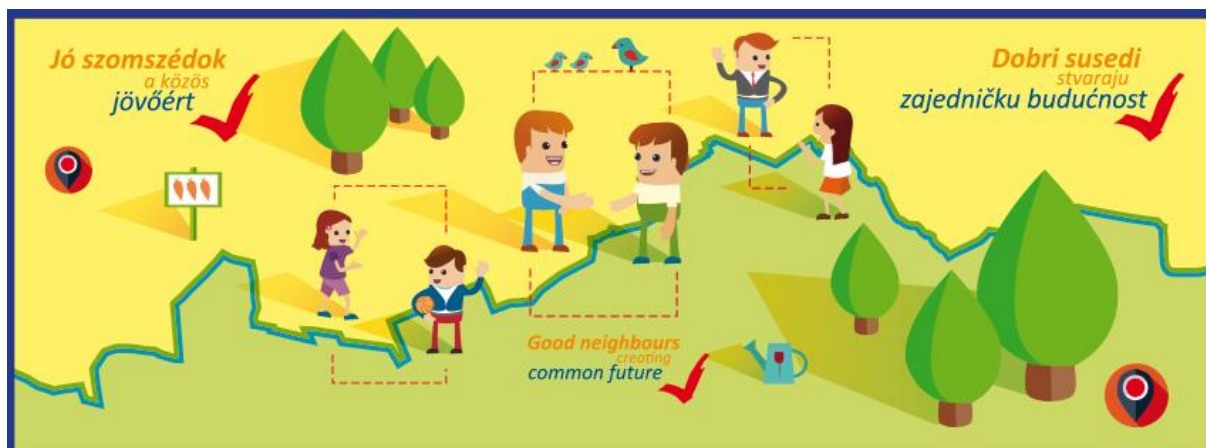




Hungary-Serbia
IPA Cross-border Co-operation Programme



FINAL IMPLEMENTATION REPORT

OF THE

HUNGARY-SERBIA

IPA CROSS BORDER CO-OPERATION PROGRAMME

2018

EXECUTIVE SUMMARY

The Hungary-Serbia IPA Cross-border Co-operation Programme (hereafter: the Programme) has implemented 204 projects, within three Calls for Proposals. The eligible spending rate of IPA fund on Programme level is above 97 %.

The Programme contributed to various actors who have built partnerships (public authorities, municipalities, universities, foundations, associations, NGO-s etc.) on national, regional and local levels. Most of the beneficiaries were local governments or non-profit organisations that would hardly be able to refurbish cultural heritage objects or to build border crossing bike paths without the contribution of the Instrument for Pre-Accession Assistance (IPA) fund provided by the EU.

The contribution of the Programme to the wide spectrum of human activities and interactions can be seen already from the various focuses of the implemented projects: infrastructural projects, environment, tourism and economic development, sport, culture and arts, to name a few. Results, such as kilometres of built or reconstructed roads and bicycle paths, renovated and equipped buildings, laboratories, sport venues and parks, pieces of upgraded equipment and similar represent visible results whose immediate impact can be easily measured.

Equally important are the less-tangible, but, often, longer-lasting results. The contribution of the Programme to the creation and strengthening of permanent cooperation among organisations, institutions and people from Hungary and Serbia are not so readily observable and easily measurable, but are indisputable.

Alongside the general improvement of cross-border relationships, which (according to the questionnaire of the ongoing evaluation) general public sees as the biggest achievement of the programme, there are many other significant achievements: 34 km of new bicycle paths and 4,1 km of new roads were constructed; 36 interventions in flood protection and prevention were supported; 191 attractions were developed / renovated / marketed in the area of "Joint tourism"; action "Animal health monitoring" reduced the contaminated area by 36 173 km²; 92 strategies, plans and related research documents were developed within the action "Coordinated studies for territorial and sectoral development of the region"; 11 906 persons were trained in joint educational activities involving 791 experts within the action "Educational cooperation"; 360 organisations participated in various joint events organised within "People to people cooperation" action.

The overall estimation of the programme is undoubtedly positive. It significantly contributed to the improvement of the cross-border connections between the various actors as well as to the regional and local development. The implementation of some landmark projects, such as the construction of the lead up road to the border crossing point Ásotthalom - Backi Vinogradi, made the programme visible and appreciated in the border area.

As a result of the project activities implemented with support of the Programme, the region is prepared for larger cross-border investments, and the future joint development has been assured. People to people actions and communication activities made sure that the Programme is present and visible to the general public. According to the Serbian NA, this Programme is the best practice example for CBC programmes in which Serbia is involved.

The Programme has assisted to build partnerships between the organisations dealing with the same, or similar and sometimes common problems on both side of the border. Also, involvement of many people in projects working and living in this border zone helped to improve the people's understanding of each other's culture.

To further illustrate the success of the programme, here is an excerpt from the Executive summary of one of the evaluations of the Programme:

“The overall appreciation of the programme is undoubtedly positive.

Despite the late start, the programme implementation is proceeding in a good pace, and most probably it will be able to achieve its targets in both spending and outputs, while providing good value for money, thus the direct comparison of the Programme objectives and results presents a good overall performance with strong synergies with European, national and regional programmes and goals (TOPIC1).

The Programme has significantly contributed to the improvement of the cross-border connections between the various actors (municipalities, universities, NGOs, etc.) of regional and local development. Especially the implementation of some landmark projects (such as the border crossing point at Ásotthalom – Bački Vinogradi) and people-to-people actions made the programme visible and appreciated in the border area. The Programme has contributed very well to implementation of strategic national and EU policies

The success of Programme implementation can be proved by the number of successful projects funded by the Programme: it has to be stated that only a few projects were cancelled in the contracting or project implementation periods which indicates that the project selection procedure succeeded in selecting projects suitable for implementation.”

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LIST OF ABBREVIATIONS

FIR = Final Implementation Report
EC = European Commission
EU = European Union
ETC = European Territorial Co-operation
IPA = Instrument for Pre-accession Assistance
CBC = Cross-border Co-operation
Hu-Srb IPA CBC = Hungary-Serbia IPA Cross-border Co-operation
OP = Operational Programme
JMSC = Joint Monitoring and Steering Committee
MA = Managing Authority
NA = National Authority (or NAs for National Authorities)
PMO = Prime Minister's Office Hungary (NA of Hungary and MA of Programme)
SEIO = Serbian European Integration Office (NA of Serbia)
AA = Audit Authority
CA = Certifying Authority
JTS = Joint Technical Secretariat
JTS Info-Point = Information Point of the Joint Technical Secretariat (*in Subotica-Serbia*)
FLC = First Level Control (*national controllers*)
LB = Lead Beneficiary
TP = Thematic Priority
PA = Priority Axis
TA = Technical Assistance
CfP = Call for Proposals (1st CfP = First Call for Proposals...)
RP_n = Reporting Period - *RP1, RP2...*
SC = Subsidy Contract
Add = Addendum
OPC = Other Project Changes
MoU = Memorandum of Understanding
JPM = Joint Procedures Manual
PIH = Project Implementation Handbook
PraG = Practical Guide to contract procedures for EC external actions
DOVE = Declaration On Validation of Expenditures
AfR = Application for Reimbursement
IMIS = Integrated Monitoring and Information System

1 IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned	IPA Component II
	Eligible area concerned	In Hungary: Csongrád, Bács-Kiskun In Serbia: West-Bačka, North-Bačka, North-Banat, South-Bačka, Middle-Banat (+South Banat and Srem as adjacent regions)
	Programming period	2007-2013
	Programme number (CCI No)	2007 CB16 IPO 004
	Programme title	HUNGARY-SERBIA IPA CROSS BORDER CO-OPERATION PROGRAMME
FINAL IMPLEMENTATION REPORT	Reporting year	01 January 2007- 31 December 2017
	Date of approval of the annual report by the monitoring committee	23/03/2018

2 OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

2.1 Achievement and analysis of the progress

2.1.1 Information on the physical progress of the Operational Programme

A common characteristic of CBC Programmes is that they cover a complex range of fields and in many cases integrate them into one priority. This programme is no exception. The Ongoing Evaluation of the Programme showed a good overview of the progress made on the given fields. In addition, the evaluation provided a sound methodologic insights to be applied in the next 2014-2020 Programme. In most cases the Approved Actual Values are far above the Targeted value. In general, the fact that the results are far above the planned values can be considered as a success, on the other hand, however, it may show that the planning was, in deed, modest in terms of expectations. Whichever is the case, it is clear that some targeted values were underestimated.

In terms of measurability of the physical progress of the Operation Programme, defining 39 different kinds of Programme-level general indicators, then asking from beneficiaries to choose from a list of Action-specific indicators and finally allowing beneficiaries to define Project specific indicators, allowed the Programme to have a good overview of the progress made on the given field.

The programme-level general indicators were set in the Operational Programme and measured as indicated below in the table and under chapters 3.1.1. and 3.2.1. Additional action and project level indicators were set only at the level of the Call for Proposals if relevant, the project could choose.

In these terms, the progress was very good. However, this wide breakdown made the overview of the results of the entire Programme with reflection on the Programme’s specific objectives a bit more challenging.

The following set of indicators has been established for the projects implemented in the Programme:

- Programme-level general indicators
- Programme-level horizontal indicators
- Action specific indicators
- Project specific indicators

As there was no impact indicator planned in the Programme, so the vast majority of impact level achievements of the Programme are not expressed by the indicators. The data for the indicator tables and breakdowns is the result of the final state and it is based on the IMIS 2007-2013 large indicator report (disagreement with Annual reports are possible, these tables are the updated values, they prevail in comparison to Annual reports)

The following table presents quantifiable indicators defined as Programme-level general indicators in the Operational Programme per actions (please find the yearly breakdown in chapters 3.1.1 and 3.2.1):

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
111 Border crossing infrastructure, construction, reconstruction of lead up roads	output	Number of infrastructural facilities built, reconstructed or renewed, related to activities implemented by the Programme	pieces	0.00	5.00	19.00
	result	Increase in the size of territory that is accessible in maximum 15 minutes from border crossings	%	0.00	5.00	1,300.00 km ² *
	<p>Note for this indicator: The "Increase of the size of the territory that is accessible in maximum 15 minutes from border crossings" is an indicator that has some ambiguity by itself. No measuring methodology has been foreseen for this indicator, nevertheless, it is clear that the activities of the projects dealing with this issue did, in fact, increase the territory. Nonetheless, the values were calculated adding all the territory reported by Partners. Although the Approved Actual Value is certainly above the Target value, we may say that it is overestimated since the overlap between projects affecting the same territory reported several times independantly was not taken into consideration.</p> <p>The 1300 km² is 3,8 % of the programme area. Having in mind that the indicated 5.00% means increase and that it was defined for territories accessible within 15 minutes only, it may be concluded that the target value is achieved. (*The monitoring system contains a measurement unit other than what is included in the OP, as the collection and aggregation of relevant data required the usage of other measurement unit agreed by the Programme Bodies.)</p>					
	result	Increase of cross-border traffic (goods) as a result of implementing the Programme	%	0.00	10.00	0.00
	<p>Note for this indicator: The increase of cbc traffic in terms of people or goods is not in question - it has increased. Nevertheless, the Programme contribution to this indicator is very hard if not impossible to isolate since the action is influenced by many geo-political and economic factors. Official statistical data that the goal was met is available, but the fact remains that no projects have chosen this indicator and because of that it is not possible to connect this data to the programme. However, the border police provided official statistics regarding cross-border traffic. Based on the statistics the border crossing between Ásotthalom and Bački Vinogradi opened in the frame of the Programme resulted in the cross border traffic of 176 819 vehicles in 2015. This is 6,96% increase compared to the traffic in 2007 of all border crossings in the Programme area. Nevertheless, if we take into account the statistics of the entire border, the number of border-crossings on public roads increased by 308 809, which means a 15,16% increase between 2007 and 2015. (*The monitoring system contains a measurement unit other than what is included in the OP, as the collection and aggregation of relevant data required the usage of other measurement unit agreed by the Programme Bodies.)</p>					
result	Increase of cross-border traffic (people) as a result of implementing the Programme	%	0.00	1.00	22,400.00 persons*	
<p>Note for this indicator: The number Approved Actual Value at this indicator derives as the result of total value of all approved Progress Reports as the Beneficiaries have reported. The increase of cbc traffic in terms of people, like for goods, is not in question - it has increased; the problem is with proving that it increased as a result of the implemetning the Programme. No methodology was foreseen to measure how the implementation of the Programme increased the CBC trafic, so this indicator remained hugely underestimated during planning. The border police provided official statistics regarding traffic (people). Based on the statistics the border crossing between Ásotthalom and Bački Vinogradi opened in the frame of the Programme resulted in the cross border traffic of 429 203 persons in 2015. This is 5,45% increase compared to the traffic in 2007 of all border crossings in the Programme area. (*The monitoring system contains a measurement unit other than what is included in the OP, as the collection and aggregation of relevant data required the</p>						

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
	usage of other measurement unit agreed by the Programme Bodies.)					
	result	Reduced travel time across the border	minutes	0.00	10.00	136.80
	Note for this indicator: The achieved result is counted as simple addition of Progress Report values of Beneficiaries that chose this indicator; obviously, simple addition can't provide realistic data; and since no measuring methodology has been foreseen for this indicator, the value remains as is, an accumulative value. Nevertheless, it is clear that the activities of the projects dealing with this issue did, in fact, influence positively the reduction of time across the border, since a new border crossing and a river border crossing were opened within the framework however the measure remains circumstantial. According to the information of the border police such official statistics are not available.					
112 Planning transport lines, harmonisation of public transport	output	Average (daily) number of buses or other public transport items harmonised with the other side	pieces	0.00	10.00	121.00
	Note for this indicator: The achieved result is counted as simple addition of Progress Report values of Beneficiaries that chose this indicator; the measure by which it has surpassed the planned value can only be accounted to modest planning at the programming period.					
	output	Km of road/railway planned	km	0.00	40.00	253.00
	Note for this indicator: The Approved actual value is achieved highly above the targeted value. Looking back to the targeted value we can say that the values of the indicator was underestimated although it seemed realistic at the time when estimation was made. Nevertheless, tangible result on infrastructure development could be reached.					
	result	Number of recipient settlements with harmonised public transport	pieces	0.00	50.00	200.00
	Note for this indicator: The Approved actual value is achieved highly above the targeted value. The value of this indicator was simply underestimated during planning. One of reasons for such a large difference is that there may be overlapping of the settlements that different projects reported on, on one side, and that the settlement as a territory was understood differently by different actors					
	result	Potential increase in the size of territory that is accessible in max. 20 minutes from borders, urban centres or major transport arteries defined in elaborated plans	%	0.00	10.00	69,388.00 km ^{2*}
Note for this indicator: "Potential increase of the size of the territory that is accessible in maximum 20 minutes from borders,..." is, similarly to the Result Indicator for 1.1.1, an indicator that has some ambiguity by itself. No measuring methodology has been foreseen for this indicator, nevertheless, it is clear that the activities of the projects dealing with this issue did, in fact, increase the territory and reach and surpass the moderately planned target value. Nonetheless, the values were calculated adding all the territory reported by Partners. Although the Approved Actual Value is certainly above the Target value, we may say that it is overestimated since the overlap between projects affecting the same territory reported several times independently was not taken into consideration. The 10% of the total size of the programme area is 3421 km ² , which means that even with considering the same territories reported several times it may be concluded that the target value is achieved. (*The monitoring system contains a measurement unit other than what is included in the OP, as the collection and aggregation of relevant data required the usage of other measurement unit agreed by the Programme Bodies.)						
121	output	Number of interventions on	pieces	0.00	5.00	36.00

