

# **INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia**

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## **Annual Implementation Report 2021**

*Approved by the Joint Monitoring Committee  
on 06 May 2022*

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## ANNEX X

### Model for the implementation reports for the European territorial cooperation goal

#### PART A

### DATA REQUIRED EVERY YEAR ('LIGHT REPORTS') (Article 50(2) of Regulation (EU) No 1303/2013)

#### 1. IDENTIFICATION OF THE ANNUAL / FINAL IMPLEMENTATION REPORT

CCI	2014TC16I5CB001
Title	Interreg-IPA CBC Hungary-Serbia
Version	1.0
Reporting year	2021
Date of approval of the report by the Monitoring Committee	xx May 2022

#### 2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(2) of Regulation (EU) No 1303/2013 and Article 14(3)(a) of Regulation (EU) No 1299/2013)

*Key information on the implementation of the Cooperation Programme for the year concerned, including financial instruments with relation to the financial and indicator data. [max: 7000ch]*

2021 was the second year affected by the COVID-19 pandemic. Though it influenced the implementation, the programme remained very active. The joint monitoring committee (JMC) selected 9 more projects from the reserve list of the 3<sup>rd</sup> call for proposals (CfP), 7 of which were contracted in 2021, while the remaining 2 will be signed the following year. Only 6 projects concluded their implementation, 1 from the 1<sup>st</sup>, 3 of the 2<sup>nd</sup> and 2 of the 3<sup>rd</sup> CfP, but the JS approved 25 final reports in 2021 that previously concluded their activities. Only 1 project from the 1<sup>st</sup> call of strategic importance and only 3 of the 2<sup>nd</sup> CfP have not concluded the reporting process. In summary, all projects of 1<sup>st</sup> and 2<sup>nd</sup> calls have concluded their implementation and in the future we will have only projects of the 3<sup>rd</sup> CfP still running.

Due to the pandemic, the JMC did not have sessions in person, but we had 1 online meeting in November. In 2021, the JMC has made 14 decisions: 7 of them via 4 written procedures (WP) and the other 7 on the JMC meeting in November. The most essential decisions were the ones concerning the selection of further 9 projects for contracting (Decisions 125/2021 and 131/2021).

Other WPs of the JMC were:

- Approval of the annual implementation report for 2020.
- Project modifications (5) - mainly to extend project duration because of delayed activities due to the pandemic.
- 2<sup>nd</sup> Non-substantial reallocation between priorities of the programme, which made the signature of additional 7 projects of the reserve list possible
- Re-adjusting the temporary modification of the EU co-financing rate from 100% to 85%
- TA manual, TA datasheet and Rules of Procedures updates
- Approval of the inception report of the 2<sup>nd</sup> Phase of the programme evaluation

The JS coordinated the consideration and ultimately the approval of 7 addenda of subsidy contracts, checked and approved 51 other project changes.

Moreover, the JS approved 107 project reports (PRs) in the value of EUR 15 359 345.92 (13 055 442.71 of IPA).

Breakdown of IPA funds per CfP:

1<sup>st</sup>: EUR 6 768 983.30

2<sup>nd</sup>: EUR 5 086 674.71

3<sup>rd</sup>: EUR 1 199 784.70

Breakdown of IPA funds per priority axis (PA):

PA1: EUR 5 472 194.05

PA2: EUR 2 578 026.64

PA3: EUR 4 220 787.86

PA4: EUR 784 434.16

As already reported last year, due to the fact that the functionality of the system could not be consolidated and due to a large number of software errors, especially the implementation modules, the previous monitoring system had to be replaced. The INTERREG+ system started to replace IMIS 2014-2020 gradually since 2020. The JS and both first level control (FLC) units had tested the new system and started to use it for projects of the 3<sup>rd</sup> CfP. While it was replacing IMIS 2014-2020, its development also considered the requirements of the 2021-2027 period as well. In parallel, the programme bodies (including JS and both FLCs) used the previous, IMIS 2014-2020 system for monitoring of projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs that were still running. The migration of the data for projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs and TA was finished in October 2021. Since then, INTERREG+ supports the entire implementation of the programme and is the only reporting platform for the beneficiaries of the 3<sup>rd</sup> CfP until the conclusion of the programme.

The programme's website [www.interreg-ipa-husrb.com](http://www.interreg-ipa-husrb.com) remained the main communication hub for the public, potential applicants, beneficiaries and other stakeholders of the programme. The website also features articles related to the European Commission (EC) and its EU-level initiatives as well as announcements of the projects' opening conferences and tender procedures. The JS published 1 issue of the programme's newsletter in 2021.

The programme's Facebook and LinkedIn pages also provided information about the programme, news relevant to the (or for the) border region, and updates on the related EU initiatives.

Due to the pandemic, the annual programme's event in 2021 was an online celebration of the European Cooperation Day.

In terms of events, 50 projects organised over 250 events that contributed to the projects' and the programme's visibility. Because of the pandemic situation, the events were mostly organised online. The JS organised 1 JMC meeting that took place online on 30 November 2021 that resulted in 7 JMC decisions.

The JS invested time and resources for capacity building of the JS by enabling the JS employees to attend online Interact seminars, language courses and other online seminars in 2021.

In 2021, the JS consisted of 8 employees with the following roles: the head of the JS, the deputy head of the JS, 4 programme managers, 1 programme and financial manager and 1 office manager. The JS Antenna (JSA) in Subotica operated with 2 programme managers; one of them is also the head of JSA while the other took the role of communication manager for the programme. Horizontal units of the hosting institution (Széchenyi Programme Office Nonprofit LLC) continuously supported the management of the programme.

Since Beneficiaries submitted several prolongation requests, the programme remained flexible and granted 6 more in 2021. In addition, the JS and the MA were also flexible regarding requests to reschedule project activities, to modify the nature of events to online events or to adjust the nature of other activities. We also considered and allowed sensible redefinitions of indicators and budget as well as budget reallocations.

In conclusion, the pandemic has yet again stifled direct contacts and slowed down implementation of many projects. Nevertheless, 2021 was a successful year, in which the implementation went smoothly and progressed significantly towards the achievement of the programme's targets.

