



EURÓPAI BIZOTTSÁG
FŐTITKÁRSÁG

BEÉRKEZETT
15. 09. 2017
BRÜSSZEL EU ÁK

Brüsszel, 2017.9.15.
SG-Greffe(2017) D/ 14009

MAGYARORSZÁG ÁLLANDÓ
KÉPVISELETE AZ EURÓPAI
UNIÓ MELLETT
Rue de Trèves, 92-98
1040 BRUXELLES
BELGIQUE

**AZ EURÓPAI UNIÓ MŰKÖDÉSÉRŐL SZÓLÓ SZERZŐDÉS 297. CIKKE
SZERINTI ÉRTESELTÉS**

Tárgy: A BIZOTTSÁG VÉGREHAJTÁSI HATÁROZATA (2017.9.14.)

A Főtitkárság kéri, hogy szíveskedjék átadni a Külügyminiszter úrnak a mellékelt határozatot.

a főtitkár nevében

Robert ANDRECS

melléklet : C(2017) 6126 final

HU





EURÓPAI
BIZOTTSÁG

BEÉRKEZETT
15. 09. 2017
BRÜSSZEL EU ÁK

Brüsszel, 2017.9.14.
C(2017) 6126 final

A BIZOTTSÁG VÉGREHAJTÁSI HATÁROZATA

(2017.9.14.)

a 2014–2020-as időszakra szóló, Magyarország–Szerbia Interreg-IPA határon átnyúló együttműködési programnak az Előcsatlakozási Támogatási Eszköz (IPA II) keretében történő jóváhagyásáról szóló C(2015) 9488 végrehajtási határozat módosításáról

CCI 2014TC16ISC001

(CSAK A MAGYAR NYELVŰ SZÖVEG HITELES)

A BIZOTTSÁG VÉGREHAJTÁSI HATÁROZATA

(2017.9.14.)

a 2014–2020-as időszakra szóló, Magyarország–Szerbia Interreg-IPA határon átnyúló együttműködési programnak az Előcsatlakozási Támogatási Eszköz (IPA II) keretében történő jóváhagyásáról szóló C(2015) 9488 végrehajtási határozat módosításáról

CCI 2014TC16I5CB001

(CSAK A MAGYAR NYELVŰ SZÖVEG HITELES)

AZ EURÓPAI BIZOTTSÁG,

tekintettel az Európai Unió működéséről szóló szerződésre,

tekintettel a külső tevékenységek finanszírozására vonatkozó uniós eszközök végrehajtására vonatkozó közös szabályok és eljárások megállapításáról szóló, 2014. március 11-i 236/2014/EU európai parlamenti és tanácsi rendeletre¹ és különösen annak 2. cikke (1) bekezdésére,

tekintettel az Unió általános költségvetésére alkalmazandó pénzügyi szabályokról és az 1605/2002/EK, Euratom tanácsi rendelet hatályon kívül helyezéséről szóló, 2012. október 25-i 966/2012/EU, Euratom európai parlamenti és tanácsi rendeletre² és különösen annak 84. cikke (2) bekezdésére,

mivel:

- (1) A C(2015) 9488 bizottsági végrehajtási határozattal a Magyarország–Szerbia Interreg-IPA határon átnyúló együttműködési program bizonyos elemei elfogadásra kerültek.
- (2) Magyarország 2017. június 14-én Magyarország és Szerbia nevében az együttműködési program módosítására irányuló kérelmet nyújtott be.
- (3) A kérelemhez az együttműködési program felülvizsgált változatát is csatolták, amelyben Magyarország a 447/2014/EU bizottsági végrehajtási rendelet³ 34. cikkének (1) bekezdésében említett együttműködési program elemeinek az 1299/2013/EU rendelet⁴ 8. cikke (2) bekezdése b) pontjának ii. és iv. alpontjával való összefüggésben történő módosítását javasolta, melyek mind a C(2015) 9488 végrehajtási határozat tárgyát képezik.
- (4) A módosítások arra irányulnak, hogy a program kiegészüljön az eddig hiányzó teljesítménykerettel. A teljesítménykeret hiányára a 2015-ös éves végrehajtási jelentések benyújtásakor és a 2014–2020-as időszakra szóló, határon átnyúló

¹ HL L 77., 2014.3.15., 95. o.

² HL L 298., 2012.10.26., 1. o.

³ A Bizottság 447/2014/EU végrehajtási rendelete (2014. május 2.) az IPA II Előcsatlakozási Támogatási Eszköz létrehozásáról szóló 231/2014/EU európai parlamenti és tanácsi rendelet végrehajtásának egyedi szabályairól (HL L 132., 2014.5.3., 32. o.).

⁴ Az Európai Parlament és a Tanács 1299/2013/EU rendelete (2013. december 17.) az Európai Regionális Fejlesztési Alap által az európai területi együttműködési célkitűzésnek nyújtott támogatásra vonatkozó egyedi rendelkezésekről (HL L 347., 2013.12.20., 259. o.).

együtműködési program elektronikus adatcsererendszer (SFC2014) keretében használatos sablonjainak elkészítésekor derült fény. A 447/2014/EU végrehajtási rendelet 34. cikke (1) bekezdésének, valamint az 1299/2013/EU rendelet 8. cikke (2) bekezdése b) pontja v. alpontjának értelmében a határon átnyúló együtműködési programoknak teljesítménykeretet is kell tartalmazniuk. Egy olyan lényeges elemről van szó, amely biztosítja, hogy az EU által támogatott programok kellőképpen célirányosak és eredményorientáltak legyenek. A Bizottság 2016. október 6-án hivatalos levélben kérte Magyarországot, hogy módosítsa, illetve egészítse ki a programot.

- (5) Az együtműködési program módosítására irányuló kérelmet Magyarország a 447/2014/EU bizottsági végrehajtási rendelet 31. cikkének (5) bekezdésével összhangban megfelelően alátámasztotta, és választa azt is, hogy a program módosítása várhatóan milyen hatással lesz az intelligens, fenntartható és inkluzív növekedésre irányuló uniós stratégia célkitűzéseinek és a program konkrét célkitűzéseinek elérésére, figyelemmel a 231/2014/EU rendeletre⁵.
- (6) A monitoringbizottság 2017. május 18-i ülésén a 447/2014/EU bizottsági végrehajtási rendelet 38. cikke (6) bekezdése második albekezdésének megfelelően a felülvizsgált együtműködési program szövege alapján megvizsgálta és jóváhagyta az együtműködési program módosítására irányuló javaslatot.
- (7) A Bizottság értékelte a felülvizsgált együtműködési programot, de nem tett a 447/2014/EU bizottsági végrehajtási rendelet 31. cikke (3) bekezdésének értelmében vett észrevételeket.
- (8) A felülvizsgált együtműködési program módosított elemeit tehát indokolt jóváhagyni.
- (9) Az ebben a határozatban foglalt intézkedések nem olyan kategóriájú intézkedések, amelyek tekintetében szükséges lenne kikérni a 231/2014/EU rendelet 13. cikkével létrehozott bizottság véleményét. Az IPA II-bizottságot azonban tájékoztatni kell erről a határozatról, egy hónapon belül annak elfogadását követően.
- (10) A C(2015) 9488 végrehajtási határozatot ezért ennek megfelelően módosítani kell,

ELFOGADTA EZT A HATÁROZATOT:

1. cikk

A C(2015) 9488 végrehajtási határozat I. mellékletének helyébe e határozat mellékletének szövege lép.

2. cikk

E határozat végrehajtására a Bizottság és Szerbia közötti finanszírozási megállapodás módosításának formájában kerül sor.

A Regionális és Várospolitikai Főigazgatóság főigazgatója felhatalmazást kap a finanszírozási megállapodás módosításának a Bizottság nevében történő aláírására.

⁵ Az Európai Parlament és a Tanács 231/2014/EU rendelete (2014. március 11.) az IPA II Előcsatlakozási Támogatási Eszköz létrehozásáról (HL L 77., 2014.3.15., 11. o.).

3. cikk

Ennek a határozatnak Magyarország a címzettje.

Kelt Brüsszelben, 2017.9.14.-én.

a Bizottság részéről
Corina CREȚU
a Bizottság tagja



EN
ANNEX
"ANNEX I

**Cross-border cooperation programme under the IPA
instrument**

CCI	2014TC16I5CB001
Title	IPA CBC Hungary - Serbia
Version	2.0
First year	2014
Last year	2020
Eligible from	01-Jan-2014
Eligible to	31-Dec-2023
Major amendment (requiring EC approval - cf. Art. 96 CPR)	✓
Approved by monitoring committee	✓
Justification for amendment	Performance framework was needed to imply in the CP.
EC decision number	
EC decision date	
NUTS regions covered by the cooperation programme	HU331 - Bács-Kiskun HU333 - Csongrád RS - SERBIA

SECTION 1 STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO ECONOMIC, SOCIAL AND TERRITORIAL DEVELOPMENT, WITH THE VIEW OF SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND FOR ITS CONTRIBUTION TO THE SELECTED THEMATIC PRIORITIES AND THE RELEVANT PARTNERSHIP AGREEMENT AND COUNTRY STRATEGIC PAPER(S)

[Reference: Article 2, Regulation No 231/2014 of the European Parliament and of the Council of 11 March 2014, establishing an Instrument for Pre-accession Assistance (IPA II) and Article 34 of Commission Implementing Regulation (EU) No 447./2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) 231/2014 of 11 March 2014 of the European Parliament and of the Council establishing an Instrument for Pre-Accession assistance (IPA II)]

1.1 Strategy for the cooperation programme's contribution to the selected thematic priorities and, for the Member States, the relevant Partnership Agreement and, for IPA beneficiary(ies), Country Strategic Paper(s)

1.1.1. Description of the cooperation programme's strategy for contributing to the selected thematic priorities and the relevant Partnership Agreement and Country Strategic Paper(s)

Analysis of the programme area

As a first step of the preparation of the Interreg - IPA CBC Hungary-Serbia Programme (hereinafter also referred to as Cooperation Programme, CP or Programme) a Situation and SWOT Analysis was prepared in order to explore the regional specificities, design the structure of priorities, and identify the areas of intervention and actions. The analysis was finalized and approved in September 2013 and is attached to the CP as a supporting document. This chapter is an extract of the analysis, focusing on the main characteristics and challenges of the cross-border region (hereinafter as CBR) that are to be addressed by the current Programme. It summarizes relevant data and key findings of the analysis, amended with some more updated data information wherever it was available. Further statistics, tables, maps and indication of sources of information are presented in the attached Situation Analysis.