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
Minor actions in water management: planning, research, monitoring, minor developments for preventing inland inundation and flood		flood protection and prevention				
	Note for this indicator: The value of this indicator were underestimated during planning but the fact that there were more interventions on this field is a positive development for the programme.					
	output	Number of new studies, feasibility studies, plans, strategies and related research documents developed (pieces)	pieces	0.00	15.00	73.00
	Note for this indicator: The value of this indicator were underestimated during planning. This underestimation might be explained by the economic crises of 2008-2009, which could already been foreseen during the planning. This indicator is about to substantiate of future investments and constructions that needed to be considered very moderately having in mind the effects of the approaching economic crisis.					
	result	Size of the area observed and/or monitored and/or prevented/protected by equipment installed, and/or influenced directly by the water management related activities	km2	0.00	800.00	161,737.79
Note for this indicator: The size of the area and simple addition of reported values does not offer a realistic value as there was no methodology foreseen to measure how the implementation and there were overlaps between projects, and many times the same area is reported for different projects independently causing large difference between Approved Actual value and Targeted value. Nonetheless, there is sufficient evidence to support that the target value was reached, and very much surpassed.						
122 Animal health monitoring, actions for improving the quality of the environment (planning, research, minor development actions	output	Information system developed	pieces	0.00	1.00	14.00
	Note for this indicator: The value of this indicator were underestimated during planning.					
	result	Number of infrastructural facilities built, reconstructed or renewed	pieces	0.00	0 - Not planned for this action	9.00
	Note for this indicator: This indicator was planned for Action 1.1.1 "Number of infrastructural facilities built, reconstructed or renewed, related to activities implemented by the Programme" however by a technical error in the setting up of the programme into the monitoring system, it was repeated in this form for this Action as a Programme-level general indicator. Since this Action also deals with infrastructural facilities, this indicator served the purpose to show the number of such facilities in this action. The target value appears as 0 since this indicator was not planned within this Action, but it offers addition information on the success of the programme and it still appears in the monitoring system indicator summaries.					
	result	Number of settlements influenced by minor actions improving the quality of the environment	pieces	0.00	100.00	243.00
	result	Size of the area monitored by jointly coordinated animal health monitoring system out of the programme eligible area	%	0.00	10.00	36,173.00 km ^{2*}
Note for this indicator: here is an overlap of the same territory being reported more times by different projects independently increasing difference in Approved actual value and Targeted value. Having said that, there is no question the target value has been reached, and surpassed by a						

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
		large margin. The 10% of the total size of the programme area is 3421 km2, which means that even with considering the same territories reported several times it may be concluded that the target value is achieved. (*The monitoring system contains a measurement unit other than what is included in the OP, as the collection and aggregation of relevant data required the usage of other measurement unit agreed by the Programme Bodies.)				
211 Trainings and partner finding facilitation for businesses	output	Number of business firms (or other relevant organisations) reached by actions of supported facilitating entities established	pieces	0.00	200.00	3,955.00
	Note for this indicator: The value of this indicator was underestimated during planning but the fact that there were more such organisations were reached by project actions on this field is a positive development for the programme.					
	output	Number of hours of training	hours	0.00	500.00	1,299.00
	result	Number of entities involved in new contacts created	pieces	0.00	200.00	2,302.00
	Note for this indicator: The Approved actual value is achieved highly above the targeted value although the value the indicators were underestimated during planning					
	result	Participants successfully trained (with improved skills)	persons	0.00	1,000.00	1,786.00
212 Development of thematic routes of cultural heritage	output	Number of attractions developed / renovated/ marketed by projects	pieces	0.00	10.00	191.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
	output	Number of common cultural thematic routes established	pieces	0.00	8.00	43.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as a very positive development.					
	output	Number of visitors of the supported attractions	persons	0.00	15,000.00	185,690.00
213 Coordinated studies for the territorial and sectoral development of the region	output	Number of new strategies, plans and related research documents developed	pieces	0.00	50.00	92.00
	result	Number of Hungarian and Serbian local authorities and /or their associations involved in joint planning	pieces	0.00	35.00	287.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as a very positive development.					
214 Product oriented RDI	output	Number of cross-border contacts realised in joint research project	pieces	0.00	60.00	1,444.00
	Note for this indicator: The expected value of this indicator was hugely underestimated during planning, but the programme considers them as an extremely positive development as it is one of the main goals of any CBC to establish contacts across the borders.					

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
	result	Number of researchers involved in the project	persons	0.00	150.00	494.00
221 Educational co-operation	output	Number of common curricula elaborated	pieces	0.00	10.00	95.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
	output	Number of exchange programmes carried out	pieces	0.00	5.00	178.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
	output	Number of joint training programmes carried out	pieces	0.00	20.00	77.00
	Note for this indicator: The expected value of this indicator were underestimated during planning, but the programme considers them as positive development.					
	result	Number of education staff, experts participating in joint educational or training activities (training, exchange programmes)	persons	0.00	60.00	791.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
	result	Number of persons trained in joint educational activities (training, exchange programmes)	persons	0.00	300.00	11,906.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
222 People to people co-operations	output	Number of NGOs involved in cross-border contact	pieces	0.00	50.00	964.00
	Note for this indicator: The expected value of this indicator was hugely underestimated during planning, but the programme considers them as an extremely positive development.					
	output	Number of projects implemented	pieces	0.00	15.00	56.00
	Note for this indicator: The expected value of this indicator was underestimated during planning, but the programme considers them as positive development.					
	result	Number of people involved	persons	0.00	10,000.00	335,604.00
	Note for this indicator: The expected value of this indicator was hugely underestimated during planning, but the programme considers them as an extremely positive development as it is one of the main goals of any CBC to involve as much people as possible in CBC projects.					
TA indicator data (not generated from IMIS)						
TA	output	Percentage of funds allocated to the programme disbursed	percentage	0.00	90.00	97.00
TA	output	The programme's own website developed	pieces	0	1	1
TA	output	Number of implemented	pieces	0	200	204

Action	Type of indicator	Indicator Description	Measurement Unit	Aggregated Indicator Values		
				Base Value	Target Value	Approved Actual Value
		projects				
TA	output	When a given call is open the number of visitors at the web page per day	pieces	0.00	80	147*
(*) Note for this indicator: We have verifiable sources in form of Google website analytics that we surpassed the required values for this data, we consider this indicator more than fulfilled, but the lacking information in the online monitoring system (where the value of this indicator is 0.00) is that it did not allow editing the values.						

2.1.2 Financial information¹

	Total funding of the operational programme (Union and national)	Basis for calculating Union contribution (Public or Total cost)	Total amount of certified eligible expenditure paid by beneficiaries	Corresponding public contribution	Implementation rate In %
	A	b	c	D	e = c/a
Priority axis 1 Infrastructure and Environment	28 888 341	Total cost	28 062 311,97	28 004 072,93	97,14
Priority axis 2 Economy, Education and Culture	24 171 877	Total cost	23 862 124,94	23 339 916,05	98,72
Priority axis 3 Technical Assistance	5 895 580	Total cost	5 567 617,61	5 567 617,61	94,44
Grand total	58 955 798		57 492 054,52	56 911 606,59	97,52

2.1.3 Information about the breakdown of use of the Funds

The Operational Programme did not contain categorisation data therefore information is not available.

2.1.4 Assistance by target groups

The Operational Programme did not contain a financing breakdown related to target groups therefore information is not available.

2.1.5 Assistance repaid or re-used

The entire IPA amount which was repaid or was not spent by the Project partners was considered as available financial resources for granting additional projects. Within a reasonable timeframe, and

¹ Based on IMIS – status on 31/12/2017

having in mind the goal to reach the highest possible absorption rate, the Programme decided to re-use the available funds. During the 3rd Call for Proposals, the Programme has foreseen that a new open Call for proposals would take too long to organise; so a Reserve List was established during the Contracting of the projects for the 3rd Call. Repaid and unused IPA funds were continuously monitored during programme implementation and were utilized when enough money became available through means of repayment or as unspent financing upon the closure of ongoing projects (most of projects of the 1st Call have concluded and projects of the 2nd Call were being finalized). Because, at that time, the programme closure was approaching, the projects had to take into consideration that the implementation period does not exceed 12 months and with this in mind new Contracts were drafted. The epilogue is that 12 additional projects from the Reserve List of the 3rd Call for Proposals were contracted in the value of EUR 1 590 460,50 under priority 1 and EUR 1 887 202,67 under priority 2. The projects from the Reserve List were contracted based on the JMSC decisions: 7 projects were approved on the 7th JMSC Meeting (26/06/2013), 1 project was approved on the 8th JMSC Meeting (18/12/2013) and the last 4 projects were approved on the 10th JMSC Meeting (16/12/2014).

IPA funds re-used – List of projects contracted from reserve list		
Project ID	Lead Partner	Community contribution awarded (EUR)
<i>Decision made within the 7th JMSC Meeting (26/06/2013)</i>		
HUSRB/1203/111/026	DKMT Danube-Kris-Mures-Tisa Euroregional Development Agency - Nonprofit Public Benefit Ltd.	1 353 878,30
HUSRB/1203/112/246	Public City Transport Company "Novi Sad"	236 582,20
HUSRB/1203/211/063	Regional Innovation Agency of South Great Plain Association of Public Utility	101 377,56
HUSRB/1203/212/144	Local Government of Jánoshalma	299 974,77
HUSRB/1203/214/230	University of Novi Sad, Faculty of Science	151 609,40
HUSRB/1203/221/024	University of Szeged	135 927,75
HUSRB/1203/222/051	Football club Radnički	80 143,25
<i>Decision made within the 8th JMSC Meeting (18/12/2013)</i>		
HUSRB/1203/214/248	University of Novi Sad, Faculty of Sciences	258 578,46
<i>Decision made within the 10th JMSC Meeting (16/12/2014)</i>		
HUSRB/1203/221/173	University of Szeged	171 785,00
HUSRB/1203/221/252	University of Novi Sad Faculty of Sciences	247 271,97
HUSRB/1203/214/123	Biological Research Centre HAS Szeged	174 377,50
HUSRB/1203/212/090	The Municipality of Bač	266 157,01
Total		3 477 663,17
<i>Total of Priority 1</i>		<i>1 590 460,50</i>
<i>Total of Priority 2</i>		<i>1 887 202,67</i>

The amount of interest generated on the Programme's single bank account from the starting of the implementation of the Programme (cumulative) is 31,275.12 euro.

In accordance with Article 36 of the EC Regulation 718/2007 interest generated by the Community financing of a Programme shall be posted exclusively to the Programme concerned, being regarded as a resource of the beneficiary country in the form of a national public contribution.

The interest generated on the Programme's Single Bank Account was considered as national contribution of the Partner States in line with the Decision No. 35 of the JMSC in written procedure.

2.1.5.1 Irregularities – reclaim

There are many circumstances during the implementation of a project which could have financial effect on it; irregularities could be detected where a recovery procedure should be initiated, or using the full budget is not possible due to different factors. Additionally, in Hungary-Serbia IPA CBC Programme the unsettled advance payment resulted in recoveries.

In 19 cases financial correction needed to be done by recovery procedure. The total value of irregular amount which needed to be repaid by these projects is **EUR 107 212,10**.

In 5 cases, as indicated below, the irregularity procedures are closed and the affected amounts have already been settled (altogether EUR 35 836,12); whilst in 14 cases, the irregularity has already been established but the recovery procedures have not been finished yet (altogether EUR 71 375,98).

Individual irregularities – reclaim (status on 31/12/2017)			
Project ID	Partner	Community contribution reclaimed (EUR)	Community contribution repaid
HU-SRB IPA-TA/01	VÁTI Magyar Regionális Fejlesztési és Urbanisztika Nonprofit Kft.	2 193,29	yes
HU-SRB IPA-TA/01	VÁTI Magyar Regionális Fejlesztési és Urbanisztika Nonprofit Kft.	471,63	yes
HUSRB/0901/111/095	Újszentiván Község Önkormányzata	72,25	pending ²
HUSRB/0901/111/095	Szeged Megyei Jogú Város Önkormányzata	44,62	pending ²
HUSRB/0901/111/095	Tiszasziget Község Önkormányzata	19,12	pending ²
HUSRB/0901/214/108	Gabonakutató Nonprofit Közhasznú Kft.	60,85	yes
HUSRB/1203/111/026	Opstine Kanjiza	2 741,13	pending*
HUSRB/1203/111/049	Grad Subotica	65 683,51	pending*
HUSRB/1203/111/050	Zavod za urbanizam Vojvodine	60,59	pending*
HUSRB/1203/111/261	Grad Novi Sad	277,10	pending*
HUSRB/1203/112/245	Zavod za urbanizam Grada Subotice	1 280,85	pending*
HUSRB/1203/121/132	Grad Sombor	61,23	pending*
HUSRB/1203/222/051	Fudbalski klub "Radnički"	3,51	pending*
HUSRB IPA-TA/07	European Integration Office of Republic of Serbia (SRBNA)	1 084,06	pending ³
HUSRB/1203/111/026	DKMT Duna-Körös-Maros-Tisza Eurorégiós Fejlesztési Ügynökség Nonprofit Közhasznú	4 431,35	yes

	Kft.		
HU-SRB IPA-TA/02	Miniszterelnökség (NFÜ)	28 679,00	yes
HUSRB/1002/214/045	Fakultet za biofarming Backa Topola, Megatrend Univerzitet	48,01	pending*
Total		107 212,10	
<i>Pending</i>		<i>71 375,98</i>	
<i>Repaid</i>		<i>35 836,12</i>	

* Reclaim letter was sent to the Lead Beneficiary by the Managing Authority based on audit findings.

² The amount has been repaid by the Beneficiary after the cut-off date (after 31.12.2017.).

³ The amount has been settled after the cut-off date (after 31.12.2017) on 02.02.2018.