### 3. IMPLEMENTATION OF THE PRIORITY AXES (Article 50(2) of Regulation (EU) No 1303/2013)

#### 3.1. Overview of the implementation [max 1750ch per PA]

ID	Priority Axis	Key information on the implementation of the Priority Axis With reference to key developments, significant problems and steps taken to address these problems
PA 1	Improving cross-border water management and risk prevention systems	<p>The priority represents <b>28.94% of the IPA funding</b> allocated for the programme (EUR 18 850 000).</p> <p>The specific objective of this PA is to decrease environmental risks (e.g. drought, flood, etc.) and prevent negative effects on quality of water bodies and nature protected areas.</p> <p><b>The beneficiaries of the PA actions are</b> water management organisations in partnership with the relevant public organisations, local governments, associations, NGOs, etc.</p> <p>- The 1<sup>st</sup> CfP targeted activities of strategic importance. The 2 projects of this priority with the total value of EUR 13.33 million of IPA funding progressed well. Our largest project HUSRB/1601/11/0001, BABECA submitted the final project report, which was approved in February 2021, resulting in an impressive 94.1% spending rate and achievement of all planned indicators. The other project, HUSRBB/1601/11/0004, WASIDCA submitted 2 out of the 3 remaining project reports, which were approved, and is working on the final project report expected to come in 2022. Altogether, EUR 5.03 million was certified in 2020 for the 2 projects.</p> <p>- This priority had a total value of EUR 4.52 million of IPA funding allocated for the 7 projects of the 2<sup>nd</sup> CfP. Previously, 5 projects had their final reports approved. The remaining 2 projects submitted their final reports in 2021 – both were approved in the value of EUR 370 542.87 of IPA.</p> <p>- The 2 projects of the 3<sup>rd</sup> CfP commenced their activities late last year, started reporting in 2021 and are progressing well; 5 PRs were approved in the value of EUR 72 600.84.</p> <p><b>Validated costs in 2021: EUR 6 437 875.53 (5 472 194.05 IPA)</b></p> <p>In this PA, there was a substantial progress in conclusion of projects, financial reporting and indicator values in 2021.</p>
PA 2	Decreasing the bottlenecks of cross-border traffic	<p>The priority represents <b>23.79% of the IPA funding</b> allocated to the programme (EUR 15 492 100).</p> <p>The specific objective of this PA is to increase the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes.</p> <p><b>The beneficiaries of the PA actions are</b> national, county and regional level bodies and their organisations are responsible for the development of cross-border transport, railway management and development companies, border control and customs administrations, organisations that maintain the transport stations and operating public transport.</p>

		<p>- There are 2 projects contracted under this priority in the 1<sup>st</sup> CfP (strategic importance) with a total amount of EUR 7.7 million.</p> <p>HUSRB/1601/21/0003, Kübekháza-Rabe, was previously closed successfully.</p> <p>HUSRB/1601/22/0002, Dream Railway, the project was concluded in 2020 and the final 2 PRs with the value of EUR 933 275.98 of IPA were approved in 2021 reaching 93% of spending rate.</p> <p>- The 3 projects of the 2<sup>nd</sup> CfP with the total amount of EUR 5.8 million of IPA progressed well. The remaining 2 projects concluded their activities in 2020 and, despite delays, concluded their reporting in 2021 with approved final reports in the value of EUR 1.47 million altogether.</p> <p>- The 5 projects of the 3<sup>rd</sup> CfP all started their activities in 2020 and 2021 and started reporting in 2021 in the total value of EUR 171 802.08 of IPA.</p> <p><b>Validated costs in 2021: EUR 3 032 972.66 (2 578 026.64 IPA).</b></p> <p>The projects of the 3<sup>rd</sup> CfP are vital, as they should fully cover those 2 indicators that are still not fulfilled in this PA (O /I 2.1 and 2.6). Progress of these projects is welcome.</p>
PA 3	Encouraging tourism and cultural heritage cooperation	<p>The priority represents <b>25.65% of the IPA funding</b> allocated to the programme (EUR 16 702 000).</p> <p>The specific objectives are the creation of commonly coordinated cross-border tourism destinations based on the complementary local assets to ensure sustainable development of tourism potentials, and also promoting cooperation activities in the fields of culture, leisure, sport, and nature protection.</p> <p><b>The beneficiaries of the PA actions are</b> regional tourism organisations with the involvement of local tourism destination-management associations, NGOs, the local county and regional level authorities and bodies, local governments and their organisations, etc.</p> <p>- The only project of the 1<sup>st</sup> CfP (HUSRB/1601/31/0005 – ColourCoop) with an amount of EUR 3.18 million of IPA successfully concluded in 2020. The final 3 PRs were submitted and approved in 2021 with a total value of EUR 806 656.98 of IPA with a spending rate of 98.7%.</p> <p>- The 40 projects of the 2<sup>nd</sup> CfP with the value of EUR 9.6 million of IPA were progressing with delays because of the numerous events and trips that were cancelled due to the pandemic. Still, 22 PRs were submitted and approved in the value of EUR 2 715 415.09 of IPA. 12 of those were final project reports, leaving only 3 to submit their final reports in 2022.</p> <p>- On top of the 20 running projects of 3<sup>rd</sup> CfP, additional 9 projects were selected from the reserve list in the total value of EUR 5 626 269.10 of IPA. 36 PRs were approved in 2021 in the value of EUR 698 715.79 of IPA, no project has concluded their final PRs, yet.</p> <p><b>Validated costs in 2021: EUR 4 374 550.83 (3 718 625.23 IPA)</b></p> <p>Apart from delays, the implementation of the PA went well; all targets of this PA will be met by a large margin.</p>