Territory

The CBR covers 9 counties/districts (NUTS III level or equivalent[1]): Csongrád and Bács-Kiskun counties in Hungary, West Bačka, North Bačka, South Bačka, North Banat, Central Banat, South Banat and Srem districts in Serbia. The NUTS III (or equivalent) level Serbian districts together form the Region of Vojvodina on NUTS II level.

With an area of 34,214 km², 13.66% of Hungary's and 24.33% of Serbia's territory are covered by the CBR.[2]

Population

According to data of the Hungarian Central Statistical Office (HCSO), in 2013 Hungary's population amounted to 9,908,798 people, whereas in Serbia there were 7,181,505 inhabitants [3]. The CBR has slightly less than 3 million inhabitants with a rough 2:1 ratio in favour of Serbia.

32.22% of the region's population lives in South Bačka (616,111) – which is the district with the biggest population, followed by Bács-Kiskun (519,930) and Csongrád counties (409,571), in which also the three biggest cities (Novi Sad, Szeged and Kecskemét) are located. The smallest county is North Banat with 5% (144,672) of the CBR's population.

The largest city is Novi Sad including its agglomeration with more than 330,000 inhabitants, forming an important economic centre not only in AP Vojvodina but Serbia as well. It is followed by Szeged (170,000) and Subotica (143,000).

The rate of population living in urban settlements (according to the terminology of the Serbian Statistical Office) in AP Vojvodina reaches 60%; while the rate of population living in cities in the Hungarian part of the CBR amounts to around 70%. [4] According to the 2011 census, Bács-Kiskun is the most rural county in Hungary (97 rural settlements out of 119), followed by Csongrád county (50 rural settlements out of 60) in second place. [5] The Autonomous Province of Vojvodina (AP Vojvodina) is similarly rural (415 rural settlements out of 467) in its character.

Looking at the change in population in the CBR, an overall decline of 5.7% could be experienced between 2002 and 2013. The biggest drop happened in the Serbian districts, AP Vojvodina lost nearly 120,000 inhabitants [6]. South Bačka was the only district of the CBR to see an increase of its population by 24,000 people (3.6%). According to experts, the main reason for this is migration towards AP Vojvodina's capital, Novi Sad due to the unfavourable economic situation of most cities in AP Vojvodina (and in Serbia in general). Thus, many young people migrate mainly to Belgrade or Novi Sad. Also, Novi Sad is the administrative and university centre of AP Vojvodina, which also attracts many people for work and studies.

In Hungary a decline of 2.6% was experienced over the time period 2002-2013. [7] The rate of decline exceeded the national average both in Csongrád county (4.3%) and in Bács-Kiskun county (4.8%) over the time period analysed due to a low reproduction rate and migration

General life expectancy at birth is 75 years in Hungary with a significant increase from 1990 to 2010 (9%). In Serbia, it is 74 years with a moderate increase from 1990 to 2010 (3%). The life expectancy of women (76 years) is higher in all county than the similar data of men (71-72 years).

The distribution of the CBR's population according to age groups 0-14, 15-64 and 65+ is very similar in all counties/districts [8]: the youngest population amounts to about 14%, the oldest to around 17-18% and the inhabitants between 15 and 64 years of age (active working age category) have by far the largest share with around 68-69%. The dependency ratio (ratio of number of people before or after working age to the number of people in working age) rose by 2.5% in Bács-Kiskun county, and by 3% in Csongrád county. Compared to the EU27, these data anticipate a trend of ageing stronger than the European average, which means a huge problem for the CBR, especially in villages.

While the share of Hungarian people in the Serbian districts is quite significant in some

cases (e.g. in North Banat with a share of over 45%), very few Serbs were registered in Hungary during the census of 2011 (the highest in Csongr ad county with 0.3%).

There are many ethnicities in the Serbian cross-border districts. About 67% of the inhabitants of AP Vojvodina declared themselves as Serbs. This multicultural composition shows a very diverse picture among the Serbian districts.

The percentage of Roma population within the CBR ranges from 3.9% in Central Banat to 1.1% in Csongr ad county. Other ethnic groups in the area include among others Germans, Croats, Slovaks, Romanians, Rusyns, Bunjevci and Yugoslavs.

Economy and labour market

Economic development is a key element in creating an inclusive society, more jobs, as well as balancing regional differences. The similarities and complementarities between the two sides of the border create excellent opportunities that can be exploited through increased and targeted co-operation based on the following economic features.

Agriculture/food production is still a relatively important segment of economy on both sides of the border compared to the national average (AP Vojvodina contributes 8% to GDP, South Great Plain contributes 11%). Agriculture in AP Vojvodina is recognised as an important development sector, reflected in strategic development plans. This sector is however constrained by lack of trust among agriculture producers, which is reflected by having difficulties in establishing effective associations of agricultural producers (producers groups) that are in line with European best practices. Promotion and creation of added value in local production has also been recognised as an issue in this sector.

Besides the importance of agriculture, the region is strongly industrialised. AP Vojvodina is the most industrialised part of Serbia with strong food processing and beverage sectors, as well as developed chemical industry, rubber and plastic, oil and gas products and metal processing. The Hungarian border region has strong potential in mining (oil and gas), in manufacturing industries (automotive and mechanical equipment), in food processing and in biotechnology.

Knowledge based economy is also present in the CBR, based on the resources of higher education and research institutions concentrated at leading universities, namely: University of Szeged and University of Novi Sad. There are similar research fields on the two sides as well: medicine and health, agriculture, engineering, ICT, which altogether employ 51% of all research staff on the Hungarian side and 63.5% on the Serbian side. R&D expenditure is far below the 2% EU average on both sides of the border (0.55% in B acs-Kiskun county, 0.9% in AP Vojvodina), only Csongr ad county (1.9%) performs better in this regard. Regional R&D activities are in general strongly university driven, thus do not always reflect the development needs of the local enterprises. The ongoing evaluation of the current CBC programme has also proved that better involvement of "research results'end-users" would be beneficial for the regional economy.

There is a well-established business support infrastructure on both sides of the border: business incubators (8 in the Hungarian counties, 6 on the Serbian side) located in industrial parks or clusters provide services to SMEs and support start-ups. Clusters (over 50 in the CBR) have similar profiles and adequate university-based

research and education background. (e.g. metal, mechatronic, medical, IT, agriculture).

However, the lack of cross border co-operation among the relevant cluster organisations and the members of clusters hinder the efficient use of the existing potentials. The innovation driven developments should promote the synergies with Horizon 2020 and the exploitation of opportunities for smart specialisation, based on the relevant (national and regional level) smart specialized strategies of the border area.

As for employment, the Hungarian and the Serbian side of the border region differ considerably. The unemployment rate is considerably higher on the Serbian side, but on both sides of the border it is substantially above the European average, as well as the national averages (except for Bács-Kiskun county, where the rates are slightly under national averages). Between 2009 and 2013 the unemployment rate of the active population (between 15-64 years) in Hungary rose from 7% to 10,2%, in Serbia from 11.6% to 23%, while in Vojvodina from 8.6% to 24,3%. Youth unemployment sharply rose on the Serbian side by 2011 (62,14%) but in the past 2 years it's been showing decreasing tendency (49,4% in 2013). However the unemployment rate of youth on Serbian side is still more than double of the rate of the Hungarian side (27,9% in 2011, 27,3% in 2013). The employment rate of women is lower than the average employment rate of the CBR, while unemployment amongst underprivileged groups (especially the Roma) is significantly higher than respective national/regional averages.

Statistics show that there is a considerable gap (approximately 100%) in salaries between the two sides of the border in favour of Hungary, which could generate a substantial work force inflow from AP Vojvodina to the Hungarian counties. Better labour market chances and higher incomes might be driving forces for increased commuting, contributing to the territorial leverage of the border region. This could be further enhanced by the fact that Hungarians are the biggest ethnic group among the 35% ethnic minority of AP Vojvodina. However unpredictable waiting time at border crossing makes daily commuting rather difficult, and the need for having work and residence permit has to be also taken into account.

The average educational attainment in AP Vojvodina is somewhat lower than that on the Hungarian side. Adult education in Serbia is not regulated by law; there is no specific accreditation procedure for adult educational institutions and programmes. The Hungarian experience might be useful to upgrade this form of education. Interventions should be concentrated on overcoming the bottlenecks resulting in mismatches between education outcomes and the needs of the (cross-border) labour market, paying particular attention to the sectors conducive to growth and innovation. The different professional focus of the secondary vocational education of the two countries provides a good opportunity to cooperate in vocational education.

Environment, climate change and risk prevention

In relation to climate change adaptation and mitigation, as well as the sustainable use of natural resources the following key areas can be identified:

Water management:

Most of the land of the CBR was formed by the rivers Danube and Tisa and their tributaries. Other major rivers which have an impact on the programme area include the Sava, Mureş, Criş, Timiş and Bega rivers. Consequently, with the exception of Srem district, the area is dominated by low elevation plains. Average elevation above sea

level is between 70-120 m, still, distinct areas of different natural background can be identified.

The water regime of the main rivers is highly fluctuating: both floods and water shortage are serious problems. Besides the natural water network, the Danube-Tisa-Danube canal system in AP Vojvodina, with its total length of 690 km is among the largest manmade canal systems of Europe. Surface waters support a significant ecological network, provide water for agriculture and tourism, ensure supply for subsurface water bodies and serve as important navigational routes, especially in AP Vojvodina.

Ground water, artesian water and thermal water are also important resources. As in case of rivers, these subsurface water bodies also cross the borders and form a hydro-dynamically coherent system between the Danube and the Tisa. Subsurface water is extracted for communal use, agricultural and industrial purposes. In Bács-Kiskun and Csongrád counties approximately 60-65 million m³ are extracted annually, while in AP Vojvodina this amounts to 90-100 million m³, of which 40-45 million m³ are used as drinking water and 50-55 million m³ are extracted for industrial use.

