements of the SWOT analysis.

The ET also recommended the analysis to be completed with the experience gained during the current or previous (pre-accession) programming period while the experience should be reflected in the strategy set-up and OP implementation.

The ET put following questions: Is the analysis realistic in relation to basic characteristics of the territory? Do the analysis and SWOT analysis respond to the needs of OP CBC? Do the SWOT analysis statements take into account the importance of the problem related to territorial development? Is the territory approached as a region facing common problems, which are evoked by persisting existence of barriers and also as region which is able to develop so far neglected potential and to use opportunities resulting from the European integration, development of knowledge economy and information society? All these questions were answered in a satisfying way.

#### *2. Strategic Part*

The most important recommendations concerned this chapter. Since the very beginning different ideas concerning the number of the priorities and their content existed. The ET thought it would have been appropriate to create three factual priorities: one focusing on economic development and innovation potential, the second one dealing with the quality of physical environment (accessibility and the environment) and the human potential development and cooperation of communities, and the third one for technical assistance. During the consulting process the partners reached an agreement and decided to reduce the number of priorities to two factual priorities. The ET took notice of the agreement, assuming this would provide a good description of the relation and mutual links (casual and time ones) between the subsidised areas included into one priority and between the priorities.

The ET recommended the relation of the OP and relevant European, national or regional documents should be enhanced. This involves mainly the connection between Community Strategic Guidelines (CSG), the NSRF in both the countries as well as relations between OP and the European Agricultural Fund for Rural Development (EAFRD). The link to intervention established by other cohesion policy operating documents (e.g. Regional Operation Programmes (ROPs) and other OP CBC) has to be strengthened as well.

The ET put following questions: Exists direct relation between results of the analysis, the SWOT analysis and experience gained during the current period on the one hand and objectives and priorities on the other hand? Does the strategy draft respond to new starting points and objectives of the economic and social cohesion policy for period 2007-2013? Does the draft of the strategy help to integrate this territory divided by state border, which is facing common problems demanded common solutions? Is the strategy aimed at the reinforcement of competitiveness of border regions? All these questions were gradually answered and strategy refocused.

### *3. OP Implementation*

The ET believes it is advisable to use a limited number of indicators in the OP provided that the indicator will be able to reflect the achieved results of the OP implementation. The National Indicator Register prepared in cooperation with the Czech Statistical Office may be used for this purpose.

As far as the OP implementation and the approval process of the implementation within the OP are concerned, it is important to describe all the processes to be carried out and define the roles and competitions of the subjects, especially of the regional bodies.

The ET put the following questions: How will the selection and approval process of projects proceed? How will the support from the dispositional fund be provided? How will the support for project preparation be provided (reinforcement of absorption capacity)? What will the structure of application form be like and in which language?

**The ET believes the presented final version of Programming Document for the Objective European Regional Cooperation – Cross Border Co-operation between the Czech Republic and Austria represents a vigour strategy for development of border region.**

## 1.5.2 Strategic Environmental Assessment<sup>2</sup>

### 1.5.2.1 Summary of SEA-process

The main aim of the SEA carried out for the Objective European Territorial Co-operation Programme Austria – Czech Republic was the integration of environmental considerations in the programme at an early stage in order to ensure a high level of environmental protection and promote sustainable development. Additionally the process gives interested parties the opportunity to express their opinion and obtain information on decisions that may have significant environmental impacts.

This section gives an overview of the main stages of the SEA process also in correspondence to the overall process and programming steps.

### 1.5.2.2 Environmental report – content and main results

The SEA assessed the likely positive and/or negative effects expected from the implementation of the programme's fields of activity on relevant environmental issues<sup>3</sup> and cross border environmental objectives. For each environmental issue guiding questions/indicators were selected to guide the analysis within the SEA process. Initially the Environmental Report describes the likely developments in these issues in case the programme is not implemented. This "zero-option" represents the "baseline" for the overall assessment process within the SEA. Subsequently, the relevance of the abovementioned environmental issues to the programme priorities and fields of activities was assessed. Where no relevance is assumed, no further assessment is conducted. Finally, the SEA projects the likely positive or negative environmental impact of implementing the specific priorities and fields of activities to the relevant environmental issues.

As a central result of the SEA it can be stated that no significant negative effects are expected from the implementation of the programme. Possible negative impacts are constrained by the existent legal frameworks and environmental nature conservation policies on the national or regional level on the one hand and can on the other hand be minimized by adopting the SEA suggestions and conditions for implementation in the programme and during programme implementation.

In most cases the programme has a positive or neutral impact on the environment through the introduction of new technologies, communication networks and promotion of a service-oriented economy. There could be substantial synergies between environmental technology transfer, business development and growing tourism activities. Technology transfer networks could support the implementation of energy efficiency principles into most of business or public investment decision with positive impact on air quality, climate change and sustainable resource management. Negative impacts are

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<sup>2</sup> The whole summarising statement as requested by the EC is provided in the annex.

<sup>3</sup> Population: Human health and well-being; fauna, flora incl. biodiversity and natural habitats; soil and subsoil; ground and surface water; air; climate protection; landscape and cultural heritage and archaeological and architectural heritage; functional utilizations (recreational utilization, housing etc.); protection from natural hazards; environmentally friendly transport/sustainable mobility systems; energy efficiency and renewable energy sources; resource efficiency and conservation/sustainable resource management.

mainly expected to occur in those fields of activities that have a spatial dimension and consume or exploit space (e.g. tourism, transport etc.). However, most of the likely negative effects have been eliminated through the iterative process between the programming group and the SEA team. Activities which support cross border business development and tourism will increase the request for enlargements of regional road networks including major motorways and by-pass-routes and can therefore result in possible negative cumulative effects. In the long run individual motorized traffic and transport with negative impacts on air quality, noise and climate change will increase.

CBC Programmes are implemented through the selection of single projects proposed by eligible applicants. It is thus beneficial to the environment to define specific project selection criteria that safeguard the environment. The SEA team proposed a series of criteria for each field of activity. Indicative project selection criteria focus on the adoption of new technologies and “best available technologies” especially to reduce environmentally negative activities, the promotion of environmental awareness and decentralised tourism, the adoption of ISO 14.000/EMAS, the reduction of transport demand and the introduction of transboundary environmental assessment, the contribution in capacity building for environmental management and the fostering of participation and collaborative decision/making processes. The environmental report concludes with recommendations concerning the measures to be decided to monitor the significant environmental effects during programme implementation.

The assessment concerning the fields of activities resulted in suggestions for alternative formulations, proposals for new activities and general project selection criteria. These measures to prevent, reduce and offset adverse effects and the suggestions for improvements are regarded as required reasonable alternatives according to the SEA-directive. The suggested reformulations and amendments were provided to the programming team and discussed within an iterative process and have already partly been integrated into the different drafts of the programme.

## 2 THE AUSTRIAN-CZECH BORDER REGION – REGIONAL ANALYSIS

The following regional analysis focuses on the cross border region as defined in chapter 1.2. The analysis serves as a possibility to find a joint picture of the programming region concerning structure, development process, challenges and risks on the one hand and on the other hand as a basis for the formulation of the strategy and development objectives. When available complete harmonised EU-ROSTAT data was used, otherwise national data was used as the basis for the analysis. Due to different national collection methods a joint view on some indicators for the entire region was not possible.

### 2.1 General characteristics

#### **Landscape and settlement structure**

The Austrian – Czech border region covers an area of 49,738 km<sup>2</sup> and offers a variety of very different landscapes. The Western part of the border region (*Jihoceský kraj, Mühlviertel*, parts of *Waldviertel*) is characterized by the low mountain range of one of the oldest geological formations in Europe *Ceský les, Šumava, Ceskomoravská vrchovina and Novohradské hory*. The Danube valley forms the southern boundary of this part. Towards the Eastern part (*Waldviertel, Weinviertel, Kraj Vysocina, Jihomoravský kraj*) the landscape changes into the hills and the granite and gneiss highlands, valleys and lowlands. The Carpathian region forms the border in the Southeast. *Moravský kras* as one of the most significant karst areas in the central Europe and the northern *Wiener Becken* (which consists of the natural areas of *Marchfeld* and *Weinviertel*), a depression between the Alps are special landscape formations. For the border region, the rivers are also very important landscape features. The most important river systems are the Danube, the Thaya/Dyje and the March/Morava.

Approximately 6 million people lived in the entire border region in 2004/5. The **rural character** of the border region becomes manifest in the settlement structures and in the importance of agriculture for the regional or local economy. The border region is characterised by villages and small and medium sized towns. More than 60% of the settlements are villages with a population below 2.000 inhabitants. This numerous medium and small-sized cities in the region function as regional centres and are the driving forces behind regional economic development due to their traditional economic structures and the new impulses in the service sector. The regional structure and development differs within the rural parts of the border region: The regions close to the urban centres are mostly dynamic in demographic or economic terms while the peripheral parts far away and poorly connected to the economic centres are losing population and jobs.

The biggest towns are *Wien* (1,6 Mio.), *Linz* (184.000), *St. Pölten* (50.000), *Brno* (380.000), *Ceské Budejovice* (100.000) and *Jihlava* (50.000). These cities are the administrative, economic and cultural centres of the region. In terms of size (demographic, economic), institutional measures (capital of

Austria, status of a *‘Bundesland’*), urban problems and challenges *Wien* takes a special position within the region.<sup>4</sup>

The existing settlement structures and the economic development in the region influences the urban – rural dependencies.

In all urban agglomerations the suburbanisation process is a visible trend accompanied by increasing traffic, land use and costs for (re)building or improving the technical and social infrastructure.

On the other side the (highly populated) cities are subject to fundamental socio-economic changes. In urban areas the environmental, economic and social dimensions meet most strongly and the challenges facing cities have significant consequences for the population structure (e.g. migration flows etc.), the quality of life of urban citizens (e.g. transport, housing, social services etc.), human health and the economic performance of the cities.

Table 1: The Austrian-Czech Border region

Regional unit	Area in km <sup>2</sup>	Inhabitants 2005 (AT)/ 2004 (CZ)		Population
		Total	Women	density (inh./km <sup>2</sup> )
<b>Nuts III region</b>				
Border region – AT	24.216	3.811.106	1.965.026	157,4
Border region – CZ	24.048	2.266.066	1.158.371	94,2
<b>Border region – total</b>	<b>48.264</b>	<b>6.077.172</b>	<b>3.123.397</b>	<b>125,9</b>
<b>Border region without Vienna</b>	<b>47.849</b>	<b>4.450.732</b>	<b>2.271.540</b>	<b>93,0</b>
<b>Austria (total)</b>	<b>83.871</b>	<b>8.206.524</b>	<b>4.220.228</b>	<b>97,8</b>
<b>Czech republic (total)</b>	<b>78.868</b>	<b>10.220.577</b>	<b>5.239.664</b>	<b>129,6</b>

Sources: Statistics Austria, Czech Statistical Office

## Demography

With some exceptions population numbers distinctly declined for decades in both the Austrian and the Czech border region. This decrease in population primarily affected the rural parts of the region in the immediate vicinity of the border. Only since the early 1990s a reversal of this trend has been noted in many municipalities.

The most important demographic trends in the border region are:

- Ageing population
- Increasing population due to migration
- Decreasing fertility rates
- Suburbanisation processes

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<sup>4</sup> Referring to this specific situation most of the data is shown for the whole border region and for the border region without Vienna. As the indicators show the integration of Vienna as the dominant urban agglomeration falsifies the real situation in this border region.

The demographic development process in the Czech border region is determined by various factors and is similar to those of the whole population in the Czech Republic. From a long-term perspective the Czech border regions show by nature a negative population development. However, in last years the population number increases in some parts (e.g. *Jihoceský kraj*), due to the migration.

The demographic development in Austria also proceeds in an inhomogeneous way. While the central regions develop very dynamic, increase in the peripheral regions is weak or negative. Following a long-term trend the most dynamic regions are those near the urban centres or those with a very positive migration balance. Problematic trends can be observed in rural parts of the region in the immediate vicinity of the border. Due to migration the number of citizens increased in *Wien*.

The suburbanisation tendencies have been on the rise around the urban agglomerations like *Wien*, *Brno* and *Linz*. On the other hand most of the cities are confronted with a decreasing population or a less dynamic development, the surrounding areas account for very high growth rates. Especially those regions where the links to the public transportation system have been improved or intensive functional labour market exists were affected by the extraordinary increase in population.

As far as the age structure is concerned, the situation appears to be a bit more favourable on the Czech side of the border. The share of under 15-year olds accounts to 14,7% to 20,3% in the Austrian regions and to 14,8% and 16,0% in the Czech border regions. The shares of people older than 65 years are lower in the Czech part of the border region. The highest shares are displayed for northern peripheral regions of *Niederösterreich* and in *Wien*.

## 2.2 Socio-economic development – economic performance and human resources

### 2.2.1 Level of economic development

Economic structure and trends in the Austrian-Czech border region are characterised by

- Marked regional disparities in prosperity and
- Dynamic economic development

The disparities are apparent on the one hand, in the distinct disparities between cities and the countryside and on the other hand in differentials in prosperity between the Austrian and the Czech border regions.

The dynamic economic development has emerged from

- Restructuring of industrial enterprises and foreign investment activities especially in the Czech border regions
- Development of a new basis of SMEs and
- Growing service sector with new employment opportunities



### Regional disparities

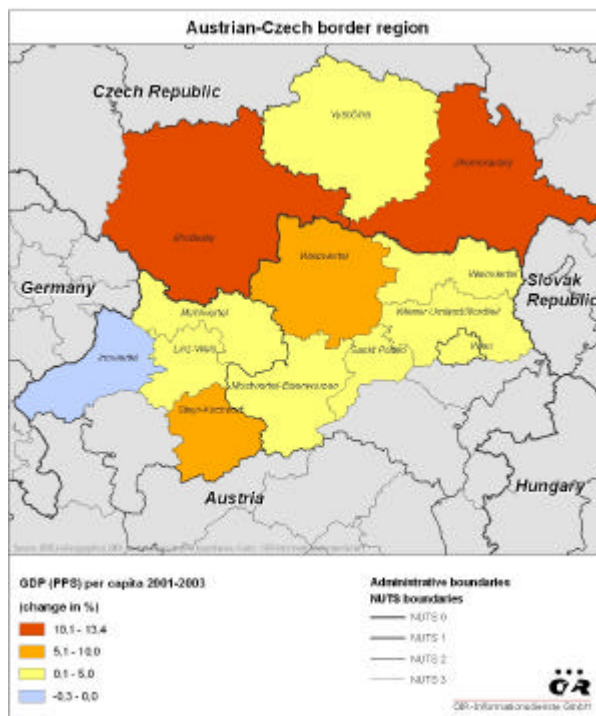
The gross regional product per capita in the Austrian border region accounts for about 132% of the EU-25 average, in the Czech border region it amounts to about 62%.

While the Czech border regions do not reach the national average, the situation in Austria differs between the urban agglomerations and the rural peripheral regions. The strongest Czech border region is *Jihomoravský kraj* with the centre of Brno with a GDP/capita in 2003 of about 94% of the national average. In terms of economic potential the *Jihomoravský kraj* can be ranked among the 3 most dynamic regions in the Czech Republic.

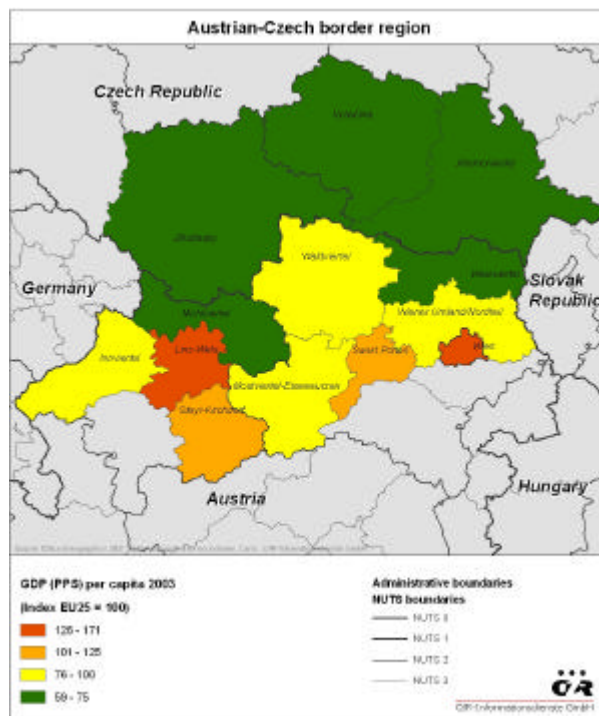
Some of the Austrian border regions are among the weakest regions in national comparison, they do not reach more than 70% of the Austrian average. Only *Wien* – one of the strongest economic regions in Europe, the districts close to the capital and the urban region *Linz-Wels* clearly exceeds this level.

A look on the development of GDP/capita shows that the Czech regions starting from a very low level are the most dynamic ones in the border region. In the period 2001 – 2003 the change rate accounts for 10,9% in the Czech border region, headed by *Jihomoravský kraj* and 3,0% for the Austrian regions with a more dynamic trend in the central and urban regions than in the rural regions.

GDP (PPS) per capita 2001-2003  
(change in %)



GDP (PPS) per capita 2003  
(Index EU25 = 100)



### 2.2.2 Economic structure

The economic structure of the Austrian-Czech border region is characterised by

- A higher orientation towards agriculture than on the respective national average (in the rural areas).
- High shares of the secondary sector: traditional sectors and a dynamic industrial development in technology and innovation oriented branches in some regions (esp. in the Czech part of the border region caused by foreign direct investment)
- Some (sector) co-operation activities to support new products and new processes and to open new markets (e.g. sector clusters, common marketing activities etc. )
- The tertiary sector is expanding but still remains distinctly underdeveloped on both sides, with the exception of the urban regions

Table 2: **Economic structure**

Regional unit	Gross value added		Share of gross value added in %			
	2003 total	Agriculture	Manufacturing/Production of physical goods		Services	
			Total	Construction	Total	Tourism
Nuts III region	In Mio. EUR					
Border region - AT	102.939	1,7	26,4	-	71,9	-
Border region - CZ	14.874	5,2	39,9	-	55,0	-
<b>Border region - total</b>	<b>117.813</b>	<b>2,1</b>	<b>28,1</b>	-	<b>69,8</b>	-
<b>Border region without Vienna</b>	<b>61.237</b>	<b>3,9</b>	<b>38,6</b>	-	<b>57,5</b>	-
<b>Austria (total)</b>	<b>204.285</b>	<b>1,9</b>	<b>30,1</b>	<b>7,7</b>	<b>68,0</b>	<b>4,5</b>
<b>Czech republic (total)</b>	<b>73.764</b>	<b>3,0</b>	<b>37,3</b>	<b>7,0</b>	<b>59,6</b>	<b>2,0</b>

Source: Eurostat

In terms of gross value added the primary sector in the entire border region accounts for 2% with distinct different importance in the Czech (5,2%) and Austrian part (1,7%). Nevertheless **agriculture** plays a vital role on both sides of the border. The highest shares of gross value added for this sector are displayed for *Jihoceský kraj*, *Kraj Vysocina* and *Weinviertel*, *Waldviertel* and *Mühlviertel*.

The regional economic structure of the border region is characterised by a great extent of the **secondary sector** measured in terms of gross value added. For the border region as a whole the share of gross value added lies at about 28%, whereas the dominance of the production sector in the Czech part is much higher than in the Austrian part. The structure of the production sector shows a high concentration on traditional light productions like the food industry and the textile and clothing industry as well as leather, glass, stone and wood processing especially in the more rural areas. Here the industrial production remains limited to only a few sites, which tend to be located at a relatively long distance from the respective national economic centres. The more technology and innovation oriented branches for example the manufacturing of machinery, biotechnology, vehicle industry, electronics, ecotechnics, control and automation systems, information technology or microelectronics in high-tech products, engineering and particularly energetic, mechanical engineering and electrical engineering are located in the urban areas and or in some of the traditional industrial centres.

The industrial sector throughout the entire region has been undergoing notable structural changes for the past few years. In the course of active location policy and a comprehensive innovation and technology campaign, not only existing structures have been modernised and strengthened, but also new areas of activity have been developed and funded.

The structure of enterprises of the secondary sector in the border region is very different and depends in general on the industrial tradition of a region and/or on the sector main focus. In principle the size of enterprises in the Czech regions is higher than on the Austrian side. Enterprises with more than 500 employees are dominating in branches like steel industry, chemicals/oil/gas, partly in the vehicle and automotive sector, the textile and leather and food and beverage production.

Small and medium-sized enterprises with below average productivity (with few exceptions) and a rather low level of technology prevail. Branches like wood processing, metal working, partly electronics or highly specialised enterprises or such, working as subcontractors are dominated by SMEs.

In some parts of the regions the **energy sector** plays an important role for the regional economy. However the structure of the energy production differs on both sides of the border. Austria is rich of water resources, therefore the production of electricity comes to a high extent from hydropower. In the Czech Republic nuclear power is important too. In the last periods on both sides the activities in the fields of renewable (ecological) energy are significantly increasing. Because of the natural resources (e.g. timber, fuel wood and wood waste, cereal straw, straw from oil plants, wind etc.) the region is predestined for producing renewable energy. There are also very good conditions for the exploitation of the solar energy. On both sides there are ambitions to enforce the research and development activities to increase the share of output of the renewable energy producers in the following years to reach the levels given by the EU. Biomass energy is less used for the time being even though it has the biggest potential in the region. The more extensive use of biomass in generating energy also offers important perspectives to agriculture with regard to regional development and the creation of jobs; and if R&D is adequately supported, it may also provide impulses for the development of new and innovative technologies.

In terms of gross value added the **service sector** is not only very important in some parts of the border region but also the most dynamic one. In total the share of the tertiary sector accounts for about 70% of total gross value added, with notable disparities between the Czech part (55%) and Austrian part (72%) of the border region, although in the last years an intensive catching-up process has taken place in the Czech Republic.

The service sector is very much concentrated in the urban areas and is not very well developed in the rural part of the region. Especially in the Czech part there are still considerable deficiencies at the level of small towns and villages. In the whole region this sector was the most dynamic one in the past, the number of jobs in the private and public sectors increased in all parts of the region. In the Czech regions new jobs have been created and development has been stimulated by the location of commercial enterprises and by the initiatives of private investors and founders (catering, hairdressers, commercial businesses, and similar activities), in Austria a dynamic development can be observed in social services, tourism, retail and business related services.

With exception of some social and public services (e.g. health system, administration etc.) the tertiary sector is dominated by SMEs. In most of the cases the average size of an enterprise does not exceed more than 20 employees. Especially for these enterprises the access to new technology or to results of research and development is not very easy. But also their co-operation activities and intensity are on a very low level. To intensify the mentioned activities the establishment of adequate (cross border) supporting structures can offer a useful platform.

**Tourism** in particular, holds a considerable potential for development on both sides of the border and is becoming a new economic core branch with the biggest growth of regional business activities for some rural regions. The tourist infrastructure and the services offered are developed to very different degrees in the various parts of the region.

Following distinct structural differences can be identified:

- High regional and/or regional concentration of tourism (cities, health resorts, summer season)
- Disparities in quantity and quality of the tourist supply (urban - rural, regions with high tourism intensity - less developed regions)
- Missing cross border destination marketing and management

There are two visible trends in the development of the tourism sector in the region that evolved over the years. The prevailing one is oriented on the tourism in the “urban” areas with considerable share of foreign tourists. On the other hand, there are destinations with strong focus on recreation, excursion, health tourism and culture playing a major role in the rural regions and for domestic tourism.

In the reporting year 2004/2005 about 23 Mio. overnight stays were registered in the entire region, about 70% account for the Austrian part – headed by *Wien* – and 30% for the Czech border region. On the Austrian side the share of overnight stays corresponds to about 15% of the national amount, on the Czech side to about 17%. The summer season is dominant, whereas especially in some (mountainous) regions in Austria the winter season is much more important than in the Czech part of the border region. High concentration of overnight stays can be observed in the cities focused on culture and conference tourism with high proportion of foreigners. The rural regions are specialised on recreation, health and wellness, day trips, culture and nature, sports. In these areas the seasonal dependence is very high.

The quality of the accommodation and tourist supply is much higher in the cities. In many cases the number and quality of accommodation and services lags behind the international level in the rural regions.

Table 3: Overnight stays (no harmonized data available)

Regional unit	Number of overnight stays	
	Reporting year 2004/05 (AT)/ 2004 (CZ)	
<b>Nuts III region</b>		
Border region - AT	15.856.598	
Border region - CZ	7.100.798	
<b>Border region - total</b>	<b>22.957.396</b>	
<b>Border region without Vienna</b>	<b>14.281.955</b>	
<b>Austria (total)</b>	<b>118.773.422</b>	
<b>Czech republic (total)</b>	<b>40.781.000</b>	

Source: National statistics

On both sides of the border local, regional and national institutions are responsible for the advertisement and marketing of the tourist supply. Marketing strategies focus on two different strategies. One strategy is based on the specialised supply (e.g. cultural heritage, wellness, culture, conference, leisure time, nature etc.) and the local sights and the special Unique Selling Position (national park, UNESCO cultural and/or natural heritage etc.) the other strategy is oriented on a supraregional level to form supraregional packages to widen the market sphere and to reach more and/new (national and international) guests for the regions.

For the border region the identified potentials of tourism lie in the areas of

- Development of innovative tourism fields of activity and strategic co-operation in tourism
- Retention of successful activities
- Optimisation of tourism infrastructure
- Supply of innovative and competitive products in line with the market
- Directing products and programmes towards new customers

### *The relevance of SMEs*

There are numerous large international companies working in some parts of the region, however the (national and regional) SMEs still play a central role in all sectors, in terms of employment as well as in terms of stability and further development of the regional economy. The structural changes were accompanied by an increasing number of small and medium-sized enterprises in recent years. In the Czech border region these enterprises as well as establishments set up mostly by foreign investors form not only the basis of economic growth in many regions but also contribute to changes in working conditions and income and thus to a trend towards a segmentation of the regional labour markets.

Based on a broad production-oriented service industry, the authorities on both side of the border have been promoting the establishment and the expansion of commercial and industrial centres, as well as innovation and technology centres in a number of locations. These initiatives aim at enhancing the region's appeal as a commercial and industrial location. Furthermore they support to promote the expansion of existing enterprises as well as the establishment of new enterprises in the respective areas.

### 2.2.3 Labour market

The labour market situation in the border region is determined by the structural changes of the regional economies and the quantitative and qualitative supply of workforce and jobs and can be characterised by the following issues:

- High concentration of jobs in the urban areas and lacking job opportunities in the rural regions
- Intensive intraregional and increasing cross border commuting relationships
- Pronounced disparities in wage levels
- Increasing unemployment, high share of unemployed persons with problematic background (e.g. long-term, low qualification etc.)

In line with the economic structure and development the labour market can be characterised by ongoing structural changes. This changes led to a marked decline of employment in the secondary sector and in agriculture while employment in the tertiary sector has expanded significantly. In the whole border region total employment accounts for about 3,0 Mio. employees. In the period 1999-2003 the number of (dependent) employed persons remain stable, by slight positive change rates in Austria and slight negative rates in the Czech part of the region.

Table 4: **Employment in the border region**

Regional unit	Dependent employees	
	Absolute 2003	Change in % 1999-2003
<b>Nuts III region</b>		
Border region - AT	1.961.200	1,6
Border region - CZ	1.052.500	-0,4
<b>Border region - total</b>	<b>3.013.700</b>	<b>0,8</b>
<b>Border region without Vienna</b>	<b>2.127.000</b>	<b>0,9</b>
<b>Austria (total)</b>	<b>4.145.500</b>	<b>1,5</b>
<b>Czech republic (total)</b>	<b>4.845.030</b>	<b>0,1</b>

Source: Eurostat

In terms of employment the service sector is the most dynamic sector and in most parts of the region the increase of jobs in the tertiary sector influences the level of employment (quantitative) and the structure of employment (quality) in a very high degree. Factors important to be mentioned are e.g. the increasing number of employed women, increasing share of part-time workers, the expansion of low qualification jobs on the one hand and higher qualifications on the other hand, problematic development in some branches in the secondary sectors affecting elderly workers, workers with low level of flexibility or mobility, insufficient qualifications and so on.

The urban agglomerations are the labour market centres of the region, in Austria *Wien* and region of *Linz-Wels*, in the Czech border region *Brno* and the other medium sized towns. For the people living in the rural areas these centres are the favourable commuting destinations. A broad job supply and well-equipped traffic infrastructure are the basic factors for intensifying commuting.