<p>PA 4</p>	<p>Enhancing SMEs' economic competitiveness through innovation driven development</p>	<p>The priority represents <b>11.62% of the IPA funding</b> allocated to the programme (EUR 6 512 400).</p> <p>The specific objective of this PA is enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services.</p> <p><b>The beneficiaries of the PA actions are</b> economic clusters, business and innovation support organisations in cooperation with R&amp;D&amp;I and higher education institutions, vocational and adult training organisations, labour market organisations that coordinate labour flow in the cross-border area, chambers of commerce, public organisations or NGOs, etc.</p> <p>- The 17 projects of the 2<sup>nd</sup> CfP with the value of EUR 4.2 million of IPA progressed well. Even though projects of this PA required movement, cross-border travel and scholarships, the development of social entrepreneurships and cooperation between SMEs and research institutions continued online. All projects concluded their activities successfully in 2020. The remaining 6 projects concluded their final PRs in 2021. The total number of approved PRs was 9 with the total value of EUR 527 768.17 of IPA.</p> <p>- The 10 projects of the 3<sup>rd</sup> CfP with the value of 2.9 million EUR of IPA are progressing well. 14 PRs were submitted and approved with the total value of EUR 256 665.99 of IPA.</p> <p><b>Validated costs in 2021: EUR 922 864.11 (784 434,16 IPA)</b></p> <p>The most significant problem of this priority was that 1 programme indicator (O/I 4.3) was not covered by the projects contracted before 2020. However, the projects of the 3<sup>rd</sup> CfP contracted in 2020 show good progress and are already filling the gap, as expected.</p>
<p>PA 5</p>	<p>Technical Assistance (TA)</p>	<p>The priority represents <b>10% of the IPA funding</b> allocated to the programme (EUR 6 512 400).</p> <p><b>The main results in 2021 were sound and timely execution of all necessary measures</b> that are the prerequisite for the programme's effectiveness.</p> <p>They were:</p> <ul style="list-style-type: none"> <li>• operation of the programme bodies</li> <li>• financing of their personnel and external services</li> <li>• implementation of 3<sup>rd</sup> CfP projects</li> <li>• contracting 9 more projects of the reserve list of the 3<sup>rd</sup> CfP</li> <li>• project monitoring, administrative and technical assistance to projects of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> CfP</li> <li>• information and communication activities</li> <li>• audit and FLC measures</li> <li>• switch to the new electronic monitoring system, etc.</li> </ul> <p>Out of 72 projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs, 68 projects had previously concluded their implementation leaving only 4 of them still running in 2021. 23 projects of the 3<sup>rd</sup> CfP started in late 2020 and 21 projects in 2021 so we had 44 projects running in 2021 of the 3<sup>rd</sup> CfP.</p> <p>In 2021, 9 additional projects were selected from the 3<sup>rd</sup> CfP reserve list. 7 of them already attained their subsidy contracts, while contracting of</p>

		<p>the remaining 2 was started late in 2021 and is to be concluded in early 2022.</p> <p>Similarly to 2020, this year was heavily affected by the pandemic that had a negative impact on project implementation, especially on the 'soft' ones. Nevertheless, 25 projects concluded their implementation in 2021.</p> <p>The JS approved 107 project reports (PRs) in the value of EUR 15 359 345.92 (13 055 442.71 IPA) and has coordinated the consideration and ultimately the approval of 7 addenda of subsidy contracts, and has checked and approved 51 'Other project change' requests.</p> <p>There were 55 TA project reports approved in 2021.</p>
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### 3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Data for common and programme-specific indicators by Investment Priority transmitted using the Tables 1 to 2 below.

Table 1

#### Result indicators (by Priority Axis and Specific Objective); applies also to the Technical Assistance Priority Axis

Automatic from SFC						Annual value				Observations (if necessary)
ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	2014-2018	2019	2020	2021	
PA 1, 1.1	Water quality (good ecological status) of cross-border surface water bodies (rivers and water flows) in the eligible area	Weighted average ecological status (average, no unit) of cross-border surface water bodies (rivers) in the eligible area*	2.91	2012	2.7	N/a	N/a	N/a	2.04*	Due to the inability to attain objectively verifiable data for the exact measurement unit, the slightly redefined unit was introduced. The data available shows improvement since 2015.
PA 2, 2.1	Share of border-crossing traffic at smaller border-crossing points within all border-crossing traffic	% of persons crossing the border at smaller border-crossing points	35.4	2014	40	N/a	42.66	N/a	39.22	During the pandemic, small border crossings were periodically closed which influenced the share (in 2020 it was 37.11%) but we see an increase in 2021 as traffic was normalized.
PA 3, 3.1	Number of overnight stays	overnight stays	1 835 757	2013	1 964 000	N/a	2 612 040	N/a	1 996 789	A modest decrease in comparison to 2019 despite the pandemic is very encouraging. 2021 value is still larger than 2013 and still above target!
PA 3, 3.2	Level of cross-border cooperation intensity of the public and non-profit organisations dealing with cultural, leisure sport and nature protection issues	Rating	3.24	2015	3.73	N/a	3.44	N/a	3.58	Based on an online survey
PA 4, 4.1	Rate of innovative SMEs in the cross-border region	%	32.94	2015	33	N/a	37.06	N/a	47.99	Rate shows good progress, end-goal already reached. Based on statistical data provided by national statistical resources.

\* reformulated measurement unit as "Weighted average quality of key chemical components (average number of components) of cross-border surface water bodies (rivers) in the eligible area"

**Additional data requested by EC:**

**1. The amount received from the Commission**

The total funding of programme is EUR 76 616 474.00, with EUR 64 405 706.85 of IPA funding.

**The advance received by the programme by the end of 2021: EUR 13 460 302.00.**

**The interim payments received by the programme by the end of 2021: EUR 45 433 676.89**

**2. Transferred funding to the beneficiaries (from Programme to Projects)**

	<b>advance payments* (EUR)</b>	<b>interim payments* (EUR)</b>
<b>2021</b>	1 761 152.45	12 473 782.20
<b>Total (2017-2021)</b>	8 996 020.13	41 997 908.36

*\* including TA projects*

**3. How much interest was accumulated, and were there any decisions made on their use; and if so, which bodies made those decisions**

There has been no interest accumulated on the programme account and no decisions were made regarding the interests that may accumulate in the future.