In addition to the above mentioned cases, there are 25 closed irregularity cases where the irregular amounts have been suspended and corrected by the FLC before payment to the LB/PP during the project implementation period, therefore no recovery procedures needed. The total value of irregularities handled by deduction is EUR 190 667,09.

2.1.5.2. Recovery arising from systemic error

Arising from a systemic error established by the Audit Authority because of the deficiency of the method of calculating overhead costs in one program document (Control Guidelines), both Participating Countries need to recover the amounts of Community contribution resulting from the finding. The reconciliation between the Hungarian and Serbian National Authorities has been launched. The modification of the concerned program document has happened in due time.

Affected partners by systemic error	Total amount	Community contribution (EUR)	National Contribution	Own public Contribution	Own private Contribution	Community contribution recovered
Serbian part	12.493,01	10.619,10	0,00	1.268,14	605,77	pending
Hungarian part	9.978,94	8.482,10	998,94	26,34	471,56	pending
Altogether	22.471,95	19.101,20	998,94	1.294,48	1.077,33	pending

2.1.5.3. Projects withdrawn (assistance re-used)

In 5 further cases, the decisions have been withdrawn, which resulted in the termination of the Subsidy Contracts. In 2 cases incomplete project implementation led to the Managing Authority's withdrawal from the Subsidy Contract, in 2 cases it was a result of irregularity and in 1 case the Partnership withdrew the Subsidy Contract right after it was signed. These projects repaid all amounts previously transferred. Due to withdrawal and the termination of Subsidy Contracts EUR 93 864,35 Community contribution needed to be repaid.

Repaid IPA funds in case of withdrawal (status on 31/12/2017)			
Project ID	Partner	Community contribution reclaimed (EUR)	Community contribution repaid
HUSRB/0901/211/008	ITD Hungary Nonprofit Közhasznú Zártkörűen Működő Részvénytársaság	19 309,88	yes
HUSRB/0901/211/092	Regionalna privredna komora Novi Sad, Novi Sad, Srbija, Serbia	0,00	withdrawn before payment happened
HUSRB/1002/211/189	Ekonomski fakultet Subotica	50 801,22	yes
HUSRB/1002/222/055	Közép-Kelet-Európai Rekreációs Társaság	12 803,55	yes
HUSRB/1002/222/102	Kiskunfélegyházi Fúvószenekeari Egyesület	10 949,70	yes
Total		93 864,35	

2.1.5.4. Unsettled advance payment

There were altogether 51 cases where the advance was not entirely used by the projects so the unused advance needed to be repaid by the Partners. In case of 3 projects, the LB did not manage to repay the advance, so the amounts were successfully reclaimed from the Participating Country to the Programme.

As seen below, the amounts concerned have been successfully repaid to the Programme's bank account.

Repaid IPA funds – unsettled advance payment (status on 31/12/2017)			
Project ID	Lead Beneficiary	Community contribution reclaimed (EUR)	Total unpaid amount (EUR)
HUSRB/0901/112/153	DKMT Duna-Körös-Maros-Tisza Eurorégiós Fejlesztési Ügynökség Nonprofit Közhasznú Kft.	252,34	0.00
HUSRB/0901/122/169	Szegedi Vadaspark	8 059,63	0.00
HUSRB/0901/211/010	Dél-Európai Együttműködések Fejlesztéséért Szolgáltató Közhasznú Nonprofit Korlátolt Felelősségű Társaság	2 091,00	0.00
HUSRB/0901/212/148	DKMT Duna-Körös-Maros-Tisza Eurorégiós Fejlesztési Ügynökség Nonprofit Közhasznú Kft.	7 723,37	0.00
HUSRB/0901/213/028	Magyar Tudományos Akadémia Közgazdaság és Regionális Tudományi Kutatóközpont	6 533,10	0.00
HUSRB/0901/221/001	Eötvös József Főiskola	21 984,03	0.00
HUSRB/0901/221/055	Szegedi Rendészeti Szakközépiskola	775,36	0.00
HUSRB/0901/222/049	Kunszállás Község Önkormányzata	10 156,18	0.00
HUSRB/0901/222/103	Mađarski kulturni centar Népkör	4 366,88	0.00
HUSRB/0901/222/131	Gerontološki centar: socijalna i zdravstvena ustanova za pružanje pomoći odraslim i starijim osobama	3 870,36	0.00

HUSRB/0901/221/045	Szegedi Tudományegyetem	13 827,38	0.00
HUSRB/0901/222/085	Tisza Volán Sport Club	6 000,15	0.00
HUSRB/0901/221/076	Visoka tehnička škola strukovnih studija - Subotica	10 843,75	0.00
HUSRB/0901/213/134	Grad Novi Sad	7 391,69	0.00
HUSRB/0901/212/111	Muzej Vojvodine Novi Sad	19 752,37	0.00
HUSRB/0901/214/123	Univerzitet u Novom Sadu, Poljoprivredni Fakultet, Departman za voćarstvo, vinogradarstvo, hortikulturu i pejzažnu arhitekturu	4 667,64	0.00
HUSRB/0901/212/038	Deszki település-üzemeltetési Nonprofit Kft.	7 578,82	0.00
HUSRB/0901/221/170	Fakultet za ekonomiju i inženjerski menadžment	4 898,42	0.00
HUSRB/0901/222/130	Sportski Klub Vojvodina RMR	2 437,55	0.00
HUSRB/0901/222/166	Opština Temerin - Prva Mesna Zajednica	8 136,74	0.00
HUSRB/0901/111/006	NIF Nemzeti Infrastruktúra Fejlesztő Zrt.	18 520,61	0.00
HUSRB/1002/222/159	Dél-alföldi Ifjúsági Életmód és Szabadidő Alapítvány	2 900,20	0.00
HUSRB/1002/222/145	MÁTRIX Közhasznú Alapítvány	2 180,21	0.00
HUSRB/0901/222/165	Asocijacija za razvoj opstine Mali Idoš	2 317,28	0.00
HUSRB/1002/222/119	Egy-másért Ifjúsági és Közösségfejlesztő Közhasznú Egyesület	5 465,16	0.00
HUSRB/1002/213/143	Dél-Alföldi Regionális Fejlesztési Ügynökség Nonprofit Kft.	3 077,55	0.00
HUSRB/1002/212/196	Muzej Vojvodine Novi Sad	13 727,92	0.00
HUSRB/1002/211/106	Otvoreni univerzitet Subotica	3 851,78	0.00
HUSRB/1002/122/137	Baja Város Önkormányzata	18 333,86	0.00
HUSRB/1002/222/198	Asocijacija za razvoj opstine Mali Idoš	14 994,00	0.00*
HUSRB/1002/214/044	Szegedi Tudományegyetem	2 496,79	0.00
HUSRB/1002/222/004	Tisza Volán Sport Club	1 264,28	0.00
HUSRB/1203/222/031	Hódmezővásárhelyi Kosársuli Sportegyesület	4 484,18	0.00
HUSRB/1203/222/125	Falugondnokok Duna-Tisza Közi Egyesülete	2 121,86	0.00
HUSRB/1002/111/113	Opština Novi Kneževac	3 444,24	0.00
HUSRB/1002/214/078	Szegedi Tudományegyetem	23 878,21	0.00
HUSRB/1002/214/133	Szegedi Tudományegyetem	791,90	0.00
HUSRB/1002/122/100	Kecskeméti Televízió Nonprofit KFT	12 980,29	0.00
HUSRB/1002/211/047	Dél-alföldi Regionális Innovációs Ügynökség Közhasznú Egyesület	2 114,73	0.00
HUSRB/1002/213/086	Szegedi Tudományegyetem	6 283,20	0.00
HUSRB/1002/214/045	Gabonakutató Non-profit Közhasznú Kft.	17 850,00	0.00

HUSRB/1002/222/038	Csongrádi Városkép Nonprofit Kft.	7 395,00	0.00
HUSRB/1203/222/066	Csanádpalota Város Önkormányzata	2 550,00	0.00
HUSRB/1203/222/199	Szegedi Röplabda Sportegyesület	4 714,57	0.00*
HUSRB/1203/222/082	Szegedi Tekézők Egyesülete	3 910,68	0.00
HUSRB/1203/222/127	Szent-Györgyi Albert Agóra	8 135,76	0.00
HUSRB/1203/121/132	Grad Sombor	13 425,10	0.00
HUSRB/1203/212/259	Muzej Vojvodine Novi Sad	15 619,44	0.00
HUSRB/1203/222/021	Asztalitenisz Sport Klub Szeged	3 840 94	0.00
HUSRB/0901/222/012	Ženski odbojkaški klub Spartak	11 759,66	0.00*
HUSRB/1203/212/090	Opština Bač	2 722,73	0.00
Total		171 184,57	1 162,38
<i>Unpaid by Hungarian Partners</i>			<i>1 162,38</i>
<i>Unpaid by Serbian Partners</i>			<i>0,00</i>

* Reclaimed amount paid back by Republic of Serbia for the Serbian Project Partner

2.1.6 Qualitative analysis

Aside from visible, measurable and tangible results, such as kilometres of cycling paths, renovated roads, newly built or reconstructed buildings, facilities or outdoor spaces, the overall impact of the Programme can be and will be felt in the years to come. The contribution of the Programme to the creation of harmonious, economically well-developed and environmentally sustainable region is indisputable. Simply said, goal of the activities of the Programme bodies and institutions as well as project partnerships - to establish and strengthen durable cooperation of organisations, institutions and people from two countries is a process which has started and is unravelling. The work of all institutions, Programme bodies, project Partners and team members who jointly worked in the past seven years has already and will continue to yield results in the years to come.

Alongside the general improvement of the cross-border relationships, which general public sees as the biggest achievement, there are many other significant results of the programme: 30 km of new bicycle paths were constructed; 36 interventions in flood protection; more than 60 events were organised to enhance the economic cooperation; 191 attractions were developed, renovated or marketed in the area of joint culture and tourism; more than 330 000 people were in one way or the other involved in the projects; 287 settlements; 185 690 people visited the cultural and historical attractions alongside the thematic routes supported by the Programme; more than 14 000 persons were trained in the joint educational activities in various fields; close to 500 scientific researchers were involved in the R+D projects activities; more than 70 strategies, rules or regulations were harmonized within the action 'Coordinated studies for territorial and sectoral development of the region'; more than 19 000 multilingual information materials were produced within the action 'Trainings and partner finding facilitation for businesses'; more than 30 joint and continually updated websites are online to help the cooperation in education; close to 400 organisations participated in

various joint events organised within ‘People to people cooperation’ action. (See indicators more detailed in chapter 2.1.1.)

We also consider that the eligible spending rate of IPA funds which on Programme level is above 97% is one of the most important financial indicators and measures of success of the Programme.

The above mentioned activities are in line Article 9(3) of Regulation (EC) No 1083/2006. All the infrastructure related developments, the educational and training activities as well as the R+D projects and their results are contributing to the achievement of the targets of the Convergence and Regional competitiveness and employment.

Regarding horizontal indicators more specifically related to the field of equal opportunities, besides gender equality, the projects needed to address the needs of those facing multiple disadvantages, e.g., people with disabilities, those from ethnic minority communities, etc. Projects that aim to improve access to education, business development, training and employment opportunities for women, people with disabilities and ethnic minorities, and to increase the understanding and the development of best practice to overcome stereotyping, received extra points for actively contributing to the horizontal indicators of the programme.

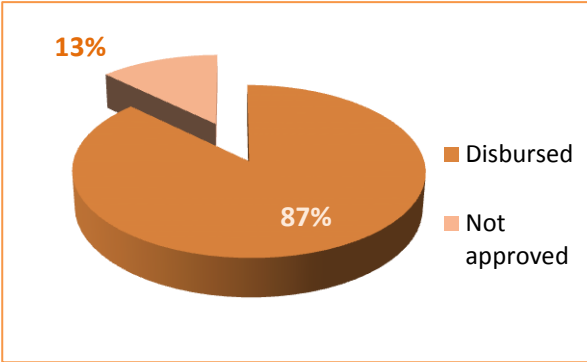
The Programme has initially defined the following indicators to tackle the issue of equal opportunities.

Indicator descriptions	Measurement Unit	Base Value	Approved Actual Value
Number of actions supporting equal opportunities	pieces	0.00	1,137.00
Functions/processes facilitating and/or promoting equal opportunities	pieces	0.00	1,662.00

As seen above, the indicators themselves did not specifically broken down further related to equal opportunities between genders, however it is our estimation that at minimum 50% of these values relate to gender equality and to a less extent other horizontal issues.

2.1.6.1 The first Call for Proposals (HUSRB/0901)

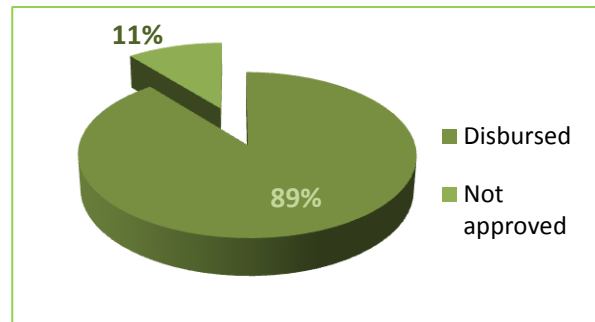
By the end of June 2013, the implementation of all 68 projects of the 1st Call for Proposals was completed and the projects were financially closed. The total contracted community funding - IPA for the 1st CfP was EUR 17.931.209,09 and the total disbursed IPA was EUR 15.643.419,49 (meaning, validated costs as according to Progress Reports). The percentage of IPA funding spending was 87,24% in comparison to the planned budget.



1. diagram - 1st CfP IPA Absorption level

2.1.6.2 The second (HUSRB/1002) Call for Proposals

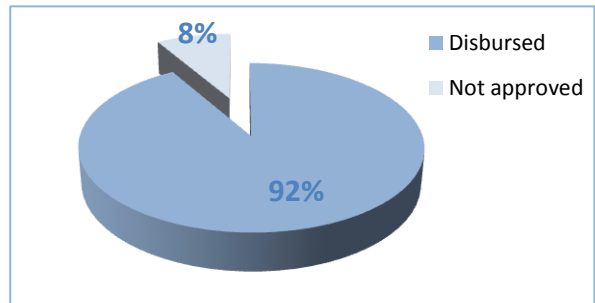
By the end of 2015, all 64 projects from the 2nd CfP were closed. The total contracted community funding - IPA for the projects of the 2nd CfP was EUR 11.898.790,72 and the total disbursed IPA was EUR 10.620.999,30 (validated costs as according to Progress Reports). The percentage of IPA funding spending was 89,26 % in comparison to the planned budget.