### ***Cross Border Labour Market Relations***

In the last years not only inner regional commuting relations have been intensified also the cross border relations increased. In border regions the development of cross border labour market relations follow specific rules. The direction of commuting and labour migration is determined by factors like

- Regional economic structures on both side of the border
- Quantitative and qualitative job opportunities and the unemployment situation
- Level of wages and prices
- Transport facilities, infrastructure and accessibility
- Language skills

During the last 10 years cross border labour market relations in the border region gained an entirely new quality. Since 1990 the Austrian-Czech labour market relationship has taken place either in the form of cross border labour migration or cross border commuting especially from the Czech regions to Austria. The typical sign of the regional labour market is one-way economic migration and commuting. Workers from the Czech Republic use the opportunity to find employment in nearby Austrian regions in branches like construction, tourism and social and private services, agriculture and forestry. Although the EU accession in May 2004 allowed the Czech citizens to enter the Western Europe labour market without working permission, Austria like one of most EU15 countries introduced transitional provisions to free movement of labour up to 7 years (2+3+2 years) which affects the bilateral labour market.

### ***Qualification of the labour force***

The workforce of the border region is well trained. The share of employed persons with secondary education accounts about 80% in the Czech Republic and 64% in Austria. Concerning the tertiary education Austria reaches 19% and the Czech Republic 14%. Major differences can be identified across the various age groups, between male and female labour force on the one hand and on the other hand in a regional context.

- In general young workers are better trained and show high mobility with regard to qualifications and are ready to move to other regions, older workers with specific (e.g. technical) skills are often found deficient in this regard.
- Especially in Austria the level of education of the female employees is much lower than the level of education of the male employees.
- Although the total level of qualification is increasing, there are notable regional disparities. The level of qualification (e.g. measured in terms of university degree) is much higher in the urban areas than in the rural areas, the shares of qualified specialists with (higher) secondary education are above average in mostly industrialised regions. The lowest qualification level is displayed for regions with very high shares of agricultural activities.

### *Wage level*

The Austrian-Czech border region has substantial disparities in wage and productivity levels in a national and a cross border context. While in Austria the immediate border regions are low wage regions, on the Czech side this applies only to some parts of the Czech border regions. Jobs with higher wages in comparison to the national average are found in the majority in the Czech cities. Between Austria and the Czech Republic the cross border comparison shows a wage gap of 4:1.

### *Unemployment*

Within the border region the difference in the economic structure and dynamic between the regions as well as demographic figures are projected to the level of unemployment. The higher the share of sectors with structural problems, the lower the qualification level of the population the higher are the unemployment rates. The labour market situation is much better in the Western part of the border region than in the Eastern part.

In 2005 the number of unemployed persons accounts for 200.600 persons in the Austrian-Czech border region. In the period 2001-2005 the number of unemployed persons is growing as result of the increasing number of unemployed persons in the Austrian regions. On the Czech side the number of unemployed persons slightly decreased.

In general the structure of unemployment is unfavourable, a high share of the unemployed are over 50-years old, or they are less-qualified persons and manufacturing workers or workers from the primary sector. They are long-term unemployed, many of them belong to the labour market problem groups with social and geographical mobility limitations.

## 2.2.4 The regional innovation system – education, research and development

### *Education*

The systems of school education hardly differ. Basically, both countries have general secondary schools, technical and economic higher secondary schools, and specialised colleges and universities. For the programme region the main challenges in field of education are:

- To fit the requirements of the regional/international economy (more interest for technical education and studies – esp. women)
- The demographic trends – decrease of the number of pupils in the rural/peripheral regions with consequences on infrastructure and quality of education
- Integration of the population in long-life learning processes
- To deepen the knowledge of the differences in the system and to find starting points of harmonisation
- To strengthen and develop the system of recognition of apprenticeship training certificates and college and university degrees

In general the **level of education** is high in the Austrian-Czech border region, whereas there are distinct disparities between the urban areas and the rural areas. The highest shares of inhabitants with



tertiary education are counted for the urban agglomerations and the lowest for areas with high concentration of the agricultural sector. Especially the more industrialised regions have higher – that means above national average shares – of persons with secondary education (skilled workers).

The educational level of women is much lower than the level of men, but in the last decades an intensive catching up process has taken place. The educational level of women increased in evidence, the increasing attendance rates and graduates in high schools and university are demonstrating indicators. In spite of this development the concentration on specific fields of education and qualification or branches of studies follows a traditional male/female orientation. While women are more oriented on social and communication issues, men are choosing more technical courses and jobs.

The Austrian-Czech border region is well equipped with educational **infrastructure**. The universities in *Wien, Linz, Krems and in Brno and Ceske Budejovice* offer a broad range of studies in social sciences, humanities, natural sciences and economics as well as technical and medical fields; a Faculty of Management was set up in *Jindrichuv Hradec*. Higher vocational education (colleges, Fachhochschulen) is mostly concentrated in the large cities. On secondary level the school systems offer a wide range of technical and business schools and schools for social affairs.

### ***The language and the cultural experience - a key factor for cross border co-operation***

Apart from the technical and economic capabilities language learning and thus an insight into other cultures is one of the most important issues for the further development of the region and the development of the cross border co-operation process. In the last years different institutions (language schools, private organisations) provide special languages courses for children, students, adults, for SMEs and so on. The number of secondary and higher schools and colleges in which Czech or German language became part of the official curriculum is growing on both sides of the border. Other activities in this context are summer colleges and courses, the extension of the languages courses at the specialised faculties, the production of learning materials (dictionaries, CDs etc.) and so on.

### ***Research and development***

The research capacities are different in all the regions because of the existence of universities and the different size of the regional players in the field of innovation, research and development (companies, research and innovation centres, institutions, organisations etc.). In general the region is well equipped with facilities especially in the urban areas, and research and development has a long tradition. The challenge now is to transfer the existing know how to regional actors, to the enterprises, and to facilitate spin offs from universities and technology based business start ups in the cross border region.

In both countries the development of research and development capacities has been assigned high (economic) policy priority. Future strategies are defined within the scope of the technology and innovation programme as well as the National Development Plans.

The large cities Wien, Brno and Linz are the most important locations for research establishments within the entire Austrian-Czech border region. Whereas the knowledge of non-company research is largely concentrated, used or even compulsively connected to urban areas, private industrial research (enterprises, private institutions) more strongly adapts to the geographical situation and the economic

and structural background (concentration of branches, size of enterprise etc.). In the rural and peripheral regions one of the main problem is the access to the (national) research infrastructure and to the research results. Technology and innovation centres, incubators and other similar institutions serve as focal point for technology and know-how transfer. In Austria also the (specialised) “Fachhochschulen” are very important supplier for research for the regional SMEs.

### ***Business related infrastructure***

Although in the last decade a wide business and technology network has been established in some parts of the region and for some branches neither the peripheral parts of the border region nor the dominating SMEs are sufficiently integrated in this networks.

To strengthen main locations and to counter the weaknesses of peripheral regions and SMEs the activities started and operated by business agencies, the Chambers of Commerce, the innovation and technological centres, the technopols etc. are first steps to intensify cross border activities in the fields of innovation and know-how transfer.

### ***Innovation potential and innovation policy***

In terms of innovation indicators, the Czech Republic has a medium-high position with regard to employment in med/high-tech manufacturing (which is a natural consequence of Foreign Direct Investments, especially in mid- to higher technology manufacturing or services).

The Czech Republic is more or less on par with the EU-25 average for the following indicators: youth, education attainment level, share of medium-high/high-tech R&D, SMEs innovating in-house, ICT expenditures, SMEs using non-technological change and sales of new-to-firm not new-to-market products.

On the other end of the scale, the Czech Republic shows an extremely low performance in all indicators related to intellectual property, although they do show a positive trend (especially the indicator on new community trademarks). Other indicators where the Czech Republic performs poorly are broadband penetration, enterprises receiving public funding, business-financed university R&D and early-stage venture capital (which has been an on-going weakness and continues to show negative trends).

From the global point of view, the competitiveness position of the Czech Republic is improving slowly. According to the Summary Innovation Index (SII) of the European Innovation Scoreboard (EIS) 2005 the Czech Republic falls into the “catching up” category, which is an improvement in comparison to the previous year when it was classed as a country “falling further behind”. The NUTS II region Jihovýchod ranks at position 100 of all NUTS II regions, Jihozápad at position 138.

The first National Innovation Policy (2005-2010) was adopted by the Czech government in July 2005. Its strategic objectives are:

- strengthened research and development as source of innovation
- working cooperation between the public and private sector
- sufficient human resources for innovation

- a better performance of government and the civil service in research, development and innovation.

Three challenges have been chosen as representing the range of challenges the Czech Republic is facing.

- Cooperation between universities and the business sector
- Financing of Innovative Businesses and Start-ups
- Low Patenting Activity /Low commercialisation of Research Results

All three challenges are related to the greatest overall challenge identified for the Czech Republic: the weak transfer of research results into the market (i.e. commercial applications).

At regional level, the regions are in charge of analysing and assessing their level of development, they approve their own regional development programmes, decide on financing regional development programmes from their own budgets, and cooperate with other regions and central government bodies working in the area of regional development. For Southern Moravia a Regional Innovation Strategy has been developed. This Regional Innovation Strategy (RIS) represents a set of measures, submeasures. The nine measures are: financial means for small and medium enterprises, premises for SME, intellectual property protection, interconnection of subject, transfer of know-how between universities and the sector of commerce, counselling, RIS-implementation, RIS-monitoring and communication.

When EU membership became a concrete prospect, Austria began to make significant strides towards reaching EU levels of R&D activity. Based on low-R&D-intensive industries and with a structural bias towards SMEs, the Austrian economy has recently exceeded the EU average in R&D intensity. Concerning the distribution of different financial sources for R&D activities a decreasing of the relative share of public sources (federal/regional) can be observed over time. The business sector has substantially increased its share, also the sharp increase of financial inflow from foreign countries is particularly interesting. Even though the share of R&D financed by the business sector has grown, it remains at a low level compared to the most R&D intensive European member states. The Community Innovation Survey (CIS) strongly confirms that the Austrian public sector makes a significant contribution to innovation by providing financial support and/or stimulating cooperation. The largest impact on innovation occurs when R&D collaboration and public funding are conducted simultaneously. (European Competitiveness Report 2004) Austria belonged to the countries below the EU average and with a weak dynamic in 2003. Now it is on a level slightly above the average and catching up rapidly and performs very well in regard to the following EIS-indicators: SMEs innovating in house, public funding innovation, community trademarks. This reflects the traditional strengths of the Austrian innovation system, especially the strong basis of innovating SMEs which have good access to the public funding infrastructure. Furthermore, Austria made good progress in improving the co-operative culture within the enterprise sector as well as between science and industry. Austria is among the most dynamic countries with regard to two indicators: public spending on R&D and employment in high-tech services. As the “Science and Technology Report 2006” states, the service sector is becoming increasingly important in the Austrian innovation landscape. The indicators in which Austria is trailing most in the Innovation Scoreboard are the number of Graduates in science and engineering, uni-

iversity R&D financed by business and early stage venture capital/GDP. On the other hand the indicators point to some deficiencies in the national innovation system, notably the comparatively weak science base, the low propensity of the domestic private sector to invest in R&D and, more generally, an underdeveloped culture of entrepreneurship within the economy. However, these deficits have to be seen in the context of the economic structure and technological patterns of specialisation. Austria's economy is considered as a small enterprise economy strongly anchored in low and medium technology branches. The weak positioning in high technology branches (e. g. Biotech and ICT) as well as a lack of big R&D-intensive firms explain some of Austria's more modest performances. Most deficits in R&D investment by domestic enterprises are compensated by multinational companies doing research in Austria. This is reflected in the large share of R&D expenditures financed by sources outside Austria.

The main national goal in innovation over the last years was to achieve an R&D spending of 2.5 % of GDP by the year 2006. This goal was set by the Government in 2000, and with an R&D spending of (an estimated) 2.43 % in 2006 the goal is nearly reached. The details of the national innovation strategy are formulated in the National Research and Innovation Plan and the "Strategy 2010". In order to strengthen the quality of the innovation system, most measures taken by Austrian Innovation policy concentrated on the following areas:

- Strengthening co-operation between science and economy
- Investments in highly qualified human resources
- Creation of an investment-friendly environment
- Increasing financial incentives for R&D

In Austria, the regional innovation policy is mainly driven by the regional government. There are strategic concepts for innovation policy in Oberösterreich and Niederösterreich following the mentioned national goals. In line with national and European innovation strategies, the content of the Oberösterreich program is comprised of five topic areas of R&D, professional qualifications, networks, the economic and technology location and EU networking. The Niederösterreich program focus on more orientation on innovation and technology by intensive cooperation of the economic sector and science and qualification, support of SMEs by networking, competence, technology and innovation centres, reduction of regional disparities regarding telecommunication and information infrastructure, international networking and cooperation.

Regarding the R&D performance of Oberösterreich, Niederösterreich and Wien are the highest developed Länder in Austria. In 2004 more than 60% of the personnel engaged in research and experimental development and more than 61 % of the expenditures accounts for this region. In the European Innovation Scorebord 2006 the Austrian NUTS II regions are found at position 24 Wien, 92 Oberösterreich and 128 Niederösterreich.

### ***Institutional system***

- Research and development

The research capacities are different in all the regions because of the existence of universities and the different size of the regional players in the field of innovation, research and development (companies, research and innovation centres, institutions, organisations etc.). In general the region is well equipped with facilities especially in the urban areas, and research and development has a long tradition. The challenge now is to transfer the existing know how to regional actors, to the enterprises, and to facilitate spin offs from universities and technology based business start ups in the cross border region.

In both countries the development of research and development capacities has been assigned high (economic) policy priority. Future strategies are defined within the scope of the technology and innovation programme as well as the National Development Plans.

The large cities Wien, Brno and Linz are the most important locations for research establishments within the entire Austrian-Czech border region. Whereas the knowledge of non-company research is largely concentrated, used or even compulsively connected to urban areas, private industrial research (enterprises, private institutions) more strongly adapts to the geographical situation and the economic and structural background (concentration of branches, size of enterprise etc.). In the rural and peripheral regions one of the main problem is the access to the (national) research infrastructure and to the research results. Technology and innovation centres, incubators and other similar institutions serve as focal point for technology and know-how transfer. In Austria also the (specialised) “Fachhochschulen” are very important supplier for research for the regional SMEs.

- Business related infrastructure

Although in the last decade a wide business and technology network has been established in some parts of the region and for some branches neither the peripheral parts of the border region nor the dominating SMEs are sufficiently integrated in this networks.

To strengthen main locations and to counter the weaknesses of peripheral regions and SMEs the activities started and operated by business agencies, the Chambers of Commerce, the innovation and technological centres, the technopols etc. are first steps to intensify cross border activities in the fields of innovation and know-how transfer.

## 2.3 Regional accessibility and sustainable development

### 2.3.1 Mobility and transportation system

In the cross border region exists an unbalanced situation in regard to transport accessibility. Good accessibility only exists around the economic and population centres. The peripheral regions are weakly connected to the centres and to each other. This relates to the road and even more to the railway system of this border region. Analysing the situation of the transport system in the border region needs a very differentiated perception and approach. The consequences of the two different economic and political systems and the associated particular national orientations regarding regional development strategy remain vital elements.

On the Czech side the orientation and construction of transport infrastructure has been focused on the Praha-Brno-Bratislava axis, so that the South Moravian region (*okres Brno-mesto*) belongs to the best situated regions in the Czech Republic (CR). The City of Brno is the second most important intersection in the CR. On the other hand the building-up of north-south connections had been relatively neglected. The negative consequences are evident until today.

The situation was very similar for the Austrian regions. Motorways do still not connect major parts on the Austrian side, which results in a peripheral status of many areas and makes the economic and labour market centres of the region difficult to reach. Only *Wien*, *Linz* and *Krems* and those cities and municipalities along the East-West connection have a high capacity in road and railway infrastructure. But it is not only the national, international and supraregional connections that are lacking, the cross border interregional infrastructure is insufficient as well. Thus, the newly developed cross border cooperation and the intensifying economic relations shift the geographical focus on both sides of the border towards emphasis on supraregional transport corridors and the improvement of the interregional and cross border transport system. As a consequence new orientation activities like building up new highways (D3 in CR, A5 in AT), the extension of the existing and new regional border crossings, the improvement and optimisation of the existing regional road network are planned or realised in line with the national and regional strategic development documents.

Public transport is a major area of concern in cross border transport systems. Even if private transport is steadily increasing a sustainable regional development is closely associated with the development of the public transport system and first of all the railway system. The starting position for the border region can be described in a similar way as the situation for the road network, whereas the cross border connections are less favourable than within the road system. In the last 20 years especially in the regional cross border relations the supply was expanded by and by, so that there are more than less adequate connections between the most important locations in the region. The main challenges for the rail transport system are:

- To modernise the equipment (e.g. vehicles), the service and the technical systems to accelerate the traffic, to increase the attractiveness for passengers and to preserve the environment
- To accelerate the traffic by electrification, increasing the efficiency of the controlling and management systems
- To level up the safety
- To build up the infrastructure of the rail/bus/private car transition sequences (P+R, lay-by parking)
- The development of multimodal and logistic centres

International accessibility can also be described by the integration of the region in the European/international air transport systems. In terms of international categorisation there is one international airport in the region, Vienna International Airport. Brno and Linz are airports of regional importance. For some western parts of the border region there is no favourable access to one of these mentioned airports. This can be seen as a disadvantage regarding attractiveness of a region for international investors.

The Danube as a European inland waterway is also important for the border region in a multimodal context. There are 4 inland ports (*Linz, Ennschafen, Krems* and *Wien*) with high capacities and multimodal equipment in the region.

Increasing mobility and more flexibility of the economic system lead to new needs for the transport system. In this sense the border region will be confronted with the following problems regarding mobility and transport infrastructure:

- Increasing transport volumes (goods and persons) along the (international) transport routes and in the urban agglomerations due to increasing road traffic
- The danger of decreasing tendencies of public transport services and withdrawal from the less populated rural areas as consequence of the restrictive public budgets
- Pressure on the environment and living conditions (e.g. air quality, noise, pollution, land use) due to increasing traffic

From the economic framework and expected development process and the needs of the population living and working in the border region the following issues can be deduced.

A growing (regional) export oriented economy implicates more transport volumes and structural changes in the transport sector. The growing international transport and traffic flow are the main indicators of this development. But not only the international relations are expanding, also the regional and cross border exchange of goods and services as well as commuting activities are rising. The growing commuting activities are caused by the increasing concentration of jobs on the one hand and the ongoing suburbanisation process on the other hand. For the way from home to the working place the private car or public transport means are used. In general elderly people, children and women use the public transport system to a high extent. The more intensive the cross border relations and exchanges of goods, services and persons the higher the requirements for new solutions regarding the development of the cross border transport infrastructure and system.

The changes in consumer behaviour and recreation activities lead to modified mobility. The programming region can be characterised as a region with high attractiveness for recreation and leisure for the local population and for tourists. The specifics of traffic caused by tourist activities are high seasonal and regional concentration.

### 2.3.2 Natural and social environment

The Austrian-Czech border region is said to be a region with high attractiveness quality of life. The quality of life affects many fields of regional development and can be measured by

- The availability and the access to work, income, housing, social and cultural facilities and nature and recreation areas
- The social security, the political and social integration and the possibility to participate the public decision processes for all parts of the population and
- The ecological and social compatibility and protection of the natural resources

Against this background some issues will be analysed in the following chapters, which could be important for cross border activities in the future.

Environmental questions are closely connected to the diversity of landscape forms and the changing life style (e.g. growing dependence on the private car, increasing mobility, increase in one person households, increasing resource use per capita).

Depending on landscape features, the economic structure and performance, the settlement structure and population density the main environmental issues and challenges can be summarised as follows:

- Intensive agricultural use
- Pollution caused by transport and industry
- Urban environmental problems
- Water quality and floods
- In the Environmental Report the recent situation concerning the environmental issues were analysed in detail, therefore the following chapter rises up only some specific aspects

### ***Areas of conservation***

In the Northern part of the Austrian border region the extensive forests form a number of close-to-nature forest habitats. The unwooded, usually agriculturally utilised areas contain a multitude of valuable hedges and baulks. Furthermore, there are both wetlands and dry territories, which form valuable areas of retreat for many rare animal and plant species and their ecosystems. In the past, this landscape was ecologically impaired by forest monocultures (spruces) and the drainage of wide stretches of land. In the Eastern part the landscape formation is characterised and influenced by intensive agricultural use. This almost completely changed the natural environment; dehydration and excessive fertilisation of the soil and numerous endangered animal and plant species are the consequence.

A number of reserves (National parks, nature parks, natural landscape reserves) were founded to protect natural and cultivated landscapes and preserve them for future generations. The most important are the National Parks *Thayatal*, *Donau-March-Thaya-Auen* and the *Šumava-Böhmerwald* National Park, National Park *Podyji*. In 2003 the provinces of *Niederösterreich* and *Wien* installed the management of the *Wienerwald* with the aim of applying to the UNESCO for international recognition as biosphere reserve.

In spite of the fact that the region is noted for its stable and high landscape diversity, a slow progress in grassing of arable land constitutes an ecological problem, i.e. its slow changing into enduring grass green in every place where soils are endangered by erosion. The persisting problem is also a pressure to emplace contextures in the open (for instance masts for cellular radio system networks, trade centres, housing projects and building up of recreation sites).

The legal basis for nature conservation within the European Union is the Bird Directive and the Habitat Directive. The main objective of the Habitat Directive is to contribute towards ensuring biodiversity through the conservation of natural habitats and of wild fauna and flora. A coherent European ecological network of special areas of conservation is set up under the title Natura 2000. The protected



areas designated according to the Bird Directive are integrated into the Natura 2000 network. (Details see Environmental report)

### ***Urban environment***

Most cities in the border region are confronted with a common core set of environmental problems such as

- Pollution (air quality, high levels of noise, emissions) caused by high levels of traffic and congestion, heating, industrial pollution
- Poor-quality built environment
- Derelict land
- Greenhouse gas emissions
- Urban sprawl and
- Generation of waste and wastewater

The causes of the problems include changes in lifestyle (growing dependence on the private car, increase in one-person households, increasing resource use per capita) and demographic changes. Problems related to a poor quality built environment are often linked to underlying socio-economic problems. Urban transport has a direct impact on air pollution, noise, congestion and CO<sub>2</sub> emissions and it is fundamental to citizens and business.

### ***Pollution***

Although the environmental pollution has been steadily decreasing in the region there are still places where considerable pollution occurs. In particular on sites with a higher concentration of inhabitants and services the increase of mobile pollution sources both in individual and goods transport and the synergetic effect of these activities is even amplified in the case of:

- Energy-consuming operations, especially in industrial plants (cement works, metal foundries, machine-works etc.)
- Road lines running through towns and in the crossing points to Austria, Slovakia and Germany
- Inversion situations, in particular in winter when the polluted air does not disperse ground ozone and NO<sub>x</sub> concentrations in towns

### ***Water***

Access to clean water and the preservation of fresh water supplies is one factor of quality of life and regional competitiveness. In this context the EU Water Framework Directive (WFD) is one of the most important regulatory framework. Water pollution constitutes the most serious problem in the environmental protection of the Czech border region. There is a large amount of small municipalities and leisure facilities without or with insufficient sewage disposals. In Austria the problems with surface water have largely be solved, both in the case of standing and running water.

### ***Natural hazards – flood risk***

For the border region, the rivers e.g. the Danube, the Thaya and the March/Morava are also very important landscape features. In the last 6 years the region was confronted with two large and some smaller catastrophic floods. Expansive settlement activities and stream and river regulations lead to insufficient retention and run-off areas. As a reaction to these floods they started to elaborate specific flood risk management and protection programmes based on the existing legal framework on both sides of the border.

### ***Cultural heritage***

Cultural heritage is defined as the totality of material and immaterial cultural assets like libraries, archives and museums, buildings (churches, castles, monasteries), as well as the manifestation and expression of folk culture, the scientific perception etc. The immaterial cultural assets are passed down from one generation to the other. They are formulated by communities and groups in dependence of the particular milieus, their interactions with the nature and their history and are part of their identity and continuity.

Cultural heritage contributes to cultural diversity and creativity and is part of a regional identity. The variety of cultural heritage and activities in the Austrian-Czech border region offers specific links for activities and measures to protect cultural traditions covering legislative framework (e.g. UNESCO convention, national regulation for the protection of historical monuments and buildings, culture policy etc.) up to customs and traditional handicraft techniques. The preservation, conservation and development of cultural heritage is also very important for tourism. In the program area comprehensive activities to protect the cultural heritage exist (historical urban areas, monuments and historical ensembles, cultural landscapes etc.).<sup>5</sup>

### ***Social aspects***

The availability, accessibility and the quality in reference to housing, health and social care (children, elderly people), social security, social and cultural integration, participation are very important factors for the attractiveness of a region. Trends and prognoses for the Austrian-Czech border region expect fundamental changes regarding the demographic structure. The whole region will be confronted with ageing population and especially the cities will be confronted with increasing migration flows. Gaps between the generations, segregation and social tensions could be the implication. In addition the unfavourable financial situation of the public budgets complicates the reaction to this process in some fields, therefore new innovative ideas are necessary to fit the (new) needs of all parts of the population. For the future also a Cross Border Perspective can help to solve some problems.

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<sup>5</sup> As examples for this wide variety of cultural heritage the properties included in the World Heritage list of the UNESCO are mentioned here. (AT-border region Historic Centre of Vienna, Palace and Gardens of Schönbrunn, Wachau Cultural Landscape; CR-border region: Historic Centre of Český Krumlov, Historic Centre of Telc, Holašovice Historical Village Reservation, Jewish Quarter and St Procopius' Basilica in Třebíč, Lednice-Valtice Cultural Landscape, Tugendhat Villa in Brno)

The development of social services (health, care of elderly people) can be seen as one example. Different dimensions of cross border social services and social work will gain importance in the future: to secure the quality of supply, the financing of the health and care system, social rights and social policy frameworks on the EU level and in the member states.

In general the Austrian-Czech border region is well equipped with social and health services. The number of physicians per 1.000 inhabitants accounts for about 3,5 on the Czech side and from about 4 in the more rural Austrian regions up to 6,9 in *Wien*. In the Czech Republic the change of the health system lead to a permanent increase of the number of physicians. The transfer from the founder's function, which concerned many health establishments from the state to the regions, has raised the proportion of physicians in non-state health establishments. While the number of physicians increases, the number of hospital beds decreases, because the government is exerting pressure on hospitals to save finance resources. Similar development processes can be observed in Austria.

Against this background in the context of cross border development, problems like the joint supply of high level quality of medical care, the joint use of available capacities, the co-operation structures and possible joint cross border activities of public and private institutions, the mobility of patients and health professionals and education and skills development for health professionals are worth to discuss in the future.

## 2.4 Cross border co-operation structures – Regional Governance

The existing co-operation structures, contacts and cross border exchange at the personal, economical and political level projects offer an excellent position for intensifying the relationships in the Austrian-Czech border region.

In the ongoing period the cross border co-operation can be described along the following structure:

- Co-operation on the institutional level (EuRegio in co-operation with the communities, the regions and the regional management structures)
- Co-operation on a political and administrative level and
- Project based co-operation initiatives

The EUREGIO is one example for co-operation on institutional level. In the border region three EUREGIOS are operating, the EUREGIO Region *Weinviertel- Jihomoravský kraj -West Slovakia* in the West and the EUREGIO – *Bayrischer Wald – Böhmerwald/Šumava* in the East and the Euregio *Silva Nortica* in the Middle. Most of them were founded in the second half of the 1990s. The thematic main fields of activities are location policy and economic and business development, labour market, education and qualification, environment, agriculture and forestry, tourism, regional and local partnership, social affairs and health, energy and waste management, innovation and technology, communication, rescue system and emergency management.

The EUREGIOS are very important partners regarding the implementation of the program, the development and management of projects and dissemination of program and project content. Furthermore the EUREGIOS are communication and information platforms. The EUREGIO acts as a platform for information and know-how transfer, as supporter for economic development and socio-cultural activi-

ties and as lobbyist for the specific regional concern. Other key functions are the co-ordination of the cross border activities on the local level, the transformation of the idea of cross border growth and the attendance of the program. Because of their very essential function for cross border development and the restrictive budgets of the municipalities an institutional (financial) support is indispensable for the following years.

Besides the political and institutional platforms a large number of projects aimed at the establishment of sustainable co-operation structures in the fields of regional and urban planning, transport, labour market, renewable energy, education etc. Depending on the particular tasks and the involved actors the intensity of cross border co-operation varies and covers a wide range of very different project types e.g. incubators, thematic information centres, web- and information platforms, clusters, thematic networks and co-operation agreements.

### 3 STRENGTHS AND WEAKNESSES (SWOT ANALYSIS)

The socio-economic background of the border region represents important input for the implementation of the SWOT analysis. Besides the regional analysis also strategic regional documents and the results of the discussion of the programming group have been taken into account in the course of the SWOT update.

The Austrian-Czech border region is not a homogenous region – neither in terms of its economic and structural environment nor in terms of its development dynamics. The programme region is also strongly influenced by the urban regions of *Wien*, *Brno* and *Linz*, which have their antipode in a number of extremely peripheral regions. Albeit this special conditions the following SWOT analysis concentrates on the joint strengths and weaknesses and opportunities and threats being aware of the diversities in economic level, structure and development processes and also in the institutional framework.