Table 2

## Common and programme specific output indicators (by Priority Axis, Investment Priority); applies also to Technical Assistance Priority Axes

	ID	Indicator	Measure ment unit	Target value (2023)	CUMULATIVE VALUE							Observations	
					2014	2015	2016	2017	2018	2019	2020		2021
Outputs to be delivered by selected operations <small>[forecast provided by beneficiaries]</small>	1.1	Population benefiting from flood protection measures	persons	1 000 000	0	0	0	949 123	949 123	949 123	1 511 787	1 511 787	No newly contracted projects of this priority since 2020.
Outputs delivered by operations <small>[actual achievement]</small>				1 000 000	0	0	0	0	0	900 000	949 123	949 123	The project that covers more than half a million persons of this indicator only started implementation in 2021, therefore no progress has been reported on this indicator, yet.
Outputs to be delivered by selected operations	1.2	Length of new or improved water management system	metres	180 000	0	0	0	180 608	180 608	180 608	180 608	180 608	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				180 000	0	0	0	0	0	0	172 912	172 912	No problems foreseen to reach the ultimate target value as it is almost met already
Outputs to be delivered by selected operations	1.3	Surface area of habitats supported in order to attain a better conservation status	hectares	150 000	0.00	0.00	0.00	17 408	17 408	17 408	182 126.35	182 126.35	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				150 000	0.00	0.00	0.00	0.00	4 700	17 557.32	17 672.32	17 672.32	Targets of 1 <sup>st</sup> and 2 <sup>nd</sup> CfPs achieved, the newly contracted project only started implementation, most of the area supported will be increased by a single project that still has not reported on progress on this indicator.
Outputs to be delivered by selected operations	2.1	Number of improved or newly built border crossing points	border crossing points	7	0	0	0	0	0	2	8	8	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				7	0	0	0	0	0	0	0	2	2
Outputs to be delivered by selected operations	2.2	Total length of newly built roads	kilometres	4	0.00	0.00	0.00	4.52	4.52	4.52	4.529	4.529	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.53	4.53
Outputs to be delivered by selected operations	2.3	Total length of reconstructed or upgraded roads	kilometres	12	0.00	0.00	0.00	14.00	14.00	14.00	14.00	14.00	No newly contracted projects of this priority since 2020.

Outputs delivered by operations				12	0.00	0.00	0.00	0.00	0.00	0.00	14.46	14.46	The final target value was already reached.
Outputs to be delivered by selected operations	2.4	Total length of newly built bicycle paths	kilometres	25	0.00	0.00	0.00	28.18	28.18	28.18	26.87	26.87	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				25	0.00	0.00	0.00	0.00	0.00	4.82	19.96	26.86	The target value is achieved in 2021.
Outputs to be delivered by selected operations	2.5	Total length of the railway line directly affected by development plans	kilometres	53.43	0.00	0.00	0.00	58.00	58.00	58.00	58.00	58.00	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				53.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	58.00	The one project (HUSRB/1601/22/0002) contracted that selected this indicator was concluded, the planned value was reached and the target value has been surpassed.
Outputs to be delivered by selected operations	2.6	Number of improved public transport services	services	3	0	0	0	0	0	0	3	3	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				3	0	0	0	0	0	0	0	0	The project selected within the 3 <sup>rd</sup> CfP is planned to achieve the 3 services is under implementation and progressing well towards the goal.
Outputs to be delivered by selected operations	3.1	Expected number of visits to supported sites of cultural and natural heritage and attractions	visits/year	100 000	0	0	0	57 410	57 410	57 410	100 511	109 811	Additional projects contracted have selected this indicator which explains the increase in the value
Outputs delivered by operations				100 000	0	0	0	0	2 050	64 206	108 673	189 772	Final target was already reached in 2020, many projects greatly overperformed, the margin further increased in 2021
Outputs to be delivered by selected operations	3.2	Number of joint cultural, recreational and other types of community events and actions organised	events	900	0	0	0	766	766	766	1 034	1 140	Additional projects contracted have selected this indicator which explains the increase in the value
Outputs delivered by operations				900	0	0	0	0	22	383	507	773	Considerable progress towards the target value of this indicator in 2021, we expect overperformance of this indicator by the end of the programme.
Outputs to be delivered by selected operations	3.3	Average monthly user entries to online communication tools developed	user entries	84 000	0	0	0	52 317	52 317	52 317	85 820	87 440	Additional projects contracted have selected this indicator which explains the increase in the value
Outputs delivered by operations				84 000	0	0	0	0	543	77 343	368 471.75	381 560.53	Projects of this action hugely overperformed their planned targets, especially PALMCULTURE, HUSRB/1602/31/0026
Outputs to be delivered by selected operations	4.1	Number of enterprises cooperating with research institutions	enterprises	210	0	0	0	187	187	187	224	224	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				210	0	0	0	0	0	62	204	232	The target value reached and surpassed in 2021 since several projects overperformed their planned targets.
Outputs to be delivered by selected operations	4.2	Number of organisations	organisations	210	0	0	0	191	191	191	249	249	No newly contracted projects of this priority since 2020.

Outputs delivered by operations		actively participating in the work of the "knowledge platforms"		210	0	0	0	0	0	52	212	258	The target value surpassed already in 2020, and in 2021 further surpassed as several project overperformed their planned targets.
Outputs to be delivered by selected operations	4.3	Number of months spent in the institutions and companies on the other side of the border through scholarships	months	250	0	0	0	2	2	2	388.75	388.75	No newly contracted projects of this priority since 2020.
Outputs delivered by operations				250	0	0	0	0	0	0	0	1.75	1.75
Outputs to be delivered by selected operations	4.4	Rate of persons from vulnerable groups involved in supported actions	percentage	50.00	0.00	0.00	0.00	0.00	n. a.	n.a.	n.a.	50.40*	No newly contracted projects of this priority since 2020. *The accumulated total value of this indicator is 504 selected by 10 projects. At the end of the programme the exact values will be measured with a methodology yet to be determined.
Outputs delivered by operations				50.00	0.00	0.00	0.00	0.00	n. a.*	36.54	62.40	65.70*	*The accumulated total value of this indicator is 657.04, reported by 10 projects. At the end of the programme, the values will be measured with a methodology yet to be determined, as not all beneficiaries understood this indicator in the same way.
Outputs to be delivered by selected operations	5.1	Number of projects administered by the JS	number	100	0	0	9	81	81	81	120	129	129 consists of 9 TA and 120 normal projects. In 2021, 9 additional normal projects were selected (and 2 withdrew after contracting that are still counted as selected). This indicator was already achieved in 2020.
Outputs delivered by operations				100	0	0	0	0	81	81	110	127	In 2021, the JS registered additional 17 regular projects in the monitoring system and which now has the total of 127 projects registered (2 that withdrew also counted as registered with 2 more remaining to be contracted and fully registered). This indicator was already achieved in 2020.
Outputs to be delivered by selected operations	5.2	Number of publicity events	number	5	0	0	5	6	8	13	13	13	Indicator already achieved previously.
Outputs delivered by operations				5	0	0	0	0	8	13	13	13	Indicator met in 2019. In 2021, there were no public events organised due to pandemic situation.
Outputs to be delivered by selected operations	5.3	Number of employees	employees in FTE	8	0	0	8	8	8	8	8	8	Indicator already achieved previously.
Outputs delivered by operations				8	0	0	0	0	8	8	8	8	8