2. diagram - 2nd CfP IPA Absorption level

2.1.6.3 The third Call for Proposals (HUSRB/1203)

By the end of 2016, all 72 projects from the 3rd CfP were closed; all the eligible costs were validated. Only the last Project Progress Report was approved by the JS on 27 January 2017 (HUSRB/1203/212/090, Acronym: FRESCO). The total contracted community funding - IPA for the finalized projects of the 3rd CfP was EUR 19 523 298,49 and the total disbursed IPA was EUR 17 875 776,13 (validated costs as according to Progress Reports). The percentage of IPA funding spending was 91,56 % in comparison to the initial budget.



3. diagram - 3rd CfP IPA Absorption level (only for the finalized projects)

The data above is based only on the data of validated costs as according to Progress Reports and Applications for Reimbursement. The percentages show the rate of the validated costs in relation to the initially contracted amounts. The amounts may differ from the resulting over-all totals represented in other financial data due to reclaims, interest and other factors.

The rate of spending in comparison to the originally planned budget of projects was growing throughout the three Calls (by more than 4 %), which shows that, in general, Beneficiaries became more familiar with Programme rules and that the Programme bodies managed to help the implementation of the projects, which makes these values a measurable positive development for the programme.

2.1.6.4 Project modifications

Projects have been frequently modified. All together 725 project modifications were recorded by the JTS out of which 208 were Subsidy Contract modifications, requiring addenda to be signed by the Managing Authority of the Programme and the Lead Beneficiary. The number of project modifications became significantly lower during the implementation of the Programme

due to the efficiency measures taken by the JTS: starting with the projects financed in the 2nd Calls for Proposals, only one project modification was allowed in each reporting period. The beneficiaries have become used to this rule; they coordinated activities and communicated better within the Partnership, which led to less modification requests.

The number of approved progress report was 812 during the Programme implementation. At the start of the project implementation many projects decided to merge the first two reporting periods, thus there were fewer Progress Reports in total than expected. The possibility of merging reported periods is a positive practice that allows the beneficiaries some flexibility in planning their administrative burdens. However, the option was used only in exceptional cases and with good justifications. The merging itself was considered a Project modification that required approval from the JTS.

2.2 Information about compliance with Community law

The implementation of the Hungary-Serbia IPA Cross-border Co-operation Programme was in line with the relevant Community and national legal background. All programme implementing structures and the processes managed by them are in compliance with Community law (i.e. with Council Regulation (EC) No 1085/2006 and Commission Regulation (EC) No 718/2007, as well as with Hungarian and Serbian law, respectively.

In Hungary, Government Decree No 160/2009 (VIII. 3.) on the implementation of certain programmes related to European Territorial Co-operation, funded by the European Regional Development Fund and the Instrument for Pre-Accession Assistance' is to be considered the main legal background document. In Serbia, the following pieces of legislation were substantially affecting the implementation of the Programme: the Financing Agreement between the Government of the Republic of Serbia and the Commission of the European Communities concerning the 'Hungary-Serbia IPA Cross-border Co-operation Programme' under the Instrument for Pre-accession Assistance, signed on 27 March, 2009; as well as the Framework agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the rules for co-operation concerning EC-financial assistance to the Republic of Serbia in the framework of the implementation of the assistance under instrument for pre-accession assistance (IPA) concluded on 29 November 2009.

In Hungary the Decree of the Ministry for National Development and Economy 5/2009 (III. 18.) on the rules of usage of state aid and types of aids granted from certain programmes related to European territorial cooperation, funded by the ERDF and the IPA was adopted. This regulates the general framework for handling state aid in European Territorial Co-operation Programmes with Hungarian project partners involved. Since the Republic of Serbia is not EU member state and became official EU candidate country in 2012 the state aid rules were not relevant on its territory.

The national legislation of the participating states in the Programme, the description of the management and control system, the Joint Procedures Manual, the guiding documents for the call for proposals, the electronic monitoring system of the programme (IMIS) were aligned with the

governing regulations of the EU. Due to the fact that the national laws and regulations and other rules relevant for the use of funds were adopted to correlate with the legislation of the EU, no legal collision was detected with the EU law during the implementation of the Programme.

2.3 Significant problems encountered and measures taken to overcome them

No significant problem was identified under the procedure in Article 112 (2) (c) (ii) of 718/2007 EC during the implementation of the programme and neither during the annual examination of the programme in line with Article 113 of 718/2007 EC.

Nevertheless some highlights can be found at the executive summary and some observation under this chapter.

According to the results of the audit of the management and control for the Hungary–Serbia IPA Cross-border Co-operation Programme 2007-2013 continued to be compliant with requirements set out in Articles 105, 115 and 116 of 718/2007 EC. The system had been classified in Category 1 that was it ‘works well, only minor improvements are needed’.

The on-line monitoring system has had few to offer in terms of flexible ad hoc reporting features and this was the main deficiency of the monitoring system. For this reason, reports and summarized data required considerable human resources of the JTS to collect data and create “hand-made” excel sheets. Developments of the system were initiated to serve better the Programme level reporting bearing in mind also the Programme closure obligations which improved these features to an extent.

During the implementation of the programme some of the projects faced problems that were solved through the cooperation of the management bodies and project partners. All projects were contacted one-by-one, raising attention to the financial schedule, amending subsidy contracts if necessary, reviewing the partnership.

Another persisting problem was that the infrastructure projects suffered the most from slow and hindered preparation:

- Public procurement revision (partners in some cases had to repeat the public procurement procedure because of some procedural mistakes)
- Liquidity of project partners
- Unavailability of occupancy licence
- Unavailability to provide the expected ownership rights on time (some of the real estates concerned had to appear in the given Subsidy Contract as a condition for approval of Application for Reimbursement)

These project problems related to infrastructure were, in the end, handled well by the beneficiaries with crucial and timely help of the Joint Technical Secretariat and its Info-Point and consequently, neither of the planned infrastructural actions was substantially hindered.

To illustrate a couple of issues – **but not considered significant problem** - here is an Excerpt from the Executive summary of the ongoing evaluation report:

„Besides these very positive results of Programme implementation, there is still place for further improvement of the procedure, as some shortcomings have also been identified: e.g. shortening the length of the administrative procedures (first of all in the contracting and implementation phase), shifting the process towards an electronic submission in line with the “e-cohesion” principle, easing the administrative burden regarding supporting documentation.

The requirements and procedures of the Call allowed a fairly wide circle of applicants to apply for the funds, yet some interventions are needed in order to extend the scope of the Programme and to attract new applicants, e.g. introducing public consultations of the draft CfPs, improving partner-search facilities, introducing obligatory internal partnerships to allow smaller organisations to be involved, involving SMEs into the circle of eligible applicants, easing the administrative burden of the procedures, and solving the financing problems in the implementation phase.

In order to improve procedures with stronger focus on the selection of best quality projects new schemes could be considered to be applied, e.g. two-step application approach in very justified cases; multi-phase application and project selection procedure with more frequent decision-making dates per year; automatic project selection procedure with applying flat rates (in case of people-to-people actions); cluster calls and strategic projects.

The indicator system of the Programme cannot ensure in itself sound measurement and monitoring (TOPIC3). A greater degree of integrated approach is required, especially in the formulation of indicators, in order to monitor progress effectively.

Other specific (legal, administrative) difficulties were encountered during the establishment of the Programme and at the time the projects started their implementation.

The programme faced some difficulties in setting up of the control system in Serbia and in design of the main procedures as well as in finalizing the Description of the Serbian control system.

The transfer of TA funds to relevant Programme Authorities in Member States and the transfer of IPA funds to Project Partners by Serbian Lead Beneficiaries was a legal issue at the beginning to be solved in Serbia.

The VAT exemption procedure to be applied for Serbian Project Partners was to be solved on operational level.

The Programme experienced some shortcomings in transferring TA national co-financing from administrative/legal aspects.

The novelty of submitting verification report made some delay in interpreting and understanding the process.

Nevertheless those shortcomings have been solved by the Programme structures to implement the Programme successful.

2.4 Changes in the context of the operational programme implementation

All modifications of the Operational Programme were adopted by the EC, adjusting the OP to the reality concerning the project level advance payment and the multiannual financial planning.

Modifications of the Operational programme - breakdown:

1st OP Modification:

- a) Harmonizing with the stipulations of the MoU
- b) Introduction of Advance payment to projects

c) Decision that Eligible expenditure should be based on the total expenditure
Submitted on 8 July 2009, Approved by EC on 22 December 2009 [C(2009) 10746]

2nd OP Modification:

a) Revision of IPA Cross-Border Programmes' Decisions, Update of financial allocations
Updated annual allocations table for 2007-2011 and the table with breakdown of priority amounts.
Submitted on 16 October 2009, Approved by EC on 21 June 2010 [C(2010) 3878]

3rd OP Modification:

a) Revision of IPA Cross-Border Programmes' Decisions, Update of financial allocations
Updated annual allocations table for 2007-2013 and the table with breakdown of priority amounts.
Submitted on 14 October 2011, Approved by EC on 20 July 2012 [C(2012) 4964]

4th OP Modification:

a) Revision of IPA Cross-Border Programmes' Decisions, Update of financial allocations
Updated annual Allocations table for 2007-2013 and the table with breakdown of priority amounts.
Submitted on 14 April 2012, Approved by EC on 23 October 2012 [C(2012) 7498]

The joint management structure responsible for the overall programme implementation consists of the Joint Monitoring and Steering Committee (also responsible for the selection of operations), the Managing Authority and the Joint Technical Secretariat (in Budapest and in Szeged) supported by the Info Point in Subotica, as well as the Certifying Authority and the Audit Authority. The National Authorities of both Participating countries were designated to take the duty of establishment of First Level Control bodies and to handle national level responsibilities, e.g. irregularity management. The management structure was established according to the community and national regulations and requirements.

In this period the Participating Countries (Hungary and Serbia), designated the relevant institutions to provide for the joint managing, certifying and audit functions. At the same time, the preparation of the Memorandum of Understanding with the involvement of the Managing Authority, the two Participating Countries, the Certifying Authority and Audit Authority also started with the aim of clarifying the responsibilities of the parties and providing guarantees for programme implementation.

According to the Operational Programme and the common understanding of the Participating Countries, Hungarian Government Decree 49/2007 (III.26.) designated the institutions for the joint activities of the Programme. According to it, the functions of the Joint Certifying Authority at that time were carried out by the Ministry of Finance, Office of the National Authorizing Officer, the functions of the Joint Audit Authority by the Government Audit Office, and the functions of the Managing Authority by the National Development Agency, department responsible for international cooperation programmes.

From the beginning of the programming period till 1 July 2010 the Government Control Office was appointed as being the Audit Authority of the Programme.

As of 1 July 2010, the Directorate General for Audit of European Funds (hereinafter DGAEF) acts as the AA regarding ETC and IPA programmes for the programming period 2007-2013. In line with

Article 14(2) of Regulation (EC) No. 1080/2006, the work of the AA is assisted by the Group of Auditors (GoA), officially established on 19 January 2009, and consisting of the representatives of the Audit Authority (Directorate General for Audit of European Funds, HU) and the Audit Body (Ministry of Finance of the Republic of Serbia). The operation of GoA is regulated in detail in its Rules of Procedure (RoP).

In Hungary, the VÁTI Kht. and in Serbia, the Ministry of Finance were designated for the fulfilment of control activities according to Article 16 of 1080/2006/EC Regulation.

In June 2010, by adopting Decision of the Government of the Republic of Serbia 05 Nr. 110-4435/2010-1 on Addendum of the Decision on the establishment of the European Integration Office (17 June 2010), and Decision of the Government of the Republic of Serbia 05 Nr. 110-5014/2010 on the Changes in the Decision on the establishment of the European Integration Office (15 July 2010), all employees, responsibilities and functions of the National Authority were transferred from the Ministry of Finance of the Republic of Serbia to the European Integration Office (SEIO) of the Government of the Republic of Serbia. As a consequence, there was no need to change any of the Programme-level documents. Within the SEIO one sector acting as the NIPAC Technical Secretariat was established, also dealing with the management of bilateral development assistance (Sector for Planning, Programming, Monitoring and Reporting on EU Funds and Development Assistance) and one sector dealing with Cross-border Cooperation Programmes (Sector for Cross-border and Transnational Cooperation Programmes). By the Decision 05 No 337-8105/2010 from 4 November 2010 Serbian European Integration Office was designated as National Authority. By the Decision 05 No 119-4527/2014 from 24 May 2014 and 05 No 119-16346/2014 Department for Cross-border and Transnational Cooperation Programmes within Serbian European Integration Office was formally designated as National Authority for programmes implemented under shared management.

Based on Article 13 Law on Ministries (Official Gazette of the Republic of Serbia No 62/2017 from June 26th, 2017), Ministry of European Integration took over from European Integration Office all employees, as well rights and obligations, equipment and archive, while European Integration Office ceased to exist. By the Decision 05 No 119-7470/2017 from 4 August 2017 Ministry of European Integration was formally designated as National Authority while Division for First Level Control under cross-border cooperation programmes within Ministry of Finance was designated as Control Body for programmes 2007 – 2013 under the shared management.

As of 1 January 2011 regarding operational context, the Certifying Authority (CA) moved from the Ministry for National Economy to the Hungarian State Treasury.

As of 1st of July 2014, referring to the Regulations no 161/2014 (30th of June) and 1362/2014 (30th of June) of the Hungarian Government, the tasks of hosting the Joint Technical Secretariat and the tasks of First Level Control in Hungary were transferred from VÁTI Nonprofit Ltd. to the Széchenyi Program Office Nonprofit Ltd. (SzPO). From the above date the Joint Technical Secretariat of the Hungary-Serbia IPA CBC Programme 2007-2013 is operating within the SzPO with unchanged personnel, duties, functions and procedures. The contracts and relating contractual obligation established by VÁTI related to the implementation of the Programme are taken over by SzPO.

The above changes were communicated to other organisations involved in Programme implementation and also to project beneficiaries.