The water quality of the Danube is endangered by both Hungarian and Serbian urban centres. Due to the lack of significant industry and the establishment of municipal waste water plants the water quality of the Tisa is fairly good.[9] Surface water quality is also important from the aspect that most of the drinking water in AP Vojvodina is taken from riverbank filtration wells at present, though there is an obvious shift to artesian resources. In Hungary water is predominantly taken from artesian wells, though drinking water quality is worse than the national average. The drinking water sources are polluted by arsenic in more than 100 settlements of the programme area in Hungary and this problem can be also considered in the Serbian areas close to the border. Thus drinking water quality improvement is of crucial importance for the whole programme area. The national level implemented operational programmes finance the drinking water improvement projects both in Hungary and in Serbia.

An integrated catchment-area based management is needed in the region for preserving the good quality and adequate quantity of surface and subsurface waters. The application of the EU directives in Serbia would be especially important. This also requires a jointly coordinated water quality monitoring system and a hydrological database for environmental and health risks (e.g. drought, floods, hydrological status, drinking water pollution, up to an exchange on best practices for managing drinking water resources and on remedial actions to avoid drinking-water contamination, for example with arsenic), as well as joint planning of water retention and infiltration reservoirs, especially on the Danube-Tisa interfluvium.

For any project that modifies the hydromorphological characteristics of a water body causing deterioration of its status, an appropriate analysis as required by Article 4(7) of Water Framework Directive 2000/60/EC should be carried out as early as possible in the planning process. This will entail the analysis of alternatives (better environmental options), the setting-up of necessary mitigation measures and a justification of the importance of the project for the overriding public interest.

The water management activities including the flood prevention actions will be implemented according to the EU water policy objectives as the water framework directive (Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy) and the EU floods directive (Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood

risks).

The programme implementation process will take into account the framework of the International Commission for the Protection of the Danube River on water management issues and flood protection, explicitly the following documents: International Danube River Basin Management Plan and Danube Flood Risk Management Plan (FRMP) for the period 2016-2021. Flooding and excess water:

Due to climate change the frequency and magnitude of floods is expected to increase in the future. Problems may increase especially in the winter period, which will be warmer and more humid. The Danube and its greatest tributary, the Tisa were hit by exceptional floods in the past decade (2013 Danube, 2006 and 2010 Tisa). In May 2014 Serbia suffered huge damages and losses due to flooding. Although areas most concerned were the central parts of the country, and not the CBR, but the extreme volume of damages (amounting to above 1,500 million EUR according to the report on Serbia floods 2014, prepared by the Government of the Republic of Serbia in cooperation with the United Nations and the World Bank) call the attention to the importance of integrated flood protection measures.

Another very important hydrological hazard is inland excess water affecting mostly Csongrád county and the Banat region of AP Vojvodina. After snow-melt or periods of heavy rainfall, large areas can be covered with redundant water. In Hungary the usual annual damage caused by inland excess water is approximately EUR 100-150 M. In AP Vojvodina in 2010 more than 100,000 ha were inundated by inland excess water and more than 400,000 ha of agricultural and settlement area was endangered. Both in Serbia and in Hungary excess water hazard has increased and this calls for concentrated measures backed by a well-coordinated warning and information system.

Droughts:

Some specific regions of the programme area suffered strongly of droughts in the last 20 years, as the frequency and strength of droughts increased in the last 10 years. In 2003 the damage caused by droughts in Hungary was approximately 130 M EUR, while in 2012 it reached 1.300 M EUR (10 times more) due to the extremely hot weather conditions.

The frequency of drought years is increasing both on the Hungarian and Serbian sides of the border. According to the models, unfavourable trends will continue until 2100. In this respect the region faces great challenges in the future, as Southeast Europe is among the most badly affected areas considering droughts. Mean annual temperature is expected to increase by 0.5-1.5°C and 3.5-4.0°C by 2050 and 2100, respectively. In the meantime, a 30-100 mm precipitation decrease is forecasted for the turn of the century. The number of summer days will increase by 30-40 days on average

Crop failure due to increasing drought hazard in the July-August period is expected to be 30-50% in the next decades. To prevent losses of agriculture as a consequence of extreme drought events, elaboration and later implementation of an early warning system would be desirable. However, this requires a harmonised monitoring activity and drought modelling in the CBR.

Extreme precipitation events:

Increased runoff calls for the improvement of urban drainage systems as well as the implementation of storm water reservoirs. Extreme storms and hail are also more and more frequent environmental phenomena and pose significant risk to agricultural

production in the CBR. In Vojvodina, a hail prevention system has been established in 2001, which proved to be very effective in decreasing the damages caused by hail: average yearly loss in agricultural production resulting from hail was ca. 70% lower between 2002 and 2010 than between 1987 and 2001 (before the establishment of the system)[10]. However, since the system is not extended to the Hungarian side, the northern part of Vojvodina and the Hungarian counties are still exposed to hail damages. To prevent crop failure and loss in human properties, the planning and implementation of joint hail suppression and storm warning systems would be necessary.

Renewable resources:

- **Photovoltaic electric power:** The solar electric power producing potentials of the CBR are outstanding when compared to European data. The CBR lies in the centre of Europe, in the Carpathian Basin, where the climate is continental. The energy of solar irradiation is between 1,300 and 1,500 kWh/m² in the region. Despite the high potential, the spreading of use of devices running on solar energy shows a slowly tendency in the region compared to international data, the reason of which are the relatively small and unpredictable funding resources and other administrative hindrances.
- **Thermal water:** The thermal water potential of the Southern Great Plain and AP Vojvodina is outstanding and hydrogeological characteristics are also good. Both the height of heat and the volume of thermal water provide good basis for the successful implementation of thermal heat utilization projects. The temperature of the exploitable thermal water is 90-95°C in Szeged and its surroundings, and in AP Vojvodina it is 60-80°C. The volume of exploitable water can reach 60-80 m³/h with modern well system. This all means a heating power of 2.0 – 4.5 MW per each well, which can be further increased through the utilization of modern technologies.
- **Biomass based on the waste products of agriculture:** Agricultural activity has many types of by-products of great amounts, which are appropriate secondary raw materials to produce heat power on local level.

Importance of use of low emission renewable energy and environmental friendly transport solutions are highlighted by the following facts that the border region (including the south of Hungary and the north of Serbia) is facing problems regarding air pollution (in particular particulate matter (PM) exceedances due to transport and combustion of solid fuel for domestic heating).

Natural reserves and biological diversity:

The very intensive agricultural use of Bačka, Banat and Srem greatly affects, in a negative way, the extension of nature conservation areas. Consequently, the improvement of the national ecological network would be highly desirable in AP Vojvodina. Areas most adequate for preserving biodiversity are river valleys and saline flatlands of low economic value. In AP Vojvodina there is only one national park (Fruška Gora National Park), however the total area of protected land amounts to 82 000 ha, which is distributed between 112 natural reserves.

As a consequence of the variability in soils and water availability, land use is much more complex and heterogeneous in Bács-Kiskun and Csongrád counties compared to the Serbian territories. In Hungary practically all valuable and extensive natural habitats are part of the of NATURA 2000 network. On the Hungarian side three national parks can be found. The whole territory of the Kiskunság National Park and some parts of the Körös-Maros National Park and the Danube-Dráva National Parks are situated in the

cross-border area. These national parks demonstrate the typical ecosystem of sandy steppe and riparian woodlands.

Biological diversity and the preservation of native species in today's changing environment are getting more and more difficult. Complex strategies are necessary in this respect, which are integrated into water management and climate change related interventions. A key aspect would be to increase wetland areas and ecological water reservoirs. Prudent planning and assessment is necessary to meet the interests of all stakeholders.

Measures addressing intensive farming and conserving nature areas can also help air quality.

In order to maintain the social sustainability of nature reserves, their accessibility to the public should be increased. This would have an important role in environmental education and could generate tourism as well. A key area of development can be the ox-bow lakes along the Danube and the Tisa.

Transport

The absence of good and harmonized cross-border transport connections (especially regarding public transport) limits the intensification of societal and economic co-operation across the border.

The majority of cross-border traffic occurs on public roads. Transit traffic is constantly increasing on the border stations and the timeframe of border crossing is relatively long. The average distance between crossing points is quite big compared to European standards: 38.5 km on the Hungarian side, while on the Serbian side it is 40.74 km. In 2012 the average daily number of passengers using the 6 crossing points was 22,479 persons. From the 7 existing border crossing points 3 have 0-24 opening hours out of which only 1 can be used by vehicles without any limitations (regarding operating hours, type and nationality of vehicles).

The region has a favourable geographical location in terms of logistics: Trans-European transport networks lead across the region. (Nr. X/b. Budapest – Kecskemét – Szeged – Novi Sad – Belgrade; Corridor VII along the Danube river). The CBR lies along Pan-European corridors VII and Xb. The road also operates as an international passageway, carrying passengers and transport traffic from as far as Turkey, Bulgaria and Macedonia to Germany, the Czech Republic, the Ukraine, Poland, Austria, Slovakia, Belgium and the Netherlands. However, potentials of the logistics sector remain unexploited because of relatively slow border crossing. These potentials could be further used by improving East–West transport connections between the North-South TEN-T corridors.

There is a distinct lack of adequate rail connections in the CBR. The railway connection between Szeged, Subotica and Novi Sad is very poor. On the Hungarian side, there is a railway line in East-West direction from the Romanian-Hungarian to the Hungarian-Serbian border, which forms part of the TEN-T comprehensive network (as shown in Annex I of the Regulation 1315/2013 of the European Parliament and of the Council), which further continues to Subotica in Serbia (as shown in Annex III of the Regulation 1315/2013 of the European Parliament and of the Council - Indicative Extension to Neighbouring Countries). Its further continuation in Western direction is not part of the TEN-T/SEETO comprehensive network, but can provide a connection to Corridor Xb and Corridor VII(Danube). Any future financial commitments including EU support to

the financing of new lines, will reflect the length of the planned line on each side.

There are two crossing points on the Serbian-Hungarian border line: Kelebia-Subotica and Rösztke-Horgoš. The crossing point in Rösztke is open to international passenger and freight traffic, too, and it can be crossed all day round. The international railway line between Budapest and Belgrade passes over at the Kelebia-Subotica border-crossing point, which explains the higher number of the average daily passenger traffic (489) compared with the Rösztke-Horgoš railway line (57). The latter number underlines the low level of railway traffic within the CBR, which results from bad conditions, missing networks of the railway tracks and outworn railway vehicles.