#### General characteristics (demography, settlement structures)

Strength	Weaknesses
Favourable geographic location in the centre of Europe	In terms of international and intra-regional accessibility large parts of the border region are peripheral regions
High location attractiveness	Large number of small villages
Developed polycentric system	
Opportunities	Threats
Strong ties to neighbouring regions	Disparities within the region (rural – urban, generations)
Urban – rural integration	Waste of nature and landscape by uncoordinated urban development and house-building
Positive demographic development trend	Persistent natural decrease of population in some parts
	Ageing population in some areas, especially in peripheral rural locations

#### Socio-economic development – economic performance and human resources

##### Economic structure and development

Strength	Weaknesses
Long stable economic growth in most of the regions	Persisting high share of agriculture with structural problems in some regions
Broadly diversified industry structure in traditional industrial centres	High share of structurally weak branches in peripheral rural regions
New industrial producers specialised for higher added value branches	Low competitive strength due to low labour productivity and low degree of innovation
Urban regions with dynamic development trends esp. in tertiary sectors	Structural weaknesses of the tourism branch
Attractive tourist potential and favourable development	Absence of cross border tourist organisation structures
Richness of natural resources for production of renewable energy	Underdeveloped (production related) service sector esp. in the rural regions
	Weak engagement of universities and research institutions as well as enterprises in international networks of development and innovations
	Insufficient interconnection among entrepreneurial

<b>Opportunities</b>	<b>Threats</b>
(Rapid) development of SMEs, notably in larger towns and urban areas	High regional disparities in economic performance
Tertiary sector making up leeway in rural regions (e.g. tourism, health, production-related services)	Inadequate development of cross border tourism (e.g. destination management, trans-national networking of products and services offered...)
High potential for recreation, wellness and cultural tourism	Adjustment of tourist industry's products and services and the required infrastructure to current demand profiles still largely outstanding
Utilisation of regional resources for producing renewable energy	
Cyclo tourism is one of the important parts of common czech – austrian region and create conditions for further harmonised development of the whole territory	

### Human resources and labour market

<b>Strength</b>	<b>Weaknesses</b>
Broad supply of qualified labour	High dependence of rural regions on urban labour markets – lacking job opportunities in rural parts of the region
High preparedness of labour force for mobility (e.g. commuting)	Limited availability of flexible labour force (quantitative and qualitative)
	Unfavourable structure of unemployment
	Insufficient private and public expenses for education and research restrict exploitation of the human resources potential
	Legal restrictions in cross border labour market
<b>Opportunities</b>	<b>Threats</b>
Increasing qualification level	Huge regional disparities in income levels and social standards
Languages skills	Lacking preparatory work for cross border labour market exchange
	Pressure on urban labour markets due to immigration and commuting
	Increasing number of unemployed persons

### Education, research and development

<b>Strength</b>	<b>Weaknesses</b>
Universities and colleges – broad range of supplied studies	Low innovation and technology orientation of regional businesses
Sufficient capacities and high quality of pre-school and school facilities	Disparities regarding access to R&D
Broad offer of branches of study at schools	Insufficient involvement of SMEs in research and development activities and insufficient technology transfer
Broad supply of and good access to educational institutions	Marked centralisation of educational facilities esp. in CR
Urban regions are well equipped with research and development facilities	Lack of business-related infrastructure and services especially outside urban areas
Tradition in education and research activities	
<b>Opportunities</b>	<b>Threats</b>
Growth of capacities in universities	Decreasing qualification level, including knowledge of partners languages
Existing co-operation structures and networks	Brain drain – migration of well educated persons
Innovation potential in industry and services sector (e.g. energy, tourism, biotech, medicine, vehicles, agriculture, transport etc.)	

## Regional accessibility and sustainable development

### Natural and social environment

Strength	Weaknesses
Well-preserved state of environment, stability and high-grade landscape diversity	Inadequate wastewater treatment in rural areas (CR)
Supraregional importance of water accumulation and water resources, headwater region of various rivers	Polluted rivers and high eutrofisation of water courses and basins (agriculture, industry, households)
High quality of life	Insufficient heat and energy savings, low exploitation of renewable resources
Sufficient recreation areas and balancing spaces for the cities	Insufficient commitment of the population to environmental issues, low ecological awareness of population (CR)
High level of health and social services	
Opportunities	Threats
Integrated projects in environmental protection and joint environmental planning and co-operation (e.g. in the field of anti-flood measures)	Increasing negative environmental impacts (noise, exhaust gases) due to increasing traffic volume
Development and utilisation of renewable energy, environmental friendly heating and energy saving activities	Slow process of redevelopment of old ecological loads
Valorisation of natural resources	Destruction of cultural landscapes through intensive land use (farming, suburbanisation, housing, ...)
Environmental technologies	Increasing volume of wastes;
Cross border co-operation in the fields of social services as answer to restricted budgets and lacks in demand and supply	Slow increase in the use of renewable sources of energy despite promotion measures
Protection and exploitation of natural assets and cultural heritage of the territory, which provides an opportunity for development of tourism and life of inhabitants	Social tensions due to ageing population and/or migration
	Segregation (housing, jobs, access to social services etc.)

### Mobility and transport infrastructure

Strength	Weaknesses
Strategically favourable location with regard to the major European traffic and transport arteries;	Dissimilar infrastructure development levels
High density traffic and transport system (both roads and railways)	Still poorly developed cross border road and railway infrastructure
Airports of international (Wien) and regional (Brno and Linz) importance	Low capacity of road customs stations and congested access roads
Well developed short-distance passenger transport services within urban agglomerations	Neglected transportation infrastructure and inadequate technical infrastructures and maintenance services in some rural areas
	Insufficient intra-regional public transport services in peripheral regions
Opportunities	Threats
Improvement of the transport system and the infrastructure	Deterioration in the quality of public transport and the accessibility of rural areas
Co-ordination of planning activities	Increasing volume of traffic
Co-operation and co-ordination between the different means of transport (e.g. logistics centres)	

### Cross border co-operation

Strength	Weaknesses
Existing co-operation structures on personal, legal, institutional and political level,	Discrepancies between legal systems, social and environmental standards
Experiences in co-operation based on projects	Differences on institutional and competence level
Euregios	Weak spatial, institutional and structural co-operation

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<b>Opportunities</b>	<b>Threats</b>
Improvement and development of existing structures or new structures	Instability of co-operation structures
Participation models and processes	Financial restriction

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## 4 COMPLIANCE WITH OTHER TRENDS/TENDENCIES, POLICIES AND PROGRAMMES OF THE EU, AUSTRIA AND THE CZECH REPUBLIC

### 4.1 New global framework, challenges and development possibilities

The Austrian – Czech border regions at the cross roads between old and new member states in the heart of Europe have undergone historical changes during the last years as many other European regions on former EU external borders. The resulting challenge for regional policy in the EU is to keep the balance between the necessary cohesion on the one hand and on the other hand to improve the competitiveness of the European regions itself. This results in an expansion of the operating range, in which all actors are asked to focus on networking and partnership in cross border, but also neighbouring international area. The public sector has redirected its policies and to enable a location/business/activity environment, which helps the actors to succeed in the competition between regions.

Developments beyond the European Union also have influences on the cross border region. These increase the competition between enterprises, business locations and regions. The integration process in Europe, deregulation and liberalisation as a response to the globalisation of economy and society, the shortage and increase in prices of resources (fossil fuels) as well as technological progress form the intensity and direction of the mobility of labour and capital. New standards for locations and in the competition of regions are created as well as new challenges for regional labour markets and education/learning systems. The consequences are flexibility in the labour market, increasing requirements for mobility, but also tendencies for segmentation. Institutions and social fallback systems have to adapt and innovate to overcome these changes.

The demographic development in the region is contrary to the needs towards innovation and adaptation. Because of increasing life expectation and decreasing birth rates there is the tendency towards the ageing of the society. This leads to changes in consumer patterns, for the need of public services and the behaviour of the work force (mobility, innovation etc.). Knowledge for the efficient use of information and communication and the relating technologies today have become main resources for the economic development as well as for the participation of each individual to the society life.

Many people, education systems and organisations as well as the public administration very often are inadequately adjusted to these requirements. Therefore the framework for regions and their population for social and regional coverage of these adaptation processes have to be initiated. These changes also give the chance to integrate new dynamism and society developments (e.g. potential of women) in regional and socio-economic development.

## 4.2 Co-ordination with other policies and programmes of the European Union, Austria and the Czech Republic

### 4.2.1 Compliance with the Community policies

The Operational Programme of the Austria - Czech Republic cross border co-operation in 2007-2013 contributes to achieving priorities established in the up-dated Lisbon and Gothenburg strategies and in the Community Strategic Guidelines.

The policy of cohesion has to contribute to the implementation of Lisbon goals. In the document draft entitled „Policy of cohesion supporting economic growth and employment; Strategic guidelines of the Community for the period of 2007-2013<sup>6</sup>” the following priorities of the Community have been defined:

- Making Europe and its regions a more attractive place for work and investments
- Development of knowledge and innovations for economic growth
- Higher figure of superior job opportunities.

The decision taken at Lisbon in 2000 (Lisbon strategy) defines strategic objectives concerning employment, economic reform and social cohesion in the upcoming decade, with the aim to develop the Union to the most competitive and dynamic science driven economic area in the world, to keep the situation of sustainable growth, create working places and achieve more social cohesion. In 2005 the Lisbon strategy has been redirected towards growth and employment.

The decision taken at Gothenburg (Gothenburg strategy) drives the Lisbon process in an environmental direction with sustainable development and objectives and activities, which counteract the dangers of sustainable development (ageing of the population, climate changes, traffic, poverty etc.).

The OP is cohesive with the European social agenda<sup>7</sup>, which defines the main stream of activities implemented in the context of social policy – and also contributes to the realisation of the Lisbon strategy. The goals formulated in Nice are defined as follows:

- Ensuring availability of work, resources, rights, goods and services for everybody
- Prevention from social expulsion risk
- Assistance to the most endangered, mobilisation of all actors/organisations in the area of economic and social policy.

The policy document reflects itself also in *General Guidelines of the Economic Policy* as well as in *European Employment Strategy Guidelines*<sup>8</sup> involving microeconomic and macroeconomic policy as well as employment for creation of new job opportunities and economic growth.

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<sup>6</sup> Commission Report „Cohesion policy supporting economic growth and employment. Strategic guidelines of the Community, 2007-2013, European Community Commission, CDRR-05-0010-05-EN, Brussels, May 22, 2006.

<sup>7</sup> Adopted in 2000 in Nice

The Programme „i2010 – European Information Society in 2010“<sup>8</sup> is supposed to contribute also to creation of the information society. It will concern primarily activities for achieving certain goals of the initiative that will consist in increase of the information technologies availability. Projects implemented in the framework of the Austrian-Czech border co-operation 2007-2013 will contribute to building-up of the information society.

In compliance with item 11 of the Regulation proposal on the ERDF activities concerning small and medium enterprises the Cross Border Co-operation Operational Programme will contribute to the realisation of the European Charter of Small Enterprises adopted by the European Council in June 2000 in Santa Maria de Feira, in the area of increase of technological capacities in small enterprises.

In the framework of the OP an equal status of men and women will be observed and persons regarding to sex, race and origin<sup>10</sup> will not be discriminated. The observance of the principle of equal opportunities will be ensured during various stages of the programme implementation as well as the realisation of the financial support from the funds and the evaluation of its impacts. The principle will be also observed in the phase of defining the criteria for a selection of projects. With respect to the fact that there are problems in the labour market in subregions supported by the programme, efforts will be made towards promotion of equal chances in access to the labour market through promotion of employment of women and creation of new engagements for them as well as by means of equal access to the area of vocational education.

In the context of the joint agricultural policy a complementarity between European Commission (EC) financial interventions made by the European Agricultural Fund for the Rural Development<sup>11 12</sup> and activities co-financed by the ERDF funds relating to the territorial co-operation will be provided as well. A co-ordination of subsidies coming from different funds will be ensured.

The complementarity principle recorded in the proposal of the Council Regulation on general provisions for the European Regional Development Fund (ERDF), European Social Fund (ESF) and the

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<sup>8</sup> Integrated guidelines: general guidelines of economic policy, Brussels, June 28, 2005, 10667/05; Council Decision in the matter of guidelines for employment policies in the Member States. Brussels, July 5, 2005.

<sup>9</sup> The i-European Information Society for growth and employment. The Commission Report for the Council, European Parliament, European Economic and Social Committee and the Committee of the Regions. Brussels, June 1, 2005, COM (2005)229, final version.

<sup>10</sup> Article 16 of the Council Regulation 1083/2006

<sup>11</sup> Proposal for a Council Decision on Community Strategic Guidelines for the Rural Development (Programming Period 2007-2013), Brussels, July 5, 2005, COM (2005)304 final.

<sup>12</sup> Council Regulation (EC) No. 1698/2005 dated in September 20, 2005 on Financial Support for Rural Development from the European Agricultural Fund for the Rural Development (EAFRD). The EC Code of law L 277/1 dated in October 21, 2005.

Cohesion Fund (CF) (Article 9)<sup>13</sup> will be observed. In compliance with this principle Structural Funds means will not substitute public or equivalent expenditures spent by the Member States.

Principles of the Community Policy regarding the protection and improvement of the environment as well as relevant amendments including the EU guideline will also be respected. It concerns namely the fulfilment of obligations mentioned in the guideline 92/43/EEC (guideline on habitats), the guideline on birds 79/409/EEC and guidelines relating to the NATURA 2000 ecological system.

Projects contributing to the realisation of priorities registered in the EU Sustainable Development Strategy<sup>14</sup> will be supported in the operational programme because it is required that member states would concentrate their efforts to promote key issues in the field of climate change, energy, public health, social expulsion, demography and migration, natural assets management and balanced traffic.

With the European Spatial Development Perspective (ESDP, 1999) an important step towards a co-ordinated regional and spatial development policy has been done. Three basic objectives exist which should lead to, pre sustainable and balanced development in the territory of the European Union:

- Economic and social cohesion
- Preservation and management of natural resources and cultural and
- More balanced competitiveness of European space

European integration is part of the ESDP. Local and regional authorities have to cooperate in regional development across borders.

The CBC programme shall not support activities, which could be financed by other European main-stream programmes if they do not have a clear focus on cross border co-operation. The coordination with other Operational Programmes in Austria and the Czech Republic will be ensured by the representation of the Ministry of Agriculture, Forestry, Environment and Water Management in Austria and the Ministry of Agriculture in the Czech Republic in the Monitoring Committee. Further it will be ensured by regional and national coordination committees and due to the vicinity of the bodies responsible for the implementation of the different programme activities at the public authorities in direct day to day contact to avoid possible double financing from two or more Community funds. Therefore it is essential to indicate the similarities and differences with other EU programmes and where the co-ordination with the present programme is needed:

- Austrian Rural Development Programme (EAFRD); in *strat.at* a detailed separation of operations to be supported by EAFRD and ERDF in Austria has been elaborated
- Czech Republic Rural Development Strategic Plan (2007-2013)
- ERDF: Objective 1 – cohesion and Objective 2 - regional competitiveness
- ESF – employment
- TEP (Territorial Employment Pacts)

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<sup>13</sup> Council Regulation 1083/2006

<sup>14</sup> Commission Report for the Council and the European Parliament in the matter of the Sustainable Development Strategy summary: operational platform. Brussels, December 13, 2005, COM (2005) 658 final.

- TEN (Trans European Networks)
- Natura 2000
- In the Czech Republic and Austria, the European Fisheries Fund (EFF) can be used in the field of aquaculture and other measures of joint interest. There are supported beneficiaries who are involved in the above-mentioned field. According to the different focus of the Operational Programme financed from the EFF and the OP CBC Austria -Czech Republic, real overlapping in provision of support does not occur.
- Cross cutting issues, e.g. sustainability as well as equal opportunities for men and women – gender mainstreaming, which will be treated in this programming process as a cross sector fact with a gender sensible view where possible.

By the Amsterdam Treaty 1999 gender mainstreaming has been adopted as one of the main tasks of the Community – imbalances should be abolished and equal opportunities for men and women supported. In Article 11 of the general provisions on the structural funds is laid down, that the member state and the Commission have to take care for equal opportunities for men and women by implementing Structural Funds activities.

Special attention shall be given to the services provided by the INTERACT II programme. This EU-wide programme focuses on good governance of territorial cooperation and provides needs-based support to stakeholders involved in implementing programmes under the European Territorial Co-operation Objective. The target groups for INTERACT are primarily the authorities to be established according to Council Regulations 1083/2006 and 1080/2006 as well as other bodies involved in programme implementation. In order to ensure maximum benefit from the INTERACT programme for the implementing bodies of this programme, the use of INTERACT services and documentation as well as the participation in INTERACT seminars will be encouraged. Related costs are eligible under Technical Assistance.

#### 4.2.2 Compliance with National Policies

The policy document, goals and priorities of the Czech-Austrian cross border co-operation are cohesive with the strategic policy documents. It concerns primarily following documents:

- National Development Plan for the period of 2007-2013 (draft)<sup>15</sup>,
- National Strategic Reference Framework 2007-2013 supporting economic growth and employment (preliminary draft)<sup>16</sup> Goals of the Border Co-operation Programme contribute to achieving the strategic goal as well as registered horizontal detailed goals,

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<sup>15</sup> National Development Plan 2007-2013, Prague, February 2006; National Strategic Reference Framework for Austria 2007-2013, Vienna, April 2007

<sup>16</sup> Draft of the National Strategic Reference Framework of the CR 2007-2013, Prague, March 2006; National Strategic Reference Framework 2007-2013 supporting economic growth and employment. Preliminary draft, the document adopted by the government of the CR on February 14, 2006.

- Regional Operational Programmes (drafts) of those regions and federal states that cover the territory supported in the framework of the Border Co-operation Programme 2007-2013.

Projects supported within the framework of the Programme are in accordance with the Czech, Austrian and European legislation respecting, in particular, the following conditions:

- Compliance of investment projects with regulations in the field of environmental protection, taking into account impact of the planned project on the NATURA 2000 sites;
- Positive or neutral environmental impact of the project;
- Ban of use of double financing of the projects from the Community funds;
- Respecting the Act on Public Procurements;
- Respecting the rules concerning public support; activities violating competition rules, and commercial projects, cannot be implemented within the framework of the Programme.

During the consultation process of the project ideas, all potential beneficiaries will be informed about non-possibility of double financing from the Community funds. Moreover, formal check shall be done during the evaluation of individual project applications, content of project proposals whether there is a risk of potential double financing.

## Austria

The decisions of the European Council as well as the ESDP are the guiding framework for the Austrian spatial development policy, which are reflected in the Austrian Spatial Development Concept (ÖREK 2001). Formulated objectives are ensuring social and economic cohesion, creation of equal living conditions in the regions and social integration.

In the “Strategy 2010 – perspectives for research, technology and innovation in Austria“ there have been formulated the principles for the national research, technology and innovation policy till 2010 and beyond. The aim is enforcement of the competitiveness and dynamic of the national economy for sustainable economic growth and active development of employment:

- Improving the innovation capacities of the institutions organisations and companies
- Intensification of the co-operation between science and economy
- Efficient co-ordination of regional and national R&D-activities

A concrete input for the preparation for the new programming period of Structural Funds (ERDF and ESF) 2007-2013 in Austria is the National Strategic Reference Framework – strat.at, which is the umbrella for the Operational Programmes for Regional Competitiveness and Employment (8 federal states), Convergence – Phasing Out and European Territorial Co-operation. Therein is fixed, that cross border co-operation is important for Austria, which refers to the high share of border regions related to the whole territory and to the co-operation experience resulting from the last two Structural Funds periods. Objective of the cross border co-operation should be to facilitate and intensify the development and implementation of cross border integrating projects in comparison to the ongoing period. Additionally this should lead to a new level of quality in the development of projects and the changing functional structures in border regions.

Besides these national strategic documents, spatial planning and regional development concepts, sector and thematic strategic concepts and models of the federal states *Niederösterreich* (Provincial Development Concept, “*Landesentwicklungskonzept*”), *Oberösterreich* (Strategic Programme Upper Austria 2000+, „Strategie-Programm Oberösterreich 2000+“) and *Wien* (Urban Development Plan 2005, “*Stadtentwicklungsplan, STEP 05*”) are precondition for the elaboration of the programme for European Territorial Co-operation.

Basic elements, which are requested by the *strat.at* are expressed in the National Reform Plan (NRP 2006-2008). The development strategy of the *strat.at* is oriented on transition towards a knowledge based society and economy. A basic element is a broad definition of innovation with the inclusion of, also non-technological elements (e.g. organisational etc.).

The Sustainability Strategy of Austria aims at the establishment of a long-lasting strategy, which will integrate all the different sector policies oriented at environment friendly, economic and social sustainable development. Its main areas are increase quality of living in Austria, to support competitiveness in Austria by creating innovative structures, increase variety and quality of the living space Austria and increase responsibility for Europe and the world.

Support to the economic development strategy in rural areas is also given by the „Programme for the development of rural areas“, which is elaborated in parallel and cofinanced by the EAFRD. Especially the activities in Priority 3 and the projects and initiatives developed under the LEADER-approach contribute to the development of the rural areas with the objectives to reach a broad and diversified economic structure. Separated conditions for support between EAFRD and ERDF ensure in addition the implementation of activities, but there will be no overlap and double financing.

In general it has to be stated, that a close harmonisation of the supporting structures regional management, territorial employment pacts and LEADER management, to increase the efficiency of the financial support and to be able to address the correct regional actors on regional level („Regional Governance“) is ensured via day to day contact of the responsible task managers on regional level

## Czech Republic

Also in the Czech Republic the main programme, the National Strategic Reference Framework, represents the document for the utilisation of the European Union funds in the period 2007-2013. The baseline for the elaboration of the proposal of the NSRF was the National Development Plan of the Czech Republic, which was taken into consideration by the resolution of the Czech Republic Government No. 175/2006. The analytical part of the NSRF focuses on the identification of key strengths of the Czech Republic to reinforce its competitiveness and on the problematic points and weaknesses that could stand in the way of the sustainable growth of economy and society. The NSRF defines the system of operational programmes of the economic and social cohesion policy for 2007 - 2013, through which individual priority axes will be implemented. The NSRF will be the subject of negotiations with the European Commission on the final form of the interventions of the cohesion policy in the Czech Republic.

The global objective of the NSRF for the period 2007 - 2013 is the change of the socio-economic environment of the Czech Republic in accordance with the principles of sustainable development in order

for the Czech Republic to be an attractive place for investments, work and life of people. Through continuous strengthening of competitiveness sustainable development will be achieved, the pace of which will be higher than the average growth in the EU 25. The Czech Republic will strive for the employment growth and balanced and harmonious development of the regions, which will lead to the enhancement of the life quality of people. The global objective will be satisfied by implementing strategic goals:

- Strategic Goal I - Competitive Czech Economy (priorities: Competitive Business Sector; Support of R&D Capacity for Innovation; Development of Sustainable Tourism)
- Strategic Goal II - Open Flexible and Cohesive Society (priorities: Education; Growth of Employment and Employability; Social Cohesion Strengthening; Information Society Development; Smart Public Administration)
- Strategic Goal III - Attractive Environment (priorities: The Environment Quality Protection and Enhancement; Improvement of Accessibility by Transport) and
- Strategic Goal IV - Balanced Area Development (priorities: Balanced Development of Regions; Development of Urban Areas; Development of Rural Areas)

The strategy is built on the key strategic documents on European level (proposal of Strategic General Principles of the Communities) and domestic level (Strategy of Sustainable Development, Strategy of Economic Growth, Strategy of Regional Development, and other valid departmental as well as regional strategies - Programme of *Jihoceský kraj* Region Development, *Jihomoravský kraj* Region Development Programme and *Kraj Vysocina* Region Development Programme).



**Correlation of the CBC Programme priorities with principles of other EU and national activities**

	Priority axis 1 – socio-economic development, tourism and know how transfer				Priority axis 2 – regional accessibility and sustainable development			Guiding principles		
	Business and innovation related environment and services	Tourism, culture and leisure economy	HR development, labour market, education, qualification	Social integration, health and social risk prevention	Transport and regional accessibility	Environment and risk prevention	Sustainable networks and institutional cooperation structures	Sustainable development	Equality	Cooperation
Community strategic guidelines	x	x	x							x
Strat.at	x	x	x							x
STRAT CR	x	x	x	x	x	x	x	x	x	x
NRP AT	x	x	x			x				
NRP CR	x	x	x		x					
Strat. for sustainable develop.AT					x	x		x		
Strat. for sustainable develop.CR					x	x		x		
WIN	x	x	x		x	x	x	x	x	
STEP	x	x	x		x	x	x	x	x	
Strat. Progr. OÖ	x	x	x		x	x	x	x	x	
JC Reg. DP	x	x	x		x	x		x		
JM Reg. DP	x	x	x		x	x		x		
Vy Reg. DP	x	x	x		x	x		x		

## 5 STRATEGIC ORIENTATION AND DEVELOPMENT OBJECTIVES

### 5.1 Strategic orientation

#### 5.1.1 General principles

Development in this region is taking place in highly sensible areas. As a horizontal principle *sustainability* must be part of all the priorities. Especially taken into consideration is that activities are confronted with different user demands. Sustainable concepts are especially requested and implemented in regional and environmental development, the further development of national and nature parks, but also in sector activities, e.g. tourism, leisure economy, technical infrastructure (energy). The principle of sustainability aims at providing relevant development conditions to the living generation, without decreasing the development possibilities for future generations. To reach this point the three dimensions of sustainability, the ecological, the economic and the social one have to be taken into consideration.

- *Ecological sustainability* means the environmental friendly use of natural resources, the improvement of the quality of the environment, the protection of biodiversity and risk prevention for humans and the environment.
- *Economic sustainability* means to create a future oriented economic system and to increase economic capability and competence for innovation.
- *Social sustainability* means social balance, the right for human life and the participation of the population in policy and society.

The implementation of the activities is in line with European and national policies for equal opportunities. To put an end to discrimination and to achieve equal opportunities between the genders is a policy task – *gender mainstreaming* is the strategy. Equal opportunities is no separate topic, it is the basic principle for each single activity. By inclusion of equal opportunities in all the concepts and activities there should be achieved balance and fairness within the society.

*Participation* of citizens and the use of the whole endogenous and creative potential in amendment to the representative democracy are the main aims of political participation. Participation is an intensive co-operation of different actors and the population in the region and an instrument to achieve a balance of interest and consensus in planning and development processes.

#### 5.1.2 Programme strategy for the development of the cross border region

In the last two programming periods the developments of cross border contacts as well as their intensification and the implementation of joint projects has been the main focus of the cross border activities.

The new programme builds on these experiences and formulates relevant strategies and fields of activities for further development of the Austrian-Czech cross border region along the results of the analyses.

The joint strategy and the Operational Programme are oriented to further develop the common area towards

- Future oriented living and economic area
- Increase the competitiveness of the cross border region and
- Improve the living conditions in this area
- Support European integration on cross border regional and local level

All the activities will be in line with the following principles:

1. Adaptation of the economic and social framework and solving the problems in this cross border region caused by the periphery of these border regions and therefore creation of an integrated regional socio-economic area:
  - Improvement of the economic structure, speeding up of structural changes, improvement of the location conditions, development of technology and innovation
  - Improvement of transport, technical and other infrastructures, reduction of barriers connected with borders
  - Enforcement of a sustainable spatial development
  - Reduction of environmental burden, elimination of damages caused to the environment, improvement of the living, working and environmental conditions for the population
  - Improvement in education, training and employment
  - Development of the human resources
  - Development of equality aspects, support of equal opportunities and anti-discrimination
  - Enforcement of the endogenous potential of the cross border area.
2. Enforcement of cross border relations between the population, organisations and institutions in all sectors:
  - Improvement of cross border economic co-operation
  - Reduction of barriers and improved connection for cross border transport
  - Cross border co-ordination of environmental protection and use of cross border regional resources
  - Improvement of the cross border social and cultural exchange to increase the attractiveness of the living-, housing- and working area
  - Creation of cross border networks for co-operation and communication to increase regional identity on both sides of the border.

Strategies of the operational programme are focused on creating appropriate conditions for sustainable development in the Austrian-Czech border region with a view to economic, social and education areas. Its competitiveness has to be supported by adequate financial sources with the result that these funds will have a positive impact on the economic growth and subsequently will contribute to sustainable development of the existing potential of the Austrian-Czech border region. Enhancement and improvement of the quality of inner relationships existing in the Austrian-Czech border region represent a crucial factor of the persistent development. It is also required to enhance the quality of the economic structure, scientific and academic contacts the basis of which is formed by network linking, all with the aim to improve flow of the information and its exchange, skills and knowledge.