**3.3. Information on the milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) – submitted in Annual Implementation Reports from 2017 onwards**

*Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).*

*Table 3*

**Priority axis 1: „Improving the cross-border water management and risk prevention systems”**

Indicator type	ID	Indicator or Key implementation step	Measurement unit	Milestone target 2018	Final target (2023)	2014 - 2016	2017	2018	2019	2020	2021	Observations
Output indicator	OI 1.2	Length of new or improved water management system	Metres	0	180 000	0	0	0	0	172 912	172 912	No additional reports submitted in 2021 regarding this indicator. The final target is almost reached already.
Key Implementation Step	KIS 1.2	Number of projects contracted related to the improvement of the water management system's physical infrastructure in the cross-border region	Pieces	4	6	0	4	4	4	6	6	No newly signed projects contribute to this indicator, however the final target value was already reached in 2020.
Financial indicator	FI 1	Eligible certified expenditure of the priority axis 1 "Improving the cross-border water management and risk prevention systems"	EUR	1 050 000	20 942 012	0	0	977 448.36	4 644 114.84	12 786 865.92	19 354 692.01	Includes values from approved PRs in 2021, the final target needs an update due to non-substantial reallocation. The target is 92% reached. [Final target updated according to CP modifications]

**Priority axis 2: “Decreasing the bottlenecks of cross-border traffic”**

Indicator type	ID	Indicator or Key implementation step	Measure -ment unit	Milestone target 2018	Final target (2023)	2014 - 2016	2017	2018	2019	2020	2021	Observations
Output indicator	OI 2.2	Total length of newly built roads	Km	0	4	0	0	0	0	4.53	4.53	The final target was reached already in 2020.
Output indicator	OI 2.3	Total length of reconstructed or upgraded roads	Km	0	12	0	0	0	0	14.46	14.46	As reported in the previous AIR this indicator was dependant on the final report; as expected, many final reports in for projects that contribute to this indicator were approved in 2020. As such, the final target was reached in 2020.
Key Implementation Step	KIS 2.2	Number of projects contracted related to the improvement of physical infrastructure of border crossing roads	Pieces	1	2	0	4	4	4	5	5	Milestone and final target already met in 2017, additionally 1 more project including physical infrastructure contracted in 2020. No new projects of PA2 contracted in 2021.
Financial Indicator	FI 2	Eligible certified expenditure of the priority axis 2 “Decreasing the bottlenecks of cross-border traffic”	EUR	794 000	18 638 608	0	450.21	513 091.68	2 666 945.02	12 716 645.11	15 780 322.04	Includes values from approved PRs in 2021, the indicator is 85% reached [Final target updated according to CP modifications]

**Priority axis 3: “Encouraging tourism and cultural heritage cooperation”**

Indicator type	ID	Indicator or Key implementation step	Measurement unit	Milestone target 2018	Final target (2023)	2014-2016	2017	2018	2019	2020	2021	Observations
Output indicator	OI 3.2	Number of joint cultural, recreational and other types of community events and actions organised	Number	20	900	0	0	22	390	505	773	Considerable progress towards the target value of this indicator in 2021, we expect overperformance of this indicator by the end of the programme.
Financial Indicator	FI 3	Eligible certified expenditure of the priority axis 3 “Encouraging tourism and cultural heritage cooperation”	EUR	1 100 000	21 183 504	0	433.26	1 108 976.99	5 046 529.79	9 421 080.62	14 934 367.23	Includes values from approved PRs by end of 2021 – no problems expected by the end of the programme, indicator is 71% reached [Final target updated according to CP modifications]

**Priority axis 4: “Enhancing SMEs’ economic competitiveness through innovation driven development”**

Indicator type	ID	Indicator or Key implementation step	Measurement unit	Milestone target 2018	Final target (2023)	2014-2017	2018	2019	2020	2021	Observations
Output indicator	OI 4.1	Number of enterprises cooperating with research institutions	Number	10	210	0	10	95	204	232	The target value surpassed in 2021 surpassed as several projects overperformed their planned targets.
Financial indicator	FI 4	Eligible certified expenditure of the priority axis 4 “Enhancing SMEs’ economic competitiveness through innovation driven development”	EUR	347 200	8 190 707	0	158 449.38	1 402 662.68	3 756 988.87	4 864 888.91	Includes values from approved PRs by end of 2021 - no problems expected by the end of the programme, indicator is 59% reached [Final target updated according to CP modifications]



### 3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 4

#### Financial information at Priority Axis and Programme level

(as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 (1) [Model for transmission of financial data] (2) and table 16 of model for co-operation programmes under the European Territorial Co-operation goal)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
The financial allocation of the Priority Axis based on the Co-operation Programme						Cumulative data on the financial progress of the Co-operation Programme						
PA	Fund	Category of region	Basis for the calculation of Union support	Total funding	Co-financing rate	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) (column 7/ column 5 *100)	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the Managing Authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) (column 10/ column 5 *100)	Number of operations selected**	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2021(EUR)*
PA 1	IPA		Total cost	20 942 012.00	85.00	20 877 498.32	99.69	20 877 498.32	19 435 091.61	92.80	11	19 225 324.39
PA 2	IPA		Total cost	18 638 608.00	85.00	18 617 456.72	99.89	12 712 865.29	15 800 849.80	84.77	10	15 624 878.80
PA 3	IPA		Total cost	21 183 504.00	85.00	20 991 267.35	99.09	14 463 382.19	15 351 400.95	72.47	72	14 119 053.12
PA 4	IPA		Total cost	8 190 707.00	85.00	7 797 691.71	95.20	5 059 261.04	5 370 246.67	65.57	27	4 553 123.28
PA 5	IPA		Total cost	7 661 648.00	85.00	7 661 648.00	100.00	7 661 648.00	3 381 141.16	44.13	9	3 381 141.16
<b>Total</b>	<b>IPA</b>		<b>Total cost</b>	<b>76 616 479.00</b>	<b>85.00</b>	<b>75 945 562.10</b>	<b>99.12</b>	<b>60 774 654.84</b>	<b>59 338 730.19</b>	<b>77.45</b>	<b>129</b>	<b>56 903 520.75</b>

\* The amounts of this column are referring to the progress reports for actions incurred before 2022 and paid within the relevant applications for payment (last AfP considered: cut-off date 19/10/2021)

\*\* In 2021 2 projects from the 3<sup>rd</sup> CfP withdrew. Therefore, the actual number of operating or closed operations is 127.