Considering public transport there are only a few bus and railway relations, and all of them have a slow travel time compared to the distance of the relations. For example, the distance between Szeged and Subotica is ca. 45 km, while the minimum travel time by bus is 1 h 35 min, and 2 h 06 min by train. The fastest bus connection between Szeged and Novi Sad (136 km) is 3 h 05 min. Direct railway line does not exist, the fastest connection is 5h 24 min.

Waterway transport in general is an unexploited opportunity in the CBR. Neither freight traffic, nor passenger traffic is appropriate, although there are several ports along the Tisa in the region (Sombor, Apatin, Senta). The Tisa is not navigable in some sectors (mainly due to the extremely low levels of water at Csongrád-Kisköre), which is why transport for touristic reasons is more realistic. Water border crossing points operate on the River Tisa in Szeged and Kanjiža, open for international passenger and freight traffic between 7 am and 7 pm. The river Danube, defined as European Corridor VII, is expected to contribute to the increase of river transport in the area. Any implemented navigation projects will take into account the WFD requirements (Directive 2000/60/EC), and in particular the conditions of Article 4(7), where relevant.

The two most important bicycle routes in the region are the EuroVelo 11 (along the Tisa) and the EuroVelo 6 (along the Danube), which are connected to several bicycle routes of regional interest on the Hungarian side. There are no continuous local or regional bicycle routes on the Serbian side; only sectional development has taken place in the programme area. The networking of cross-border bicycle routes has been mainly motivated by tourism, which can be the basis of future development as well, accompanied by building rider-friendly infrastructure and services.

When considering potential cross-border infrastructural transport developments based on the above identified shortcomings, the establishment of the Schengen border-control system must be taken into account. Continuous discussions are therefore needed about the development possibilities concerning border crossing where the various interested organisations are involved. These include: border control offices, customs offices, road and railway management and development organisations.

Tourism and cultural heritage

The two Hungarian counties of the border region belong to the less attractive touristic destinations of Hungary based on the main touristic indicators: in 2012, based on the number of tourist arrivals, Csongrád was the 12th, Bács-Kiskun the 16th in the ranking of the 19 Hungarian counties and Budapest. Still, tourism has greater importance in the Hungarian border region than in the Serbian, according to the main tourism indicators (tourist arrivals, overnight stays), both in absolute value and per capita.

In Bács-Kiskun county almost 165,000 tourists spent 411,000 nights at commercial and private accommodations in 2012. The average length of stay was 2.5 days. Nearly three-quarters of the guests were domestic tourists with 64% of all overnight stays. The two most visited touristic places are the county seat Kecskemét and the thermal resort Kiskunmajsa with 50% of the total overnight stays in Bács-Kiskun.

In Csongrád county nearly 216,500 tourists spent 467,000 nights at commercial and private accommodations in 2012. The average length of stay was 2.2 days, so less than in Bács-Kiskun. 70% of the guests were domestic tourists with similar proportion from all overnight stays. Every second tourist in the county visits the county seat Szeged. Besides, other historical cities and settlements with thermal baths or natural beaches could also attract a significant number of tourists (Mórahalom, Hódmezővásárhely, Szentes). According to the HCSO statistics, the average turnover of the county's baths is 149,000 visitors. Prominent one-day tourist destinations are also located in the county, such as the National Heritage Park in Ópusztaszer.

In AP Vojvodina nearly 300,000 tourists spent 760,000 nights at all accommodations in 2012, which accounts for 11% of the Serbian tourism. The average length of stay was 2.16 days, less than the average in Serbia. 60% of the guests were domestic tourists with similar proportion from all overnight stays. The length of stay of foreign tourists was shorter than the average. The districts of AP Vojvodina were positioned differently as tourist destinations, the tourist turnover is moderately concentrated: the most visited district was South Bačka (with one third of all overnight stays), due to Novi Sad; followed by North Bačka, North Banat and Srem districts (with a share of 14-15%).

Looking at the tendencies in the border region, after a significant decrease of tourist turnover from 2008, tourism performance has been slightly increasing or stagnating since 2010, which is due to the upswing of foreign tourism. However, the average length of stay has decreased on both sides of the border in the programme area, which draws the attention to the necessity of improving attractive tourism supply, appropriate for longer stays. In the total CBR 678,000 guests spent more than 1.6 million overnight stays in all accommodations in 2012. The average length of stay was 2.4 days. The proportion of foreign guests amounted to 35% both in tourist arrivals and overnight stays.

The cross-border tourism turnover registered in the commercial accommodations differs within the region: the proportion of Serbian tourists is marginal in Bács-Kiskun county (below 1%), while it is significant in Csongrád county (16% of all foreign overnight stays with dynamic increase – in 2011 it was only 10%). The proportion of Hungarian tourists is moderate in AP Vojvodina: according to the ratio of North Serbia, it is estimated to be around 5% of all foreign overnight stays.

Territorial inequalities, in terms of the development level of tourism supply and differences between the two sides of the border, in terms of quality standards of tourism infrastructure, are problems to be solved.

The border region is rich in cultural and natural values, nevertheless, the potentials of tourism are underutilized. Besides the existing tourism assets, especially in health, cultural (folklore), gastronomic, rural, eco- and active tourism (with some key attractions with high number of visitors), there is a shortage in integrated tourism products, common thematic packages, in content and physical linkage among destinations, attractions and in modern, state of the art tourism supply with wider attractiveness especially for longer stays.

Besides common values (e.g. common historical, cultural heritage, similarity of ethnic

groups, folk traditions, natural values), complementary elements of supply (local specialities – e.g. local cultural and folk heritage, gastronomy, active programmes, wellness spas in Hungary, orthodox heritage and mountain tourism in Serbia) and the seeds of cooperation can be a base of an integrated tourism offer.

A barrier for harmonized tourism development is the lack of a common regional tourism development strategy, marketing plan and branding. Better access to information about key cultural, social, economic news and events of the border region for the public could also be a facilitator of increased tourism cooperation.

Common historical, cultural roots ensure a solid basis for cooperation between local communities. In the Hungary-Serbia IPA Cross-Border Cooperation Programme 2007-2013 there was a strong demand for co-operation projects and joint activities primarily in the area of sports and culture. The need for such type of projects persists especially in ethnically mixed areas and has a sound impact on strengthening mutual understanding and developing the resource potentials of the area.

Justification for the selected intervention strategy

The overall objective of the Programme is the following:

“Harmonized development of the region with intensified economic cooperation through sustainable use of natural and cultural resources.”

The achievement of the overall objective can be ensured by applying the following strategy and interventions.

The cross-border region of Hungary and Serbia does not belong to the most developed regions of Europe. However, the position of AP Vojvodina within Serbia and the position of the two Hungarian counties within Hungary are considered as relatively strong both from social and economic aspects. The significance of agriculture related activities in the cross-border region is higher than the country averages in both countries. Central settlements with substantial employment potential – such as Novi Sad, Szeged, Kecskemét and Subotica – have a major role in the economy of the region especially in the processing industry. R&D and higher education located mainly in the largest cities are also important drivers of local economic development. These are the strengths the region has to capitalize on.

To foster economic growth, agriculture provides a good opportunity: activities in production, sales and food processing are to be developed in a more innovation oriented way. Another option is better capitalisation on outputs and results generated by the regional R&D sector (e.g. in agriculture/food, ICT, healthcare, mechatronics etc.) by local businesses, and their joint utilisation within the cross-border area. The interim findings of the on-going evaluation of the current Hungary-Serbia IPA Cross-Border Cooperation Programme 2007-2013 formulated these opportunities as vital requirements to foster the development of the local economy. All these together justify the boost of economic development through creating strengthened cooperation amongst local enterprises, clusters and R&D organizations, which is in line with the Europe 2020 Strategy’s priorities and the priorities of both national governments in order to deliver economic growth. Supported activities shall be implemented through the cooperation of economic actors and organizations with research potential, in line with the innovation strategies relevant for the CBR (3S Strategy of the South Great Plain, and the Cross-

border Innovation Strategy of the South Great Plain and AP Vojvodina).

The labour market and employment figures are however quite weak, partly due to the economic crisis. The youth unemployment rate on both sides of the border region is high in comparison to the European average. In AP Vojvodina it is more than twice as high, than on the Hungarian side of the CBC area, resulting in migration of the younger workforce to Western European countries. The migration of the younger generation also contributes to the increase of old age dependency rate, therefore, it is crucial that young people could find their own career perspective in the CBR. Besides fostering job creation, it is equally important to improve their and other unemployed people's professional knowledge and competences in order to respond to the employment demands of the local economy. This requires interventions in the harmonisation of vocational and adult training programmes. Common development of non-formal training programmes and practice oriented vocational training, enforcing traineeship facilities in each other's countries can contribute to supplying the necessary trained workforce. Although employment is not directly targeted by the Programme, activities under the Priority Axes will generate new jobs.

The bottlenecks of the transport infrastructure constitute a major obstacle for ensuring a more integrated labour market with sufficient mobility. In order to increase and broaden economic and societal relations in the CBR, tackling the problem of time-consuming border crossing – due to the fact that Serbia is not part of the Schengen Agreement – is a key issue. In the past couple of years two smaller border crossing points started to operate (Ásotthalom-Bački Vinogradi, Tiszasziget-Đala) and two other border stations are planned to be opened soon (Röszke II.-Horgoš and Bácsszentgyörgy-Rastina), but they are limited in terms of opening hours and serve rather the local traffic. In order to ease the pressure of busy periods at the international border crossing points, and that the smaller border crossing points could be used for other purposes (such as tourism and other business co-operation activities), too, it is necessary to increase their capacity in line with the actual demand and – if necessary – to upgrade the roads leading to these crossing points.

Cross-border traffic is characterized dominantly by private vehicles. Further investments are necessary in order to develop greener transportation infrastructure, as is preferred by Europe 2020 Strategy as well. Using public transportation to cross the border is practically impossible due to rare and slow bus and train connections. The relatively slow public transport is to a great extent caused by the border control. Freight transport by railway operates only on the Budapest-Kelebia-Novi Sad-Belgrade line. Development of the East-West railway network in the CBR can have important economic potential, by significantly reducing travelling times and ensuring multimodal connections (with the Danube and with the E-75 motorway). In a broader context, it could contribute to an improved connection of the region to the Orient / East-Med and the Mediterranean TEN-T core networks, providing a shorter, and environmentally sustainable, therefore more economic trade channel between the ports of the Adriatic and the Black sea.