Changes in the applicable Community legislation in the implementation period

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes ²
Regulation (EU) No 80/2010	Regulation (EC) No 718/2007 (IPA implementing regulation)	30 January 2010	Eligibility of expenditure, conditions related to the location of operations, direct reference to SF rules (Regulation 1828/2006) in case of expenditure verification activities, contents of statements sent by the CA to the EC, deadline of submitting the closure declaration and the final report on implementation, legal background of procurement procedures, exchange rate used for converting expenditure incurred in currencies other than the Euro, amount of pre-financing received from the EC etc
Regulation (EU) No 540/2010	Regulation (EC) No 1085/2006 (IPA regulation)	14 July 2010	Adding Iceland to the list of potential candidate countries etc
Regulation (EU) No 832/2010	Regulation (EC) No 1828/2006 (SF implementing regulation)	25 June 2010	Implementing rules related to financial engineering instruments, eligibility of housing expenditure, annual and final report template, forms related to major projects etc
Regulation (EU) No 1236/2011	Regulation (EC) No 1828/2006	1 December 2011	The modifications concern the basic rules for financial engineering instruments (Article 45) therefore are not relevant for the programme.
Regulation (EU) No 1310/2011	Regulation (EC) No 1083/2006	23 December 2011	The modifications mainly concern financial engineering instruments under Article 44 and thus are not relevant for the programme
Regulation (EU) No 1311/2011	Regulation (EC) No 1083/2006	20 December 2011	Programmes under the European Territorial Cooperation objective are not affected.
Regulation (EU) No 1292/2011	Regulation (EC) No 718/2007	13 December 2011	The only change affecting the cross-border cooperation component and thus the programme is the one related to the eligibility of operating costs (Articles 34(3) and 89(3)) – these became eligible for the period of co-financing of an operation, on a case-by-case basis.
Regulation (EU) No 153/2012	Regulation (EC) No 1085/2006	01 March 2012	A new paragraph was added to Article 19 (rules of participation and origin, eligibility for grants) Article 25 (Transitional provisions) was amended to clarify that legal acts and commitments implementing the budget years preceding 2007 shall apply
Regulation (EU) No 813/2012	Regulation (EC) No 718/2007	13 September 2012	The amendment concerns the Regional Development and Human Resources Development Component, therefore it has no effect on the programme.
REGULATION (EU, EURATOM) No 966/2012	Council Regulation (EC, Euratom) No 1605/2002	25 October 2012	Financial rules applicable to the general budget, including rules on public procurement referred to by Regulation (EC) No 718/2007, Article 121.

² Changes relevant for the programme are indicated in italic

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes ²
COMMISSION DELEGATED REGULATION (EU) No 1268/2012	Regulation (EC, Euratom) No 2342/2002	29 October 2012	The rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, including rules on public procurement referred to by Regulation (EC) No 718/2007, Article 121., establishing <i>higher procurement thresholds</i> .
Regulation (EU) No 484/2013	Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)	24 th May 2013	The point (d) was added to Article 66 (3) which concerns the Transition assistance and institution building component, so it has no effect on the Programme.

Changes in the applicable national legislation of Hungary

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes
Govt. regulation No 137/2010 (IV. 28.)	Govt. regulation No 160/2009 (VIII. 3.)	29 April 2010	Provisions on the guarantees connected to the national state co-financing, on handling advance payment in the HU-SRB IPA CBC Programme, on the verification of public procurement procedures, the frequency of on-the-spot checks carried out by the controllers, and to the irregularity procedure etc
Govt. regulation No 16/2010 (II. 5.)	Govt. regulation No 49/2007 (III. 26.)	20 Feb. 2010	Minor changes related to the institutional structure
Govt. regulation No 171/2010 (V. 13.)		13 May 2010	Minor changes related to the institutional structure
Govt. regulation No 210/2010 (VI. 30.)		1 July 2010	Designating the Directorate General for the Audit of European Funds as Audit Authority for the programme (from 1 July 2010)
Govt. regulation No 271/2010 (XII. 8.)	N/a	1 January 2011	Designating the Hungarian State Treasury as Certifying Authority for the programme (from 1 January 2011)
Govt. Decree No 113/2011 (VII. 7.)	Govt. Decree No 49/2007 (III. 26.)	8 July 2011	Reflects the organisational change related to the Certifying Authority (i.e. the CA moved from the Ministry for National Economy to the Hungarian State Treasury as of 1 January 2011.
Govt. Decree No 271/2010 (XII. 8.)		1 January 2011	
Govt. Decree No 304/2011 (XII.23)	Government Decree No 160/2009 (VIII. 3.)	1 January 2012	About the implementation of certain programmes related to European territorial cooperation, funded by the European Regional Development Fund and the <i>Instrument for Pre-Accession in the programming period 2007-2013</i>
Govt. Decree No 216/2012 (VIII.9)		12 August 2012	

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes
Repealed	Ministerial Decree of the Minister for National Development and Economy No 5/2009 (III 18.)	9 March 2012	On the rules of use <i>and legal titles of State Aid</i> under certain programmes related to territorial co-operation, co-financed by the European Regional Development Fund and the Instrument for Pre-Accession in the 2007-2013 programming period)
Ministerial Decree of the Minister for National Development No 14/2012 (III. 6.)	N/A	9 March 2012	On the rules of use of State Aid related to European territorial cooperation in the 2007-2013 programming period
Govt. Decree No 154/2012 (VII. 12.)	Govt. Decree No 49/2007 (III. 26.)	13 July 2012	Regulates the institutions involved in the implementation of certain programmes related to European territorial cooperation funded by the European Regional Development Fund, the Instrument for Pre-Accession, and the European Neighbourhood and Partnership Instrument.
Govt. Decree 206/2012 (VII.27)	Govt. Decree No 2010/2010 (VI. 30)	28 July 2012	On the Directorate General for Audit of European Funds
Govt. Decree 107/2013. (IV. 5.)	Government Decree No 49/2007 (III. 26.) on the institutions involved in the implementation of certain programmes related to European territorial cooperation funded by the European Regional Development Fund, the Instrument for Pre-Accession, and the European Neighbourhood and Partnership Instrument	13th April 2013	
Govt. Decree No 272/2013. (VII. 15.)	Government Decree No 160/2009 (VIII. 3.) on the implementation of certain programmes related to European territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession in the programming period 2007-2013	31st July 2013	Decision on the possibility of over-commitment.
Govt. Decree No 313/2013. (VIII. 27.)		28th August 2013	Changes relating to irregularities and monitoring visits.
Govt. Decree No 297/2013. (VII. 29.)		1st August 2013	On ecclesiastical legal entities.
Govt. Decree 206/2012 (VII.27.)	Government Decree No 2010/2010 (VI. 30) on the Directorate General for Audit of European Funds	1st January 2013	On institutional changes related to AA
Prime Minister Decree No 1/2013 (XII.30.)	Ministerial Decree of the Minister for National Development No 14/2012 (III.6.) on the rules of use of State Aid related to European territorial cooperation in the 2007-2013 programming period)	31st December 2013	On public service compensations.

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes
Govt. Decree No 27/2014 (II. 7.)	Govt. Decree No 160/2009 (VIII. 3.) on the implementation of certain programmes related to European territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession in the programming period 2007-2013	8th February 2014	Amendments on institutional changes related to MA
Govt. Decree No 221/2014 (IX. 4)		5th September 2014	Minor technical amendments because of certain governmental changes related to the transformation of governmental structure
Govt. Decree No 214/2014 (VIII. 27.)	Govt. Decree No 210/2010 (VI. 30) on the Directorate General for Audit of European Funds	28th August 2014	Control tasks related to the 2014-2020 programming period - not relevant for the Programme, further minor technical amendments
Govt. Decree No 221/2014 (IX. 4.)		5th September 2014	Minor technical amendments because of certain governmental changes related to the transformation of governmental structure
Govt. Decree No 27/2014 (II. 7.)	Govt. Decree No 49/2007 (III. 26.) on the institutions involved in the implementation of certain programmes related to European territorial cooperation funded by the European Regional Development Fund, the Instrument for Pre-Accession, and the European Neighbourhood and Partnership Instrument	8th February 2014	Amendments on institutional changes related to MA
Govt. Decree No 161/2014 (VI.30.)		1st July 2014	Amendments because of the termination of VÁTI Nonprofit Ltd.
Govt. Decree No 221/2014 (IX. 4)		5th September 2014	Minor technical amendments because of certain governmental changes related to the transformation of governmental structure

Changes in the applicable national legislation of the Republic of Serbia

No of amending Regulation	Regulation amended	Amendment effective from	Substantial changes
Law on the Budget System, Official Gazette RS 54/09, 73/10, 101/10 and 101/11	Law on the Budget System, Official Gazette RS. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 - corr., 108/13, 142/14, 68/15 - other law, 103/15, 99/16 and 113/17)	17 Dec 2017	On planning, preparation, adoption and execution of the budget of the Republic of Serbia on a yearly basis. The last amendment refers to year 2018.
Law on the Value Added Tax, Official Gazette RS No 84/04, 86/04, 61/05 and 61/07	Law on the Value Added Tax, Official Gazette RS No 84/04, 86/04, 61/05, 61/07, 93/12, 108/13, 6/14 – reconsolidated RSD amounts, 68/14 - oth. law, 142/14, 5/15 - reconsolidated RSD amounts, 83/15, 5/16 reconsolidated RSD amounts., 108/16, 7/17 - reconsolidated RSD amounts and 113/17	1 Jan 2018	On averting double taxes and introduce taxes on economic services with foreign companies.

Law on the Foreign Exchange Operations, Official Gazette RS 62/06 and 31/11	Law on the Foreign Exchange Operations, Official Gazette RS 62/06 and 31/11, 119/12 and 139/14)	1 Oct 2015	On easier business of IT companies. In addition it permits citizens of the Republic of Serbia to buy and sell funds, stocks, bonds, and other investments emitted by EU member states with the duration less than 1 year
Law on Ministries, published in Official Gazette of Republic of Serbia No. 72/2012, July 26th 2012	Law on the Ministries, Official Gazette RS		
Decision of the Government of the Republic of Serbia 05 Nr. 110-4435/2010-1 and	Addendum of the Decision on the establishment of the European Integration Office (17 June 2010)	17 Jun 2010,	All employees, responsibilities and functions of the National Authority were transferred from the Ministry of Finance of the Republic of Serbia to the European Integration Office (SEIO) of the Government of the Republic of Serbia
Decision of the Government of the Republic of Serbia 05 Nr. 110-5014/2010	N/A	15 July 2010	
Decision of the Government of the Republic of Serbia 05 Nr.337-8105/2010	N/A	4 Dec 2010	Serbian European Integration Office was formally designated the National Authority
Decision 05 No 119-16346/2014	N/A	30 Dec 2014	Department for Cross-border and Transnational Cooperation Programmes within SEIO was formally designated the National Authority for programmes with shared management.
Decision 05 No 337-4527/2016	N/A	24 May 2016	
Law on Ministries (Official Gazette of the Republic of Serbia Nr 44/2014, 14/2015, 54/2015, 96/2015 and 62/2017)		26 Jun 2017	Ministry of European Integration took over from European Integration Office of the Government of the Republic of Serbia all employees, as well rights and obligations, equipment and archive, while European Integration Office of the Government of the Republic of Serbia ceased to exist.
Decision of the Government of the Republic of Serbia 05 Nr 119-7470/2017	N/A	4 August 2017	Ministry of European Integration was formally designated the National Authority and FLC was formally designated the Control Body for programmes under the shared management.

2.5 Substantial modification pursuant to Article 57 of Regulation (EC) No 1083/2006

Issues in connection to Article 57 of the listed regulation were handled successfully as according to Programme regulations. Article 16 "Ownership/use of results, revenues generated" points 2, 3, and 4 of the Subsidy Contracts were followed to deal with these issues:

"2. Ownership, title and industrial and intellectual property rights in the outputs of the Project and the reports and other documents relating to it shall vest in the Lead Beneficiary and the Project Partners. Leasing, handing over/selling or transferring the rights of use of the outputs of the Project is only possible with the prior written consent of the Managing Authority and only in

case if all the rights and obligations following from the present Contract and connected to the subject of matter will be transferred to the new party.

3. The use of the results of the Project shall be agreed upon by the Lead Beneficiary and the Joint Technical Secretariat in order to guarantee a widespread publicity of such results and in order to make them available to the public.

4. The Lead Beneficiary and the Joint Technical Secretariat shall find individual arrangements in those cases where intellectual property rights (such as for data acquired for the Project which do not belong to public domain) already exist.”

In most cases the ownership of the equipment of the projects remained with the beneficiary that has purchased them during implementation. However, in some cases the equipment was loaned to third parties with the approval of the Managing Authority and under supervision and coordination of the JTS as according to point 2 of the above-quoted article (please see art. 3.2.2 of the IAP closure guidelines). In a similar manner, the JTS oversaw the maintenance of outputs as according to points 3 and 4.

2.6 Complementarity with other instruments

The Hungary-Serbia IPA CBC Programme was planned separately from the Funds, the EAFRD, the EFF and the interventions of the EIB and of other existing financial instruments.

In general, the cross-border projects may be complementary to some of the scope of mainstream national programmes, especially the regional development programmes of Hungary and similar programmes in Serbia with projects of smaller size but with significant cross-border impact. In order to ensure no overlaps and to rather focus on complementarity, the Calls for Proposals were tailored not to overlap at project level by means of representation of the ministries of both countries within the Joint Monitoring Steering Committee.

The same approach was applied regarding European Territorial Cooperation Programmes in which Hungary and Serbia were involved. Both countries and the relevant NUTSIII regions participated in other cross-border cooperation programmes, transnational cooperation programmes as follows:

Hungary – Csongrád and Bács-Kiskun counties concerned – was involved in the following programmes:

- Hungary-Romania Cross-border Cooperation Programme: Csongrád county
- South East Europe Transnational Cooperation Programme: both counties

Serbia – Vojvodina concerned – was involved in the following programmes:

- Romania-Serbia Cross-border Cooperation Programme: North Banat, Middle Banat
- Croatia-Serbia IPA Cross-border Cooperation Programme: North Bačka, West Bačka, South Bačka
- Adriatic IPA Cross-border Cooperation Programme: whole territory of Vojvodina
- South East Europe Transnational Cooperation Programme: whole territory of Vojvodina

Despite there are similarities (structure, financing, areas of interventions) with the above listed programmes, general and specific objectives focused on different targets due to the special development needs of the Hungarian-Serbian border region. These specificities of the Programme were taken into account during its planning and its implementation as well, which was ensured by the Programme Bodies when selecting operations funded by the Programme.

Besides partial territorial overlapping with other cross-border and transnational cooperation programmes the Programme had synergies with the EU Strategy for the Danube Region, which is the second macro-regional development strategy in the history of the EU. Despite the strategy was approved in 2011, the Programme took into account all four pillars of the Strategy during the implementation of the concerning projects and the programme procedures as well.

2.7 Monitoring and Evaluation

The JMSC of the HU-SRB CBC Programme was a permanently acting body established in accordance with Article 110 of the IPA Implementing Regulation.

The JMSC was operating based on the Rules of Procedure that were drawn up within the institutional, legal and financial framework of the participating countries and in compliance with the JMSC mandate set out by the Commission in accordance with Article 110 (2) of the IPA Implementing Regulation. The members of the JMSC were appointed by the Participating Countries represent, in a balanced and effective manner, the competent authorities of the Programme's eligible territory.