A pronounced enhancement of quality or more precisely increase of competitiveness in the context of the European space creates a condition of the persistent economic and social growth in the Austrian-Czech border region. The long-term competitiveness itself can only enable the sustainable growth, which is a prerequisite to decrease regional differences within the EU.

All activities inside the ETC programme are relevant to promote the Lisbon as well as the Gothenburg process. Although cohesion and competitive aspects in the cross border area will be mainly covered by Objective 1 and 2 programmes either on the one or the other side of the border, besides its main challenge this programme will contribute additionally as much as possible to these European processes. E.g. innovation is not only oriented to the relevant Activity Field 1, where all the economic aspects of innovation in connection with economic and business development are covered, but also included in other Fields of Activity such as

- environment by creating and testing new technologies in the renewable energy system ...
- tourism by creating joint products deriving from cb needs, implementation of the first joint cross border exhibition in 2009, using new and innovative techniques (internet booking of hotels, GPS navigation system in cycling ...) and
- social aspects (new ways of cross border cooperation in labour markets, new approaches for gender activities and social risk minimisation ...).

Following quality aspects were selected for forming strategies of the Operational Programme:

- Development of the economic environment connected with science, research and innovation as well as human resources development with regard to the cross border status of co-operation (Lisbon process). Factors for the economic development are:
  - o Open entrepreneurial environment with emphasis on sustainable tourism development
  - o Advanced system of research, development and innovations, introduction of new manufacturing technologies
  - o Inter-connection of academic and entrepreneurial sphere
  - o Flexible labour market with qualified labour force
  - o Modern society that enhances purposefully and methodically its education level (knowledge society in its all aspects)
  - o Cross border co-operation of local communities, revival of joint tradition and living culture, especially also in connection with tourism supply

### **Cycle Paths**

There is a cycle path network in the cross border region, however in most cases it is not sufficiently interconnected, but nevertheless used for increasingly developing cycle tourism. These kinds of network exist in Šumava, Vysocina and in the surroundings of the river Danube. The cycle paths in wine areas in South Moravia and Lower Austria are well known. To improve the offer, further improvement of cross border interconnection should be supported in order to ensure wider and more varied offer for tourist visits. The interconnection is meant both physical and also in marketing way. Cycle paths will be naturally used also by local residents for border crossings and for partnership development and cross-border co-operation development.

### **Tourist industry**

The cross border regions do not perform with as high number of visits and number of overnight stays as big cities do, such as Prague or Vienna. In big cities tourists stay for one week or even longer and they visit peripheral regions only for one-day-trips or they just only pass through them. The objective of OP CBC support is to facilitate innovation of tourist offer in a sense of creation of wider and diversified common offer with neighbouring regions on the other side of the border. Together, with offering higher number of “attractions”, it is possible to use synergic effects from different offers of single regions (mountains, lakes, etc.). Common offer with single marketing gets higher chance to address more tourists and offer to them possibilities for longer term stays. The development of the common tourist industry offer is also influenced by cross border infrastructure, which is quite insufficient. In order to ensure that visitors/tourists would use the total offer of the cross-border region it is necessary that tourists will have no problems to move and they would not be restrained by lack of or low quality border crossings.

- Attractive environment in all its dimensions (Gothenburg process). Factors for the attractive environment are:
  - o Protection and improvement of the environment, care of the natural landscape potential and its exploitation, prevention from risks
  - o Development of environmental infrastructure
  - o Accessibility of the border region

### **Infrastructure projects**

According to conducted analysis and studies elaborated in the region, the state of (transport) infrastructure was identified as one of the most serious problems in the light of cross border co-operation development. Different subjects (public and private ones) demand creation of sufficient conditions for the economic development in particular. In the context of CBC the improvement of crossing points should be supported as well as the improvement of communications leading to the borders.

This cross-border relevance and the location in the vicinity of the border is the main difference to distinguish projects of Objective 3 and Objective 1 resp. 2. Without fulfilment of such conditions it is not possible to successfully implement projects, such as common system of health care based on the possibility of acting of a specialized health unit even on the other side of the border.

Furthermore it is not possible to prepare e.g. joint technological park with potential and with advantageous location for both neighbouring countries. Sufficient cross-border infrastructure is an inevitable condition for tourist industry development.

From the amount of money dedicated to this activity field / intervention codes there will be spent approximately 11,8 Mio. € for regional/local roads and 5 Mio. € for cycle paths (see 9.3 Indicative breakdown by category). The allocation on codes is still only a forecast and during the implementation further changes are possible.

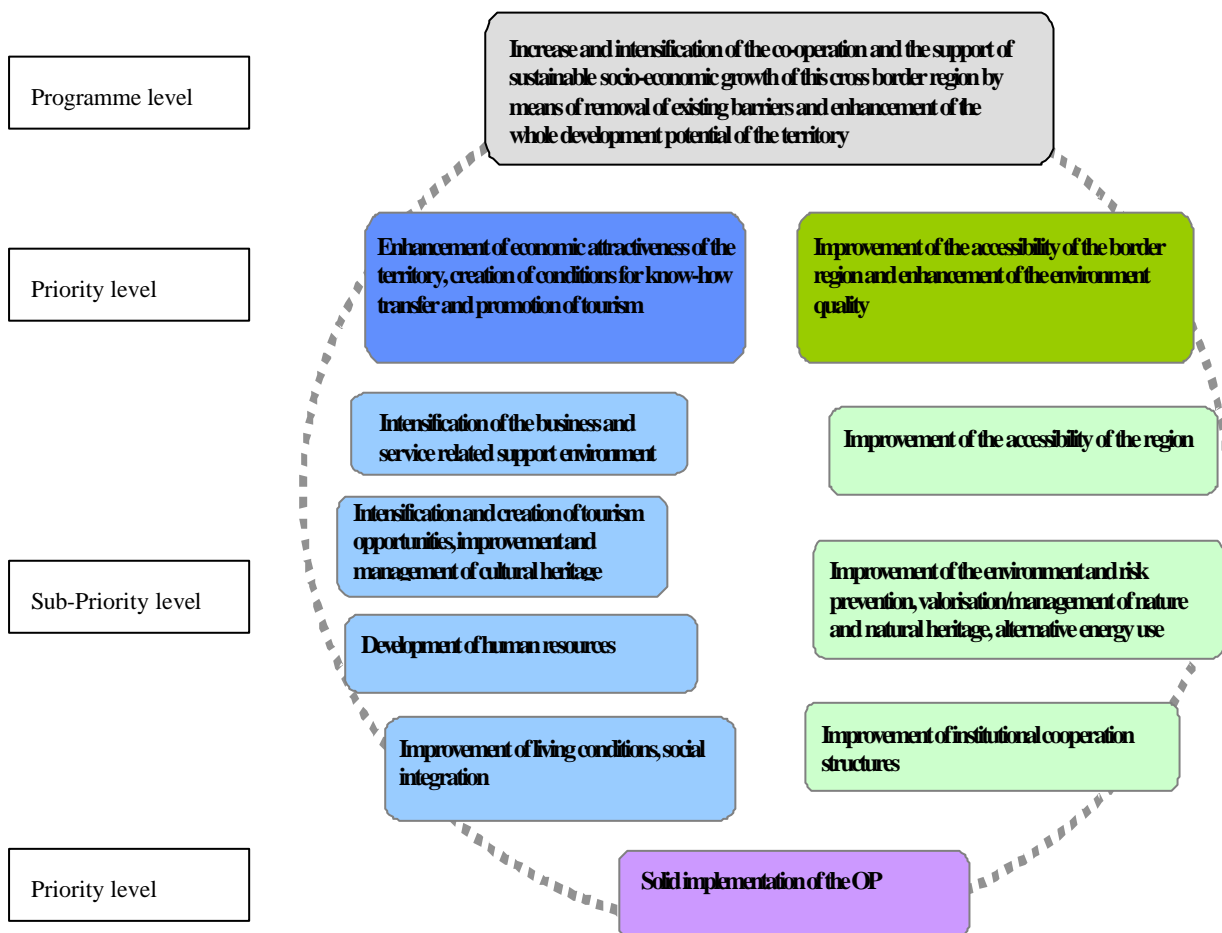
The Austrian-Czech border region represents a territory having a sufficient growth potential from the economic, social and cultural point of view and these growth provisions will allow a gradual improvement of living conditions of its population.

## 5.2 Development objectives

The global objective of the programme is to increase and intensify the co-operation in this cross border region and the support of sustainable economic growth by means of removal of existing barriers and enhancement of the whole development potential of the territory. The OP contains a broad variety of topics, which are connected with each other and have effects for several fields of activity. To be mentioned in the primary stage are the:

- Minimisation of the effects of the existing barriers
- Reduction of the regional as well as cross border socio-economic disparities
- Preservation and improvement of the living conditions
- Valorisation of natural and cultural heritage
- Regional governance and strengthening of network and co-operation structures

Objectives of the Operational Programme Objective 3 Territorial Co-operation Austria – Czech Republic



All these general development objectives can be transferred into a hierarchy of objectives broken down to priority level and more specific objectives. These objectives are reflected in the structure and the content of the OP.

- Priority axis 1 “socio economic development, tourism and know how transfer“ and
- Priority axis 2 “regional accessibility and sustainable development”.
- Additionally there exists priority axis 3 “Technical Assistance”.

## 6 PRIORITY AXES

The structure of the programme consists of three priorities with in total seven fields of activity. Priorities 1 and 2 are oriented towards Lisbon as well as Gothenburg principles and take into consideration the cross cutting issues of equal opportunities, regional governance, cross border co-operation and sustainability.

**Priority axis 1 “socio economic development, tourism and know how transfer”** includes four fields of activity business related infrastructure (indirect business support), tourism, human resources development as well as health risk and social risk prevention. It has a lot of elements oriented at the implementation of the Lisbon strategy but at the same time sustainable aspects, which clearly refer to the Gothenburg principles.

**Priority axis 2 “regional accessibility and sustainable development”** includes three fields of activity transport and regional accessibility, environmental subjects as well as sustainable networks and institutionalised co-operation structures. It refers as well to the aspects of the Lisbon and the Gothenburg principles.

Additionally there will be implemented activities under **Priority axis 3 “Technical Assistance”**.

Structure of the Operational Programme Objective 3 Territorial Co-operation Austria – Czech Republic:

<i>Priority axis 1 – socio-economic development, tourism and know-how transfer</i>	<i>Priority axis 2 – regional accessibility and sustainable development</i>
Activity fields:  AF 1 – Business and Innovation related Environment and Services  AF 2 – Tourism, Culture and Leisure Economy  AF 3 – Human Resources Development, Labour Market, Education and Qualification  AF 4 – Social Integration, Health and Social Risk Prevention	Activity fields:  AF 5 – Transport and Regional Accessibility  AF 6 – Environment and Risk Prevention  AF 7 – Sustainable Networks and Institutional Co-operation Structures
<i>Priority axis 3 - Technical Assistance</i>	

The fields of activity below the priority level are coherent thematic intervention areas. The programme management does the co-ordination between these fields of activity. The concrete activities included in the fields of activity form a broad variety and options for programme implementation in 2007-2013. Nevertheless, as this is an open formulated list of possible activities, further eligible activities can be supported and cofinanced, which are in line with the programme objectives and will arise during the programme implementation period. The programme takes on the well-established parts and procedures of the



last programme and adds some new established principles (e.g. lead partnership) as well as additional topics (health, risk prevention etc.). The new structures provided by the programme guidelines should give optimised implementation possibilities.

## 6.1 Priority axis 1: socio-economic development, tourism and know how transfer

### **Objective:**

Enhancement of economic attractiveness of the territory, creation of conditions for know-how transfer and promotion of tourism

### **Context:**

The cross border region Austria – Czech Republic is characterised by a heterogeneous economic structure especially in the rural and peripheral areas, a high share of SME and low shares of innovation. The region is still subject to structural changes. By cross border support of business related activities the region should be put in a stronger position and further developed towards an integrated region. All this will be especially achieved by co-operative structures and networks, which should provide the basis and inputs to meet the challenges, making most of the chances and concrete activities. This can be implemented either under the territorial co-operation programme or other national and European initiatives. This is in line with the strategy and will be achieved by:

- Intensification of business and service related support environment
- Intensification and creation of tourism opportunities, improvement and management of cultural heritage
- Development of human resources as well as
- Improvement of living conditions and social integration

### 6.1.1 Business and innovation related environment and services

#### **Context**

The region has to secure its position in the long run as an innovative and high-ranking location in comparison to other regions. The conditions have to be further developed in innovative and demand oriented way, to give access to relevant locations, to modern know-how and to business related services. The frame for regional actors should be improved by intensification of cross border co-operation of business related services, of innovative centres as well as improvement of the innovative and business related environment (co-operation and projects for internationalisation, innovation, research, network activities as well as supporting structures).

#### **In particular the following indicative directions of support should be regarded:**

- Giving access to and providing business related infrastructure
- Enforcing innovation and R&D
- Preparation of regional actors, organisations and institutions for competition

- Improvement, bundling and co-ordination the access to specialised public services (centres, networks etc.) and the existing business related and research infrastructure to close gaps as well as to improve the situation of the existing peripheral regions
- Focus activities and resources in certain fields of strengths/activities, clusters and networks
- Improvement of know how, knowledge and technology transfer between economy, science and administration
- Securing and improvement of the (esp.) economic situation in the border area
- Development and concentration of existing business related potentials
- Development of common core competencies and trade marks for the region
- Improved accessibility, utilisation and extension of existing research and technology networks, also with respect to equal opportunities
- Intensifying the co-operation between regional economy (esp. SME), universities, research institutions and other organisations
- Intensification of the integrated and innovation oriented regional support structures – to generate, adopt and successfully use innovations in business and society
- Development and intensification of technology and know how transfer and co-operation among universities, scientific and research institutions
- Cross border connection of economy, science and public administration
- Support regional supply chains and supply chain management
- Increase of cross border co-operation of business related services, of innovative centres as well as innovative and business related infrastructure

### 6.1.2 Tourism, culture and leisure economy

#### **Context**

Tourism is a very important sector in the region. The natural resources and cultural heritage are the common potentials. The cross border area directly offers potential for its effective exploitation in tourism as well as its potential for recreation. The branches connected with tourism represent sectors in which new job opportunities can be created and give a possibility to increase dynamics of the whole region development.

However, it is important that the tourist development pursues in a balanced way and promotes the border region values. Namely environment and cultural heritage protection is important as well as protection of all sources representing a fundamental wealth of the border region.

Together with improved service this should provide a solid basis for future tourism development in the region. Support of territorial co-operation and of soft activities is also provided by the development of tourism and leisure economy in rural and peripheral areas. A significant cross-reference of the mentioned fields of activity exists to neighbouring activities (e.g. culture) and activities outside the programme, especially in employment and adjustment of qualification, because there is always needed qualified and flexible workforce in an innovation-oriented economy.

**In particular the following indicative directions of support should be regarded:**

- Increase the quality of tourism services and develop and present tourism products and cultural heritage in an optimal way
- Design of promotion materials and marketing strategies developing a picture of tourism and the ideal opening up of (socially modified) markets
- Attract new tourists from the area outside the border region
- Better exploitation of the existing potential for economic activation of the region
- Creation of sustainable opportunities for tourism
- Create cross border tourism co-operation and network the cross border supply
- Enhancement of competitiveness and capacities in the field of tourist offer in compliance with ecological and social limitations
- Consideration of gender aspects in working conditions and tourism supply, integration of gender and target group point of view in product development
- Improve the quality of cross border infrastructure in the field of tourism
- Sustainable forms and products for tourism, culture and leisure economy
- Improvement of the quality of standards for visitors of historical and cultural sights
- Extension of harmonised tourist activities in and around nature protected areas
- Specialising of new transboundary extensive and attractive approaches for nature and landscape tourism
- Linkages between recreation tourism, nature tourism and business tourism
- Relevant organisational structures

### 6.1.3 Human resources development, labour market, education and qualification

#### **Context**

The cross border region still is affected, even after a decade of starting co-operation, by the passed period of closed borders. New relationships have been established, which are also a result of this cross border co-operation process in the last programming periods and have been increased by the accession of the Czech Republic to the European Union. Nowadays new exchange processes and new relationships on the labour market exist. Nevertheless the challenge of the future regional/urban and cross border labour market has to be met and initiated by this programme. The already changed situation on the labour market leads towards increase of demands of the population as well as for the suppliers of education, vocational training, qualification, research and innovation.

**In particular the following indicative directions of support should be regarded:**

- Development of education, qualification and human resources (qualification possibilities adopted to the needs of the economy etc.)

- Development of cross border labour markets should be supported and prepared in co-operation with the relevant actors in the fields of labour market, education and integration
- Improved integration of women and other disadvantaged groups
- Development and co-operation in the regional and cross border labour market and employment
- Decrease of restraints in the education, qualification and social systems as well as in the field of development of human resources
- Increase and accessibility to know how and knowledge
- Enhancement of mobility of work force and students
- Strengthen the co-operation in field of education and qualification, esp. joint qualification in the context of clusters and business co-operation
- Improve the quality of cross border infrastructure in the field of education and qualification

#### 6.1.4 Health and social risk prevention, social integration

##### **Context**

According to the ageing of the society, the change in life cycle and living standards and the change in the population structure due to migration changes it is necessary to notice the change of the situation in this field of activity and to identify, evaluate and adjust the existing regional and national systems. These facts are also very much linked to the changes in labour markets and economy in general several aspects, social integration of disadvantaged groups of the population, migrants, life expectancy, different social and health systems and security systems have to be taken into consideration.

##### **In particular the following indicative directions of support should be regarded:**

- Inclusion of marginalized and disadvantaged groups (youth, women, migrants, any kind of minorities etc.) with significant know how potential in social structures and dynamics in the development process
- Improving social life in the border region
- Enhancement of public participation as means to raise social capital
- Improving living conditions and social cohesion in urban and rural areas
- Reducing social disparities
- Increase activities and efficiency of social risk prevention systems and social infrastructure
- Maintaining and improving co-operation, competencies and capacities of organisations, institutions and communities in this working field
- Elaboration of a cross border activity programme for social risk prevention and social integration for various target groups (disadvantaged groups and persons, minorities, young people)
- Taking diversity of cultures, religions and lifestyles into account at planning and activity level
- Field of social integration, health and social risk prevention with cross border significance (public hospitals, youth organisations)
- Supply of social services for disadvantaged groups of the population

- Integrated rescue system and emergency services for the cross border region

## 6.2 Priority axis 2: regional accessibility and sustainable development

### **Objective:**

Improvement of the accessibility of the border region and enhancement of the environment quality

### **Context:**

Further development of the cross border region and a possibility to make use of chances stemming from its geographical position in the middle of Europe are determined by improvement of the traffic accessibility of this territory. This refers to the development and modernisation of the existing infrastructure, which is of cross border importance as well as the transportation infrastructure in general.

Natural and landscape assets contribute indisputably to the attraction of the cross border region. The state of the environment (of nature and landscape) represents realisation conditions for economic activities, investment allocation and also contributes to further tourism development.

Institutional co-operation even though already developed needs ongoing harmonisation and further initiation. This is intended by

- Improvement of the accessibility of the region
- Improvement of the environment and risk prevention, valorisation/management of nature and natural heritage and alternative energy use as well as
- Improvement of institutional cooperation structures

### 6.2.1 Transport and regional accessibility

#### **Context**

A precondition for cross border socio-economic activities, co-operation and becoming “really one region” is the improvement of the transport situation and the accessibility in the cross border region. The improvement of the innerregional transport system is a very important precondition for the mobility of persons and goods especially in the peripheral areas. Problems and handicaps arise due to insufficient connection between the regions and of the region with high-ranking transport infrastructure. This fact also applies to the level of quality and availability of the telecommunication infrastructure.

The improvements taking into consideration environmental and sustainability aspects, should lead to an optimisation of the accessibility in the areas of transport and telecommunication infrastructure, it should enhance the traffic accessibility in the border region and improve mobility of inhabitants.

#### **In particular the following indicative directions of support should be regarded:**

- Building-up and modernisation of the traffic infrastructure with emphasis on improving the quality of the interconnections in the cross border region (local and regional networks)
- The modernisation of the communication system and the telecommunication infrastructure interconnections of border regions
- Improvement of transregional, cross border/regional/local accessibility with cross border impact

- Optimal use of public and alternative transport modes
- Improved IT access, also for peripheral areas, to create equal development opportunities
- Improvement of traffic accessibility to cultural sites in the border region
- Accessibility of the region by introducing and implementing integrated transport system
- Shifting traffic towards more environmental friendly systems – optimisation of combinations with alternative means of transport (e.g. public transport)
- Support to different mobility needs according to equal opportunities aspects
- Achieving synergies by co-ordination of plans and programmes and allowing better conditions for information and communication technologies to become a real cross border instrument
- Using the creation of an equal standard of supply for information and communication technology (ICT ) for raising the local development possibilities in the region
- Use of telematic applications in transport for the efficient use of existing transport infrastructure and the existing network of logistic centres
- Development of logistic related projects – multi modal split for the reduction of road traffic
- Transboundary environmental impact assessment (EIA)/SEA for infrastructure activities

## 6.2.2 Environment and risk prevention

### **Context**

There is a need for co-ordination of the different types of space utilisation (settlements, population, socio-economic conditions, spatial development, protection of nature, soil management etc.) for the benefit of the variety and the sensibility of nature in the cross border region, which has to be oriented towards sustainability. The development and the use of environmental friendly technologies, renewable energies and renewable primary products also contribute to this fact.

This could be achieved by increasing cross border co-operation in terms of sustainable development in space, environment and economy as well as utilisation of regional resources, especially renewable primary products and energies. Co-ordinated activities of active and passive measures as well as improved warning systems should minimise the probability of natural disasters.

The co-ordination with other Operational Programmes in Austria and the Czech Republic, especially the Rural Development Programmes for this Area of Intervention, will be ensured by the representation of the responsible ministries in the Monitoring Committee (Ministry of Agriculture, Forestry, Environment and Water Management in Austria and Ministry of Agriculture in the Czech Republic).

### **In particular the following indicative directions of support should be regarded:**

- Quality improvement of the environment – protection of natural species, flood prevention and modernisation of the environmental infrastructure (e.g. waste management.)
- Use of environmental friendly technology (e.g. transport system, energy)
- Prevention of environmental and technological risks (prevention and awareness)
- Respecting the principle of environment friendliness and sustainability

- Efficient use of natural resources and renewable energies to achieve regional value added (e.g. supply of fuels, substitution of fossil energy, increase independence from imported fossil energy) and reach the goals for protection of climate and environment
- Renaturation of rivers and improved rescue systems should lead to improved risk prevention (natural hazards, floods etc.)
- Preservation of high-quality landscape and nature management
- Protection from natural disasters and disposal of harms to the environment
- Improved co-ordination (bottom up, exchange of experience) in spatial development and environmental planning
- Strengthen the quality of life and nature by the extension of technical infrastructure as well as co-operation and co-ordination of the responsible institutions and organisations
- Reduction of environmental pollution
- Support the uptake of Environmental Management Systems (e.g. ISO, EMAS, Eco labels) as well as awarding systems
- Cross border strategy for waste management
- Management in the field of „protected species“ and habitat protection (biotopes)
- Realisation and co-ordinated implementation of NATURA 2000 conception
- Harmonisation of SEA regulations
- Flood forecast and flood control measures and joint co-ordination of activities
- Sustainable use of regional water resources
- Socio-economic risk management approaches
- Joint activities in the field of nature and landscape protection (e.g. management plans for valuable localities in term of nature and culture or for landscape complexes)
- Increase of awareness for environment standards, which will lead towards higher attractiveness and better marketing possibilities
- Improve protection of ecosystems
- Developments and improvements related to alternative energies
- Foster technology transfer activities in line with innovation processes to reach “best available technologies”
- Strengthen environmental education and training

### 6.2.3 Sustainable networks and institutional co-operation

#### **Context**

In the last decade organisations and institutions with cross border character, networks for exchange of experience and know how transfer have been established as well as common strategies and projects have been initiated.

Although the contacts since the change of the political systems and during the implementation of the cross border co-operation programmes in last two programming periods have been intensified, there is still space for improvement in the field of informal and official cross border contacts at all levels.

Regional and spatial planning as a cross cutting issue covering sector, horizontal and bottom up aspects uses national, regional and local network or has established own networks for the co-operation, co-ordination and harmonisation of the development of the region under several aspects. These structures already showed reasonable impact during the last programming periods and should be kept in place or even enforced for upcoming tasks (e.g. transport issues, common use and preservation of natural resources, end of the transition period in labour market and for services, prevention of floods).

The focus is on activities in the non-investment area, which should support the success of regional policies, e.g. awareness raising, information, support in getting new contacts, innerregional organisation and co-operation (communities, organisations, regional actors etc.). In line with EC guideline 1082/2006 EGTC the national structure for implementation are in preparation. Concrete structures of organisation (e.g. Euregios, European Regions ...) will be implemented accordingly.

In this area of the programme there will also be supported the Small Project Fund (SPF), which proved to be a well established and used instrument in all the cross border region. The high demand of local and regional organisations and stakeholders for support of small projects led again to the integration of the SPF into this programme with a dotation of approx. 9,5 Mio. Euro, what clearly reflects the importance of this instrument for the cross border cooperation. The specific conditions for implementation of the SPF will be described separately in an users manual.

**In particular the following indicative directions of support should be regarded:**

This field of activities should be supported by the creation and further development of co-operation structures on different levels (administration, communities, professionals etc.) e.g.:

- Strengthen the institutional network
- Creation of regional governance structures to improve the regional and cross border co-operative organisation structures (including communities, regional/local/cross border initiatives, as well as organisations and regional actors) for a co-ordinated and sustainable regional and spatial development
- Enable people to people co-operation to increase small scale direct integration and cohesion activities
- Improvement and development of communication and co-operation (infra)structure
- Strengthen bottom up and the partnership principle, cross border integration, raise of the endogenous potential
- Improved co-operation of innovative and regional actors by implementing a better regional governance of the relevant policies
- Preservation and further development of the regional consulting and co-ordination network
- Integrated planning and environmental assessment (if requested) for strategic projects and processes, sustainable spatial development
- Establish participation structures (e.g. AGENDA 21)



- Exchange, support, planning and monitoring of cross border regional and spatial planning systems, aspects and perspectives
- Support a common cross border spatial planning perspective, to enable the integration of cities, functional urban regions and regions across the border as well as better connection of the urban centres with peripheral areas.
- Co-operation among cities of similar size, urban and suburban co-operation
- Co-operation networks (networking of cities and in the culture, youth etc.)
- Development of “European Regions”, foster CBC between Euregios and to “European Regions”
- Small Project Fund
- Co-operation projects in order to reduce social disparities between urban and rural areas

### 6.3 Priority axis 3: Technical Assistance

In this priority includes activities for implementation, monitoring, evaluation and control of the present programme as well as information and publicity to support the active participation of all partners and regions. This should guarantee the preconditions (material and personal resources) for programme implementation and efficient and effective monitoring, including control, monitoring, evaluation, information and public relations.

### 6.4 Possible applicants

Applicants searching support under this Operational Programme always have to be aware of the funding possibilities under Objective 3 Territorial Co-operation. No business aid will be given and no private companies and natural persons can apply for financial support. Further all activities, which are financed from the ERDF and covered by other European Programmes (e.g. Objective 1 and 2) and initiatives (e.g. Trans European Networks) also will not be supported by this programme.

As a general rule possible applicants according to the relevance of their activities in the different priorities of the programme are mainly public or public equivalent institutions implementing the activities on non-profit character.

## 7 PUBLICITY

Based on Art. 69 of General Guidelines No. 1083/2006 the member state and the Managing Authority of the OP will provide information on co-financing of the programme as well as guarantee its publicity. The main goal is to inform transparently the citizens as well as beneficiaries about cross border co-operation and the role of the European Union in the development of the Austrian-Czech border area.

In informing general public as well as potential beneficiaries the Managing and National Authorities will co-operate closely with Joint Technical Secretariat, Regional Bodies and Euroregions.

Information and publicity on the whole Programme will be provided by:

- Publication of full information on the Programme at a specific website
- Publication of short information on the Programme in brochures and leaflets
- Writing annual and final reports for the Commission
- Implementation of information activities related to management, monitoring and evaluation of the Programme.

Information will be provided to different potential applicants at local or regional level.

Relevant information on the OP (such as information on main OP documents, contacts on all institutions related to the programme implementation, updated information on the OP, list of supported projects including the amount of grant, calendar of planned events including dates of Joint Monitoring Committee meetings, references to other websites related to the EU and its activities, response to frequently asked questions about the OP etc.) will be provided on websites of institutions responsible for the OP publicity. Media, information leaflets, brochures, billboards, flags and other EU publicity products will also support the OP.

Beneficiaries are informed correctly and fully on the publicity regulations. Attention is given to visibility rules during the monitoring of project implementation.