Table 5

**Breakdown of the cumulative financial data by category of intervention (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013)**

*(as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for transmission of financial data] and tables 6-9 of Model for cooperation programmes)*

PA	Characteristics of exp.	Categorisation dimensions							Financial data				
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFRs approved until 31/12/2021)
PA 1	IPA	087 Adaptation to climate change measures prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	01 Non-repayable grant	02 Small Urban areas (intermediate density > 5 000 population)	01	b	07	22	HU	0.00	0.00	0.00	0
				03 Rural areas (thinly populated)	01	b	07	22	HU	846 918.20	20 594 593.13	17 757 075.20	8
		085 Protection and enhancement of biodiversity, nature protection and green infrastructure		02 Small Urban areas (intermediate density > 5 000 population)	01	b	07	22	HU	0.00	0.00	0.00	0
				03 Rural areas (thinly populated)	01	b	07	22	HU	20 030 580.12	911 081.74	604 907.67	3
PA 2	IPA	026 Other Railways	01 Non-repayable grant	03 Rural areas (thinly populated)	01	c	07	12	HU	3 336 986.83	3 255 968.00	3 117 854.88	1
		032 Local access roads (newly built)			01	c	07	12	HU	8 544 198.00	3 403 518.59	8 840 325.76	2
		034 Other reconstructed or improved roads (motorway, national, regional or local)			01	c	07	12	HU	469 925.50	469 925.46	0.00	1
		044 Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring, control and information systems)			01	c	07	12	HU	1 389 567.21	1 389 567.19	0.00	1
		090 Cycle tracks and footpaths			01	c	07	12	HU	4 876 779.18	4 906 487.94	3 916 156.61	5
PA 3	IPA	092 Protection, development and promotion of public tourism assets	01 Non-repayable	01 Large Urban areas (densely populated > 50 000 population)	01	d	07	15	HU	1 163 905.91	350 240.00	196 503.16	2
				02 Small Urban areas (intermediate density > 5 000 population)	01	d	07	15	HU	1 581 368.56	1 623 770.30	1 545 837.98	5
				03 Rural areas (thinly populated)	01	d	07	15	HU	0.00	0.00	0.00	0

PA	Characteristics of exp.	Categorisation dimensions							Financial data						
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFRs approved until 31/12/2021)	Number of operations selected	
															093 Development and promotion of public tourism services
		02 Small Urban areas (intermediate density > 5 000 population)	01	d	07	15	HU	2 062 818.77	2 198 694.46	1 213 432.73	6				
		03 Rural areas (thinly populated)	01	d	07	15	HU	1 502 664.68	1 637 078.25	1 090 087.27	3				
		094 Protection, development and promotion of public cultural and heritage assets		01 Large Urban areas (densely populated > 50 000 population)	01	d	07	15	HU	2 414 162.07	1 265 598.39	953 662.32	11		
				02 Small Urban areas (intermediate density > 5 000 population)	01	d	07	15	HU	2 815 314.93	1 865 603.14	1 806 913.40	17		
				03 Rural areas (thinly populated)	01	d	07	15	HU	710 712.50	499 200.00	431 916.05	3		
		095 Development and promotion of public cultural and heritage services		01 Large Urban areas (densely populated > 50 000 population)	01	d	07	15	HU	861 164.44	563 310.10	275 395.72	4		
				02 Small Urban areas (intermediate density > 5 000 population)	01	d	07	15	HU	5 226 800.70	4 307 222.14	4 747 315.24	12		
				03 Rural areas (thinly populated)	01	d	07	15	HU	489 835.40	150 429.00	378 520.40	2		
		PA 4	IPA	060 Research and innovation activities in public research centres and centres of competence including networking	01 Non-repayable grant	01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	660 039.70	550 184.76	687 034.72	2
						02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0
						03 Rural areas (thinly populated)	01	g	07	07	HU	157 075.45	207 134.42	173 083.75	1
062 Technology transfer and university-enterprise cooperation prim				01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	585 973.29	585 973.11	640 798.41	2		
				02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	2 363 173.59	1 807 927.49	0.00	5		
				03 Rural areas (thinly populated)	01	g	07	07	HU	0.00	0.00	0.00	0		
063 Cluster support and business networks primarily benefiting SMEs				01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	1 013 522.96	492 086.80	922 350.82	3		
		02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0				

PA	Characteristics of exp.	Categorisation dimensions							Financial data				
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFRs approved until 31/12/2021)
		066 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	01	03 Rural areas (thinly populated)	01	g	07	07	HU	0.00	0.00	0.00	0
				01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0
				02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	454 356.91	328 106.53	228 166.54	2
		067 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)		03 Rural areas (thinly populated)	01	g	07	07	HU	794 398.32	731 139.38	573 211.21	3
				01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0
				02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	1 246 777.60	830 187.57	662 906.70	7
				03 Rural areas (thinly populated)	01	g	07	07	HU	522 373.89	239 842.71	617 352.00	2
		072 Business infrastructure for SMEs (including industrial parks and sites)		01 Large Urban areas (densely populated > 50 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0
				02 Small Urban areas (intermediate density > 5 000 population)	01	g	07	07	HU	0.00	0.00	0.00	0
				03 Rural areas (thinly populated)	01	g	07	07	HU	0.00	0.00	0.00	0
PA 5	IPA	121 Preparation, implementation, monitoring and inspection	01 Non-repayable grant	Not applicable	07	07	07	18	HU	6 129 318.00	6 129 318.00	2 704 912.92	9
		122 Evaluation and studies			07	07	07	18	HU	766 165.00	766 165.00	338 114.12	
		123 Information and communication			07	07	07	18	HU	766 165.00	766 165.00	338 114.12	
<b>Grand total</b>										<b>75 945 562.10</b>	<b>60 774 654.84</b>	<b>59 338 730.19</b>	<b>129</b>