The competencies of the JMSC concern the HU-SRB CBC Programme for the implementation period between 2007 and the date when the European Commission approves the programme final report in accordance with Article 112 of the IPA Implementing Regulation.

During the entire implementation period the programme, the JTS, and the JTS Info Point reported to the JMSC about the programme activities, achievements, the progress of indicators and budget spending and for each year an activity plan was drafted and reported on. Additionally, the JTS and the IP answered to numerous ad hoc data requests from programme bodies and other relevant institutions from national, regional and local levels.

The JTS prepared Quarterly reports (four per year) with detailed activity reports for the Managing Authority. In addition to this, the performance of the JTS was assessed by the Managing Authority in view of the deadlines set forth in the Programmes Joint Procedures Manual and Annual Activity Plans of the JTS annually. Moreover the Managing Authority carried out quality control of evaluation process according its internal rules of procedure. The results of these assessments show that JTS managed to deliver expected results in full each year.

Monitoring and Information System

The monitoring of the programme implementation is based on the IT monitoring system collecting and storing the valid and official data. The programme's integrated management system is supported by an efficient and reliable Monitoring and Information System, the IMIS 2007-2013. The overall purpose of the system is the efficient and reliable management of programme and project level implementation and as a Management Information System it focuses on the collection and monitoring of programme and project level data. This IT system is a practical tool for the responsible bodies (Managing Authority, National Authority, Joint Technical Secretariat, Info Point, Certifying Authority, Audit Authority, Financial Transfer Unit, etc.) when performing their tasks.

Concerning the data management of IMIS users, the Guidelines for Applicants of the relevant Call for Proposals stipulated that the Project Partners and the Lead Beneficiary, by submitting the Application, duly consent to the fact that the Data Manager (Hungarian National Development Agency) and the Technical Data Processor (VÁTI Nonprofit Ltd.) will manage all the personal data included in the Application and provided in the contracting or project implementation phase, in

particular with regard to the data managed in the Monitoring and Information System of the Programme (IMIS 2007-2013). Hungarian Act LXIII of 1992 on the Protection of personal data and transparency of public data applied to the protection of personal data and to the disclosure of information of public interest. The data were managed upon the voluntary consent of the Project Partner / Lead Beneficiary, according to Letter a) of Paragraph (1) of Article 3 of the above-mentioned Act.

System history

IMIS 2007-2013 development was started in 2008. The developer carrying out development and technical implementation was selected in an open tender, launched in 2008. The system coordinator tasks (coordination of the specification, testing and continuous operation of IMIS) are carried out by Process Management and IMIS Unit (IMIS Unit), a unit organisationally and functionally separated from the JTS. The development started with an intensive specification phase involving the programme management bodies then testing was carried out during the period of November 2008 – May 2009. The implementation's first milestone was reached in May 2009 when the project, TA project and financial modules were approved. As the closing step irregularity, recovery and report modules were approved in June 2009.

Comprehensive and complex functionality

The system functionality is based on Lead Beneficiary principle and handles all management responsibilities through the whole programme and project life-cycle. The system is to be divided into a Front and a Back Office. The Front Office surface is for Applicants and Lead Beneficiaries who could submit first their application forms then their progress reports and applications for reimbursement online. The Back Office is used by the different programme management bodies as a management and monitoring tool. The system's scope covers all joint programme and project level tasks as follows:

- *Programme and call for proposals management:* the adequately recorded programme data creates the basis for all sorts of further monitoring activities. Thus programme data like priority structure, budget, indicators etc. are recorded in order to facilitate programme-level monitoring and aggregations. Following the programme data input each round of calls shall be recorded in the system by entering its basic identification and financial data and by setting its specific parameters to be fulfilled by the submitted applications.
- *Project module:* functionality of the project module ensures tracking the whole life-cycle of projects including TA projects as the system facilitates the management and monitoring of a great number of project related tasks (project data entry, management of progress reports and applications for reimbursement, follow-up of indicators, etc.). Another remarkable characteristic of the IMIS 2007-2013 is the electronic submission of progress reports and applications for reimbursement through the Front Office surface of the system. The submitted reports are processed by the JTS in the Back Office of the system on the basis of a strict pre-defined built-in verification process.
- *Financial management:* the financial module is also a crucial part of the system's functionality. It ensures the sound management of Community funds including the transfer of ERDF funds to

Lead Beneficiaries, the preparation of applications for payment to be submitted to the European Commission and the reconciliation of programme bank accounts.

- *Irregularity management:* In case an irregularity is suspected and/or established during a project's implementation then the irregularity procedure with all of its financial consequences are tracked in the system.
- *Reporting:* in addition to the official documents generated on the basis of built-in templates by the system the user can access a wide range of pre-defined reports that help the work of programme bodies.
- *Indicators:* these measurement units are typical for the given project, measure, priority or programme, so the realization of the predefined objectives can be controlled. The planned values of the indicators were determined during the contracting process. The actual values of the indicators were compared to the planned values; therefore, the project progress could be measured. The system enabled periodical recording and monitoring of planned and actual values of project indicators on all three levels (programme – priority – project). The aim of these indicators is to measure how successfully the projects have been accomplished. Additionally, the actual values of the indicators from IMIS were taken into account as a base for programming of the next Programme.

Sophisticated access right and workflow management

The IMIS 2007-2013 operates a sophisticated access rights system: access to functions and data is restricted by organisational membership, level of hierarchy and geographic location. All operations in the system are directed by workflow management: the IMIS 2007-2013 workflow engine guarantees that process steps have to be completed in sequence according to the audit trail and it also checks whether the user is authorized to accomplish a certain task. All workflow processes – thus all user activities - are saved and stored.

Technical background

Considering the relatively high number of bodies and users involved in programme implementation, the system operates and accessible online, via the Internet. This solution facilitates simultaneous data input and flexible data storage capacity. From a technical point of view the system keeps a record in the system diary (technical audit trail) of all events that should be recorded for security reasons and for follow-up analysis. The technical audit trail is a write-protected database area where only the system is authorized to record or modify data. The database is archived on a regular basis, and all sort of deletion are strictly prohibited owing to security rules. The technical audit trail data can be queried by variable filtering options. The system is based on a state-of-the-art 3-tiered architecture: a Java-based thin client, a server-side application server and an industry-standard Oracle database.

System related activities

The IMIS Unit ensured the operation of the IMIS 2007-2013 Front Office module through which Lead Beneficiaries could submit electronically their progress reports and applications for reimbursements. For the Lead Beneficiaries and Lead Applicants, day-to-day support was provided; the JTS provides

support in content-related questions and the IMIS Unit in SZPO provides continuous technical support. The maintenance and further development of the system, including error management and new developments, is managed by the IMIS Unit in close cooperation with the HUSRB JTS. In 2014 Irregularities and recoveries modules and further report developments were introduced. During the operation of the IMIS 2007-2013 no substantial errors/problems occurred in the functioning of the system.

3 IMPLEMENTATION BY PRIORITY

3.1 Priority 1

3.1.1 Achievement of targets and analysis of the progress

The aim of this priority was strengthening the physical connections between the two sides of the border and in the border micro-regions in order to reduce the isolation of the area and to take common responsibility for the environmental heritage and the waterways of the border area. Thus the priority aimed to support infrastructural, environmental and water management developments (the so called 'hard' elements) in the Serbian-Hungarian border region. The Priority had two areas of intervention: 'Infrastructure for physical connections' and 'Common responsibility for the environment'. Through these areas of intervention Priority 1 contributed to achieve specific objectives 1, 2 and 3 of the Programme. The 10% flexibility rule has not been applied therefore Annex IV of the Closure Guidance is not relevant.

In Priority 1 there were 44 projects implemented and the total amount of IPA contribution was EUR 23 857 394,21.

The table below shows the relevant indicators by year as an extract of the indicator table in chapter 2.1.1 of the present document. The logic of the table is in line with the reports generated by the monitoring system, which provides yearly data only which was finally introduced as accumulated values.

Indicators – Priority 1		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Action 111 (OI) Number of infrastructural facilities built, reconstructed or renewed, related to activities implemented by the Programme (pc)	Achievement	0	0	0	0	1	4	8	13	19	19	19
	Target											5
	Baseline	0										
Action 111 (RI) Increase in the size of territory that is accessible in maximum 15 minutes from border crossings (km2)	Achievement	0	0	0	0	0	400	800	900	1300	1300	1300
	Target											5
	Baseline	50										
Action 111 (RI) Increase of cross-border traffic (goods) as a result of implementing the Programme (%)	Achievement	0	0	0	0	0	0	0	0	0	0	0
	Target											10
	Baseline	0										

Action 111 (RI) Increase of cross-border traffic (people) as a result of implementing the Programme (person)	Achievement	0	0	0	0	0	1500	11500	11800	22400	22400	22400
	Target											1
	Baseline	220										
Action 111 (RI) Reduced travel time across the border (min)	Achievement	0	0	0	0	30	35	50	120	137	137	137
	Target											10
	Baseline	632										
Action 112 (OI) Average (daily) number of buses or other public transport items harmonised with the other side (pc)	Achievement	0	0	0	0	0	0	90	97	112	112	112
	Target											10
	Baseline	0										
Action 112 (OI) Km of road/railway planned (km)	Achievement	0	0	0	0	251	251	251	253	253	253	253
	Target											40
	Baseline	0										
Action 112 (RI) Number of recipient settlements with harmonised public transport (pc)	Achievement	0	0	0	0	15	15	85	93	200	200	200
	Target											50
	Baseline	0										
Action 112 (RI) Potential increase in the size of territory that is accessible in max. 20 minutes from borders, urban centres or major transport arteries defined in elaborated plans (km2)	Achievement	0	0	0	0	60300	69348	69348	69348	69388	69388	69388
	Target											10
	Baseline	6818										
Action 121 (OI) Number of interventions on flood protection and prevention (pc)	Achievement	0	0	0	0	8	17	17	36	36	36	36
	Target											5
	Baseline	0										
Action 121 (OI) Number of new studies, feasibility studies, plans, strategies and related research	Achievement	0	0	0	0	16	27	40	73	73	73	73
	Target											15

documents developed (pc)	Baseline	0											
Action 121 (RI) Size of the area observed and/or monitored and/or prevented/protected by equipment installed, and/or influenced directly by the water management related activities (km2)	Achievement	0	0	0	0	95978	97238	97238	161738	161738	161738	161738	
	Target											800	
	Baseline												
Action 122 (OI) Information system developed (pc)	Achievement	0	0	0	0	4	4	8	14	14	14	14	
	Target											1	
	Baseline	2											
Action 122 (RI) Number of infrastructural facilities built, reconstructed or renewed (pc)	Achievement	0	0	0	0	3	3	5	9	9	9	9	
	Target											0	
	Baseline	0											
Action 122 (RI) Number of settlements influenced by minor actions improving the quality of the environment (pc)	Achievement	0	0	0	0	100	100	190	243	243	243	243	
	Target											100	
	Baseline	0											
Action 122 (RI) Size of the area monitored by jointly coordinated animal health monitoring system out of the programme eligible area (km2)	Achievement	0	0	0	0	33638	33638	33838	36173	36173	36173	36173	
	Target											10	
	Baseline	697											

Although the indicators are showing that the Programme achieved its aims, there are some discrepancies. The measurement units of two indicators under the action 1.1 were differently defined in the Programme document and in the monitoring system; otherwise they could be rather not than hardly measurable.

The target value of the indicator “Increase of cross-border traffic (people) as a result of implementing the Programme” was defined in the Programme document as 1%, but the projects declared the number of persons. Nevertheless based on the statistics the border crossing between Ásothalom and Bački Vinogradi opened in the frame of the Programme resulted in the cross border traffic of 429 203 persons in 2015. This is 5,45% increase compared to the traffic in 2007 of all border crossings in the Programme area.

The target value of the indicator “Reduced travel time across the border” was defined in the Programme document as 10%, but the projects had to define it in minutes instead of percentage. The target value shows an aggregated data, adding up “minutes” defined by the projects, which is not measuring the real reduction of the travel time across the border. Taking into consideration that two new border crossings (Ásotthalom-Bački Vinogradi, River Border Crossing Port on Tisza River at Szeged) were opened with the contribution of the Programme in addition to the five existing one, we can assume that reducing the travel time by 10% for sure was achieved. Also, new bike roads and rehabilitation of existing roads decreased the travel time between the two countries. Nevertheless according to the information provided by the border police such official statistics are not available.

3.1.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during implementing specific to this priority.

3.1.3 Project examples

HUSRB/0901/111/005 Ásotth. - Bvin.

- *Project title:* Construction of the road connecting Ásotthalom and Bački Vinogradi, planning of necessary infrastructure
- *Lead Beneficiary:* National Infrastructure Development Ltd.
- *Project partners:* City of Subotica, Municipalities of Homokhát Small Regional Developmental Association
- *Project budget:* EUR 1,387,726.00 (Project EU funding (IPA): EUR 1,179,567.10)
- *Project implementation:* 01/06/2010 – 30/11/2011

The tangible result of this project is the 1.5-km of new road on each side of the border, physically connecting Ásotthalom in Hungary and Bački Vinogradi in Serbia, which was built jointly by the City of Subotica and National Infrastructure Developing Private Company Limited. Furthermore, the project saw the planning of a cycling path of about 25 km on both sides of the border together with an environmental impact study. The most important cornerstone is the new integrated border crossing between Hungary and Serbia, Ásotthalom–Bački Vinogradi, which officially opened on 16 May 2013. The project solved a major problem faced by people living in the border areas in both countries who had to travel a long way to reach the Röszke-Horgoš crossing and had to endure hours of waiting to cross in the summer months. The mobility of the local population as well as the availability of services provided in the cross-border region have both improved. The project played a role in stimulating the formation of cross-border business and economic relations, created new business opportunities and brought about an increase in the number of cultural, tourism and educational events.

HUSRB/0901/122/169 Animal Health

- *Project title:* Implementation of nature conservation rescue centre and animal health monitoring system with cross-border cooperation
- *Lead Beneficiary:* Zoo Szeged
- *Project partners:* Palić Zoo, Kiskunság National Park Directorate
- *Project budget:* EUR 328,197.00 (Project EU funding (IPA): EUR 278,967.45)

- *Project implementation: 01/08/2010 – 31/07/2011*

This project aimed to establish standardised monitoring of water habitats and shared national and international databases. More efficient monitoring and conservation of animals has been achieved through cooperation between institutions located across the border, particularly zoos. By getting people involved, by providing them with proper and comprehensive information about protected animals and how to treat sick animals, a wonderful form of cooperation in the region has been achieved. The crowning achievement of this project was the joint monitoring system developed and coordinated by Kiskunság National Park Directorate and Palić Zoo.