Water transport will be increased once the Tisa is dedicated to an international water transit way, as planned in the near future. Considering passenger and tourism-purpose traffic, it is important to extend bicycle related infrastructure, as well as to develop the conditions of water-based tourism.

The low elevation of the border area, as well as the rivers (Danube, Tisa), streams, rills crossing the region call for harmonized water management. Climate change and extreme weather conditions have an effect on water management management and on the quality of the ground and surface water bodies, too. Besides floods, inland inundation, sudden

downpours and hail, increasing drought hazard affect the CBR more and more. Agriculture/food production, being one of the dominant sectors of the region, is specifically suffering from these problems. In order to mitigate hazard and damage related to agriculture, it is necessary to develop and modernize water management facilities in line with the regional development strategy. The urbanism processes and chemical used agricultural activities could have also negative influences on the water quality. It is an important task to sustain natural reserves and the rich natural biodiversity around streams and rills, as well. In case of water management developments, application of renewable energy solutions is welcome to ensure amore environmentally friendly operation. These interventions can contribute to decreasing the carbon-dioxide emission and the sustainable and harmonized use of renewable energy sources.

Besides the similar natural values, the CBR is also connected by its common cultural roots and values. Tourism provides possibilities for the sustainable and harmonized utilization of these assets. In the past years, primarily cultural thematic routes and bicycle trails were supported by the currently implemented CBC programme. As for the future, product development, highlighting the presentation of both tangible and intangible heritage and the promotion of unique local, handmade products should be supported based on an integrated tourism strategy. Another important area of product development shall be the connection of main attractions (e.g. historical cities, monuments, and thermal baths) on the two sides of the CBR, in accordance with the growing demand for healthy lifestyle and active tourism, e.g. through equestrian and bicycle routes. Creating an integrated network of water tourism linked to significant rivers and canals could increase the international attractiveness of the region. Territorial inequalities in tourism performance within the region could be reduced by improving the quality of services, and by operating joint marketing activities and tourism destination management based on common criteria (e.g. joint branding, common quality control system) thus ensuring also a mutual learning process.

Considering the common cultural roots it is highly important – especially for the young – to have a common understanding and respect for one another, which could be enhanced through common actions, common cultural events, and camps. According to the on-going evaluation of the Hungary-Serbia IPA Cross-Border Cooperation Programme2007-2013, small projects dealing with cultural and sport activities proved to be very successful, therefore the continuation of this scheme involving a substantial part of the population is highly recommended in the field of culture, leisure sports and nature protection activities to capitalise on and further develop the region's resource potentials.

Within the strategy there are several thematic areas which are strongly interlinked due to their internal coherence. Development of the environmental and transport infrastructure – further to their own purpose – contribute also to enhancing the economic activities and internal trade of the region. It is important that water management investments may also contribute to better environmental quality, as well as to the development of active and eco-tourism (e.g. canoeing, biking and fishing), and to the promotion of the economic development of the local communities involved.

During programme implementation opportunities for joint implemented initiatives, projects will be promoted through groupings, thematic platforms, networks and exchange of good practices.

Key statements of the on-going evaluation of the Hungary-Serbia IPA Cross-Border Cooperation Programme2007-2013

The on-going evaluation of the Hungary-Serbia IPA Cross-Border Cooperation

Programme 2007-2013 presented some key statements which are built in the 2014-2020 Programme's strategy. The following table shows these key statements and the current strategy's responses to them:

Key statements of the on-going evaluation of the HU-SRB IPA CBC 2007-2013 Programme

Key reflections built in the strategy and the Thematic Priorities of the Programme

Missing links amongst related projects in a specific sector caused by the lack of common cross-border strategies (e.g. water management, tourism development, transport, economic development).

The strategy and the Thematic Priorities contain interventions targeting the coordination of different types of activities through applying permanent communication platforms (e.g. water management, transport) and developing harmonized strategies in the field of tourism and economic development which can serve as reference points for further support of CBC projects.

Several project preparation documents (plans etc.) and studies were prepared and research carried out, yet they were not followed by investments or implementation of the projects planned/prepared.

The strategy and the planned interventions focus to a large extent on infrastructural developments (in the field of environment and transport) with direct cross-border effects and tangible results in the CBR. Project documentations financed from the predecessor programmes were taken into account during elaboration of the eligible infrastructural type activities, and provide basis for the foreseen strategic projects as well. As a general principle, if the strategic projects capitalize on the results of projects financed by the 2004-2006 or 2007-2013 predecessor programmes, it will be considered as advantage.

Low efficiency of partnerships. End-users are not directly involved in the different projects especially in case of economic development and tourism which results in end-users not being interested in project results.

The frames of economic development are designed in such a way that the supported non-profit intermediate organisations (e.g. innovation transfer companies, research and development institutions) are obliged to involve the targeted enterprises as non-supported partners or the group of enterprises (as non-profit organizations: e.g. clusters) would be the beneficiaries.

Contribution to the relevant Partnership Agreement and Country Strategic Paper(s)

The overall objective of the Interreg - IPA CBC Hungary-Serbia Programme is to develop the CBR with an intensified economic cooperation through sustainable use of natural and cultural resources. When selecting the thematic priorities, Hungary and Serbia sought to achieve coherence between their development programmes related to the CBR, with a high focus on possible synergies and overlapping development areas. Also through a bilateral understanding and goal-setting the Programme supports and

contributes to the objectives defined in EU, national and regional level strategic papers.

Europe 2020 is a 10-year strategy set forth by the European Commission in order to advance the EU's economy through greater coordination of national and European policies. It aims at "smart, sustainable, inclusive growth" through the following main targets 1) raising the employment rate of the population aged 20–64 from 69% to at least 75%; 2) achieving 3% investment of GDP in R&D and developing a new indicator to track innovation; 3) reducing greenhouse gas emissions by at least 20%, increasing the share of renewable energy in energy consumption to 20%, and achieving a 20% increase in energy efficiency; 4) reducing the share of early school leavers to 10% and increasing the share of the population aged 30–34 having completed tertiary education to at least 40%; and 5) reducing the number of population living below national poverty lines by 25%.

Contribution of the Interreg - IPA CBC Hungary-Serbia Programme to Europe 2020 Strategy is ensured through its defined Thematic Priorities:

- TP2: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management;
- TP3: Promoting sustainable transport and improving public infrastructures;
- TP4: Encouraging tourism and cultural and natural heritage;
- TP7: Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment.

Through its investment activities – making it in line with and conforming to the Europe 2020 Strategy – the Programme targets at boosting the region's economy in a smart, sustainable and inclusive way. In other words, it aims to develop the region through enhanced cooperation; through innovation; and through sustainable transport and environmental development – all of which are to foster social and territorial cohesion in the CBR.

The **Partnership Agreement 2014-2020** of Hungary defines the main national development priorities with a strong thematic concentration in order to ensure alignment with the Europe 2020 Strategy of smart, sustainable and inclusive growth, as well as the fund specific missions pursuant to their treaty-based objectives, including economic, social and territorial cohesion. In the Partnership Agreement Hungary defines the following development priorities:

1. Improving competitiveness and global performance of the business sector
2. Increasing the level of employment through economic development, employment, education and social inclusion policies, taking into account territorial disparities
3. Enhancing energy and resource efficiency
4. Tackling social and demographic challenges, good governance
5. Local and regional economic development

Besides the Hungarian Partnership Agreement, Hungary, in its first **National Reform Programme (NRP)** aims at achieving a competitive, dynamically and sustainably growing Hungarian economy which will contribute to a strong Europe. The NRP is designed to give an adequate and credible response to structural problems with special regard to low labour force participation and high public debt that currently inhibit dynamic and sustainable growth of the Hungarian economy. Thus the main purpose of the programme is to present long-term structural reforms that will accelerate economic growth, boost employment and ensure a sustainable level of public debt. These are to be performed through outlined measures to support the national targets linked to the

Europe 2020 Strategy focusing on employment, R&D&I, climate change and energy efficiency, education and poverty.

In Hungary, in accordance with the strategic priorities of the **National Development and Regional Development Concept 2020 (NDRDC)** the main areas regarding cross-border cooperation are defined to be 1) increasing competitiveness and employment through cross-border cooperation; 2) promoting cross-border regional integration by strengthening the environmental, transport, water and energy network cooperation; 3) facilitating institutional integration and improving the relationship among the cross-border communities.

Besides the NDRDC the **Hungarian national position** regarding recommended development goals for cross-border programmes identifies the following priorities: 1) economic development (especially SME development and R&D&I development), 2) eliminating lacking transport links, 3) promoting employment, 4) protecting the environment and promoting energy efficiency, and 5) enhancing institutional capacity.

The **Partnership Agreement of Hungary** is implemented by 9 OPs. The most relevant OPs in the context of the Interreg - IPA CBC Hungary-Serbia Programme and its priority axis are the following. The table introduces the potential relations, synergies between the national level OPs and the priority axes of the CP.

Priority axis

Hungarian OPs for 2014-2020

Potential relations, synergies

PA 1: Improving the cross-border water management and risk prevention systems

Environmental and Energy Efficiency OP (EEEOP)

Rural Development Programme (RDP)

In the CP water management, risk management and nature protection projects having direct cross-border connections and effects will be supported. The programme promotes change of experience and the operation of monitoring systems building on real and valid information. These types of activities are different from those which can be supported by EEEOP. These activities may be overlapping with the activities supported by the Rural Development Programme of Hungary (e.g. water management, risk management in agriculture), therefore the coordination mechanism among the OPs shall ensure avoiding double financing as well as can support the synergies between the projects financed by the different OPs.

PA 2: Decreasing the bottlenecks of cross-border traffic

Territorial and Settlement Development OP (TDOP)

Rural Development Programme (RDP)

The CP will support small scale roads and bicycle paths leading to the border. Similar types of road developments can also be supported by the TDOP. Also similar types of activities aiming at the promotion of sustainable transport and the improvement of public infrastructures, as well as the protection of biodiversity may be supported by the RDP. The coordination mechanism between the programme management authorities will ensure avoiding double financing and – on the other hand - promote the possible

synergies to increase the leverage effects of the different projects.

The envisaged technical plans to be prepared for railway developments will be the bases of further infrastructural works. It is a necessary document for applying for additional financial resources (e.g. from Connecting Europe Facility or Integrated Transport Development OP of Hungary).