Table 6

**Cumulative cost of all or part of an operation implemented outside the Union part of the Programme area**

1	2	3	4	5	6
	The amount of IPA support(*) envisaged to be used for all or part of an operation implemented outside the Union part of the Programme area based on selected operations (EUR)	Share of the total financial allocation to all or part of an operation located outside the Union part of the Programme area (%) (column 2/total amount allocated to the support from the IPA at programme level *100)	Eligible expenditure of IPA support incurred in all or part of an operation implemented outside the Union part of the Programme area declared by the Beneficiary to the Managing Authority (EUR) (**)	Share of the total financial allocation to all or part of an operation located outside the Union part of the Programme area (%) (column 4/total amount allocated to the support from the IPA at programme level *100)	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013 (EUR) (**)
All or part of an operation outside the Union part of the Programme area (1)	-	0.00 %	0.00	0.00 %	0.00

I would take these two comments out because:

(\*) IPA support is fixed in the Commission decision on the respective co-operation programme.

(\*\*) At this point this data is not available from the system

(1) In accordance with and subject to ceilings set out Article 20 of Regulation (EU) No 1299/2013.

#### 4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

*Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, including the name and reference period of the evaluation reports used. [max: 10 500 ch]*

The programme evaluation plan has foreseen 3 phases of evaluations during the programming period: 1 operational and 2 impact evaluations.

The First Phase Evaluation 'Evaluation of the efficiency and effectiveness of the programme' is the operational evaluation of the Programme, which was conducted by the Central European Service for Cross-Border Initiatives (CESCI). The cut-off date of the processed data was 31 September 2018. The final evaluation report was approved on 7 July 2019 by the 16<sup>th</sup> written procedure of the JMC. The evaluation was published on the website of the programme in 2020.

The evaluation findings related to major programme implementation risks have been grouped around the following 4 issues:

1. **Delayed performance** caused by late start of the programme due to delayed approval of relevant EU legislation; late introduction of the IMIS 2014-2020; changes at the ministerial level in Hungary and Serbia; shortage in human capacities and long designation procedure. The impact of the risk was estimated as medium.
2. **Problems** related to the **IMIS 2014-2020**: slow developments and unpredicted system errors slowing down processes of all system users. The impact of the risk was estimated as low.
3. **Shortages of human capacities** at the level of FLC in Serbia primarily. The impact of the risk was estimated as medium.
4. Complexity of **strategic projects**: The impact of the risk was estimated as high mainly based on shortage in human capacities at the time of the evaluation and significant budget allocation for strategic projects (30% of the total budget of the programme).

The first evaluation report defines main recommendations grouped at 3 levels:

1. **Designing of the next programme**: Recommendations addressing strategic frames of the programme, structural factors of programming and programme priorities and tools.
2. **Programme management**: Sets of recommendations regarding the communication and management procedures.
3. **Project implementation**: 2 recommendations regarding better contribution to horizontal principles and sustainability of cross-border partnerships and project results.

Together with the MA it was decided that only 1 impact evaluation, starting in the 2<sup>nd</sup> half of 2021, would be sufficient. Thus, the evaluation would include more relevant data from a larger number of closed projects. Accordingly, the JMC, approved the Inception report of the 2<sup>nd</sup> Phase of the evaluation called 'Effectiveness, efficiency and impact evaluation of the INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia' on the 6<sup>th</sup> JMC meeting on 30 November 2021 and with that the evaluation has begun. The bulk of the data collection and surveys and other activities will take part in 2022 and it will be a combined evaluation, an evaluation of effectiveness and efficiency and an impact evaluation in one.

In the meantime, activities regarding the new programming period 2021-2027 are progressing well, taking into consideration recommendations to involve selected beneficiaries in the planning process of the programme. Other recommendations already available from the evaluations were taken into consideration within the scope of the programme being prepared.

## 5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (article 50(2) of Regulation (EU) No 1303/2013)

### a) Issues which affect the performance of the Programme and the measures taken [max: 7000 ch]

#### 1. Delays in progress of indicators

Previously the programme has identified delays in fulfilment of specific indicators by 2020:

- O/I 2.5 "Total length of the railway line directly affected by development plans"
- O/I 2.6 "Number of improved public transport services"
- O/I 4.3 "Number of months spent in the institutions and companies on the other side of the border through scholarships"

The 2<sup>nd</sup> CP modification addressed the problem of indicator for PA4. To further ensure the fulfilment of all of the indicators including those for PA2 (O/I 2.5 and 2.6) the programme defined targeted actions for the 3<sup>rd</sup> CfP. The **selected and contracted projects of the 3<sup>rd</sup> CfP now include projects that have committed to reach the indicators** in question:

- O/I 2.6: **3 pcs**, target for 2023: 3
- O/I 4.3: **388.75 months**, target for 2023: 250

Therefore, we can conclude that the 2<sup>nd</sup> CP modification, the targeted call for proposals and other efforts of the programme were the exact correct measures to take to address the problem.

In 2021, the selected projects of the 3<sup>rd</sup> CfP showed good progress in implementation. In case of one of the 3 indicators identified, the target was already achieved by the conclusion of one of the 1<sup>st</sup> CfP projects.

- O/I 2.5: 58km, target 53km
- For O/I 4.3 based on beneficiary reports submitted we expect decisive progress of in Q1 of 2022.

#### 2. Frequent prolongation of projects' duration and other challenges due to COVID-19 pandemic

2021 was the second full year of the pandemic, which resulted in numerous problems for the beneficiaries. The prolongation requests continued because of delays in procurements related to infrastructural works and due to the inability to hold events as planned before the pandemic. The total number of prolonged projects grew from 35 to 41 in 2021. By procedure, these requests were considered and approved by the JMC (when the request is above the maximum months allowed by the call for proposals) or by MA (when then request is below the maximum allowed by the call for proposals). According to advice and measures of the EC, the programme remained tolerant regarding requests to modify the nature of events to online events, to adjust the nature of other activities and we allowed sensible redefinitions of indicators and budget as well as reallocations.