Szeged Zoo and Palić Zoo also developed a rescue centre for birds, and built a repatriation aviary. The project partners carried out regular rescue operations, continuously operating quarantine facilities. Injured animals were transported to Szeged Zoo and Palić Zoo for further treatment. The regular, weekly monitoring of the waterfowls in 16 areas – 15 still-water wetlands and one section of the River Danube – was initiated as part of the project. This project serves as an example of cross-border cooperation founded on care for nature – wild birds in this instance – in the Serbian-Hungarian border region.

3.2 Priority 2

The aim of this priority was to support interactions between actors from the two sides of the border to enhance competitiveness, to facilitate economic growth and to create jobs. The priority also aimed to support common product oriented RDI efforts by research institutions and business partners acting in co-operation with them, as well as common planning and interactions between educational, research and cultural civic institutions in order to create a common educational and cultural space in the Serbian-Hungarian border region. Support was also given to municipalities and non-governmental organisations that are willing to cooperate in order to help develop a common regional identity. In its entirety the priority contributed to achieve specific objectives 3, 4 and partly 5 of the Programme. The 10% flexibility rule has not been applied therefore Annex IV of the Closure Guidance is not relevant.

3.2.1 Achievement of targets and analysis of the progress

In Priority 2 there were 160 projects implemented and the total amount of IPA contribution was EUR 20 282 861,56.

All indicators defined in the Programme document for Priority 2 actions were achieved. Some indicators were planned very moderately, thus the target values were exceeded by the implemented projects.

The table below details the relevant indicators and the achievements:

Indicators – Priority 2		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Action 211 (OI) Number of business firms (or other relevant organisations) reached by actions of supported facilitating entities established (pc)	Achievement	0	0	0	0	1849	2145	3277	3955	3955	3955	3955
	Target											200
	Baseline	0										
Action 211 (OI) Number of hours of training (hr)	Achievement	0	0	0	0	196	346	801	1299	1299	1299	1299
	Target											500
	Baseline	0										
Action 211 (RI) Number of entities involved in new contacts created (pc)	Achievement	0	0	0	0	1682	1804	2220	2302	2302	2302	2302
	Target											200
	Baseline	0										
Action 211 (RI) Participants	Achievement	0	0	0	0	507	654	1325	1786	1786	1786	1786

successfully trained (with improved skills) (person)	Target											1000
	Baseline	0										
Action 212 (OI) Number of attractions developed / renovated/ marketed by projects (pc)	Achievement	0	0	0	0	66	69	179	186	188	191	191
	Target											10
	Baseline	0										
Action 212 (OI) Number of common cultural thematic routes established (pc)	Achievement	0	0	0	0	5	8	29	41	42	43	43
	Target											8
	Baseline	0										
Action 212 (OI) Number of visitors of the supported attractions (person)	Achievement	0	0	0	0	119000	119750	162220	169482	180690	185690	185690
	Target											15000
	Baseline	0										
Action 213 (OI) Number of new strategies, plans and related research documents developed (pc)	Achievement	0	0	0	0	31	66	83	92	92	92	92
	Target											50
	Baseline	0										
Action 213 (RI) Number of Hungarian and Serbian local authorities and /or their associations involved in joint planning (pc)	Achievement	0	0	0	0	23	105	265	287	287	287	287
	Target											35
	Baseline	0										
Action 214 (OI) Number of cross-border contacts realised in joint research project (pc)	Achievement	0	0	0	0	905	905	1392	1427	1440	1444	1444
	Target											60
	Baseline	0										
Action 214 (RI) Number of researchers involved in the project (person)	Achievement	0	0	0	0	152	152	386	447	481	494	494
	Target											150
	Baseline	0										
Action 221 (OI) Number of common	Achievement	0	0	0	0	57	62	62	86	88	95	95

curricula elaborated (pc)	Target											10
	Baseline	0										
Action 221 (OI) Number of exchange programmes carried out (pc)	Achievement	0	0	0	0	101	104	104	172	174	178	178
	Target											5
	Baseline	0										
Action 221 (OI) Number of joint training programmes carried out (pc)	Achievement	0	0	0	0	0	6	6	27	30	39	39
	Target											20
	Baseline	0										
Action 221 (RI) Number of education staff, experts participating in joint educational or training activities (training, exchange programmes) (person)	Achievement	0	0	0	0	303	447	447	572	772	791	791
	Target											60
	Baseline	0										
Action 221 (RI) Number of persons trained in joint educational activities (training, exchange programmes) (person)	Achievement	0	0	0	0	9409	9529	9529	11469	11549	11906	11906
	Target											300
	Baseline	0										
Action 222 (OI) Number of NGOs involved in cross-border contact (pc)	Achievement	0	0	0	0	291	361	591	954	964	964	964
	Target											50
	Baseline	0										
Action 222 (RI) Number of people involved (person)	Achievement	0	0	0	2000	263751	278702	302858	333148	335604	335604	335604
	Target											10000
	Baseline	0										

3.2.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during implementing specific to this priority.

3.2.3 Project examples

HUSRB/0901/222/141 Falugondnokság

- *Project title:* Village caretaking without borders
- *Lead Beneficiary:* Association of village caretakers between Duna and Tisza
- *Project partners:* Local Community of Horgoš, Local government of Öttömös, Local Community of Male Pijace
- *Project total budget /* EUR 81,231.00 (Project EU funding (IPA): EUR 69,046.35)
- *Project implementation:* 01/09/2010 – 31/08/2011

The implementation and adoption of the village caretaking service in Vojvodina, Serbia, was the main goal of this project and achieved through intense workshops on village caretaking, professional study trips as well as trainings for caretakers and volunteers. The main goal of one of the study trips was to learn about the village caretaking service in Hungary, while the purpose of the other was to get to know the cultural community and civil society organisations in Vojvodina. The project partners also organised village caretaking trainings for caretakers and volunteers and facilitated the exchange of experiences between village caretakers from Bács-Kiskun and Csongrád County with prospective village caretakers in the North Bačka region in Vojvodina.

The main achievement of this cross-border project was without a doubt the fact that the local communities of Horgoš, Male Pijace and Öttömös partnered with the Association of Village Caretakers devised and initiated an outstanding cross-border village caretaking service in Vojvodina with the ultimate socially-responsible aim of decreasing isolation of the population, especially elderly people in rural areas.

HUSRB/1203/212/121 DIAMOND

- *Project title:* Jewels at the turn of the century - thematic roving of the world of Art Nouveau
- *Lead Beneficiary:* Municipality of Szeged County Rank City
- *Project partner:* City of Subotica
- *Project budget:* EUR 344,787.00 (Project EU funding (IPA): EUR 293,068.95)
- *Project implementation:* 01/01/2013 – 30/04/2014

Szeged, Subotica and Senta share a common heritage and have strong historical ties. An important aspect of this connection is the Art Nouveau Architecture which has seen years of neglect and a lack of promotion. This cross-border project concentrated on the highly significant Art Nouveau architectural heritage of the three cities and took measures to preserve and promote these architectural jewels far and wide.

Within this project, the cross-border project partners completed preservation and renovation work on some of these buildings, such as the Synagogue in Subotica and the Gróf Palace in Szeged. Promotional activities were carried out and the final result of the project is a well-organised thematic route called “The Jewels of Art Nouveau”, which attracts a great many tourists. This project also saw the creation of a trilingual mobile phone application and website, as well as the publication of a book about the Art Nouveau architecture of Szeged, Subotica and Senta to complement the thematic route. This project has had a positive impact on tourism in the cross-border region.

3.3 Priority 3

Priority 3 of the Programme was the Technical Assistance. The implementation of this Priority is detailed in chapter 6 Technical Assistance of the present document.

Output indicators – Priority 3		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Percentage of funds allocated to the programme disbursed (%)	Achievement	0	0	0	0	24	45	68	88	92	97	97
	Target											90
	Baseline	0										
The programme's own website developed (pc)	Achievement	0	0	0	1	1	1	1	1	1	1	1
	Target											1
	Baseline	0										
Number of implemented projects (pc)	Achievement	0	0	0	1	59	87	144	190	200	204	204
	Target											200
	Baseline	0										
When a given call is open the number of visitors at the web page per day (pc)	Achievement	0	0	133	205	n.a	105	n.a	n.a	n.a	n.a	147*
	Target											80
	Baseline	0										

* average of values of the three calls

4 ESF PROGRAMMES: COHERENCE AND CONCENTRATION

This chapter is not applicable for Hungary Serbia IPA Cross-border Co-operation Programme.

5 ERDF/CF PROGRAMMES: MAJOR PROJECTS (IF APPLICABLE)

This chapter is not applicable for Hungary Serbia IPA Cross-border Co-operation Programme.

6 TECHNICAL ASSISTANCE

In order to assure efficient operation of programme structures, in line with Article 94 (f) of the IPA Implementing Regulation 718/2007, 10% of the community funds allocated to the Programme (EUR 5 895 580) was used for Technical Assistance (Priority 3) to prepare, manage, implement, monitor, control and evaluate the Programme. Furthermore, the Technical Assistance budget was used for tasks aimed at improving and assuring proper programme implementation at project level (e. g. thematic seminars, information and publicity measures, evaluation) and at increasing the overall quality of the funded projects.

The Programme covered the following activities related to programme management, implementation, monitoring, control, and evaluation from the Technical Assistance:

- Activities in connection with project generation, preparation, selection, evaluation and support of project proposals;
- Activities in connection with the support of joint structures and joint management (including the activities of JTS and supporting horizontal tasks: MSD³, MA, NA, Info Point, CA, AA);
- Activities involving meetings of the Joint Monitoring and Steering Committee;
- Site visit of operations by the JTS and IP;
- Audit and evaluation of the operations and of the programme (e.g. environmental monitoring, if necessary);
- Examination of control activities;
- The setting up, operation and maintenance of a common Monitoring and Information System for the administration, support and evaluation of the programme;
- Organizing trainings for Programme structures staff, potential applicants as well as for beneficiaries;
- Support for the information and publicity activities of the Programme,
- Preparation for the programming period 2014-2020

The Manual for the Management of Technical Assistance laying down the framework for the use of TA sources was prepared in 2008 and approved by the JMSC in July 2009. The document was modified in February 2012 and in December 2014, while technical modifications were approved in October 2014 and November 2015.

Activities covered by TA were financed on the basis of 'TA fiches'. Each TA fiche was the subject of approval of the Joint Monitoring and Steering Committee.

The following TA fiches were prepared:

- Core activities of the Hungary-Serbia IPA CBC Programme;
- External expertise provided for the Managing Authority (MA) in Budapest;
- Operation of Certifying Authority (CA) in Budapest;
- External expertise provided for the Audit Authority (AA) in Budapest;

³ The Management Services Department (MSD) set up within VÁTI as an organisationally independent unit from the JTS was responsible for the following horizontal tasks: setting up and maintenance of the Programme Monitoring and Information System; technical management of IPA payments to Lead Partners; ex-ante quality control of calls for proposals and grant contracts; co-ordination of the preparation of Audit Trails; TA budget implementation and monitoring; administrative tasks.

- Establishment and operation of the Information Point;
- External expertise provided for the National Authority (NA) in Budapest
- External expertise provided for the National Authority (NA) in Belgrade

The introduction of a new TA fiche (HU-SRB IPA-TA/08) covering the core activities/hosting the JTS (SzPO Nonprofit Ltd.) approved by the JMSC on 12 August 2014 and in the same time the TA fiche HU-SRB IPA-TA/01 (VÁTI Nonprofit Ltd) covering the core activities/hosting the JTS mentioned above has been closed by 30 June 2014. Further modifications in TA fiches were adopted by the JMSC on 5 November 2015.

TA costs were reimbursed on the basis of incurred expenditures subject to regular control, according to the financial management procedures described in the TA Manual.

The allocation for each TA fiche and the reimbursed amount of the allocated budget is presented in the table below:

Name of the beneficiary	Name of the project fiche	Date of approval by the JMSC	Community IPA funding, 85%	National (state) contribution, 15%	Total (2007-2016)	Reimbursed total
Hungarian State Treasury	Operation of Certifying Authority	05/11/2015	94 696,80	16 711,20	111 408,00	45 441,22
Prime Minister's Office Hungary	External expertise provided for the Managing Authority	06/01/2015	429 529,65	75 799,35	505 329,00	431 420,00
SzPO Nonprofit Ltd.	Core activities of the Hungary-Serbia IPA CBC Programme	05/11/2015	1 248 766,42	220 370,55	1 469 136,97	1 349 255,95
<i>VÁTI Nonprofit Ltd. (closed on 30/06/2014)</i>	<i>Core activities of the Hungary-Serbia IPA CBC Programme</i>	<i>05/11/2015</i>	<i>2 569 843,76</i>	<i>453 501,85</i>	<i>3 023 345,61</i>	<i>3 019 135,30</i>
Government of the Republic of Serbia, Serbian European Integration Office	Establishment and operation of the Information Point	05/11/2015	378 315,45	66 761,55	445 077,00	421 359,10
Prime Minister's Office Hungary	External expertise provided for the National Authority (NA) in Budapest	05/11/2015	29 225,55	5 157,45	34 383,00	4 318,99
Government of the Republic of Serbia, Serbian European Integration Office	External expertise provided for the National Authority (NA) in Belgrade	06/01/2015	21 675,00	3 825,00	25 500,00	18 984,40*
Directorate General of Audit of European Funds	Operation of Audit Authority	05/11/2015	239 190,00	42 210,00	281 400,00	275 615,21
Total			5 011 242,63	884 336,95	5 895 579,58	5 565 530,17**

* Total reported amount in last report was EUR 2 087,44, which is decreased by EUR 1 275,37 based on a previous irregularity procedure. These processes were handled after the cut-off date of the present implementation report and the amount changed to EUR 19 796,47.

** According to the Chapter 2.1.2 the total amount of certified eligible expenditure paid by beneficiaries in case of PA 3 is EUR 5 567 617,61. The difference between the two amount is that the final report of Serbian NA's TA project (EUR 2 087, 44) is not paid to the TA Beneficiary until the cut off date, but based on the relevant EC regulation the AfP has to contain all expenditures which are paid by beneficiaries. The

final reimbursed total amount and the total amount of certified eligible expenditure paid by beneficiaries in case of PA 3 after the cut-off date based on the processes mentioned in the first footnote is EUR 5 566 342,24.

The total amount disbursed from Priority 3. Technical assistance until the cut-off date is EUR 5 565 530,17, which is 94,4 % of the total allocation of Priority 3. Based on the statement of the Serbian National Authority and Serbian Info point the IPA amount reported and accepted for 2015 was considered as payment above 95% of the Programme's allocation. The IPA amounts reimbursed for 2016 to the Serbian National Authority and to the Serbian Info point were covered from this payment. The transfer of the IPA amount of the last report of the Serbian National Authority took place after the cut-off date due to an arising irregularity. This ratio corresponds to the planned target value in the Operational Programme of the percentage of funds allocated to the programme disbursed (90 %). The 10% flexibility rule has not been applied therefore Annex IV of the Closure Guidance is not relevant.