The Communication Plan will be elaborated in accordance with Art. 2 Implementing Guidelines. The goal of this plan will be providing all applicants information on the OP as well as on the EU Structural Funds. The plan shall also raise the awareness of the public on the EU and its role in implementing the cross border co-operation and in promoting transparency of joint activities. In addition the plan aims to define a corporate identity for entire public measures relevant for the OP.

## 8 SYSTEM OF INDICATORS

Indicators are relevant to measure the CBC programme impact to control if objectives have been achieved. The choice of appropriate indicators is important for the programme and its operations adopted by the Joint Monitoring Committee (JMC). The aim of the indicators is to measure the progress made compared to the initial situation and to measure the effectiveness of the chosen intervention. Therefore the achievement of specific objectives of the programme will be measured by specific output and result including the co-operation indicators. By concentrating on a set of basic indicators a basis for the qualitative evaluation of projects and the programme result as a whole should be possible.

Indicators are distinguished on different levels: the programme (context indicators), the priority and the operation. The set of indicators on operation level will be defined and collected in the Central Monitoring System. The indicators on programme and priority level are aggregated from these. This uniform set of indicators is the basis for evaluating the results of the whole programme as well as of the single operations. The information collected in the monitoring build the basis for evaluation.

### 8.1 Indicators on OP level - context indicators

The context indicators listed below should give a picture on the socio economic environment of this Objective European Territorial Co-operation Programme and how this environment changes during programme implementation. Context indicators are proposed according to their annual availability on NUTS III level and to their comparability for the programme region.

The following indicators will be integrated as context indicators in the annual reports:

- Gross regional product (GRP) per inhabitant in purchasing power parity (PPP)
- GRP per inhabitant change in % in relation to the starting year 2006
- Unemployment rate per gender
- Employment rate per gender
- Change in the population per gender in % of the starting year 2006

### 8.2 Indicators on priority level

Indicators, which are relevant for both priorities are the co-operation indicators:

- Number of projects respecting two of the following criteria: joint development, joint implementation, joint staffing, joint financing (42 – these number correspond to the number of indicators contained in EC working paper 2 on indicators for monitoring and evaluation)
- Number of projects respecting three of the following criteria: joint development, joint implementation, joint staffing, joint financing (43)
- Number of projects respecting four of the following criteria: joint development, joint implementation, joint staffing, joint financing (44)

According Art. 12(4) EU Reg. 1080/2006 priority objectives defined in chapter 5 are quantified by the following listed number of indicators. Quantified indicators are based on the categorisation and monitor-

ing system of the EU and derive from the list of (core) indicators laid down in the methodical working paper “Indicators for Monitoring and Evaluation.” Data will be collected on the level of operations at the Central monitoring system (CMS).

In line with the development objectives, taking into consideration the contribution of the Structural Funds available and a matching average project size the indicative number of operations/activities to be most likely implemented till the end of the OP can be estimated. A breakdown by sex will be done as appropriate.

### Quantified targets 2007-2015

	Baseline	Quantified target 2007-2015: indicative Number of operations/activities planned
<b>Priority axis 1</b>		<b>255</b>
Number of projects supporting fields of strengths, clusters, other networks, cooperation platforms (5)	0	40
Number of projects with innovative, technology oriented approach	0	40
Number of projects, which contain joint management of regional resources and marketing of the region – tourism (34, 40)	0	80
Number of projects in the sector of education and qualification (36)	0	50
Number of projects with equality aspects	0	30
Number of projects in the field of health and social integration (38)	0	15
<b>Priority axis 2</b>		<b>152</b>
Number of projects improving the accessibility and the use of joint infrastructure (46, 48)	0	50
Number of projects, which lead to ecological sustainability (joint protection of nature/environment, energy efficiency, renewable energy, management of the environment, etc. – 23, 49)	0	60
Number of projects in the field of risk prevention (31)	0	9
Number of projects developing collaboration in the field of public services (47)	0	18
Number of projects with the aim to achieve common standards and exchange of information – joint instruments adopted		9
Number of people to people actions	0	6

<b>Priority axis 3</b>		<b>18</b>
Number of information events/days	0	9
Number of supporting studies, expertise	0	9

## 9 INDICATIVE FINANCIAL PLAN

The following table gives an indicative picture of the planned financial commitments by each partner for this Objective 3 programme Czech Republic -Austria.

In general the aim is a balanced distribution of the funds following the results of the analysis and the main items identified. Maximum level of contribution from ERDF shall not be higher than 85% of the total public funds on the level of the OP.

### 1. Financing plan breaking down for each year in accordance with Articles 52, 53, 54 of Regulation (EC) N° 1083/2006

1	2
Year	ERDF
2007	14.284.367
2008	14.596.974
2009	14.943.831
2010	15.326.729
2011	15.718.967
2012	16.091.624
2013	16.472.901
<b>Sum 2007-2013</b>	<b>107.435.393</b>

### 2. Total financial table in accordance with Article 53(1b) of Regulation (EC) N° 1083/2006 in Euro

	Community Funding	National Public funding	National Private Funding	Total funding	Co-financing rate	For information	
						EIB contributions	Other funding <sup>17</sup>
	A	B	C	D=A+B+C	E=A/D	F	G
<b>Priority axis 1</b>	47.476.084	8.378.132	0	55.854.216	85,00%	0	0
<b>Priority axis 2</b>	53.513.186	9.443.504	0	62.956.690	85,00%	0	0
<b>Priority axis 3</b>	6.446.123	1.137.551	0	7.583.674	85,00%	0	0
<b>Sum</b>	107.435.393	18.959.187	0	126.394.580	85,00%	0	0

<sup>17</sup> Other funds will be monitored in line with Art. 16(1) of EU reg. 1080/2006

### 3. Indicative breakdown by category in accordance with Article 12 of Regulation (EC) N° 1080/2006

Priority theme		
Code*	Content	Amount **
01	R&TD activities in research centres	915.858
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology	622.080
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, postsecondary education establishments of all kinds, regional authorities, research centres and scientific and technological poles (scientific and technological parks, technopoles etc.)	3.315.576
05	Advanced support services for firms and groups of firms	2.860.910
09	Other measures to stimulate research and innovation and entrepreneurship in SME	3.554.170
11	Information and communication technologies (access, security, interoperability, risk-prevention, research, innovation, e-content etc.)	1.048.822
13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion etc.)	1.425.385
14	Services and applications for SMEs (e-commerce, education and training, networking etc.)	828.816
16	Railways	1.509.784
23	Regional/local roads	12.682.779
24	Cycle tracks	6.010.529
25	Urban transport	1.111.167
26	Multimodal transport	1.111.167
28	Intelligent transport systems	844.970
31	Inland waterways (regional and local)	89.024
39	Renewable energy: wind	545.600
41	Renewable energy: biomass	899.135
43	Energy efficiency, co-generation, energy management	400.606
44	Management of household and industrial waste	1.044.735
45	Management and distribution of water (drinking water)	345.600
46	Water treatment (waste water)	345.600
48	Integrated prevention and pollution control	333.535
49	Mitigation and adaptation to climate change	1.693.535
50	Rehabilitation of industrial sites and contaminated land	345.600
51	Promotion of biodiversity and nature protection (including Natura 2000)	1.966.955
53	Risk prevention (including the drafting and implementation of plans and measures to prevent and manage natural and technological risks)	2.813.135
54	Other measures to preserve the environment and prevent risks	1.477.252
55	Promotion of natural assets	1.880.326
56	Protection and development of natural heritage	1.912.968
57	Other assistance to improve tourist services	10.168.668
58	Protection and preservation of the cultural heritage	1.880.326
59	Development of cultural infrastructure	1.880.326
60	Other assistance to improve cultural services	2.094.336
61	Integrated projects for urban and rural regeneration	1.220.089
62	Development of life-long learning systems and strategies in firms; training and services for employees to step up their adaptability to change; promoting entrepreneurship and innovation	541.452
64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills	368.652
65	Modernisation and strengthening labour market institutions	430.568
66	Implementing active and preventive measures on the labour market	941.139
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for	542.539

	dependent persons	
70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration	390.413
71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace	624.973
72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge based economy	1.036.800
73	Measures to increase participation in education and training throughout the life-cycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training	1.513.159
74	Developing human potential in the field of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses	853.420
75	Education infrastructure	906.782
76	Health infrastructure	1.268.589
79	Other social infrastructure	2.988.031
80	Promoting partnerships, pacts and initiatives through the networking of relevant stakeholders	10.086.510
81	Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes	7.316.880
85	Preparation, implementation, monitoring and inspection	4.434.307
86	Evaluation and studies; information and communication	2.011.815
	<b>Total</b>	<b>107.435.393</b>
	* Categories should be coded for each dimension using standard classification.	
	** Estimated amount of the Community contribution for each category.	



## 10 JOINT STRUCTURES OF CO-OPERATION AND FINANCIAL MANAGEMENT FOR THE IMPLEMENTATION OF THE PROGRAMME ON TERRITORIAL CROSS BORDER COOPERATION AUSTRIA - CZECH REPUBLIC 2007-2013

According to Article 70 Council Regulation No 1083/2006 the member states are responsible for set up of management and control systems, as specified for Territorial Co-operation programmes in Article 13 to 17 Council Regulation No 1080/2006, and function effectively. They lay down rules governing its relations with authorities located on their territory and being involved in implementation of the programme.

For the Cross border Co-operation programme Austria – Czech Republic 2007-2013 the member states are represented by following authorities:

Austria:	Czech Republic:
Federal Chancellery	Ministry for Regional Development
Division IV/4	Staroměstské náměstí 6, CZ-110 05 Praha 1
Ballhausplatz 2, A-1014 Wien	

The member states will ensure that the below mentioned authorities will have access to all the information required to discharge their responsibilities.

### 10.1 Organisational structures for programme implementation (functional organisation)

#### 10.1.1 Administrative structures

The member states – based on an agreement in partnership between the participating authorities in Austria and in the Czech Republic – designate the following authorities for the implementation of the programme according to Article 59 Council Regulation No 1083/2006 and Article 14 Council Regulation No 1080/2006:

#### **Managing Authority (MA)**

The Czech and Austrian programme partners agree that the responsibility of the Managing Authority (MA) within the meaning of Article 12 (8) Council Regulation No 1080/2006 and according to Article 59 Council Regulation No 1083/2006 will be given to the

Office of the Government of Lower Austria  
Department of Spatial Planning and Regional Policy  
Landhausplatz 1, A-3109 St. Pölten

According to Article 60 Council Regulation No 1083/2006 and to Article 15 Council Regulations No 1080/2006 the Managing Authority is responsible for managing and implementing the operational programme in accordance with the principle of sound financial management, in particular:

- Ensure that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for their whole implementation period
- Ensure that there is a system to record and store computerised accounting records of each operation and that the necessary data for financial management, monitoring, verifications, audits and evaluation is collected
- Ensure that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules
- Ensure that the evaluations of operational programmes referred to in Article 48(3) Council Regulation No 1083/2006 are carried out in accordance with Article 47 Council Regulation No 1083/2006
- Set up procedures to ensure that all documents regarding expenditure and audits required are collected to ensure an adequate audit trail to be held in accordance with the requirements of Article 90 Council Regulation No 1083/2006
- Ensure that the certifying authority shall receive all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification
- Guide the work of the Monitoring Committee and provide the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals
- Draw up and submission of the annual and final reports on implementation to the Commission
- Information about the programme and ensuring compliance with the information and publicity requirements laid down in Article 69 Council Regulation No 1083/2006

Further responsibilities are:

- Lead the work of the Joint Technical Secretariat (JTS)
- Confirm operations that are selected outside the programme area in accordance with Article 21 Council Regulation No 1080/2006
- Contract ERDF with the lead beneficiaries with a standard frame contract
- Collect the interim and final reports of the certified statements of expenditure from the lead beneficiaries and submission of the cost statement to the Certifying Authority

### **Joint Technical Secretariat**

According to Article 14 (1) Council Regulation No 1080/2006 the Managing Authority sets up a Joint Technical Secretariat, which works on behalf of the Managing Authority. The Joint Technical Secretariat supports the Managing Authority, the Monitoring Committee (which includes representatives of the National Authority, Regional bodies etc.) and, when appropriate, the Audit Authority.

The JTS in particular is responsible for the following joint tasks:

- Secretariat function for the Monitoring Committee including the preparation and mailing of the documentation and the minutes of meetings [in two or more languages if required]

- Draw up reports on the programme implementation (in English)
- Publicity and information tasks (including creation, maintenance and updating of a programme website) in close co-operation with the MA, national authorities (NA) and regional bodies.
- Management of the Central Monitoring System, maintenance and update of data in the CMS
- Registration of submitted operations and their uploading into the Central Monitoring System
- Assessment of project applications with support of the Regional bodies
- Preparation of documentation of the results of assessment and suggestion for decision of the Monitoring Committee
- Preparation of Monitoring Committee meetings
- Information of the lead beneficiary on the results of the Monitoring Committee including the conditions formulated
- Preparation of ERDF contracts, monitoring the project progress and check the project progress reports (in terms of content and financial conformity with ERDF-contract)
- Receiving information concerning changes on operations and preparation of changes of ERDF-contracts
- Give support and guidance to potential applicants and to ongoing projects

### **Certifying Authority (CA)**

In accordance with Article 61 Council Regulation No 1083/2006 and Articles 14 (1) and Article 17 (2) Council Regulation No 1080/2006 the function of the Certifying Authority is carried out by the

Federal Chancellery of the Republic of Austria

Division IV/4

Ballhausplatz 2, A-1014 Wien

On behalf of the certifying authority the operative tasks according to Article 61 Council Regulations No 1083/2006 are performed by

European Recovery Programme (ERP) Fund

Ungargasse 37, A-1031 Wien

According to Art. 14 (1) of Council Regulation No 1080/2006 the Certifying Authority shall receive the payments made by the Commission and shall make the payments to the lead beneficiary. On behalf of the Austrian Federal Chancellery these tasks shall be carried out by the ERP-Fund acting as an Intermediate Body under the responsibility of the Certifying Authority. For this purpose an ERDF programme account has been established and is kept by the ERP-Fund.

Towards the European Commission the Federal Chancellery keeps fully responsible and represents the certifying authority amongst others by signing the certified statements of expenditure and applications for payment.

### **Audit Authority (AA)**

Within the meaning of Article 62 Council Regulation No 1083/2006 and according to Article 14 (2) Council Regulation No 1080/2006 the function of a Audit Authority responsible for verifying the effective functioning of the management and control system shall be carried out by the

Federal Chancellery of the Republic of Austria

Division IV/3

Ballhausplatz 2, A-1014 Wien

Within the meaning of Article 14 (2) Council Regulation No 1080/2006 the Audit Authority of the operational programme shall be assisted by a group of auditors comprising a representative of each Member State participating in the operational programme and carrying out the duties provided for in Article 62 Regulation No 1083/2006. The group of auditors shall be set up at the latest within three months of the decision approving the operational programme. It shall draw up its own rules of procedure. The Audit Authority for the operational programme shall chair it.

The audit authority ensures that the audit work takes account of internationally accepted audit standards. The audit authority is functionally independent from the Division IV/4 of the Federal Chancellery acting as certifying authority. Furthermore the audit authority is neither involved in programme management nor in the implementation of any operation.

### **National Authority (NA)**

The National Authority supports the Managing Authority in coordination of activities in the Czech Republic. The MA shall be assisted by

Ministry for Regional Development of the Czech Republic

Staroměstské náměstí 6, CZ-110 05 Praha 1

### **Regional bodies (RB)**

Regional bodies contribute to the programme by:

- Publicity and information tasks as well as guidance to potential applicants
- Advice on application procedures together with the JTS

After registration of the application in the Central Monitoring System by JTS, Regional Bodies will support the JTS concerning:

- o Compliance with regional policy strategies and fulfilment of organisational, legal, technical and economic requirements and expected outputs of operations
- o Quality, cross border cooperation and cross border impact

Neighbouring Regional Bodies will elaborate these comments jointly.

Regional Bodies (RB) in the Programme are:

## AUSTRIA

Office of Government of Lower Austria

Department of Spatial Planning and Regional Policy, Unit for EU Regional Policy

Landhausplatz 1, A-3109 St. Pölten

Office of Government of Upper Austria

Department of Spatial Planning

Division for Co-ordination of EU Regional Policies,

Bahnhofplatz 1, A-4021 Linz

Office of Government of Vienna

Department for EU-Strategies and Economic Development

Unit for EU-Funding

Schlesingerplatz 2, A-1080 Wien

## CZECH REPUBLIC

The Authority of South Moravia Region

Department of Regional Development

Zerotinovo nam. 3/5, CZ – 601 82 Brno

The Authority of Vysocina Region

Department of Regional Development

Žižkova 57, CZ – 587 33 Jihlava

Office: Žižkova 16, Jihlava

The Authority of South Bohemian Region

Department of Grants and European Integration

U Zimního stadionu 1952/2, CZ – 370 76 České Budejovice

### **Central Monitoring System (CMS)**

According to Article 60 lit. c Council Regulation No 1083/2006 the Managing Authority shall ensure a system to record and store computerised accounting records of each operation. For the collection of data a Central Monitoring System has been established at the

ERP Fund

Ungargasse 37, A-1030 Wien

Each individual operation will be mapped by the IT-system according to a specific data set. This data set, which has to be collected at the level of individual operations, will be agreed between programme partners before implementation of the programme starts. It will not only include obligatory information according to Commission Regulation (EC) No 1828/2006 (setting out rules for the implementation) but additionally provide information in order to support optimal implementation of the operational programme and for evaluation purposes.

Data will be reported to the CMS by the JTS under the responsibility of the MA.

Data sent by JTS to the CMS shall be considered as official data used for certificate and statement of expenditure, application for payment, annual reports on implementation, evaluations, audits of operations etc.

Monitoring data shall be made available by the CMS to the MA, NA, CA, AA, RBs, controllers and the European Commission. By means of CMS the necessary information for electronic data transfer will be generated as well.

### **Control System**

According to Article 16 Council Regulation 1080/2006 each member state of the programme will establish a control system to verify the delivery of the products and services co-financed. Each Member State designates the controllers responsible to verify the legality and regularity the expenditure declared by each beneficiary in the operation.

The responsibility is given to:

- Czech Republic:

Centre for Regional Development of the Czech Republic

Vinohradská 46, 120 00 Praha 2

- Austria:

In general the responsibility for controlling according to Article 16 (1) (EC) 1080/2006 will be - according to a Federal Constitutional Act, based on Art. 15a B-VG – taken over by the following authorities in the Länder (for project partners coming from their respective Land):

Office of Government of Lower Austria

Division of Spatial Planning, Environment and Transport

Landhausplatz 1, A-3109 St. Pölten

Office of Government of Upper Austria

Department of Spatial Planning

Technical Audit

Bahnhofplatz 1, A-4021 Linz

Office of Government of Vienna

Department for EU-Strategies and Economic Development

Unit for Finance and Financial Control

Schlesingerplatz 2, A-1080 Wien

In exceptional cases, the controlling according to Article 16 (1) (EC) 1080/2006 can be delegated to another experienced authority – based on the provisions of the Federal Constitutional Act according to Art. 15a B-VG. Responsible controllers for each project partner will be fixed in the ERDF contract.

These bodies ensure validation of expenditure in terms of delivery of products and services co-financed, soundness of the expenditure declared compliance of such expenditure with Community and national rules as set out in Article 16 (1) Council Regulation No 1080/2006. The controllers ensure, amongst others, that for each interim or final report of an operation, detailed and consistent reports are made available, which allow a clear identification of and consistency with the related certifications of expenditure.

The Managing Authority sets out written standards and procedures for the controllers, in order to comply with the requirements as described in Article 16 (1) Council Regulation No 1080/2006. By means of these standards and procedures should be ensured that the programme's control system could verify whether

- The expenditure declared is real
- Co-financed products and services have been delivered in accordance with the ERDF contract
- Applications of reimbursement by the beneficiary are correct
- Operations and expenditures comply with community and national rules (e.g. public procurement, state aid)
- Double financing of expenditures with other Community or national schemes and with other programming period is avoided
- Verifications follow the procedures laid down in article of implementation guide line

A detailed description of the control system will be provided through the description of the management and control system as requested by Article 71 Council Regulation No 1083/2006. In case where institutions appointed as regional bodies will be entrusted with tasks of financial control according to Article 16 Council Regulation 1080/2006, a clear separation of responsibilities between RB and controller will be ensured.

With reference to Article 3 (1) Regulation (EC) 2035/2005 all relevant programme bodies will provide quarterly reports on irregularities occurred to the Audit Authority, which will submit a report to the European Commission.

The member states will set up a formalised procedure to deal with irregularities in compliance with the provisions of Regulation (EC) 2035/2005. This procedure will – amongst others – set out detailed rules and responsibilities for reporting obligations, joint controlling standards, recovery of unduly paid funds, liabilities and coordination between the responsible authorities on either side.

### 10.1.2 Bodies to support the implementation and the selection of operations

The constitution of the bodies mentioned and the distribution of voting rights shall be agreed on by mutual consensus by the Austrian and Czech programme partners.

#### **Monitoring Committee (MC)**

The tasks of the Monitoring Committee are laid down in Article 65 Council Regulation No 1083/2006. According that the Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

- a) It shall consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs
- b) It shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the Managing Authority
- c) It shall examine the results of implementation, particularly achievement of the targets set for each priority axis and the evaluations referred to in Article 46 (3)
- d) It shall consider and approve the annual and final reports on implementation referred to in Article 66
- e) It shall be informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report
- f) It may propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the funds' objectives referred to in Article 3 or to improve its management, including its financial management;
- g) It shall consider and approve any proposal to amend the content of the Commission decision on the contribution of the funds

The Monitoring Committee is the only body within the programme responsible for a final selection of operations to be supported. Within the meaning of Article 11 Council Regulation No 1083/2006, a partnership involving competent regional authorities, economic and social partners and any other appropriate body covers the monitoring of the OP. The composition of the Monitoring Committee is determined in accordance with the provision of Article 64 Council Regulation No 1083/2006. The Monitoring Committee adopts its rules of procedure in agreement with the Managing Authority in order to exercise its missions in accordance to the present regulation.



## 10.2 Procedural regulations governing the programme implementation (procedural organisation)

### **Programme Evaluation**

In order to support the monitoring of an operational programme it has been agreed that evaluation of the programme shall be carried out during the programming period according to Article 47 Council Regulation No 1083/2006.

Evaluations will assess impacts, undertake qualitative research and focus on capitalisation of programme results as well as optimisation and evolution of the programme. To achieve these ends the evaluators can gather further data, which is not available through the monitoring system, through supplementary methods (e.g. interviews, research, field studies).

In compliance with Article 47 and in line with Article 59 lit. b and c Council Regulation No 1083/2006 evaluations shall be carried out by experts that are functionally independent of the certifying authority and audit authority.

According to Article 48 (3) Council Regulation No 1083/2006 the results shall be sent to the monitoring committee for the operational programme and to the Commission and published according to the applicable rules on access to documents.

In compliance with Article 47 (4) Council Regulation No 1083/2006 evaluations shall be financed from the budget for technical assistance.

### 10.2.1 Co-ordination at the programme level

In compliance with Article 60 Council Regulation No 1083/2006 the MA or – as commissioned by the latter, the JTS – is responsible for the co-ordination between the authorities named in section 10.1 and involved in the implementation of the Programme on Territorial Cross border Co-operation Austria - Czech Republic.

In addition to the provisions of Council Regulation No 1083/2006 with regard to the tasks of the MA, the AA and the CA, the following co-ordination procedures are agreed:

a) The MA shall become active with regard to the following issues of programme-strategic importance in agreement with the NA as well as in issues regarding programme financing:

- Preparation of proposals for the MC decisions regarding amendments of the OP
- Preparation of the annual meetings with the European Commission pursuant to Article 68 Council Regulation No 1083/2006
- The provision of resources to carry out evaluations according to Article 47 (3) Council Regulation No 1083/2006

b) Data regarding the implementation of the programme shall be made available by the JTS and (on financial matters) by the CA – in the most suitable form afforded by the available technical facilities– to the members of the MC, (which includes representatives of the NA and the RBs), as well as the competent authorities of the European Commission

c) RBs, CA, NA and MA shall inform each other immediately with regard to any delay, implementation problems or irregularities occurring in the financial management of the programme, co-ordinate measures to eliminate such problems and monitor their successful implementation.

d) By the end of April of each year the CA shall transfer directly to the Commission the estimated number of applications for payment expected for the current and the following calendar year. This estimate shall relate to eligible expenditure as a whole as well as to ERDF funds

e) According to Article 73 (1) Council Regulation No 1083/2006 the Commission and the audit authorities shall meet on a regular basis, at least once a year unless otherwise agreed between them, in order to examine together the annual control report and opinion presented under Article 62 Council Regulations No 1083/2006 and to exchange views on other issues relating to the improvement of the management and control of the operational programmes

### 10.2.2 Lead beneficiary (Lead partner principle)

Within the meaning of Article 2 Council Regulation No 1083/2006 and in compliance with Article 20 Council Regulation No 1080/2006 the responsibilities of the lead beneficiary and the other beneficiaries are:

For each operation, the beneficiaries among themselves shall appoint a lead beneficiary. The lead beneficiary (Lead partner, LP) shall assume the following responsibilities:

- The LP lays down the arrangements for his relations with the beneficiaries participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid
- The LP is responsible to ensure the implementation of the entire operation
- The LP ensures that the expenditure presented by the beneficiaries participating in the operation has been paid for the purpose of implementing the operation and corresponds to the activities agreed between the beneficiaries participating in the operation
- The LP verifies that their controllers have validated the expenditures presented by the beneficiaries participating in the operation

Further responsibilities of the LP:

- Responsibility for the submission of the filled in application form together with the partnership agreement toward its responsible RB or JTS
- Singning the ERDF contract and immediate information of the other partners after its acceptance
- Submission of a summarised report in German or Czech language based on submitted progress reports from the project partners and transmission of it together with the collected certifications of expenditure to the JTS and in copy to the LP's controller
- Inform his controller about changes in the operation who then notifies the JTS on these changes

Each beneficiary (project partner) participating in the operation needs to:

- Assume responsibility in the event of any irregularity in the expenditures which it has declared

- According to Article 21 Council Regulation No 1080/2006 inform the member state if he participates in a cross border programme in case this member state as such is not participating in the operational programme concerned

Further responsibility:

- Submission of standardised progress and statement of expenditure report to the responsible controller, together with original invoices for control in German or Czech language
- Submission of approved progress report and certification of expenditure to the lead beneficiary (lead partner) for a summary report

### 10.2.3 Administration of the programme at the level of operations – project life cycle

The administrative work involved in the procedures for granting assistance to the individual operations under the Cross border Programme Austria-Czech Republic will be managed according to the following rules, which may be further specified by agreement between the MA, NA, the RBs and the JTS:

#### **a) Information and consulting:**

The RB and/or the JTS shall adequately inform potential beneficiaries of the objectives of the programme, the prerequisites for obtaining ERDF funds and the individual procedures to be followed. The applicants of operations shall be informed about the decision of the Monitoring Committee by the JTS. Publicity and information actions will be implemented by the JTS and the RBs in agreement with the MA and NA and if useful, also with the participation of any existing regional consulting and project management institutions, regional development agencies and the co-financing national assistance authorities. A communication and information plan shall be drafted in accordance with Articles 2 to 10 the Commission Regulation setting out rules for the implementation.

#### **b) Submission and registration of applications for ERDF co-financing**

The application shall be submitted in digital (electronic) and analogue signed form together with the partnership agreement and co-financing statements of national means to the RB of the lead beneficiary (LP) or the JTS.

Each complete application that fulfils the acceptability and formal requirements will be reported to the CMS and will be registered by the JTS. Thus the information of all information submitted is available via the CMS for the programme partners. In addition detailed information on all applications can be obtained through the JTS.

If an application is submitted to the RB, it shall be forwarded to the JTS for registration.

#### **c) Assessment of applications**

The JTS is responsible for the assessment process of operations done with support of the RBs and prepares suggestions for the Monitoring Committee.

The assessment is done mainly in these categories:

- Economic and organisational capacity of the beneficiaries
- Definition of target groups of the operation and the contribution of activities to their improvement
- Amount and appropriateness of the costs of the operation
- Secured financing, appropriateness of the ratio between own funds and public assistance (taking into account the possible programme co-financing of ERDF funds as well as any other national public funds applied for, already granted or promised)
- Compliance with regional development programmes and sector policy objectives (if required, also including statements of other administrative bodies concerned)
- Compliance with the specific assistance requirements of cross border co-operation pursuant to the OP
- Compliance with Article 19 Council Regulation No 1080/2006 in terms of the fulfilment of at least two of the four enumerated ways of co-operation: joint development, joint implementation, joint staffing and joint financing
- Compliance with other relevant provisions of national procurement law and EU law (state aid legislation, rules of public procurement, environmental law etc.)
- Compliance with the provision of equality of women and men and the integration of gender perspective as well as accessibility for disabled persons
- Complementarity with other regional or national Structural Funds programmes
- External experts can also be used during the assessment, if appropriate

The examination is done in the following three summarised categories:

- Quality of the operation
- Content of cross border co-operation and
- The cross border impact of the operation

The suggested operation will be presented within the Monitoring Committee for decision. In the event of disputes, the MC may obtain external statements (e.g. expert opinions, assessments by the concerned municipalities, Euregios).