PA 3: Encouraging tourism and cultural heritage cooperation

Territorial and Settlement Development OP (TDOP)

Economic Development and Innovation OP (EDIOP)

Rural Development Programme (RDP)

Small scale culture and nature related tourism investments can be financed by the Territorial and Settlement Development OP of Hungary. Also the Economic Development and Innovation OP is available for financing Eurovelo bicycle roads crossing the border area along the Danube and Tisa. The Rural Development Programme of Hungary is supporting actions related to e.g. restoring, preserving and enhancing ecosystems, economic development in rural areas, which may be overlapping with the activities supported by the CP. The coordination mechanism among the OPs shall ensure that the same activities will not be financed by more than one programme and can ensure the synergies between the projects financed by different OPs.

PA 4: Enhancing SMEs' economic competitiveness through innovation driven development

Economic Development and Innovation OP (EDIOP)

Rural Development Programme (RDP)

The Economic Development and Innovation OP in Hungary provides direct support to the enterprises or research institutions. However this OP is not available for financing interventions addressing group of economic players (e.g. clusters, innovation transfer organisations) indirectly through involving them into more demand-driven research and innovation activities, as it is the case in the CP. Furthermore there is a possibility to continue projects in line with the regional innovation strategies (3S strategies) and supported by national OPs in the CP with the involvement of relevant partners from the other side of the border.

The Rural Development Programme of Hungary will support investment projects related to processing activities and the improvement of the competitiveness of farmers. Young farmers and short supply chain will have dedicated sub-programs providing targeted support. The RDP also puts particular emphasis on innovation through supporting actions that foster innovation and cooperation including projects under the European Innovation Partnership. Hence the activities supported by the RDP may be overlapping with the ones supported by this CP, therefore the coordination mechanism must ensure the avoiding of double financing as well as support the synergies between the projects financed by different programmes.

The coherence between the CP and the relevant Hungarian OPs should be ensured during the implementation of the Programme by the coordination mechanism described

in the Section 5.7 of the CP.

Beside the selected thematic priorities (Priority axes) there are also important issues to be handled in the border area, such as human resource development (employment and training, educational issues) and improvement of social and health services, development of capacities and activities of the enterprises, waste management, drinking water improvement, energy efficiency, etc. The listed areas will be supported by mainstream (territorial and sectoral) programmes to be implemented on national level.

(http://ec.europa.eu/regional_policy/en/atlas/programmes?search=1&keywords=&periodId=3&countryCode=HU®ionId=ALL&objectiveId=ALL&tObjectiveId=ALL)

Csongrád county in its draft Regional Development Plan for 2014-2020 outlines three main overall objectives for the development of the county: 1) to be a hub of city-networks at the triplex border considering knowledge concentration and cohesion, 2) to foster innovative economy and resource management reacting to climate change, and 3) to enhance economic development based on educated entrepreneurs in the key sectors of the county. In order to achieve these objectives the document defines local development needs and potential, as well as horizontal goals based on territorial and specific strategic goals, all complying with the NDRDC.

Based on the Situation Analysis and the SWOT of **Bács-Kiskun county**, being part of the **Regional Development Concept** of the county, the possible development objectives are defined in line and in conformity with the Europe 2020 Strategy with the same focus on employment, investment in R&D, energy efficiency, education and poverty.

The Programme may positively contribute to the **National Social Inclusion Strategy of Hungary** as well. All priority axes aim at economic development, directly or indirectly (by reducing the environmental damages in the agricultural sector, by facilitating transport connections among enterprises, by promoting tourism and by bringing R&D results closer to business). Thereby the Programme will contribute to increased employment and increased income in the CBR, and decreasing social and territorial inequalities. Education and intercultural communication – which are intervention areas defined by the National Social Inclusion Strategy of Hungary – are also directly targeted by the Programme. Chapter 6.2 specifies recommendations how the Programme will support the inclusion of vulnerable groups in each of the selected Priorities.

In Serbia the most comprehensive national document in terms of identification of national development priorities is the **National Priorities for International Assistance in the Republic of Serbia 2014-17, with projections until 2020**. It is in line with the strategic objective of Serbian economic policy: the acceleration of European integration/EU accession by implementing systematic reforms in order to create a more attractive economic environment that is to act as a driver for increased economic development and social cohesion by incentivising entrepreneurship and promoting social inclusion. The strategic programming document provides means for increasing the alignment of international assistance with national priorities so that targeted donor interventions will support mainstream public spending on policy reforms from the national budget. The document has a wide policy scope, covering all sectors and policy areas significant for preparing the country for EU accession and for its socio-economic development. The defined sectors are 1. Justice; 2. Home Affairs; 3. Public Administration Reform; 4. Competitiveness; 5. Energy; 6. Environment Protection and Climate Change; 7. Transport; 8. Agriculture and Rural Development; 9. Thematic fields: Culture, Media, Civil Society. The document also defines two cross-cutting issues: Local/Regional Development and Gender Equality.

Strategic framework for the employment sector is given within the **2011-2020 National Employment Strategy** (link:<http://bit.ly/1M9i7ej>, in Serbian), which defines the overall goal to establish efficient, stable and sustainable trend of employment growth, to adjust employment policies and relevant institutions in this field with EU policies and regulations in this field, and to decrease a discrepancy in key labour market indicators between Serbia and European Union. Specific objectives are defined as: 1) Promoting employment in less developed regions and development of regional and local employment policy; 2) Improving the quality of human capital; 3) development of institutional capacity and expansion of active labor market programs; 4) Reducing the duality in the labor market.

The present Programme is established on the basis of the **Indicative Strategy Paper for Serbia (2014-2020)**, providing the framework for IPA II contribution to Serbia in the 2014-2020 period. The Programme will contribute to the objectives set in the ISP. It presents a specifically close relation and synergy with the Rural Development Programme of Serbia (IPARD Programme for 2014-2020) which sets as objective to support alignment of the Serbian agricultural policy with the Common Agricultural Policy (CAP), to contribute to a competitive, sustainable and efficient agriculture sector while maintaining vibrant rural communities, and to improve food safety, veterinary and phytosanitary policies as well as plant and animal health. Interventions under TP2, TP4 and TP7 can provide an important contribution to part of these objectives in a complimentary way, also addressing challenges of cross-border nature (i.e. environmental risks, preservation of natural resources etc.).

Based on the draft National Plan for Regional Development of Serbia the Assembly of Vojvodina adopted the provincial development programme for the period 2014-2020 (**Development Plan of AP Vojvodina 2014-2020**). This strategic document, including an action plan, outlines the fundamental routes of development for AP Vojvodina through four priorities: 1) Human Resource Development, 2) Infrastructure development and creation of conditions for good quality of life and work, 3) Sustainable Economic Development, 4) Development of institutional infrastructure.

The development axes defined through the Thematic Priorities of the Cooperation Programme are accordingly in line and conform to the EU, national and regional level strategic documents.

[1] In case of Serbia 'NUTS III (or equivalent)' will be used, as such a statistical unit officially does not yet exist in Serbia.

[2] Source: SORS & HCSO online databases

[3] Yearbook 2012, p. 31.

[4] Source: HCSO (2011); SORS (2011)

[5] HCSO (2013b), p. 9.

[6] According to the data published by the SORS, between 2009 and 2011 the natural increase of the population of AP Vojvodina was around 10.000 people each year. However, no information on migration is available to allow for a more precise analysis of the change of population.

[7] HCSO (2013a), p. 7.

[8]SORS and Eurostat statistics (2011)

[9] ICPDR 2007

[10] M. Radmanovac, RepubličkihidrometeorološkizavodSrbije, 2010

1.1.2. Justification for the choice of thematic priorities, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

Table 1: Justification for the selection of thematic priorities

Selected thematic priority	Justification for selection
<p>b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.</p>	<p>The natural and environmental resources are primarily related to the main rivers of the region: Danube, Tisa. Subsurface water bodies also cross the borders. However, the region misses a joint water monitoring system also early warning systems for env. risks (drought,floods,hydrological status,pollutions).</p> <p>The canals connected to the Danube play a big role in water management activities (flood protection,water quality improvement), therefore the reconstruction of such canals is necessary for the stable water level mngmnt.</p> <p>Climate change endangers agricultural safety, which can result in a significant decrease of the GDP of the region. The expected increase of weather extremities (hail,storms) has negative effects on agricultural production, protection measures are necessary.</p> <p>The agricultural use of land in Serbian districts hinder the extension of nature conservation areas, so negative impacts on the elements of the ecological network, as on the quality of water bodies should be reduced.</p>
<p>c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.</p>	<p>The few available border crossing points with limitations regarding operating hours, type of vehicles and nationality of passengers, and with low capacities result in relatively longtime needed for border crossing. This together with the missing East–West railway connections result in underexploited potentials despite the favourable geographical location of the CBR.</p> <p>Roads, railway and public transport infrastructure are in poor condition. There are only few connections in the bus and railway transport, offering intolerably long travel times. The absence of good cross border transport connections limits the intensification of cross-border co-</p>

Selected thematic priority	Justification for selection
	<p>operations.</p> <p>The development of bicycle routes should be accompanied by building rider-friendly infrastructure and services and contribute to the establishment of a network of existing or potential new tourist destinations. There are unutilised potentials also in water transport for passenger, freight and touristic purposes.</p>
<p>d - Encouraging tourism and cultural and natural heritage.</p>	<p>Tourism is an opportunity for the less developed settlements to catch-up with the more developed ones in terms of job creation and self-employment, and in catalysing local investments. The CBR has a high potential for tourism based on its natural (thermal baths, national parks, water tourism, cycling, horse riding) and cultural (urban and rural built heritage, traditions, ethnical variety) assets. The following bottlenecks can be however identified: limited number of joint tourism products with attractiveness for longer stays, lack of interconnection amongst individual elements of supply, shortage of quality tourism and lack of integrated regional tourism strategy. It is necessary to create a complex and joint touristic product-supply, based on local values and potentials and ensuring sustainable use of cultural and natural heritage. Examples of the 2007-2013 programme show that common cultural heritage provides good basis for bringing people closer.</p>
<p>g - Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.</p>	<p>Similarities of key economic sectors on the two sides of the CBR (e.g. agriculture, medicine, ICT, engineering) provide a good potential for cross border co-operation between the relevant cluster organisations and the members of clusters, thereby taking advantage of the existing synergies.</p> <p>Szeged and Novi Sad are the strongest centres of the CBR in terms of tertiary education and in R&D, however R&D expenditure is still below the EU average. The utilisation rate of research results is low with a low contribution to development of SMEs.</p> <p>Labour force supply does not respond to the needs of the local companies. Different vocational education systems prohibit the mutual recognition of qualifications. Promoting knowledge-sharing and networking and improved professional experience and business skills of young researchers and entrepreneurs could contribute to a better trained labour force, which would be key factor for economic development.</p>

Selected thematic priority	Justification for selection

1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic priority in accordance with the thematic concentration requirements (taking into account the ex-ante evaluation).