As it was already described in this document, 204 projects were successfully implemented during the programme period of 2007-2013. Consequently, the 200 implemented projects planned in the Operational Programme have been achieved. Similarly, the other two indicators relating to Technical Assistance have been fulfilled by the Programme. These indicators are presented in the table below (please find the yearly breakdown in chapter 3.3 of the present document):

Expected results of the Programme – Priority 3 (Technical Assistance)						
Action	Type	Indicator	Unit	Target value	Achieved value	Source
Programme implementation, support and control activities	Output	Percentage of funds allocated to the programme disbursed	%	90	94,4 %	Programme monitoring
	Result	Number of implemented projects	piece	200	204	Programme monitoring
Information and publicity activities	Output	The programme's own website developed	piece	1	1	Annual Report
	Result	When a given call is open the number of visitors at the web page per day	visitor	80	128	Annual Report, Website analytics

According to Article 182 (1) of 718/2007 EC governing the technical assistance of programmes in the 2007-2013 period, it was possible to finance preparatory activities for the 2014-2020 period. The Programme took this opportunity and used the technical assistance also for preparatory activities of the upcoming programming period. These preparatory activities (such as organizing Task Force meetings, translating the Co-operation Programme, etc.) were eligible under all 2007-2013 EU and national eligibility rules and also fulfilled the selection criteria of the programme. In each case there was a clear link between the activities and the preparations within the programme for the 2014-2020 period.

7 INFORMATION AND PUBLICITY

7.1 Communication Plan

The Communication Plan of the Programme was approved by the JMSC in July 2009 and it was not modified during the programme implementation period. The document set out the information, publicity and visibility measures to be taken to promote the visibility and transparency of the Programme. The plan was prepared by the Joint Technical Secretariat and the Information Point, with the coordination of the Managing Authority and the Ministry of Finance in the Republic of Serbia in accordance with:

- Hungary-Serbia IPA Cross-border Co-operation Programme, programming document for the programming period 2007-2013 approved by the European Commission on 25th of March 2008;
- Commission Regulation (EC) No 718/2007 of 12 June 2007, implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA) define the requirements for information, publicity and visibility of all Programmes and operations in the Articles 62 and 63;
- The approach suggested by the INTERACT Point Tool Box regarding the communication activities for the territorial co-operation Programmes;
- Communication and Visibility Manual for EU External Actions;
- Communication and information needs of the relevant Programme area;
- The special needs of the different groups potentially involved in the Programme both at management and beneficiary levels;
- Shared management system in the Hungary-Serbia IPA Cross-border Co-operation Programme;
- Experience with the Structural Funds and implementation of cross-border Programmes in Hungary;
- Lessons learned from the communication in the Neighbourhood Programme Hungary-Serbia and Montenegro 2004-2006;
- Experience gained during the implementation of CARDS Programmes in Serbia;
- Novelties of IPA: joint institutional structures, genuine joint projects, introducing the Lead Beneficiary principle.

The 'Guidelines for Implementing Information and Publicity Requirements for the Projects' was approved by the Managing Authority. The Guidelines was published to each Call for Proposals, meaning, in June 2010, in August 2011 and in January 2013.

The document contained the communication tools used throughout the implementation of the Programme that generally aimed at publicising the role of the Community and ensuring that using assistance under the IPA Regulation is transparent. The purpose of the Guidelines was to ensure standardized communication tools and consistent set of rules for implementing information, publicity and visibility requirements for Projects financed by the Programme. On the project level, the Lead Beneficiary was responsible to inform the general public about the funding obtained from the European Union. Nevertheless, it was the responsibility of every Project Partner to devise and

implement communication activities in accordance with the information and publicity activities planned to be carried out and described in the Application.

Based on the findings of the Final Evaluation Report for the On-going Programme Evaluation as a conclusion it can be stated, that the Programme achieved its overall goal, namely to promote a positive impression of the Programme by creating a uniform public image and reflecting the role of the EU and IPA funds in regional development through implementing high-quality projects and ensuring maximum transparency to a fairly good extent. As detailed below the statements of the Report were all positive relating to both internal and external communication.

It can also be concluded that Programme level communication activities have complied with the measurable indicators set in the Communication Plan as almost every output and result indicator exceeded its target value, e.g. the number of site visits, the number of events and public attendance in them have even significantly exceeded the planned amounts; the number of applications has increased during the programming period.

Regarding the performance of communication from quality aspects, in general the Programme could mainly meet its general and specific objectives.

7.2 Internal communication

Internal communication activities of the Programme could be evaluated as smooth and efficient: the programme bodies (NA, MA, JMSC) were truly satisfied with the communication tools and platforms provided by the JTS. Improvement of the technical background (namely uploading the necessary documents to the back office surface of the Programme website before meetings) facilitated even faster communication and smoother information flow among the members of the Programme management structure.

Well-functioning internal communication can be seen as the “engine” for the successful implementation of external communication and therefore it was strictly coordinated throughout the Programme period.

7.3 External communication

The excellent performance of the internal Programme level communication has supported the external communication activities as well, resulted in efficient Programme implementation. As regards Programme level external communication activities it can be stated that information services provided to potential applicants and beneficiaries and communication towards them were outstandingly good.

- Before launching calls for proposals, the Programme had provided relevant and up-to-date information about the funding opportunities, enabling potential applicants to submit high-quality proposals.
- Communication of the JTS with the beneficiaries in the contracting and project implementation periods was excellent.

- Communication activities carried out by the beneficiaries were checked by the programme bodies in a proper way.

7.4 Awareness of the Programme

Speaking about the awareness of the Programme the Evaluation Report stated that in general, awareness of the programme by potential applicants, visibility of the Programme at local and county level is good. However, visibility of the Programme for the general public and for higher (national or EU) levels needed to be improved in the project closing phase.

The large interest towards the Programme from potential applicants was visible from the significant number of participants in the info days and from the increasing number of submitted applications from both sides of the border. Thus the Programme could achieve its main communication aim, namely to attract applications in an increasing number and in a balanced way.

Reaching the EU and national levels and the general public was the most difficult task the Programme communication has faced, thus the general visibility of the Programme at higher than regional level could be higher.

Visibility of the Programme was better in Serbia than in Hungary, due to the fact that this funding opportunity was more unique there (as less funding programmes are available in Serbia than in Hungary).

There seems to be a difference regarding the evaluation of the regional identity between the two sides of the border: while in Serbia the Programme has contributed to the improvement of the identity of the region, especially among young people, on the Hungarian side the CBC identity should be improved. However, it is indisputable that the programme has significantly contributed to cross-border cooperation by facilitating excellent cooperation and enabling the actors to establish long-term partnership relations with their partners.

7.5 Communication tools

Continuous Communication with the Lead Beneficiaries

The JTS had regular correspondence, phone and in-person consultations with the potential Applicants, later on with the Lead Beneficiaries. As part of the implementation of the projects, requests for modification of the Subsidy Contracts and submission of Project Progress Reports were handled by the JTS. Direct communication was more focused on one-on-one consultations via email, phone, and in-person with project teams, which are submitting their Project Progress Reports.

Information Days

During the 3 Call for Proposals the Programme bodies held Information Days for the potential beneficiaries in the Programme eligible area. Those events were always very popular and in some

cases needed to be repeated because of the big number of interested attendance. All together the JTS organized 16 info days in major cities of the region, attended by more than 1500 people.

1 st Call for Proposals		2 nd Call for Proposals		3 rd Call for Proposals	
Date and place	Number of participants	Date and place	Number of participants	Date and place	Number of participants
26 October 2009, Szeged, Hungary	136	29 November 2010, Subotica, Serbia	84	19 March 2012, Kecskemét, Hungary	24
28 October 2009, Novi Sad, Serbia	200	30 November 2010, Szeged, Hungary	142	20 March 2012, Szeged, Hungary	96
29 October 2009, Subotica, Serbia	250	1 December 2010, Baja, Hungary	62	28 March 2012, Kikinda, Serbia	34
3 November 2009, Zrenjanin, Serbia	70	6 December 2010, Novi Sad, Serbia	191	29 March 2012, Sombor, Serbia	72
4 November 2009, Baja, Hungary	75	7 December 2010, Zrenjanin, Serbia	41	30 March 2012, Novi Sad, Serbia	192
6 November 2009, Novi Sad, Serbia	200				

Lead Beneficiary Seminars

The JTS organized LB seminars for the Lead Beneficiaries of the selected projects. The aim of those events was to inform the LBs about their obligations regarding reporting of project activities and also IMIS trainings were organized, assisted by the IMIS department of the hosting body, making the LBs familiar with the features of the monitoring system. On these events the Front Office of IMIS 2007-2013 with special regard to the online reporting requirements were presented to the LBs together with an individual training and guidance on filling in and submitting Project Progress Reports (PPRs) through the system. The functionality and technical features of the Common Monitoring and Information System of the Programme were also presented.

1 st Call for Proposals	2 nd Call for Proposals	3 rd Call for Proposals
Date and place	Date and place	Date and place
14 October 2010, Szeged, Hungary	12 December 2011, Szeged, Hungary	25 April 2013, Subotica, Serbia
15 October 2010, Subotica, Serbia	13 December 2011, Subotica, Serbia	30 April 2013, Szeged, Hungary

Programme Website

The website was continuously updated with new information regarding the Programme intended for the general public. Additionally, the website back office was updated with the programme documents intended for the Programme bodies. The Programme's website is archived and available under the new website of the Interreg-IPA CBC Hungary-Serbia. (www.interreg-ipa-husrb.com).

The website contained the following modules:

- **User's registration**
Through registration module there was a possibility for segmentation of the target group. In practice this meant that certain information was available only for users that registered their data in the webpage's database. This database was available for generating address-lists, observing the regulations referring to the use of personal information.
- **News module**
Shortly presenting information on the home page, primarily in text format, illustrated with one or two photos, with the possibility to access the archive through a link.
- **Text content refreshing module**
It served to refresh the text content of the web-pages, and where only the webpage managers had access.
- **Module for file uploading**
This module allowed the download of certain documents in the exact format they had been uploaded (information materials, forms, minutes for the back-office surface, presentations, etc.). Classification options: available for every visitor, available for registered visitors, and available for predefined users (internal materials)
Another version of the module was available, which offered the possibility for the registered users (applicants) to upload their applications and project ideas on the webpage.
- **Partner search module**
A partner search module made it possible for those interested to register and to upload information about their organisation and their project idea.
- **Language module**
The webpage was available in different languages (in English, Serbian and Hungarian). Documents were easily managed, and the maintenance of all three language versions was possible.
- **Back-office module (completed with archive function),**
Certain users could have access through passwords to restricted surfaces, where could download certain, continuously uploaded documents.
- **Projects module**
It contained data of approved projects in line with provisions on the arrangement for the publication of the list of beneficiaries. On the following link <http://www.hu-srb-ipa.com/en/download> all three lists are available in pdf format by scrolling down the page.
Information is also provided in Annex I.
- **Newsletter module**
It was assistance in creating, restructuring and sending out newsletters.

Meetings

JTS organized the 11 meetings of the Joint Monitoring and Steering Committee (JMSC). Also, there were plenty of technical meetings organized by the JTS for the Programme bodies.

From 2014 – based on the recommendation of the previous year's system audit – the JTS organized the annual meeting of the two FLCs. During those meetings the representatives of the two countries' First Level Control bodies, the MA, the NA and the JTS had the opportunity to discuss actual issues and systematic differences, which could be harmonized on FLC, or joint level.

After selection of projects Lead Beneficiaries were offered to have an in person meeting with the responsible Programme manager of the JTS before contracting. Later on there were many meetings organized by the projects to clarify certain issues and to overcome some difficulties during project implementation. Also, the JTS members have done regularly monitoring visits to the projects, checking the progress in project activities.

Internal communication

JTS had regular internal meetings (weekly, or every second week), which purpose was to coordinate the capacities within the team, clarifying issues and providing information coming from the hosting institution or from the authorities.

Programme publications

Besides the leaflets serving promotional purposes at launching the Programme implementation, e.g. containing the main features of the Programme and the Calls, the most remarkable publications of were the “Project Catalogue” and the “Examples of good cooperation”. Those two publications were distributed in a wide range of involved or interested organisations, e.g. the members of the JMCS, Programme bodies, different EU level gatherings and of course to the Beneficiaries of the Programme. The JTS also gave as gift copies of the publication Examples of Good Cooperation in Hungarian and Serbian to the persons who provided their testimonials for this publication about the Programme’s positive impact on the border region and their everyday lives. The e-version of both publications is available for download on the Programme’s website:

<http://www.hu-srb-ipa.com/en/download/examples-of-good-cooperation-/123>

<http://www.hu-srb-ipa.com/en/download/hsrb-ipa-cbc---project-catalogue-/120>

European Cooperation Day

Being part of the initiative ‘EC Day’ the Programme implemented various type of actions, to promote European values and cooperation as such. In the first year of celebrating EC Day on European level the Programme published two articles in well-known and popular Hungarian and Serbian weekly papers, highlighting the main features of the cooperation between Hungary and Serbia. In 2013 the JTS organized a cross-border bicycle tour in the region, between Mórahalom and Palic, the project’s name “Tandem” also reflected the importance of cooperation.

In 2014 the drafting and editing of the Project Catalogue and the Examples of good cooperation has started and also the Programme distributed Maps with practical information of how to avoid peak seasons with rather long waiting time on the border crossing points between Hungary and Serbia.

On the occasion of the European Cooperation Day and 25 years of Interreg in 2015, the Programme gifted 34 libraries in the Hungary-Serbia border region with the Programme’s publication *Project Catalogue*, in wish to present to the general public the importance of cross-border and European territorial cooperation. The electronic version of the publication in English, Hungarian and Serbian was also published on the Programme website in 2015.

In 2016 the EC Day celebration was part of the Programme’s closing press conference, which was the occasion also for opening the Interreg-IPA CBC Hungary-Serbia Programme.

Initiatives related to the new programme Interreg-IPA CBC Hungary-Serbia

Communication towards potential applicants – the JTS continued its role of being the first point of contact and provided updates on the new programme to potential applicants who sent inquiries via email.

LIST OF ANNEXES

Annex I – The computerised listing of all operations other than major projects

REMARKS

Annex II – Financial Engineering Instruments operations – not relevant

Annex III – Table for declared expenditure and sample audits – not relevant for FIR - part of the Final Control Report

Annex IV – Calculation of the 10% flexibility at the level of the programme and the priority axis – not relevant