#### **d) ERDF co-financing decisions**

MC receives information on every submitted operation.

The MC selects the operations and decides on ERDF funds on the basis of the assistance recommendations issued by the JTS.

The co-financing of an operation with ERDF funds in specific amounts shall be granted (according to availability) only if the result of the examination is as follows:

- The assistance requirements are fulfilled as defined by the minimum criteria of the cross border programme, the selection criteria defined and approved by the MC, the relevant assistance guidelines and other relevant national and Community legislation
- The amount of the co-financing to be granted, taking into consideration the total amount of the subsidy, is commensurate with the content of the operation and the financial capacity and/or

needs of the entity responsible for the operation and – if applicable – complies with the provisions of EU state aid legislation (assistance ceilings, accumulation rules, notification requirements)

The MC may decide to finance a Small Project Fund (SPF) in a form of a regular operation.

On the basis of the operations selected by the MC, the RBs and the NA will conclude contracts concerning co-financing, according to their specific legal provisions.

#### **e) ERDF subsidy contract**

The legally binding written approval for all of the ERDF funds granted to an operation shall be issued by the MA concerned in a form of subsidy contract and shall be handed over to the lead beneficiary. Its acceptance constitutes the ERDF subsidy contract.

Besides the amount of ERDF granted, the subsidy contract shall contain the:

- Registered application form together with list of changes which possibly raised during the evaluation process (e.g. changes required due to MC decision)
- Terms of the European Territorial Cooperation Programme Austria - Czech Republic as well as other EU and national rules relevant for implementation of operations
- Definition (in terms of territorial impact, timeframe and content) of eligible costs or reference where this information is available
- Information about the responsible controller according to Article 16 Council Regulation 1080/2006.

The lead beneficiary is obliged to co-ordinate all involved partners named in the subsidy contract and to comply with the conditions and requirements with regard to reporting, auditing and re-payment.

The national funding bodies issue the contracts for national co-funding to the project partner on the basis of the respective national legal provisions.

The conclusion of any ERDF subsidy contract together with the required information shall be reported to the CMS by the JTS.

In compliance with Article 81 Council Regulation No 1083/2006 ERDF subsidy contracts will be denominated and issued in Euro.

ERDF subsidy contracts within the framework of a SPF shall be reported to the CMS only after the (interim) settlement of accounts and the payments of funds (lit. g) have been concluded.

#### **f) Control System according to Art. 16 Council Regulation (EC) No 1083/2006**

Only expenditure actually paid and eligible for funding (or expenses recognised as equivalent under EU law) may be co-financed by ERDF funds. ERDF funds may therefore only be paid on the basis of receipted invoices, (or accounting documents of equivalent probative value) that clearly relate to the recipient of the assistance, the assisted operation and to the defined timeframe.

To ensure this, the beneficiary shall present progress report, statement of expenditures with receipted invoices for the eligible costs and financing of the co-financed operation including a list of all actually

paid invoices and payment confirmations to the responsible controller. The progress report includes descriptions on cross border activities and major achievements according to the agreed milestones in the reporting period.

The controller has to verify the products and services co-financed and pursue a reality check of the expenditure claimed and to ensure compliance with the terms of assistance as specified in the ERDF subsidy contract by checking the invoices and – depending on the type of operation – also by conducting on the spot verifications. After this check the controller issues a certification about all eligible expenditures per partner (Certification of Expenditure) within three months after submission and remits it to each of the presenters of an initial statement of costs (project- and /or lead beneficiary). Partners will then forward their certificate to their lead beneficiary who is in charge to collect all information for the report package.

In this context care shall be taken to ensure the proper separation (and if applicable, also the organisational and functional separation) of the personnel conducting financial control from the operation consulting activities and, in particular, from the project management in order to avoid conflicts of interests and to reduce the risk of irregularities.

After examining an operations implementation and the statement of expenditure according to Art. 16 Council Regulations No 1080/2006, the beneficiaries submit their progress reports and certification of expenditure to the lead beneficiary.

The lead beneficiary will submit the standard progress report package (consisting of a single financial and a single progress report for the whole project, statements of expenditure and certifications of expenditure for each partner) in bilingual version together with the application of reimbursement to the Managing Authority.

#### **g) Payment of EU funds**

The Managing Authority checks the completeness and consistency of the report package, verifies that controlling requirements according to Art. 15 (1) (EC) 1080/2006 are fulfilled, issues an application for reimbursement and submits it to the Certifying Authority.

The Certifying Authority conducts any necessary checks deriving from its certification duties as set out in Art. 61 (EC) 1083/2006. If appropriate, the Certifying Authority can ask the lead beneficiary through the Managing Authority for further information or conduct further checks itself.

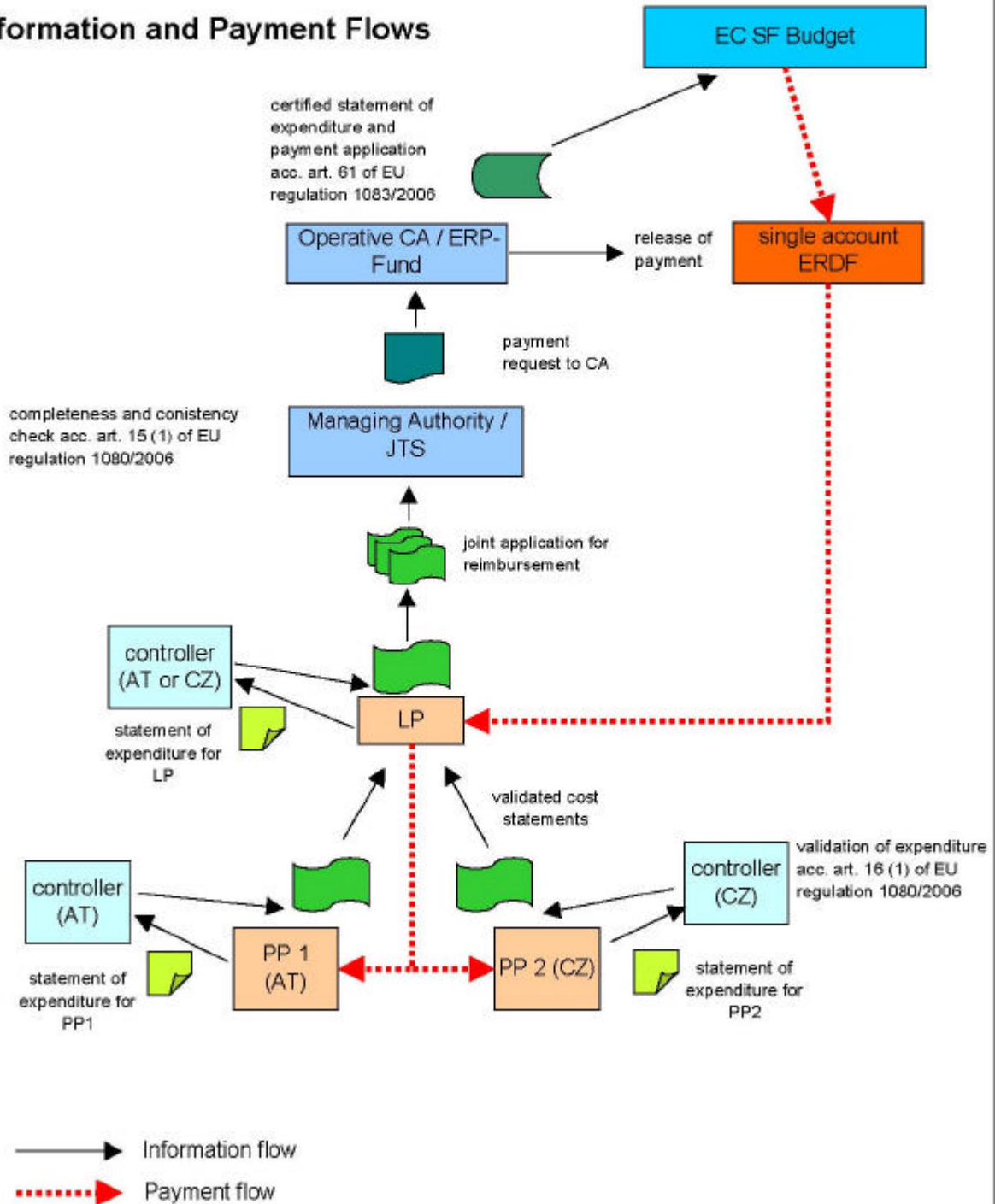
The Certifying Authority transfers the ERDF funds to the lead beneficiary according to Article 14 (1) Council Regulation No 1080/2006.

The information on the operation provided in the (interim or final) financial report as well as the payment executed by the CA shall be reported to the CMS.

Financial means provided by the Structural Funds will be in compliance with all relevant rules about State Aid, which are affected.

## Cross-Border Cooperation Programme Austria - Czech Republic 2007 - 2013

### Information and Payment Flows



## ANNEXES



## ANNEX 1 - ADDITIONAL INFORMATION FOR REGIONAL ANALYSIS

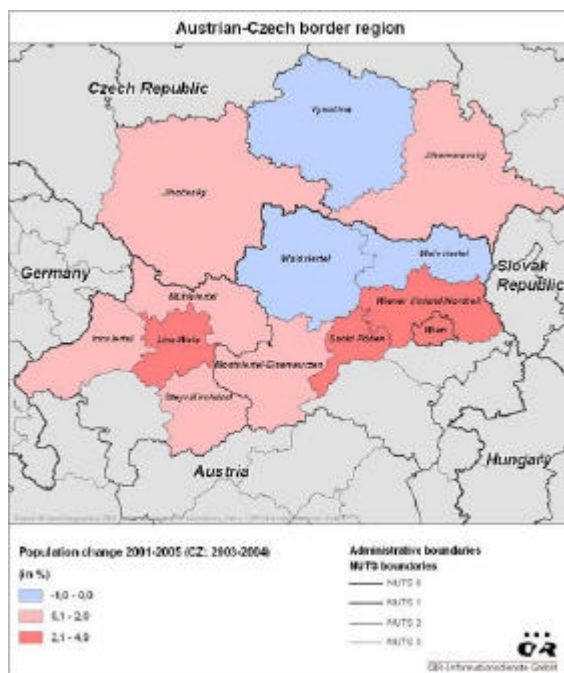
Table 1:  
The Austrian-Czech Border region

Regional unit Nuts III region	Area in km <sup>2</sup>	Inhabitants 2005 (AT)/2004 (CZ)		Population density (inh./km <sup>2</sup> )
		Total	Women	
Mostviertel-Eisenwurzen	3,357	239,225	121,073	71.3
Waldviertel	4,615	222,255	113,183	48.2
Weinviertel	2,412	123,366	62,699	51.1
Wiener Umland-Nordteil	2,722	286,489	146,326	105.2
Sankt Pölten	1,230	145,315	74,340	118.1
<b>Niederösterreich</b>	<b>19,174</b>	<b>1,569,596</b>	<b>802,120</b>	<b>81.9</b>
<b>Wien</b>	<b>415</b>	<b>1,626,440</b>	<b>851,857</b>	<b>3919.1</b>
Innviertel	2,823	274,123	139,348	97.1
Linz-Wels	1,744	537,164	276,462	308.0
Mühlviertel	2,660	203,571	101,643	76.5
Steyr-Kirchdorf	2,238	153,158	78,095	68.4
<b>Oberösterreich</b>	<b>11,980</b>	<b>1,396,228</b>	<b>712,608</b>	<b>116.5</b>
<b>AUSTRIA (total)</b>	<b>83,871</b>	<b>8,206,524</b>	<b>4,220,228</b>	<b>97.8</b>
South Bohemian region	10,057	625,712	318,485	62.2
South Moravian region	7,066	1,123,201	578,323	159.0
Vysocina	6,925	517,153	261,563	74.7
<b>CZECH REPUBLIC (total)</b>	<b>78,868</b>	<b>10,220,577</b>	<b>5,239,664</b>	<b>129.6</b>
Border region – Austria	24,216	3,811,106	1,965,026	157.4
Border region – Czech Republic	24,048	2,266,066	1,158,371	94.2
<b>Border region - total</b>	<b>48,264</b>	<b>6,077,172</b>	<b>3,123,397</b>	<b>125.9</b>

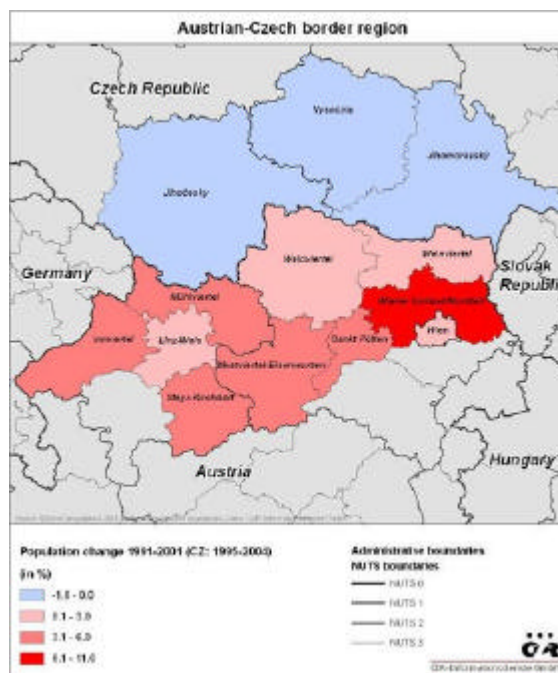
Sources: Statistics Austria, Czech Statistical Office



Population change 2001–2005 (CZ: 2003–2004)  
(in %)



Population change 1991–2001 (CZ: 1995–2004)  
(in %)



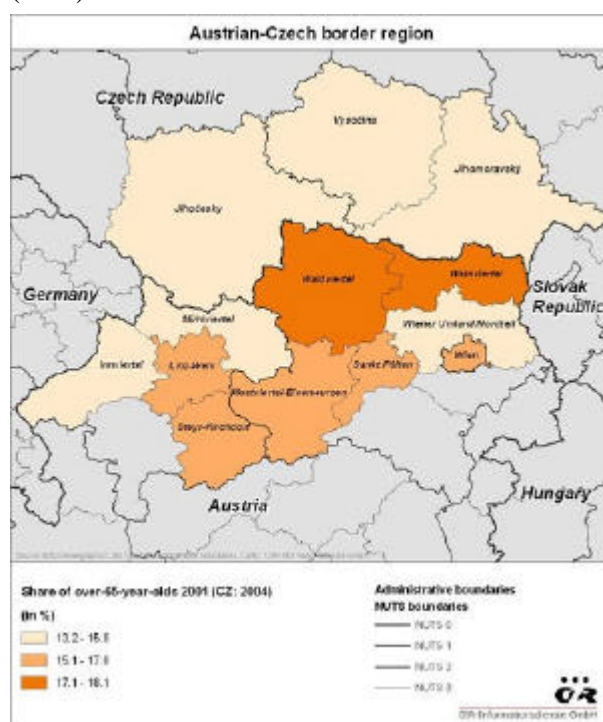
Sources: Statistics Austria, Czech Statistical Office

Table 3:  
Population structure

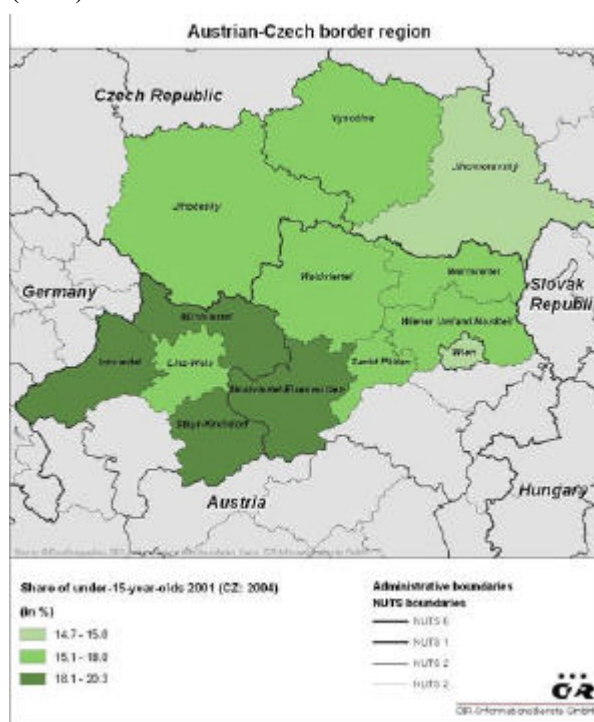
Regional unit	Share of under-15-year-olds in %		Share of over-65-year-olds in %	
	2001 (AT)/2004 (CZ)	2001 (AT)/2004 (CZ)	2001 (AT)/2004 (CZ)	2001 (AT)/2004 (CZ)
<b>Nuts III region</b>	<b>Total</b>	<b>Women</b>	<b>Total</b>	<b>Women</b>
Mostviertel-Eisenwurzen	18.9	18.2	15.3	18.3
Waldviertel	16.8	16.0	18.0	21.7
Weinviertel	16.3	15.6	18.1	22.1
Wiener Umland-Nordteil	17.1	16.3	14.9	17.7
Sankt Pölten	17.1	16.2	16.0	19.0
<i>Niederösterreich</i>	<i>17.1</i>	<i>16.2</i>	<i>16.1</i>	<i>19.2</i>
<i>Wien</i>	<i>14.7</i>	<i>13.6</i>	<i>16.0</i>	<i>19.7</i>
Innviertel	19.0	18.1	15.0	18.1
Linz-Wels	16.8	15.8	15.1	18.1
Mühlviertel	20.3	19.8	13.2	16.2
Steyr-Kirchdorf	18.5	17.8	15.6	18.9
<i>Oberösterreich</i>	<i>18.2</i>	<i>17.3</i>	<i>14.8</i>	<i>17.9</i>
<b>AUSTRIA (total)</b>	<b>16.8</b>	<b>15.9</b>	<b>15.5</b>	<b>18.6</b>
South Bohemian region	15.4	14.5	13.9	16.5
South Moravian region	14.8	13.9	14.5	17.5
Vysocina	16.0	15.2	14.2	16.9
<b>CZECH REPUBLIC (total)</b>	<b>15.1</b>	<b>14.2</b>	<b>14.0</b>	<b>16.7</b>
Border region – Austria	16.5	15.5	15.7	19.1
Border region – Czech Republic	15.1	14.4	14.3	17.1
<b>Border region - total</b>	<b>16.0</b>	<b>15.1</b>	<b>15.2</b>	<b>18.3</b>

Sources: Statistics Austria, Czech Statistical Office

Share of over-65-year-olds 2001 (CZ: 2004)  
(in %)



Share of under-15-year-olds 2001 (CZ: 2004)  
(in %)



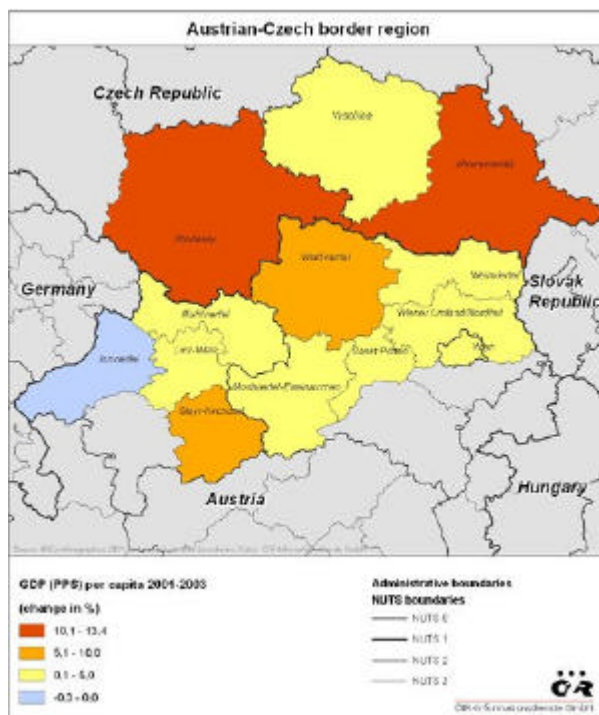
Sources: Statistics Austria, Czech Statistical Office

Table 4:  
Economic level

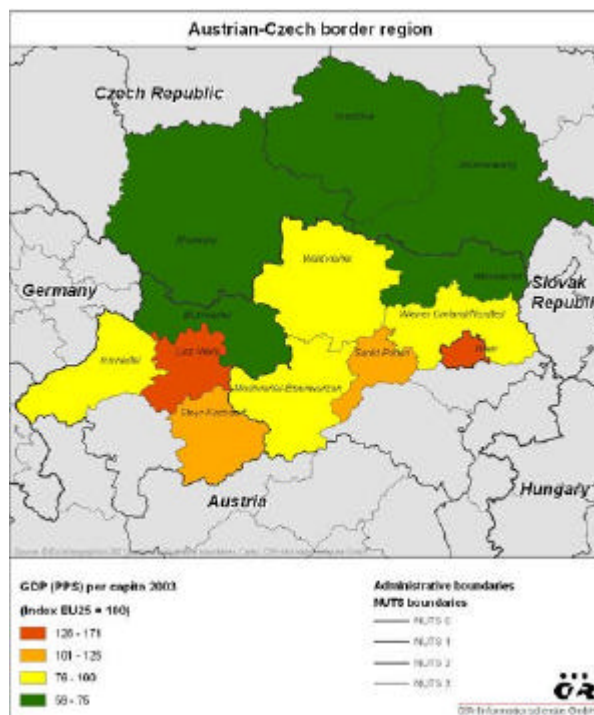
Regional unit	GDP (PPS) per capita 2003	
	Index national = 100	Index EU25 = 100
<b>Nuts III region</b>		
Mostviertel-Eisenwurzen	69.0	83.4
Waldviertel	72.6	87.7
Weinviertel	54.7	66.1
Wiener Umland-Nordteil	69.7	84.2
Sankt Pölten	101.2	122.4
<b>Niederösterreich</b>	<b>80.1</b>	<b>96.8</b>
<b>Wien</b>	<b>141.4</b>	<b>170.9</b>
Innviertel	67.9	82.0
Linz-Wels	127.3	153.9
Mühlviertel	53.1	64.1
Steyr-Kirchdorf	91.7	110.9
<b>Oberösterreich</b>	<b>93.3</b>	<b>112.8</b>
<b>AUSTRIA (total)</b>	<b>100.0</b>	<b>120.9</b>
South Bohemian region	89.7	60.9
South Moravian region	93.6	63.5
Vysocina	86.2	58.5
<b>CZECH REPUBLIC (total)</b>	<b>100.0</b>	<b>67.8</b>
<b>EU25</b>	<b>-</b>	<b>100.0</b>

Source: Eurostat

GDP (PPS) per capita 2001-2003  
(change in %)



GDP (PPS) per capita 2003  
(Index EU25 = 100)



Source: Eurostat

Table 5:  
Economic structure

Regional unit	Total in Mio. Euro	GDP by sectors 2003 (share in %)				
		I sector Total	II sector Total	thereof: construction	III sector Total	thereof: tourism
<b>Nuts III region</b>						
Mostviertel-Eisenwurzen	4,128	5.5	44.3	-	50.3	-
Waldviertel	4,064	6.7	34.0	-	59.3	-
Weinviertel	1,692	11.2	24.6	-	64.2	-
Wiener Umland-Nordteil	4,926	4.2	37.6	-	58.2	-
Sankt Pölten	3,653	2.4	31.1	-	66.5	-
<b>Niederösterreich</b>	<b>31,279</b>	<b>3.8</b>	<b>35.8</b>	<b>8.8</b>	<b>60.3</b>	<b>3.0</b>
<b>Wien</b>	<b>56,576</b>	<b>0.2</b>	<b>16.7</b>	<b>5.2</b>	<b>83.1</b>	<b>2.7</b>
Innviertel	4,662	5.6	43.6	-	50.9	-
Linz-Wels	17,012	0.7	36.5	-	62.8	-
Mühlviertel	2,705	6.0	36.6	-	57.4	-
Steyr-Kirchdorf	3,521	3.0	53.0	-	44.0	-
<b>Oberösterreich</b>	<b>32,554</b>	<b>2.3</b>	<b>41.2</b>	<b>9.4</b>	<b>56.4</b>	<b>2.7</b>
<b>AUSTRIA</b>	<b>204,285</b>	<b>1.9</b>	<b>30.1</b>	<b>7.7</b>	<b>68.0</b>	<b>4.5</b>
South Bohemia	4,056	5.5	40.8	-	53.7	-
South Moravia	7,594	3.5	36.5	-	60.0	-
Vysocina	3,224	8.6	46.6	-	44.8	-
<b>CZECH REPUBLIC</b>	<b>73,764</b>	<b>3.0</b>	<b>37.3</b>	<b>7.0</b>	<b>59.6</b>	<b>2.0</b>
Border region – Austria	102,939	1.7	26.4	-	71.9	-
Border region – Czech Republic	14,874	5.2	39.9	-	55.0	-
<b>Border region - total</b>	<b>117,813</b>	<b>2.1</b>	<b>28.1</b>	<b>-</b>	<b>69.8</b>	<b>-</b>

Source: Eurostat

Table 6:  
Overnight stays (no harmonized data available)

Regional unit	Number of overnight stays		
	Reporting year	2004/2005	
		Winter	Summer
<b>Nuts III region</b>			
Mostviertel-Eisenwurzen	854,359	319,300	535,059
Waldviertel	1,373,805	386,403	987,402
Weinviertel	143,985	43,653	100,332
Wiener Umland-Nordteil	655,109	212,711	442,398
Sankt Pölten	253,968	93,560	160,408
<b>Niederösterreich</b>	<b>5,818,911</b>	<b>2,101,971</b>	<b>3,716,940</b>
<b>Wien</b>	<b>8,675,441</b>	<b>3,491,844</b>	<b>5,183,597</b>
Innviertel	866,932	329,988	536,944
Linz-Wels	1,225,561	503,050	722,511
Mühlviertel	743,034	240,108	502,926
Steyr-Kirchdorf	1,064,404	478,916	585,488
<b>Oberösterreich</b>	<b>6,509,057</b>	<b>2,271,905</b>	<b>4,237,152</b>
<b>AUSTRIA (border region)</b>	<b>15,856,598</b>	<b>6,099,533</b>	<b>9,757,065</b>
<b>AUSTRIA (total)</b>	<b>118.773.422</b>	<b>59.194.925</b>	<b>59.578.497</b>

Source: Statistics Austria

	Overnight stays
	2004
South Bohemia	3.658.198
South Moravia	2.213.052
Vysocina	1.229.548
<b>CZECH REPUBLIC (border region)</b>	<b>7.100.798</b>
<b>CZECH REPUBLIC (total)</b>	<b>40.781.000</b>

Source: Czech Statistical Office

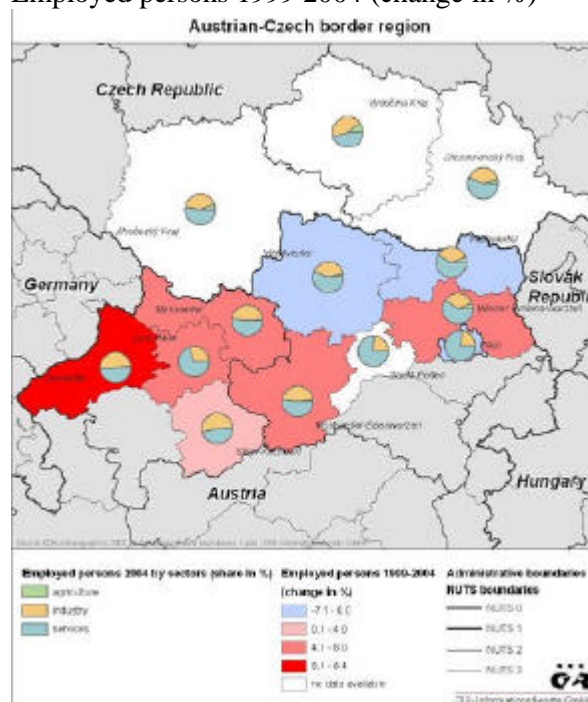


Table 7:  
Employment in the border region

Regional unit	Employed persons		
	absolute	change in %	
Nuts III region	2003	1995-1999 Total	1999-2003 Total
Mostviertel-Eisenwurzen	109,000	6.0	0.5
Waldviertel	111,800	2.4	0.1
Weinviertel	47,300	-0.2	-1.5
Wiener Umland-Nordteil	103,400	3.2	2.8
Sankt Pölten	85,200	6.1	-1.8
<i>Niederösterreich</i>	707,000	4.6	0.3
<i>Wien</i>	886,700	4.2	0.6
Innviertel	124,400	2.9	1.7
Linz-Wels	337,700	4.6	6.8
Mühlviertel	82,800	6.0	-0.1
Steyr-Kirchdorf	72,900	8.2	0.0
<i>Oberösterreich</i>	722,100	4.6	3.4
<b>AUSTRIA (total)</b>	<b>4,145,500</b>	<b>4.2</b>	<b>1.5</b>
South Bohemian region	295,890	-5.7	-0.8
South Moravian region	529,790	-5.3	-1.7
Vysocina	226,820	-7.2	3.0
<b>CZECH REPUBLIC (total)</b>	<b>4,845,030</b>	<b>-6.4</b>	<b>0.1</b>
Border region – Austria	1,961,200	4.3	1.6
Border region – Czech Republic	1,052,500	-5.8	-0.4
<b>Border region - total</b>	<b>3,013,700</b>	<b>0.5</b>	<b>0.8</b>