#### 3. Monitoring system issues, introduction of INTERREG+:

In 2019 the managing authority of all 4 Interreg programmes using IMIS 2014-2020 system decided – with the support of the Partner States – to launch a new procurement procedure on the development of a new IT system, the so-called INTERREG+ system (I+) to cover all missing functions of IMIS. The reason behind the migration was that, even after a longer error-management period, the functionality of the system could not be consolidated. The number of software errors, especially the implementation modules, was still higher than expected. In 2020, the INTERREG+ system started to replace IMIS 2014-2020 gradually. The JS and both first level controls had tested the new system and started to use it for the projects of the 3<sup>rd</sup> CfP. The JS registered the newly selected projects in the new system and the selected projects started their implementation in 2020.

The I+ system development project lasted until 30 September 2021 and is followed by a continuous maintenance and support period throughout the whole implementation of the programme. According to the contractual time plan, the system went live with the following functionalities as listed below:

- Project and Contracting Module, covering recording of programme- and CfP data – 30 June 2020;

- Reporting Module - 26/08/2020, Control and Payment Module – 27 November 2020;
- TA Project Module, Programme-level Financial Module (submission of Application for Payments to EC and Annual Accounts Modules), planning migration procedure of all implementation and financial data from IMIS 2014-2020 – 26 February 2021;
- Irregularity, Recovery and Closure Module – 31 May 2021;
- e-Application and Assessment Module for the 2021-2027 period – 31 August 2021; and
- Service functions, closing of the development project and handover of the source code of the INTERREG+ system – by 30 September 2021.

**- Current status of the system development**

Since 27 November 2020, beneficiaries and lead beneficiaries of the programme have been using the system for online submission of their reports, as well as controllers for their validation activities and joint secretariat for its daily programme and project management activities. The system implementation modules were finished on 30 September 2021, covering all the functionality (e.g. normal and TA reporting, irregularity, recovery, closure). Migration of data from IMIS to I+ as well as migration of irregularities and recoveries recorded on paper to the I+ was concluded in 2021.

**- General features of INTERREG+**

Front Office – Back Office

The Front Office surface of I+ is for beneficiaries and lead beneficiaries who can submit their beneficiary reports, progress reports and applications for reimbursement online.

The Back Office is used by all bodies of the programme implementation as a management and monitoring tool.

The workflow engine makes sure that each process is completed in sequence and checks whether the user is authorized for a certain task. For instance, version management provides the visibility of tracks and changes for projects, stores them and ensures their comparison. The project history screens contain all system events like a diary. Built-in checks, warnings and automatic calculations ensure the accuracy of the system. Detailed budget tables show the projects' financial progresses.

- Access rights management is needed since it is used by a large number of bodies and users. In order to avoid unauthorized logins and movements, the system uses an access rights system: access to functions and data is restricted by organisational membership, level of hierarchy and geographic location.

**- Remaining tasks with IMIS 2014-2020 and the future**

In parallel to the introduction of the new system, the programme bodies, JS and both first level controls also used the previous system for monitoring of still running projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs until 30 June 2021. The data migration finished in October 2021, the monitoring of still running projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfP and the TA projects continues in the I+ system. The previous system continues to operate in archive mode.

I+ gradually replaced IMIS 2014-2020 with a view on the requirements of the 2021-2027 period as well – with the ultimate goal to assume the role for the next programme. As a first step, the application module for 2021-2027 was launched on 31 August 2021. Additional adjustments to the next programming period will be carried out in further developments.



**b) OPTIONAL FOR LIGHT REPORTS, otherwise it will be included in point 9.1 (Article 50(4) of Regulation (EU) No 1303/2013)**

*An assessment of whether progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate [max: 3500 ch]*

Analysing the data provided, we can conclude that the programme was not damaged by the pandemic. Huge efforts of the programme bodies and even more efforts from the beneficiaries of our projects kept the programme afloat. The programme showed flexibility and was quick to react to the challenges of the beneficiaries. This enabled most of the projects to reach their indicators and produce all other outputs on time. Beneficiaries that could not produce all the desired outputs on time were given more time to reach their goals. The objective difficulties were understandable and the programme bodies were tolerant in case of possible changes while fully expecting that the beneficiaries reach their redefined goals as agreed. In all cases, trust and tolerance was awarded with fulfilment of agreements and tangible results despite the challenges.

It is very clear that the spending rates have further increased and that the programme will reach its goals by 2023. The n+3 conditions were never in question and we expect this to continue until the successful conclusion of the programme.

**6. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013)**

*A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report*

**The annual implementation report (AIR) of the Interreg-IPA CBC Hungary-Serbia Programme** provides a brief overview of the activities undertaken in relation to the Programme in the year 2021.

*Provided as separate document.*

**7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS** (Article 46 of Regulation (EU) No 1303/2013)

*Where the Managing Authority decided to use financial instruments it must send to the Commission a specific report covering the financial instruments operations as an annex to the annual implementation report:*

Not relevant in case of the Interreg-IPA CBC Hungary-Serbia Co-operation Programme 2014-2020. (There were no financial instruments used in the meaning of Article 46 of the CPR in the Programme.)

**8. PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS** (Article 101(h) and Article 111(3) of Regulation (EU) No 1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)

Not relevant in case of the Interreg-IPA CBC Hungary-Serbia Co-operation Programme 2014-2020. (There are no major projects or joint action plans in the meaning of Article 101(h) and 111(3) of the CPR or Article 14(3)(b) of the ETC Regulation in the Programme.)

**8.1. Major projects**

*Significant problems encountered in implementing major projects and measures taken to overcome them.*

Not relevant for the Programme.

*Any change planned in the list of major projects in the Co-operation Programme.*

Not relevant for the Programme.

**8.2. Joint action plans**

*Progress in the implementation of different stages of joint action plans*

Not relevant for the Programme.

## **PART B**

**REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT** (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

*Not relevant for AIR to be submitted in 2021*