When defining the financial allocation of the programme, the possible types of activities within the priorities have been taken into consideration. A larger part of the budget has been allocated to Priority Axes 1 and 2, in which mainly infrastructural developments are to be implemented. The EU support allocated to these priority axes is 57% of the total programme budget. Within this frame a larger share is to be assigned to PA 1 (EUR 22,500,000), due to the fact that during the programming process development needs with higher budget were identified. In order for the Programme to reach notable, tangible and relevant results in water management, a significant budget needs to be designated to this aim (e.g.: development of river control, water management systems etc.).

The Programme designates 22% of the EU funds to transport development (EUR 14,500,000 for PA 2), as besides smaller scale infrastructure developments, purchasing of equipment, and the preparation of technical designs are also planned within the scope of the Programme.

There are two Priority Axes in the Programme which are aiming at the economic development, as well as to enhance cooperation also involving SMEs and NGOs. Within these Priority Axes the provision of services is envisaged, as well as small scale purchase of equipment and infrastructural development. Therefore 34% of the Programme budget is allocated to these Priority Axes. Within this amount, a larger portion is designated to PA 3 (EUR 12 700 000) than to PA 4 (EUR 8 911 600) as it is a main objective of the Programme to contribute to the economic development of the area.

Taking into consideration that during the planning process of the Interreg - IPA CBC Hungary-Serbia Programme strategic approach was identified, the Participating Countries agreed to allocate 40% of the programme allocation to strategic projects via restricted call under PA 1, PA2 and PA3. (Different share of the concerned PAs is to be allocated to restricted calls, as specified in Section 2.)

In line with Article 50 of the Implementing Regulation (EU) No 447/2014 (hereinafter as IPA II Regulation) and previous programme implementation experience, 10% of the budget is allocated to Technical Assistance.

Table 2: Overview of the investment strategy of the cooperation programme

Priority axis	Union support (€)	Proportion (%) of the total Union support for the cooperation programme	Thematic priorities	Result indicators corresponding to the thematic priority
PA 1	22,500,000.00	34.55%	b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.	RI1.1
PA 2	14,500,000.00	22.27%	c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.	RI2.1
PA 3	12,700,000.00	19.50%	d - Encouraging tourism and cultural and natural heritage.	RI3.1, RI3.2
PA 4	8,911,600.00	13.68%	g - Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.	RI4.1
PA 5	6,512,400.00	10.00%		

SECTION 2. PRIORITY AXES

(Reference: points (b) and (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.1 Description of the priority axes other than technical assistance

(Reference: point (b) of Article 8(2) of Regulation (EU) No 1299/2013)

2.1.1 Priority axis

ID of the priority axis	PA 1
Title of the priority axis	Improving cross-border water management and risk prevention systems

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	<p>The natural and environmental resources are primarily related to the main rivers of the region, the Danube and the Tisa. Subsurface water bodies also cross the borders. However, the region misses a joint water monitoring system as well as early warning systems for environmental risks (e.g. drought, floods, hydrological status, pollutions).</p> <p>The canals connected to the Danube play a significant role in water management activities (flood protection, water quality improvement), therefore the reconstruction of such canals is necessary for the stable water level</p>

	<p>management.</p> <p>Climate change endangers agricultural safety, which can result in a significant decrease of the GDP of the region. The expected increase of weather extremities (hail, storms) has negative effects on agricultural production, therefore protection measures are necessary.</p> <p>The intensive agricultural use of land in Serbian districts hinder the extension of nature conservation areas, therefore negative impacts on the elements of the ecological network, as e.g. on the quality of water bodies should be reduced.</p>
--	--

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	b
Title of the thematic priority	Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
TP 2	Decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on quality of	Harmonized, sustainable water management system will operate in the cross-border region. Water management activities organized in a better way, improved water management system and flood prevention function of canals

ID	Title	The results that the partner States seeks to achieve with union support
	water bodies and nature protected areas	<p>and rivers will provide better quality and safer environment for the inhabitants and create favourable conditions for economic activities, e.g. for tourism (e.g. water and eco-, active tourism).</p> <p>Precise and regular information about the quality, expected quantity and causes of water pollutions will be provided for the end-users and the professional organisations responsible for water management.</p> <p>Capacities for prevention and management of environmental risks will be improved. A counter-hail system would result in a more effective defence solution for agricultural enterprises and would provide more stable and calculable operational conditions.</p> <p>Actions will contribute to increased use of renewable energy and improved ecological status of nature conservation areas.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Collection of reliable information for improving the quality of groundwater and rivers/streams/canals and implementing relevant water management measures. Within the activity the following actions can be supported:

- Harmonizing monitoring, information, regulations and development activities and disseminating good practices regarding water management systems.
- Development of monitoring and related information system for specific purposes (e.g. decrease drought damage, forecasting of floods, improvement of ecological, chemical and quantitative status of water bodies, decreasing the level of eutrophication and chemical, industrial pollutions of the water bodies, exchange on best practices for managing drinking water resources and on remedial actions).

Target groups of the actions are the inhabitants of CBR and the natural environment.

Potential beneficiaries of the actions are water management organisations in partnership with the relevant public organisations.

Development of water management system in order to improve the quality of water bodies and to minimize the risks of drought, floods, inland inundation. Investments should focus preferably on areas affected mostly by droughts.

The following types of action could be implemented: establishment of new or reconstruction of improve the quality of water bodies, as watersheds and the connecting sluices and construction of related water quality monitoring systems. The investment shall contain restoration actions of the natural environment to redress or prevent the negative impact on the environment of the water management actions. Developments involving renewable energy solutions will be supported. The actions can contain environmental friendly awareness-raising activities, e.g. for decreasing the fertiliser use which have positive benefit for both water and air quality.

Target groups of the actions are the inhabitants of CBR and the natural environment

Potential beneficiaries of the actions are water management organisations, in partnership with local governments, water management associations if relevant

Reconstruction activities (e.g. defences, floodplain, river basin, lakes) in relation to the relevant rivers and their connected canals and lakes ensuring

more stable water management of the direct and adjacent areas. Under this activity there is a possibility for carrying out primarily those reconstruction works which ensure the stable water management of canals (e.g. reconstruction of sluices, canal dredging).

Target groups of the action are the inhabitants of CBR and the natural environment.

Potential beneficiaries of the action are water management organisations with involvement of the relevant local governments along the canals.

Implementation of interventions to minimize damages caused by hail in the entire border region. The interventions have to take into account the aspects of nature protection.

Target groups of the action are the inhabitants of CBR, enterprises and the natural environment.

Potential beneficiaries of the action are local and county/ regional level governments in partnership with weather forecast institutions, hydro-meteorological organisations and agricultural organisations.

Cooperation in nature protection preferably in relation to water based habitats, e.g. in species protection programmes, including the operation of rescue centres, ex situ breeding and release programmes, managing protected areas.

Target groups of the action are the inhabitants and the nature protected areas.

Potential beneficiaries of the action are nature protection organisations both state owned and civil society organisations.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Most of the projects are selected through open calls for proposal.

Most important selection criteria, inter alia, are

- Impact on economic activities
- Potential effects of the planned interventions in terms of decreasing environmental risks and damages and improvement of quality of water bodies
- The cross-border impact of the projects
- Level of cooperation among project partners
- Long run sustainability of joint developments and management, monitoring systems
- Management and financial capacity of the beneficiary organizations
- Contribution to horizontal principles (action specific selection criteria may be defined in the Call for Proposals)
- Preparedness of the infrastructural projects

Besides the open call system strategic approach will be applied through restricted calls for proposals, which limit the calls to a small number of potential beneficiaries, for the following key importance activities with tangible impact on a significant part of the programme area:

- Reconstruction activities (e.g. defences, floodplain, river basin, lakes) in relation to the relevant rivers and their connected canals and lakes in order to ensure more stable water management for the direct and adjacent areas.

The potential beneficiaries are water management organisations with involvement of the relevant local, regional and/or national governments.

- Implementation of interventions to minimize damages caused by hail in the entire border region.

The potential beneficiaries are relevant national/regional level authorities, as well as their bodies and organisations.

The indicative allocation of the envisaged restricted call is 60% of the budget of PA1.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

--

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		TP 2 - Decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on quality of water bodies and nature protected areas					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
RI.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 cro	2.91	2014	2.70	Draft National Level of Management Plan of Surface Water Bodies, 2015 – General Directorate of Water Management in Hungary The Agency for Environmental Protection of Serbia Information services about water	2019, 2021 and 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the thematic priority		b - Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.				
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting	
OII.1	Population benefiting from flood protection measures	persons	100,000.00	Beneficiaries	yearly	
OII.2	Length of new or improved water management system	metres	6,000.00	Beneficiaries	yearly	
OII.3	Surface area of habitats supported in order to attain a better conservation status	hectares	500.00	Beneficiaries	yearly	

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 1 - Improving cross-border water management and risk prevention systems						
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator	
F11	F	Eligible certified IPA funding of the PA 1 "Improving the cross-border water management and risk prevention systems"	EUR	1 917 101	26,470,589.00	Monitoring System	Financial indicator is the n+3 spending obligation in 2018 within the Priority, proportionate to the Programme level spending obligation.	
KS1.2	I	Number of projects contracted related to the improvement of the water management system's physical infrastructure in the cross border region	Pieces	4	6.00	Monitoring System, AIR	KIS 1.2 has been chosen to complement OI 1.2 since at the moment of the introduction of the Performance Framework into the Cooperation Programme there are 2 strategic projects in contracting phase and there are 16 applications submitted to this type of intervention within the 2nd Call for Proposals. The 2018 milestone envisaging 5 contracted projects, which will ensure the achievement of the 2023 target value and with the third call the target of OI 1.2 will be expectedly achieved by projects.	
OII.2	O	Length of new or improved water management system	metres	0	6,000.00	Beneficiaries, AIR	The significant majority of the projects expectedly will target the improvement of water management and disaster management systems and infrastructures. This is also foreseen in the 'Categories of intervention' (CP section 2.1.7) and in the two Call for Proposals of the Programme already launched. However, taking into account the duration of these kind of projects (mostly between 24 and 36 months), there won't be fully implemented operations by the end of 2018. (See 'Summary of information' part)	

Summary of information on the establishment of the performance framework for PA 1 “Improving the cross-border water management and risk prevention systems”

The selected output indicator relates to main operations under PA 1, among others activities for establishment of new or reconstruction of existing water management systems, as watersheds and the connecting sluices and construction of related water quality monitoring systems, that are expected to represent the majority of resources allocated to this priority axis.