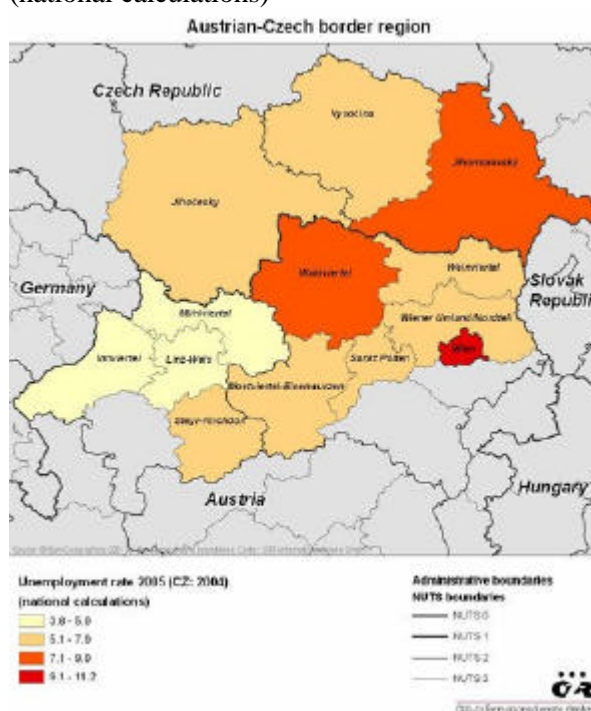
Source: Eurostat

Employed persons 2004 by sectors (share in %),  
Employed persons 1999-2004 (change in %)



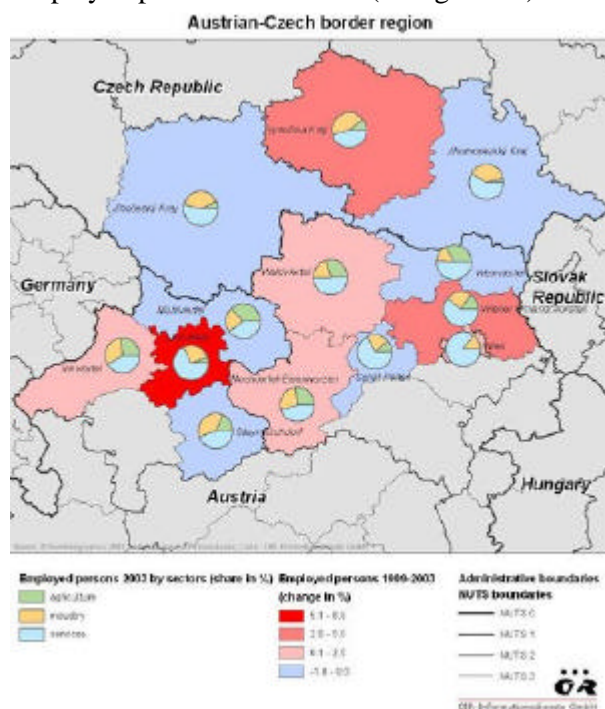
Source: HVSV

Unemployment rate 2005 (CZ: 2004)  
(national calculations)

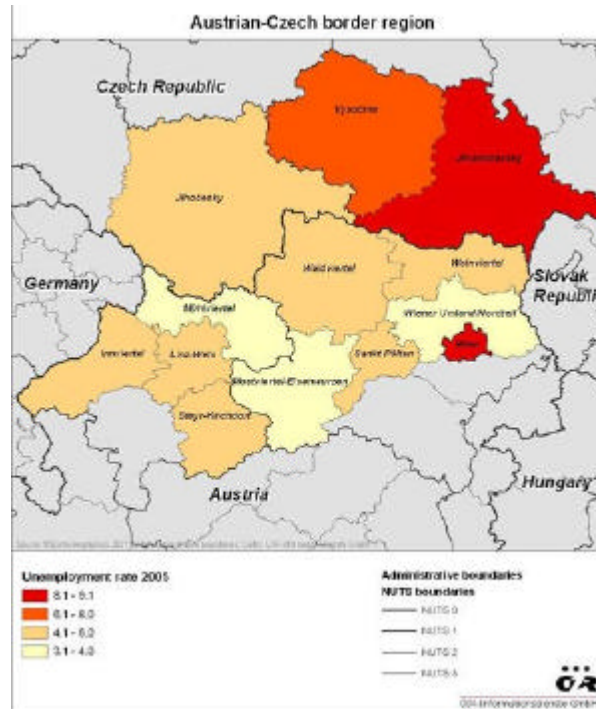


Source: national statistics

Employed persons 2003 by sectors (share in %),  
Employed persons 1999-2003 (change in %)



Unemployment rate 2005



Source: Eurostat

Unemployment – new text based on the harmonized data base (EUROSTAT – new data available, but at the moment there are gaps in the database on NUTS III level)

Table 8:  
Labour market structure

Regional unit Nuts III region	Number of unemployed 2005		Unemployment rate 2005 in %		Number of unemployed change in % 2001-2005		
	Total	Women	Total	Women	Total	Women	Men
Mostviertel-Eisenwurzen	3,800	-	3.3	-	26.7	-	-
Waldviertel	4,900	-	4.7	-	19.5	-	-
Weinviertel	2,700	-	4.6	-	42.1	-	-
Wiener Umland-Nordteil	5,200	-	3.7	-	40.5	-	-
Sankt Pölten	3,300	-	4.7	-	22.2	-	-
<b>Niederösterreich</b>	<b>32,600</b>	<b>16,600</b>	<b>4.3</b>	<b>4.8</b>	<b>42.4</b>	<b>61.2</b>	<b>27.0</b>
<b>Wien</b>	<b>72,400</b>	<b>29,400</b>	<b>9.1</b>	<b>7.9</b>	<b>52.7</b>	<b>56.4</b>	<b>49.7</b>
Innviertel	5,500	-	4.1	-	61.8	-	-
Linz-Wels	11,100	5,700	4.1	4.6	48.0	42.5	51.4
Mühlviertel	3,100	-	3.1	-	34.8	-	-
Steyr-Kirchdorf	3,600	-	4.8	-	56.5	-	-
<b>Oberösterreich</b>	<b>27,500</b>	<b>14,800</b>	<b>4.0</b>	<b>4.8</b>	<b>48.6</b>	<b>46.5</b>	<b>51.2</b>
<b>AUSTRIA (total)</b>	<b>207,700</b>	<b>100,000</b>	<b>5.2</b>	<b>5.5</b>	<b>49.4</b>	<b>53.6</b>	<b>45.5</b>
South Bohemian region	15,900	8,400	5.0	6.1	-5.4	-6.7	-5.1
South Moravian region	45,200	24,200	8.1	9.9	-1.7	1.7	-5.8
Vysocina	17,200	8,700	6.8	8.0	4.9	1.2	9.0
<b>CZECH REPUBLIC (total)</b>	<b>410,200</b>	<b>223,500</b>	<b>7.9</b>	<b>9.8</b>	<b>-1.5</b>	<b>-0.4</b>	<b>-2.8</b>
Border region – Austria	115,600	-	6.2	-	47.6	-	-
Border region – Czech Republic	78,300	-	6.9	8.4	-1.1	-0.2	-2.6
<b>Border region - total</b>	<b>193,900</b>	<b>-</b>	<b>6.5</b>	<b>-</b>	<b>23.1</b>	<b>-</b>	<b>-</b>

Source: Eurostat



Table 9:  
Labour costs

AT		EUR
Industry, Construction, Services	per year	40,047
	per month	3,337
	per hour	22.87
Industry (without construction)	per year	42,866
	per month	3,572
	per hour	24.54

Source: Statistics Austria

CZ		EUR
Total	per month	538.00
Manufacturing	per month	520.00
Services	per month	406.00 – 958.00

Source: Czech Statistical Office

Table 10:  
Innerregional wage disparities

Regional unit	gross monthly earnings (Euro)
<b>Nuts III region</b>	<b>2004</b>
Mostviertel-Eisenwurzen	1,906
Waldviertel	1,817
Weinviertel	1,728
Wiener Umland-Nordteil	1,825
Sankt Pölten	1,968
<b>Niederösterreich</b>	<b>1,911</b>
<b>Wien</b>	<b>2,044</b>
Innviertel	1,917
Linz-Wels	2,032
Mühlviertel	1,812
Steyr-Kirchdorf	2,083
<b>Oberösterreich</b>	<b>2,010</b>
<b>AUSTRIA</b>	<b>1,972</b>
South Bohemian region	535
South Moravian region	550
Vysocina	527
<b>CZECH REPUBLIC</b>	<b>574</b>

Sources: Hauptverband der österreichischen Sozialversicherungsträger; SLDB 1991, 2001

## ANNEX 2 – NON TECHNICAL SUMMARY STRATEGIC ENVIRONMENTAL ASSESSMENT (SEA)

### **Framework:**

The programming group of “Objective 3 Territorial Cooperation Programme, Cross Border Cooperation Austria - Czech Republic 2007-2013” presented a draft operational programme on the Cross Border Co-operation between Austria and the Czech Republic. This report is an environmental assessment of this draft Programme, pursuant to the EU Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment<sup>1</sup>.

Description of the Operational Programme:

Global objective of the programme is to increase and intensify the cooperation in this cross border region and to support sustainable economic growth of the region by removing existing barriers and enhancing the development potential of the territory.

Two priorities are defined:

Priority 1 “Socio economic development, tourism and know-how transfer” includes four fields of activities namely, Business and innovation related environment and services; Tourism, culture and leisure economy; Human resources development, labour market, education and qualification and Health and social risk prevention, social integration.

Priority 2 “Regional accessibility and sustainable development” includes three fields of activities, namely Transport and regional accessibility, Environment and risk prevention and Sustainable networks, institutional cooperation and spatial planning activities.

Also a Priority 3 “Technical Assistance” is foreseen for supporting the administration and implementation of the programme.

### **Cooperation Programming Group, Ex-ante and SEA**

The preparation of the draft operational programme was conducted within a broad Programming Group composed by representatives of National authorities of Austria and Czech Republic, regional authorities, environmental authorities as well as external experts providing the Technical Assistance on the Programming, the Ex-ante evaluation of the programme and the team of the Strategic Environmental Assessment (SEA).

All members cooperated closely through a consensus-seeking iterative process. Thus, most remarks and comments of the SEA team have already been incorporated in the draft operational programme.

overview and reference guide on the requirements of the Directive and the contents of the present Environmental Report

### **Content of the Environmental Report**

Environmental needs and priorities in Austria and the Czech Republic vary significantly due to technological and socio-economic disparities. Several environmental issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape, etc, are considered.

The SEA describes initially the likely developments in these issues in case the Programme is not implemented and subsequently assesses the relevance of the abovementioned environmental issues to the Programme Priorities and Fields of Activities. Where no relevance is assumed, no further assessment is conducted. Finally the SEA projects the likely positive or negative environmental impact of the specific Priorities and Fields of Activities to the relevant environmental issues.

The Programme has in most cases a positive or neutral impact on the environment through the introduction of new technologies, communication networks and promotion of a service-oriented economy.

Most likely negative impacts occur in those fields of activities that have a spatial dimension and consume or exploit space (e.g. tourism, transport etc.). Most negative aspects however, have been eliminated through the iterative process between the Programming Group and the SEA team.

Cross Border Cooperation Programmes are implemented through the selection of single projects proposed by the eligible applicants. It is thus beneficial to the environment to define project selection criteria that safeguard the environment. The SEA team proposed a series of criteria for each field of activity. Indicatively project selection criteria focus on the adoption of new technologies and “best available technologies” especially for reducing environmentally negative activities, the promotion of environmental awareness and decentralised tourism, the adoption of ISO 14.000/EMAS, the reduction of transport demand and the introduction of transboundary environmental assessment, the contribution in capacity building for environmental management and the fostering of participation and collaborative decision/making processes.

This process will be escorted by monitoring measures, destined to facilitate the measurement of the environmental impacts during Programme Implementation.

ANNEX 3 – ENVIRONMENTAL REPORT



**strategic environmental assessment  
of the objective 3 programme  
austria - czech republic  
2007-2013**

**s e a s t a t e m e n t  
a c c . a r t i c l e 9 s e a - d i r e c t i v e  
i n c l . m o n i t o r i n g m e a s u r e s**

February, 2007



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# 1 Background and introduction

## 1.1 Background

During the preparation of the Objective 3 Programme “Territorial Cross Border Co-operation Austria – Czech Republic 2007–2013” a Strategic Environmental Assessment (SEA) of the programme was carried out in accordance with the EU-Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (SEA-Directive). Global objective of the programme under consideration is to increase and intensify the cooperation in this cross border region and to support sustainable economic growth of the region by removing existing barriers and enhancing the development potential of the territory.

Within the programme two thematic priorities are defined:

Priority 1 “Socio economic development, tourism and know-how transfer” includes four fields of activities namely “Business and innovation related environment and services”, “Tourism, culture and leisure economy”, “Human resources development, labour market, education and qualification” and “Health and social risk prevention, social integration”.

Priority 2 “Regional accessibility and sustainable development” includes three fields of activities, namely “Transport and regional accessibility”, “Environment and risk prevention and Sustainable networks”, “Institutional cooperation and spatial planning activities”.

The third priority “Technical Assistance” is foreseen for supporting the administration and implementation of the programme.

## 1.2 Purpose of the Statement

This statement forms part of the Strategic Environmental Assessment of the programme as required under Article 9 of the SEA-Directive. The main purpose of this document is to inform the public on the decision and the decision-making process after the adoption of the programme. It summarises how environmental considerations have been integrated into the programme and how the Environmental Report and the consultation responses have been taken into account. Further it states the reasons for choosing the plan or programme in the light of the other reasonable alternatives dealt with. Finally it describes the measures that are to be undertaken to monitor the significant environmental effects during programme implementation.

## 2 Summary of SEA-process

The main aim of the Strategic Environmental Assessment carried out for the Objective 3 Programme Austria – Czech Republic was the integration of environmental considerations in the programme at an early stage in order to ensure a high level of environmental protection and promote sustainable development. Additionally the process gives interested parties the opportunity to express their opinion and be kept informed on decisions that may have significant environmental impacts.

This section gives an overview of the main stages of the SEA process also in correspondence to the overall process and programming steps.

*Figure 1: Procedural steps and timeline*

<b>Programming steps</b>	<b>Timeline</b>	<b>Corresponding SEA steps</b>
Determine the overall objectives of the programming document and the main issues it should address	<b>March – May 2006</b>	Determine environmental issues, objectives and indicators that should be considered during the SEA process
Analysis of the development context	<b>May – June 2006</b>	Evaluate the current situation and trends and their likely evolution if the programming document is not implemented
Propose development objectives and priorities	<b>June – July 2006</b>	Assess proposed development objectives and priorities
Propose fields of activity	<b>July – Sept. 2006</b>	Assess proposed fields of activities Assess cumulative effects of the entire programming document
Propose evaluation criteria and monitoring system	<b>October 2006</b>	Evaluate proposed evaluation criteria system Evaluate proposed monitoring system
Compile the proposed programming document and hold consultations with authorities and stakeholders	<b>Nov.- Dec. 2006</b>	Compile the Environmental Report and hold consultations with environment authorities and the public
Formal decision on the programming document and inform public about the decision	<b>Dec.- January 2006</b>	Take into account Environmental Report and results of consultation in decision-making Inform environmental authorities and the public on how the outcomes of the SEA have been taken into account



### 3 Environmental Report – content and main results

The SEA assessed the likely positive and/or negative effects expected from the implementation of the programme's fields of activity on relevant environmental issues<sup>18</sup> and cross border environmental objectives. For each environmental issue guiding questions/indicators were selected to guide the analysis within the SEA process. Initially the Environmental Report describes the likely developments in these issues in case the programme is not implemented. This “zero-option” represents the “base-line” for the overall assessment process within the SEA. Subsequently the relevance of the abovementioned environmental issues to the programme priorities and fields of activities was assessed. Where no relevance is assumed, no further assessment is conducted. Finally, the SEA projects the likely positive or negative environmental impacts of implementing the specific priorities and fields of activities to the relevant environmental issues.

#### Content of the Environmental Report acc. Article 5 and Annex I of the SEA-Directive

Directive provision	Chapter in Environm. Report	Comment
Lit. a) outline of the contents, main objectives of the plan or programme and relationship with other relevant plans and programmes	Chapter 2	The final draft of the programme and the herein outlined activities and priorities are the product of continuous interaction between the SEA team and the Programming Group.
Lit. b) relevant aspects of the current state of the environment and the likely evolution thereof without implementation	Chapter 4	
Lit. c) the environmental characteristics of areas likely to be significantly affected	Chapter 4	Most environmental data is available on a national or regional base. CBC programmes being by definition transboundary pose a challenge for a coherent yet differentiated description.
Lit. d.) any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC;	Chapter 4	

<sup>18</sup> Population: Human health and well-being; Fauna, flora incl. biodiversity and natural habitats; Soil and subsoil; Ground and surface water; Air; Climate protection; Landscape and cultural heritage and archaeological and architectural heritage; Functional utilizations (recreational utilization, housing etc.); Protection from natural hazards; Environmentally friendly transport/sustainable mobility systems; Energy efficiency and renewable energy sources; Resource efficiency and conservation/sustainable resource management.

Lit. e) the environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan or programme and the way those objectives and any environmental considerations have been taken into account during its preparation;	Chapter 4	
Lit. f) (f) the likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the inter-relationship between the above factors;	Chapter 6	The definition of the likely significant effects on the environment of the programme priorities was approached with great attention and depth of detail, providing comments and incentives for reformulation to the programming group.
Lit. g) the measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan or programme;	Chapter 8	The main concern of the SEA team was the incorporation of their remarks and comments to the formulation of the Programme Priorities and Fields of activities. Thus the proposed “measures” are already part of the Programme.
Lit. h) an outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling	Chapter 8	Cross Border Cooperation Programmes are implemented through the selection of single projects proposed by the eligible applicants. It is thus beneficial to the environment to define project selection criteria that safeguard the environment.
Lit. i) a description of the measures envisaged concerning monitoring in accordance with Article 10	Chapter 9	
Lit. j) a non-technical summary of the information provided under the above headings	Chapter 1	

The assessment on the level of fields of activities resulted in suggestions for alternative formulations of fields of activities, proposals for new activities and general project selection criteria. These measures to prevent, reduce and offset adverse effects and the suggestions for improvements are regarded as required reasonable alternatives according the SEA-Directive. The suggested reformulations and amendments were provided to the programming team and discussed within an iterative process and have been partly integrated into the different drafts of the programme.

As a central result of the SEA it can be stated that no significant negative effects are expected from the implementation of the programme. Possible negative impacts are on the one hand constrained by the existent legal frameworks and environmental nature conservation policies on the national or re-

gional level and can on the other hand be minimized by adopting the SEA suggestions and conditions for implementation in the programme and during programme implementation.

In most cases the programme has a positive or neutral impact on the environment through the introduction of new technologies, communication networks and promotion of a service-oriented economy. There could be substantial synergies between environmental technology transfer, business development and growing tourism activities. Technology transfer networks could support the implementation of energy efficiency principles into most of business or public investment decisions with positive impact on air quality, climate change and sustainable resource management. Negative impacts are mainly expected to occur in those fields of activities that have a spatial dimension and consume or exploit space (e.g. tourism, transport etc.). Activities which support cross border business development and tourism will increase the request for enlargements of regional road networks including major motorways and by-pass-routes and can therefore result in possible negative cumulative effects. On a long term individual motorized traffic and transport will increase, with negative impacts on air quality, noise and climate change. However, most of the likely negative effects have been eliminated through the iterative process between the programming group and the SEA team.

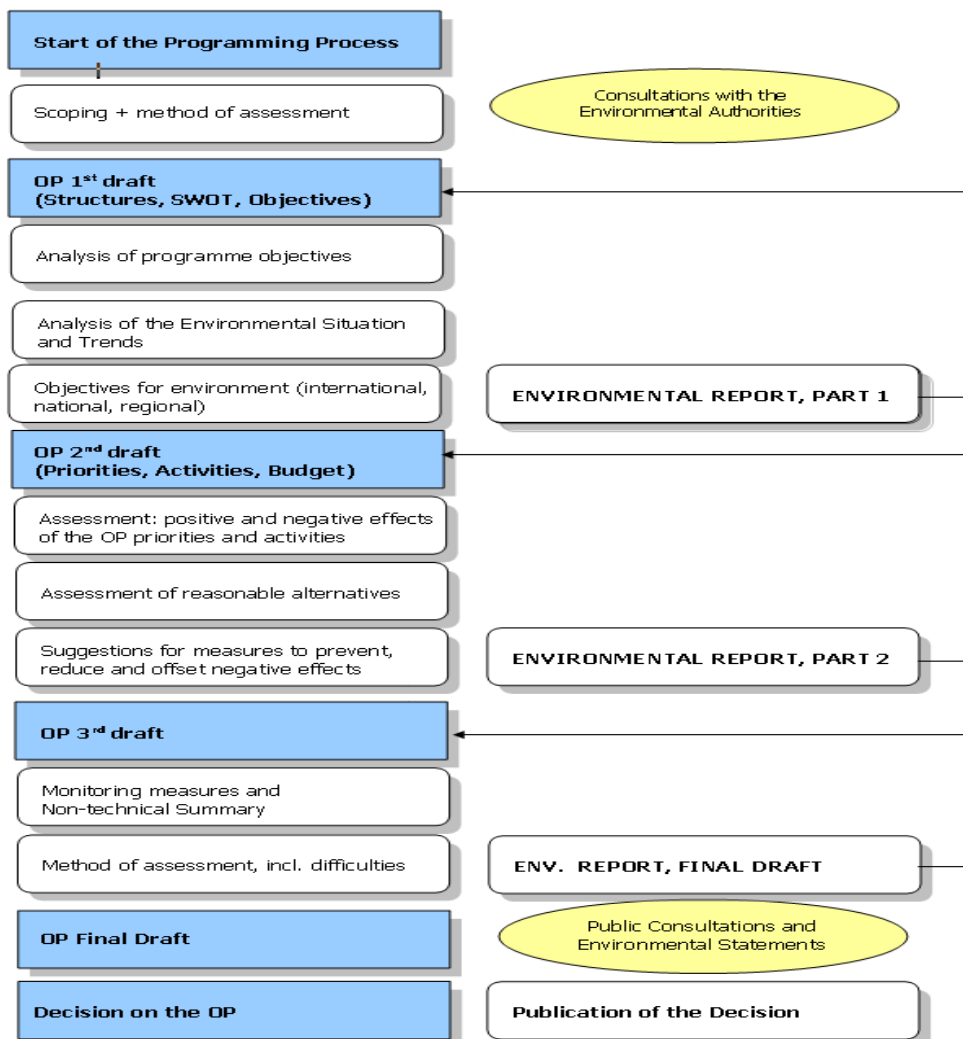
Cross Border Cooperation Programmes are implemented through the selection of single projects proposed by the eligible applicants. It is thus beneficial to the environment to define specific project selection criteria that safeguard the environment. The SEA team proposed a series of criteria for each field of activity. Indicatively project selection criteria focus on the adoption of new technologies and “best available technologies” especially for reducing environmentally negative activities, the promotion of environmental awareness and decentralised tourism, the adoption of ISO 14.000/EMAS, the reduction of transport demand and the introduction of transboundary environmental assessment, the contribution in capacity building for environmental management and the fostering of participation and collaborative decision-making processes. The Environmental Report concludes with recommendations concerning the measures to be decided to monitor the significant environmental effects during programme implementation.

## **4 Taking account of environmental considerations in the programme**

### **4.1 Influence of the SEA process during programming and influence of the Environmental Report**

The preparation of the Operational Programme was conducted within a broad programming group composed by representatives of national authorities of Austria and Czech Republic, regional authorities, environmental authorities as well as external experts providing the technical assistance on the programming, the ex-ante evaluation of the programme and the SEA-team. The process involved a number of workshops and meetings in Austria and Czech Republic and discussions with continued feedback between the SEA and the programming experts from March to December 2006. All experts cooperated closely through a consensus-seeking iterative process. The involvement of environmental authorities and SEA-experts in the programming process and the closely linked SEA process ensured that environmental aspects were considered at an early stage and were adequately integrated.

Figure 2: Interlinked Structure of Programming and SEA



## 4.2 Identification and evaluation of reasonable alternatives of the programme

The SEA directive requests to identify reasonable alternatives to the programme. In a multi-step process the SEA provided recommendations in order to optimize the programme. First, the SEA team defined the environmental baseline which served as a valid basis for decision-making in the planning process considering environmental aspects. As the Environmental Report, especially the fields of activities, was prepared parallel with the Operational Programme, environmental impacts (positive, neutral and negative effects on environmental issues) of different draft versions of the Operational Programme were assessed by SEA during the programming process. The SEA team suggested reformulations and new activities to the programming experts which were mostly integrated in the following draft versions of the programme. These suggestions and recommendations for adjusting priorities / directions of support are regarded as possible alternatives to the Operational Programme. This complies with the request of the SEA directive to identify, describe and evaluate reasonable alternatives (SEA Directive, Art. 5). By means of this iterative-adaptive process the programme was optimized

from an environmental and sustainability point of view, reducing possible negative impacts and enhancing positive effects on environmental issues. The substantial improvements achieved concerning the expected environmental effects of the programme are documented in detail in the Environmental Report.

## **5 Consultations**

### **5.1 Introduction**

In line with the SEA-Directive Art. 5 and 6 environmental authorities and the public had the opportunity to express their opinion on the draft Operational Programme and the Environmental Report.

There were two key stages of consultation within the SEA-process:

- ◆ Stage 1: Scoping – Consultation with environmental authorities on scope and level of detail of Environmental Report
- ◆ Stage 2: Environmental Report and Draft Operational Programme – Consultation with the public and the Environmental Authorities on Environmental Report and Draft Programme

Both stages of consultation were done simultaneously in Austria and Czech Republic. Before starting the public consultation of the Environmental Report and the draft Operational Programme there were further consultations with the environmental authorities on the results of the SEA.

Information for the public about the ongoing planning process was provided on the website [www.oegut.at](http://www.oegut.at) starting in March 2006 till the end of the process.

### **5.2 Consultation - Scoping**

Regarding the scoping-process a scoping-document was provided to and consultation meetings were held with the following authorities:

- Harald Rossmann, Advocacy for the Environment of Lower Austria (as representative on “environmental affairs in objective 3 programme AT-CR” for the provincial governments of Upper Austria, Lower Austria and Vienna)
- Gottfried Lamers, Federal Ministry of Agriculture, Forestry, Environment and Water Management / BMLFUW (Austria)
- Jaroslava Honova, Ministry of Environment (Czech Republic)

In particular, the environmental authorities and the SEA-team agreed on the geographical and temporal scope and the level of detail of the assessment, the methodology as well as the environmental issues and indicators.

### **5.3 Consultation - Environmental Report and Draft Operational Programme**

In accordance with the requirements of the SEA-directive the Environmental Report (status: 19<sup>th</sup> October 2006) and the Draft Operational Programme (version 2.1, October 2006) were available for inspection from 13<sup>th</sup> November 2006 to 14<sup>th</sup> December 2006 in Austria as well as in Czech Republic.

The two documents were on display and notices advertising the public consultation period, giving information about the details of the programming and consultation process and inviting the public for written comments were placed on the following websites:

- ◆ [www.at-cz.net/](http://www.at-cz.net/)
- ◆ [www.ceu.cz/EIA/SEA/Koncepce/Default.aspx](http://www.ceu.cz/EIA/SEA/Koncepce/Default.aspx) (Czech SEA information system)
- ◆ [www.oegut.at](http://www.oegut.at)
- ◆ [www.integranet.cz](http://www.integranet.cz)

The Czech Ministry of Regional Development placed the information about the consultation process and a link to the websites above on their official website. At the start of consultation period in Czech Republic official letters were sent to relevant public authorities with the invitation for comments.

In Austria the Environmental Report and the Draft Operational Programme were sent to the Environmental Authorities with the request to forward it to the relevant operating departments and authorities of the concerned provincial governments resp. the Ministry of Agriculture, Forestry, Environment and Water Management.

Moreover the invitation for written comments was sent to the Advocacies for the Environment of Lower Austria, Upper Austria and Vienna and the umbrella organisation for environmental NGO's, the Ökobüro.

The consultation was also announced by a newsletter of OeGUT addressing a variety of NGO's in the environmental sphere, representatives of public administration and the economy.

## 5.4 Summary of Public Consultation -

### 5.4.1 Taking account of issues raised during consultation in the Environmental Report

The key issues raised during the public consultation period in Austria and Czech Republic and how they have been addressed are outlined in the following tables:

#### Comments in Austria:

Issues Raised	How it has been addressed / Further remarks
<b>Ministry for Agriculture, Forestry, Environment and Water Management, Department II/3</b>	
<p>The environmental report does not include any details concerning the selection of the environmental protection objectives. These only cover certain partial aspects. This thematic limitation results in a limited description of the environmental conditions.</p>	<p>Annex I lit. e) of the Directive defines that the ER contains the environmental objectives set at an international, EU or national level that are of relevance to the programme. Relevance to the Programme was assumed based on the provisions in Art. 6 of the ERDF regulation (1080/2006). The ERDF regulation provides the basis for the programming process, thus indicating the potential thematic relevance.</p> <p>The description of the environmental objectives and of the environmental situation were defined according to the Annex I lit. f) of the Directive. The task of the SEA is the outlining only of the programme relevant information.</p>
<p>The evaluation of the impact of potential programme activities on the environmental objectives contains comments on positive or negative impacts on the selected environmental objectives without addressing real impact on the mentioned environmental issues.</p>	<p>The structuring of impacts according to the Priorities / fields of activities is purposeful and sets the base for a systematic evaluation of the OP. In doing so the results can be optimally integrated in the further elaboration and improvement of the programme with regard to its environmental effects.</p> <p>Cumulative effects (i.e. the assessment of potential reciprocally reinforced impacts as requested by the Directive) as described in chapter 7, can be regarded as a summarizing description of the most relevant impact on every environmental issue.</p>
<p>The relevance matrix shows the connections between activities and guiding questions /indicators. It contains no explanation why single activities are irrelevant. Here the limitation of the selected environmental issues on the relevant environmental objectives is evident.</p>	<p>In the delimitation of “possible relevant impacts” direct and indirect impacts of single “fields of activities” were considered. The relevance was derived from the contextual description of the “fields of activities” and the listing of „directions of support“(as an indicative non-exhaustive list of possible projects).</p> <p>It should be mentioned that the strategic character of the Operational Programme does not allow for detailed information on concrete actions to be implemented. Hence the evaluators are acting in a “space of possibilities” for intended actions, trying to assess and evaluate the possible impacts as realistic as possible. However, the scope of the programme and of each field of activity has intensively been discussed with the programming group to allow for a realistic appraisal of the possible activities to be implemented.</p>

	E.g. in field of activity 1.3 direct and indirect mobility effects due to the transformation of the labour market were considered.
<p>The environmental report states that the preventive, reductive and compensatory measures (in short: measures) are conducted as alternatives. We must repudiate this. The Directive provides for the assessment of the draft plan and for reasonable alternatives. Mitigation measures cannot be regarded as alternatives in the sense of the Directive. Moreover, the SEA Directive also calls for an assessment of the reasonable alternatives. This has not been carried out in the environmental report.</p>	<p>The programming process contains a multi-step route to the final OP. The early drafts were subject to the assessment of relevant environmental impacts. At this stage recommendations from the SEA team were introduced, e.g. through „reformulations of fields of activity“, „new activities“, „selection criteria“ or other “conditions for implementation“.</p> <p>In that sense an optimized programme alternative was created. This final draft was subject to a concluding assessment in the final version of the ER. Additional comments were formulated aiming at the additional improvement of the OP and the elimination of remaining negative points (see chapter 8 of the environmental report). Those comments respect the requirement of Annex I lit. g of the Directive. However based on the available information serious negative impacts are not expected.</p> <p>Aiming at the optimization of the OP, numerous possibilities were depicted, how environmental impacts could be optimized with the use of selection criteria and further adaptations.</p> <p>Due to the specifications of Article 6 of the ERDF Regulation the “zero-option” is not regarded as a “reasonable alternative” in the light of the Directive. However the environmental impact of the “zero-option” is illustrated in chapter 4 according to Annex I lit. b of the Directive.</p>
<p>The positive estimates are not always comprehensible. It appears that only the best possible assumptions have been made in arriving at these estimates. There is, however, no assurance that the assumptions made will actually be realised. E.g. it is assumed that no physical development of business sites or the construction of technical infrastructure will occur under field of activity 1.1. In the programme construction is not explicitly excluded.</p>	<p>The assessment of potential relevant effects (chapter 6.2) contains direct and indirect effects of the activities on the environmental issues. Those were generated through the contextual description of the “fields of activities” and the listing of „directions of support“(as an indicative non-exhaustive list of possible projects).</p> <p>A major starting point for the assessment of the effects are - apart from the detailed description of the fields of activities – the chapters of the OP „General Principles“ and „Programme Strategy“ along with the ERDF regulation which define the orientation framework of the programme. Additionally the issues have been intensively discussed with the programming group, the financial endowment of the programme and fields of activities and the experiences made during the last programme periode have been considered.</p> <p>It should be noted that the strategic character of the OP does not allow any detailed information about single concrete measures that will be implemented. Hence the evaluators are acting in a “space of possibilities” for intended actions, trying to assess and evaluate the possible impacts as realistically as possible.</p> <p>It can be safely assumed that the focus of the field of activity 1 „Business and innovation related environment and services“ lies in „soft-projects” such as de-</p>



	<p>velopment of cooperative networks and definitely not in the physical creation of commercial parks or the construction of extensive technical infrastructure. Such an activity would contradict the formulated objectives of the programme and only these can be the relevant set of criteria for the SEA.</p> <p>Intensive cross border cooperation of business actors will be supported. A consequent spatial expansion of single entities cannot be foreclosed. This effect on Landscape has been dealt with in chapter 6.2. The severity of these effects cannot be assessed at this stage. Even very detailed project selection criteria cannot guarantee that. However, all environmental provisions at project level still apply (e.g. EIA etc.)</p>
<p>Selection Criteria and conditions for implementation do attempt to safeguard the assessment assumptions and their effects. However it is not guaranteed that those selection criteria will be compulsory applied. It would be advisable to demonstrate the effects of less favorable assumptions within an alternative assessment. The undertaken assumptions are not considered to be realistic based on the experience.</p>	<p>The scope of the SEA addresses a cross border cooperation OP with its provisions, objectives and priorities.</p> <p>The assumptions to assessment and evaluation are realistic in relation to the activities implemented within the predecessor INTERREG IIIA Programme. “Considerable negative effects as a direct or indirect consequence of the programme implementation” are not to be expected due to the nature and dimension of potential eligible activities. Additionally the issues have been intensively discussed with the programming group, the financial endowment of the programme and fields of activities and the experiences made during the last programme period have been considered.</p> <p>If the environmental authority expects considerable negative effects as a direct or indirect consequence of the programme implementation, a comprehensible and coherent argumentation is necessary.</p>
<p>An integrated overall assessment of the OP is missing. Only partial assessments of the single priorities are present.</p>	<p>The non-technical summary and the assessment of cumulative effects offer the required overall assessment. Apart from that no overall comments are required by the Directive.</p>
<p>The monitoring process should in any case be applied in the case of the implemented projects. Aspects of environmental relevance (based on the environmental status-quo, and the programme implementation i.e. projects) should be monitored. The environmental report offers the base for it. The Monitoring system should focus on the existing problem areas.</p>	<p>The OP monitoring-system chapter is still under development. The comments will be taken in account by the programming group.</p>
<p>The monitoring could include an inspection to see whether the selection criteria/guiding principles are being adhered to, particularly if these are not obligatory as adherence to the criteria or principles constitutes the precondition for estimating the environmental effects. When these are not adhered to, or not used, other environmental effects must be expected. This ought to be presented within the framework of the monitoring.</p>	<p>The OP Monitoring-System chapter is still under development. The comments will be taken in account by the programming group.</p>
<p>Page 27: The statement that “...In the second half of the 1990ies separate collection of waste streams could decrease the level of waste from households and similar establishments...” is wrong.</p>	<p>Page 27: Remark acknowledged and paragraph changed to: “1989 to 1995 amounts of residual and bulky waste was reduced by the separate collection of organic</p>

<p>The amount of residual waste and bulky waste was reduced by the separate collection of organic waste, problem materials and packaging waste from paper, glass, metal and synthetic materials. By definition waste from households and similar establishments includes all separately collected recyclables. Thus the amounts of waste from households and similar establishments showed an increasing trend.</p> <p>From 1989 to 1995 the amounts of residual and bulky waste was reduced. This passage should be changed.</p>	<p>waste, problem materials and packaging waste from paper, glass, metal and synthetic materials. The amounts of waste from households and similar establishments showed an increasing trend.”</p>
<p>Page 49 and Page 56:</p> <p>Field of activity 2.2 Environment and risk prevention: Regarding the activity “Preparation of a cross border Waste Strategy” it should be noted that relevant EU regulations should be considered.</p>	<p>Page 49 and Page 56:</p> <p>The use of the word „proper“ is indicating that the relevant EU Regulations are to be respected.</p>
<p>Page 58:</p> <p>The reduction of the amount of waste should not be the main objective, but, rather, the reduction of the amount of waste which must be disposed of. As long as waste remains a part of the economic cycle through recycling processes this can be regarded as sustainable development. Therefore reduction of waste should not be main endeavour (with regard to both quantity and quality), but also to push through recycling measures, and thus to give priority to minimising the amounts of waste which must be conveyed for disposal.</p>	<p>Page 58:</p> <p>Remark acknowledged as follows</p> <p>“... key objectives (low emissions to air and water, efficient use of energy resources, reducing amount of waste, ..”</p> <p>changed in:</p> <p>“... key objectives (low emissions to air and water, efficient use of energy resources, reducing amount of disposed waste, ..”</p>

### Comments in Czech Republic:

Issues Raised	How it has been addressed / Further remarks
<b>Ministry of Agriculture, Department of state administration, forest regulation and protection</b>	
<p>Recommendation to unify Austrian and Czech environmental issues. On Czech side environmental issues are too specific with unreal objectives.</p>	<p>Environmental issues on Czech side are selected from the national and international strategic documents. Objectives also state national and international strategic documents.</p> <p>In comparison with Austrian environmental issues the Czech ones are more particular but regarding the more numerous Czech issues both sets of environmental issues are consistent.</p>
<p>On page 12, table 2 “Relevant environmental issues and objectives – AT and CR: health and well-being” – Czech issue: „Participation of a wide spectrum of partners in environmental protection and realize partnership between authorities, NGOs, private sector and public“ is lengthy and vague.</p> <p>We recommend cutting and reformulating the text.</p>	<p>Mentioned environmental issue is citation of Aarhus convention.</p> <p>In our opinion this formulation is clear and real and consistent with requirements on partnership principle development. Partnership principle which is the substance of this issue is one of the fundamental principles enforced in connection with Structural Funds.</p>
<p>Fauna, flora incl. biodiversity and natural habitats: Request of reformulation of Czech translation „Protect hot spots of biodiversity“ and „brownfields reuse“.</p>	<p>Remark acknowledged (translation mistake).</p>
<p>On page 13: Landscape and cultural heritage and a-</p>	<p>Remark acknowledged.</p>

chaeological and architectural heritage – to adopt formulation of Austrian issue which is shorter and more appropriate.	
<b>Ministry of public health</b>	
We agree with OP with condition of realization of health protection proceedings especially noise protection.	Remark acknowledged.
<b>Ministry of Environment, department of water protection</b>	
If all water protection conditions will be satisfied there are no serious remarks. We recommend discussing measures or projects of border waters by Czech-Austrian Commission for border waters.	Remark acknowledged.
<b>Ministry of Environment, department of human and settlement ecology</b>	
Focus on landscape – protection, management, planning, typology.	Remark acknowledged. Landscape protection should be realized in all aspects of landscape protection but the programme could not propose measures for all kinds of activities in landscape protection because of the programme character. Nevertheless the programme has integrated landscape protection in environmental issues. SEA focussed on specific landscape protection.
<b>Agency for nature conservation and landscape protection of the Czech republic</b>	
Focus on ecological systems, cross border connection and on impact of constructions on landscape scenery.	Remark acknowledged. Resolution of ecological systems in OP is partially limited by the nature of the programme. Nevertheless the programme proposes some measures for mentioned problems. Evaluation of construction impact on landscape scenery will be resolved by consecutive decision processes.
<b>Authority of military area Boletice</b>	
Avoid negative impacts on landscape scenery, improve landscape protection. Projects with potential negative impact on biotopes and protected species are not to be supported, also activities which could reduce development and revitalization of biotopes.	Remark acknowledged. This should be solved at the level of project selection.  It is partially addressed in project selection criteria proposed by SEA, for example „Does it avoid negative side effects, especially on biodiversity or other natural resources?“ or „Does it contribute to a positive impact on environmental issues like biodiversity, air, climate protection, energy efficiency or prevention of natural disasters on a long-term?“

**Remarks on Natura 2000:**

<b>National Park Podyjí</b>	
Evaluation of impact on Natura 2000 of the programme did not proceed.	SEA process proceeded according to Austrian legislation for environmental impact assessment. In Czech Republic only consultations of OP and SEA were held. Czech Ministry of Environment did not require Natura 2000 impact evaluation of the programme in Czech Republic and nature protection authorities did not get request according to § 45i of Act. N. 114/1992 Coll.

	However, all environmental provisions at project level still apply (e.g. EIA etc.)
Local impact assessment of issues and measures is very important. Impacts on Natura 2000 depend on project selection and realization of the projects. We propose project planning with potential impact on Natura 2000 sites Podyjí, Popice-fara, Podmolí-strouha, Vranov nad Dyjí – základní škola should be consistent with management plan of this Natura 2000 sites. We suggest the participation of National park Podyjí administration in project planning.	Remark acknowledged. This requirement was integrated to Ministry of Environment's standpoint. However, all environmental provisions at project level still apply (e.g. EIA etc.)
<b>Authority of military area Boletice</b>	
Ensure better protection of Natura 2000 sites in general and in military area of Boletice in accordance with Act. N. 222/1999 Sb., about defence of the Czech Republic	Remark acknowledged. Protection of Natura 2000 sites is included in programme in general. SEA includes protection of Natura 2000 sites as „Development of favourable condition of Natura 2000 network (incl. status of bio-corridors)“ in environmental issue „Protect and restore habitats and natural systems and halt the loss of biodiversity by 2010 and beyond“.
Proposition of regulation criteria for tourism in Natura 2000 sites.	Within the OP, including SEA, the set up of detailed regulation of tourism in Nature 2000 sites is not possible. However, all environmental provisions at project level still apply (e.g. EIA etc.)
During assessment use precautionary principle, to set general condition for landscape planning, preparing and realization of projects.	SEA proposes conditions for project planning and realization. General condition is proposed in selection process.
Every project will be realized complying with conservation Natura 2000 protection and integrity.	Remark acknowledged. It is included in selection criteria and in standpoint of Ministry of Environment. However, all environmental provisions at project level still apply (e.g. EIA etc.)

Based on the statements above the Ministry of Environment composed a final statement which is attached in the annex of this document.

#### 5.4.2 Taking account of issues raised during consultation in the Programme

As illustrated in Figure 1 (page 4) and in chapter 4 the recommendations by SEA experts were taken into account during the whole programming process and were partly integrated into the OP. The process of elaborating the Programme took place between October 2006 and February 2007 and was organised in eleven meetings of a programming group with written feed-back loops in between. This programming group consisted of representatives from Czech Ministry for Regional Development, Austrian Federal Chancellery, the 6 involved regions (South Bohemia, Vysocina, South Moravia, Upper Austria, Lower Austria, Vienna) and representatives from Euregios. External experts supported the drafting of the Programme. Written comments from other national institutions (e.g. Ministries), which were not themselves present in the programming group were also taken into account.

## 6 Reasons for choosing the programme

Consideration of the environmental effects of the programme has been integral to the process of developing the programme. The assessment has shown that no significant adverse impacts are to be expected from the implementation of the programme. The SEA supported this direction by providing recommendations for improving the Operational Programme from the environmental point of view. These proposals for new activities, reformulations and for the selection of projects to be implemented aimed at the promotion of positive environmental effects and the mitigation of negative impacts on the environment. The table below gives an overview on main SEA suggestions and how these have been considered in the programme.

SEA Comments	Introduction to the OP
<ul style="list-style-type: none"> <li>Recommendation for a strong connection of technology transfer activities with innovation processes which focus on more energy and resource efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.2 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Introduction of (cross border) award systems to promote “clean and resource efficient technologies”, sustainable forms of tourism etc. suggested.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.2 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Positive impacts could be further enhanced by mobilising e.g. the regional capital, eco technologies or environmental management as fields for human resources development, labour market, education and qualification.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.2 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Support for the uptake for environmental management systems and audit schemes is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.2 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Additional measures to promote environmentally friendly transport/sustainable mobility systems recommended.</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.1 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Strengthening cross border products and activities (joint planning of road corridors, SEA/EIA, public transport, business development etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Integrated in the OP in 6.2.1 and in more detail in the “PC light”</li> </ul>
<ul style="list-style-type: none"> <li>Land take, urban sprawl and loss of soil by sealing cannot be excluded at the Programme level. As a matter of principle, any new terminals and facilities should whenever possible be located in brownfields.</li> </ul>	<ul style="list-style-type: none"> <li>Will be integrated and taken into consideration In “PC light” in the project selection criteria</li> </ul>
<ul style="list-style-type: none"> <li>For all fields of activities addressed by the programme main project selection criteria were recommended to safeguard the environment.</li> </ul>	<ul style="list-style-type: none"> <li>Will be integrated and taken into consideration In “PC light” in the project selection criteria</li> </ul>

## **7 Monitoring the environmental impacts of the programme**

### **7.1 Introduction**

The SEA-Directive requires that the significant environmental effects of the implementation of the programme shall be monitored in order, inter alia, to identify at an early stage unforeseen adverse effects, and to be able to undertake appropriate remedial action.

### **7.2 SEA Recommendations**

The SEA recommends that the monitoring of the significant environmental impacts should be an integrated part of the mid-term and ex post evaluation of the programme. It will be important when preparing the mid-term and ex post evaluations to include an explicit requirement on assessing the significant effects of activities and projects on the relevant environmental key objectives elaborated further below. Also an explicit requirement should be included to the mid-term evaluation to propose corrective measures if the evaluation shows unexpected adverse environmental effects.

#### **7.2.1 Review of current monitoring system**

The monitoring model to assess the environmental effects of structural funds programmes proposed by the ÖROK<sup>19</sup> in Austria, situated at the project level, offers a sound starting point.

Taking into account the nature of possible activities and in order to find out whether and to which extent the programme has positive environmental effects, each project has to be analysed according to four environmental key objectives (low emissions to air and water, efficient use of energy resources, reducing amount of disposed waste, biodiversity and landscape protection).

The core of the environmental assessment of projects in the 2000-2006 period was restricted to three mainly nominal categories for each project, namely:

- “environmentally neutral”,
- “positive environmental effects” and
- “very positive environmental effects” or as an alternative formulation “environmentally oriented”

The presently applied approach focuses only on positive effects. This is deemed to be not satisfactory for SEA purposes and the approach can be optimized.

#### **7.2.2 Proposals for improvements of the monitoring system**

##### **Option A: Minor adjustments of the proposed monitoring system**

The systematic SEA identified a set of relevant environmental objectives for the programming document that fully reflect relevant environmental objectives established on EU level and in Austria and Czech Republic.

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<sup>19</sup> Umweltdimensionen und Bewertungsskala zur Evaluierung von Umweltwirkungen der Strukturprogramm (2002); ÖROK.

When such set of relevant environmental objectives would provide too complex framework for examination of the actual environmental impacts, the environmental monitoring system can be based on two principles:

- environmental monitoring focuses on the set of four 4 environmental key objectives (low emissions to air, water and soil, efficient use of material and energy resources, biodiversity and landscape protection),
- data on the actual impacts of implemented projects are gathered through more systematic analysis outlined below.

Table 1: Monitoring limited to 4 key environmental objectives

Project .....	Impacts of the project on relevant environmental objectives for the programming document			
Simplified set of environmental objectives for the programming document	Positive	Neutral or not applicable	Negative	Short explanation of scale and nature of the impact
Low emissions to air, water and soil				
Efficient use of material resources				
Efficient use of energy resources				
Biodiversity and landscape protection				

### Option B: Optimal adjustments of the proposed monitoring system

This proposal is based on a presumption that the examination of actual environmental impacts of the implementation of the programming document should assess impacts of proposed activities on the wider set of relevant environmental objectives for the programming document that were identified within this SEA.

If such set-up would be feasible, the optimal environmental monitoring system can be based on two principles:

- environmental monitoring focuses on the set of relevant environmental objectives for the programming document defined during SEA,
- data on the actual impacts of implemented projects are gathered through a systematic analysis outlined in the Environmental Report.

### 7.3 Decisions on the monitoring programme

The recommendation of SEA that the monitoring of the significant environmental impacts should be an integrated part of the mid-term and ex post evaluation of the programme was taken into account. As there is not yet a decision taken by the programming partners in which way the evaluation – process of the OP itself will be organised in detail (ongoing evaluation and/or mid-term evaluation) at this

stage it is impossible to define the timetable for SEA-monitoring. However it is evident that SEA-monitoring will be connected with the evaluation of the OP.

In order to facilitate the evaluation of the OPs impact on environment it is foreseen to provide data continuously on project level for this purpose. Option A of the proposal of SEA therefore seems one possible way to improve the system used in the period 2000 – 2006. Nevertheless programming partners may find a need to adjust this proposal during further discussions on the set of indicators used on project level. For instance it might be helpful to distinguish between an indicator for those projects, which are significantly oriented towards an improvement of the environmental situation and other projects which contribute to this improvement but are not explicitly aimed on environmental issues.

Anyway detailed procedures to identify unforeseen adverse effects and undertake remedial actions have to be elaborated by the programming partners until implementation of the OP starts.

## **8 Information for the public**

It is to be ensured that after the decision-making stage regarding the adoption of the programme the environmental authorities and the public are informed that the programme is adopted and that the SEA statement and a description of the measures decided to concerning monitoring the significant environmental effects are made available.

According to these regulations these items can be accessed on the following websites:

- ◆ [www.at-cz.net](http://www.at-cz.net)
- ◆ [www.oegut.at](http://www.oegut.at)



## **ANNEX to the Environmental Report – Statements in Austria and Czech Republic**

Ms.

Ilse Göll

Federal Chancellery of the Republic of Austria

Division VI/4

Ballhausplatz 2

1014 Vienna

Vienna, 13.12.2006

BMLFUW-LE.1.4.2/0049-II/3/2006

Re: SEA – Transnational Cooperation AT-CZ 2007-2013

Dear Ms. Göll,

After thorough analysis of the submitted environmental report by all the departments concerned, we herewith enclose the summary statement of our department as follows:

### General points:

We welcome the concise, clearly-structured presentation of the environmental report. However, we must criticise the following shortcomings in the contents:

Pursuant to Appendix I Z b) to d) of the SEA Directive, the current state, characteristics and relevant problems of the environment must be presented. These are, by and large, presented in Chapter 4, whereby both the description and subsequently also the assessment are oriented towards the environmental protection objectives specified in Chapter 3.3. Although one must welcome the fact that environmental protection objectives have been established, these only cover certain partial aspects. The environmental report does not include any details concerning the selection of the environmental protection objectives. This thematic limitation therefore results in a limited description of the environmental conditions. Likewise problematic is the assessment of the effects of the activities upon these environmental objectives. This assessment contains statements concerning positive or negative effects on the selected environmental objectives; however, the assessment contains no data on the actual effects on the subjects of protection as a whole.

The relevance matrix shows whether “relationships” exist between the activities and the guiding questions/indicators. This table does not give any reasons as to why, for example, certain activities do not

have any points of contact. Whereby, here again, the limitation of the environmental issues to cover only the set environmental objectives presents a problem – as, for example, while Activity 1.3. of Priority 1 certainly does have an effect on population, human health and well-being, it has however rather more effect on aspects other than those cited.

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The environmental report states that the preventive, reductive and compensatory measures (in short: measures) are conducted as alternatives. We must emphatically repudiate this. The SEA Directive provides for the assessment of the draft plan and for reasonable alternatives. Measures which are intended to prevent, or to compensate for, negative effects do not represent alternatives as defined by the SEA Directive. Moreover, the SEA Directive also calls for an assessment of the reasonable alternatives. This has not been carried out in the present case.

Concerning the assessment, it must be said in addition to the above, that the positive estimates are not always comprehensible. It appears that only the best possible assumptions have been made in arriving at these estimates. There is, however, no assurance that the assumptions made will actually be realised. Thus, it is for example assumed that no physical development of business sites or the construction of technical infrastructure under Activity 1.1. of Priority 1 will be addressed, even though the programme certainly does regard business-related infrastructure (see Programme, 6.1.1 Directions of support) as measures worth promoting. In the programme, construction measures are not decidedly ruled out. While it is true that, based on so-called “selection criteria” or “conditions for implementation” – which are warmly welcomed - an attempt is made to ensure the assumptions and their effects, no guarantee is however offered that the application of these selection criteria will actually be obligatory. Here, it would be meaningful to show the effects based on less positive assumptions, within the framework of an examination of alternatives. In the light of experience, the assumptions and assessments made here must be rated as unrealistic.

Furthermore, it must be stated that there is no integrated overall assessment of the programme: the report contains assessments of the different priorities.

The monitoring process should in any case be applied in the case of the implemented projects, particularly those aspects which appear to be of special environmental relevance (due both to the existing environmental situation and to the effects of the implementation of the plan, or projects). The environmental report serves as a basis for this. The monitoring, whatever form it takes, should therefore be

restricted to the actual problem areas. Supplementary to this, the monitoring could include an inspection to see whether the selection criteria/guiding principles are being adhered to, particularly if these are not obligatory, as adherence to the criteria or principles constitutes the precondition for estimating the environmental effects. In the event that these are not adhered to, or not used, other environmental effects must be expected. This ought to be presented within the framework of the monitoring.

From the waste management viewpoint, the following must be stated concerning the environmental report:

Page 27:

The statement that “in the second half of the 1990ies separate collection of waste streams could decrease the level of waste from households and similar establishments” is false. It was possible to reduce the amount of residual waste through the separate collection of recyclable materials, organic waste and hazardous waste. By definition, the waste from households and similar establishments also includes all separately collected recyclable materials and these

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have been constantly increasing in the past, thus also increasing the waste from households. From 1989 to 1995, the amounts of residual and bulky waste decreased. This part of the text must therefore be corrected.

Page 49 and page 56:

Field of Activity 2.2 Environment and risk prevention

With regard to the Activity “Prepare a cross border strategy for waste and its possible proper use as a secondary material after full opening of the borders”, it would be important to add that the stipulations of the EU Regulation on the supervision and control of shipments of waste within, into and out of the European Union must at all events be thereby observed.

Page 58:

The reduction of the amount of waste should not be the main objective, but, rather, the reduction of the amount of waste which must be disposed of. As long as waste remains a part of the economic cycle through recycling processes and an important contribution to the protection of resources is thereby being made, this can certainly be regarded as sustainable development. One should therefore not only endeavour to reduce waste (with regard to both quantity and quality), but also to push through recycling measures, and thus to give priority to minimising the amounts of waste which must be conveyed for disposal.

Accordingly, increasing the use of waste and giving priority to recycling waste by 2012 was therefore one objective named among the relevant environmental objectives of the Czech Republic on page 14.

On behalf of the Federal Minister:

Dipl.Ing. Gottfried Lamers

**Brief statement from the Czech Ministry of Environment to the Objective 3 Programme Austria-Czech Republic 2007-2013 according to public consultation**

On 7.11.2006 Ministry of Environment received draft of the “Objective 3 Programme Austria-Czech Republic 2007-2013” including SEA report, which was 13.11.2006 published on Information System SEA and on web pages of Ministry also. During the public consultation process was received 8 statements.

**According to these statements Ministry of Environment draw this final statement“(with these conditions):**

1. Individual projects supported by this programme must respect territorial protection and integrity of European notable areas and bird areas of Natura 2000 and must not lead to damage or impairment of this area.
2. It is necessary to respect valid legislation in field of protection of environment and landscape and consistently take care of protection landscape.
3. It is necessary to protect nature protection areas their protection conditions and care plans. In selecting projects it is necessary to respect areas of abundance protected plants and animals. And it is also necessary to involve responsible authorities in field of protection of nature and landscape in project selection phase.

With best regards

Ing. Jaroslava Honová

Director

Environmental impact assessment and IPPC