The performance framework milestone for the year 2018 and indicators' targets for 2023 established for PA 1 are directly linked to the achievement of its specific objective: “Decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on quality of water bodies and nature protected areas”.

The selection methodology of this output indicator is simply arithmetical since there are already 2 Calls for Proposals launched by the time of introduction the Performance Framework into the CP. The factual figures extracted from the projects/applications showing the followings:

In the 1st CFP (Strategic CFP) two projects were selected for contracting. Both projects planned with 36 month duration, the projects will have a starting date 1 June 2017, thus by the end of 2018 these two projects will be in the middle of implementation, therefore the Programme cannot report full operations by then. On the other hand both projects targeting the selected OI 1.2, the target values already reaching the Programmes planned achievement in this regard and covering more than 13,3 m EUR IPA funding (reaching almost 60% of the Priority's allocation)

In the 2nd CFP 21 applications were submitted to the PA 1. Among those 21 further 7 applications targeted the OI 1.2. Also, the 3rd CFP is planned to be launched, targeting the same Priorities.

Taking into consideration the 1. CFP's figures and the assumption that there will be more projects selected in the course of the 2. CFP it can be stated that the selected OI 1.2 is the appropriate one for the measurement of the Programme's performance, supplemented by a Key Implementation Step (KIS 1.2).

In case of the KIS 1.2 and FI 1 the estimated milestone values for 2018 are realistic, achievable, transparent and verifiable. Although the 2018 milestone value for the OI 1.2 is set 'zero', in case of starting the projects on time, i.e. in the second half of 2017, projects will have ongoing activities targeting the planned outputs. A Key Implementation Step is envisaged when no or only few outputs related to fully implemented operations are expected by the end of 2018, e.g. it is assumed that in case an expected achievement in 2018 below 50% of the 2023 target value a KIS is provided. The Programme sets it's KIS 1.2 milestone value (2018) as 4 contracted projects. Since there is already 2 projects in the contracting phase and considering the number submitted projects in the 2nd CFP, it seems achievable at least two more (all together 4) projects being selected by the end of 2018.

The milestone for 2018 of the Financial Indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to PA1 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Table 6: Dimension 1 Intervention field

Priority axis	PA 1 - Improving cross-border water management and risk prevention systems	€ Amount
Dimension		
085 - Protection and enhancement of biodiversity, nature protection and green infrastructure		1,575,000.00
087 - Adaptation to climate change measures and 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		20,925,000.00

Table 7: Dimension 2 Form of finance

Priority axis	PA 1 - Improving cross-border water management and risk prevention systems	
Dimension		€ Amount
01 - Non-repayable grant		22,500,000.00

Table 8: Dimension 3 Territory type

Priority axis	PA 1 - Improving cross-border water management and risk prevention systems	
Dimension	€ Amount	
02 - Small Urban areas (intermediate density >5 000 population)	3,375,000.00	
03 - Rural areas (thinly populated)	19,125,000.00	

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 1 - Improving cross-border water management and risk prevention systems	
Dimension		€ Amount
07 - Not applicable		22,500,000.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 1 - Improving cross-border water management and risk prevention systems
Not relevant	

2.1.1 Priority axis

ID of the priority axis	PA 2
Title of the priority axis	Decreasing the bottlenecks of cross-border traffic

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	<p>The few available border crossing points with limitations regarding operating hours, type of vehicles and nationality of passengers, and with low capacities result in relatively long time needed for border crossing. This together with the missing East–West railway connections result in underexploited potentials despite the favourable geographical location of the CBR.</p> <p>Roads, railway and public transport infrastructure are in poor condition. There are only few connections in the bus and railway transport, offering intolerably long travel times. The absence of good cross border transport connections limits the intensification of cross-border co-operations.</p> <p>The development of bicycle routes should be accompanied by building rider-friendly infrastructure and services and contribute to the establishment of a network of existing or potential new tourist destinations. There are unutilised potentials also in water transport for passenger, freight and touristic purposes.</p>

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	c
Title of the thematic priority	Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
TP 3	Increasing the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes (public transport, bicycle, water transport)	<p>The number of possibilities for border crossing in the various transport modes will increase and reflect on the various demands in a flexible way.</p> <p>The infrastructural conditions will improve and contribute to improved social and economic relations thus improving employment opportunities and labour mobility along the border.</p> <p>The average waiting time will decrease at the border stations.</p> <p>Available public transport services will be increased, as well as other sustainable forms of transport, such as bicycle-route networks and water transport infrastructure.</p> <p>The envisaged developments are to be accompanied by regular and institutionalized consultations among relevant stakeholders</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>(e.g. border control offices, customs offices, road and railway management / development organisations, etc.) in order to ensure harmonisation of development plans and the related permission processes, to facilitate harmonisation of regulations as well as schedules and tariff systems of public transport.</p> <p>The development of border crossings will make the daily travel of the commuters to their workplaces on the other side of the border easier. Parallel with better conditions of border crossing, the improvement of public transport services can also indicate the cross-border labour mobility.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Organizing regular consultations on cross-border transport involving all relevant partners in order to harmonize the (individual, public, freight) transport development plans (feasibility studies, technical plans for permissions, etc.), the operation of the different border-crossing points (road, railway, water) and enforce harmonization of the related regulations. The consultations would provide for constructive discussions among the relevant organisations having a role in the development of border crossing (e.g. border control offices, customs offices, road and railway management / development organisations).

Target groups of this action are passengers, public and private transport companies and NGOs

Potential beneficiaries of the action are national, county and regional level bodies and their organisations having responsibilities related to the development of cross-border transport (e.g. police, customs administration, etc.)

Development of cross-border railway lines (e.g. preparation of technical plans for permission, feasibility studies or smaller investments for improving passenger services).

Target groups of the action are passengers and railway companies

Potential beneficiaries of the action are county and regional level bodies and their owned organisations, railway management and development companies

Development of border crossing points and the relevant transport lines leading to the border points. The following actions can be supported:

- Construction and upgrading of border crossing roads with lower classification and construction of new border crossing points
- Development of cross-border bicycle network in order to ensure safe biking across the border:
 - completing the existing bicycle routes (networks)
 - development of new bicycle routes along the main rivers and canals
- Improvement of water transport infrastructure along the Tisa and the Danube and its connected canals (e.g. small ports and border crossing points for tourist traffic, ports for freight traffic at the Tisa as a newly dedicated international water route)
- Development of passenger information and service systems for the individual cross-border roads and public transport networks (bus, railway,

biking, water transport)

- Development of the infrastructural conditions of border crossing points through increasing the service level and capacities (e.g. customs offices, transport of dangerous goods, improving the environment of border stations, capacity building, purchase and improvement of technologies)

Target groups of these actions are passengers, tourists, public and private transport companies, non-profit organisations

Potential beneficiaries of the actions are public road management and development companies, local governments, border control and customs administrations, organisations which are maintaining the transport stations and operating public transport: bus and railway public transport companies, organizations dealing with shipping

Development of the communal and transport infrastructure systems (roads, railway lines, border crossing point and business service infrastructure) to improve business infrastructure conditions near the border promoting new agricultural, industrial, logistics investments and trade in the border area.

Target groups of the action are manufacturing and logistics enterprises

Potential beneficiaries of the actions are relevant county and regional level bodies (such as customs administration, border police, etc.) and their organisations and relevant local governments, road and railway management and development companies, as well as companies responsible for developing public utility networks.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

The Protocol of the 7th session of the Hungarian-Serbian Joint Commission on Economic Co-operation could serve as a basis to determine potential cross-border transport development projects to be jointly agreed and implemented under PA2.

Most of the projects are selected through **open calls for proposal**.

Most important selection criteria, *inter alia*, are

- Impact on cross border traffic of the population and enterprises of the CBR
- Relation to economic activities (e.g. agricultural, touristic, manufacturing)
- Potential increase in traffic capacities at the border crossing points
- Level of cooperation among project partners
- Long run sustainability of joint developments
- Management and financial capacity of the beneficiary organizations
- Contribution to horizontal principles (action specific selection criteria may be defined in the Call for Proposals)
- Preparedness of infrastructural projects

Besides the open call system strategic approach will be applied through **restricted calls for proposals**, which limit the calls to a small number of potential beneficiaries, for the following key importance activities:

- Enhancing development of cross-border railway lines (e.g. preparation of technical plans for permission, feasibility studies or small-scale investments for improving passenger services) jointly identified by the relevant ministries and authorities.

The potential beneficiaries are national and regional level bodies and their organisations as well as railway management and development companies.

- Development of small border crossing roads and/or border crossing points jointly identified by the relevant ministries and authorities.

The potential beneficiaries are road management and development companies; local, county, regional and national level governments; border control and customs offices (if applicable).

The indicative allocation of the envisaged restricted call is 55% of the budget of PA2.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

--

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		TP 3 - Increasing the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes (public transport, bicycle, water transport)					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
R12.1	Share of border-crossing traffic at smaller border-crossing points within all border-crossing traffic	% (of persons)	35.40	2014	40.00	Hungarian Statistical Office Central	2019, 2021 and 2023

Table 4: Common and programme specific output indicators

ID of the thematic priority		c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.				
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting	
O12.1	Number of improved or newly built border crossing points	border crossing points	3.00	Beneficiaries	yearly	
O12.2	Total length of newly built roads	kilometres	3.00	Beneficiaries	yearly	
O12.3	Total length of reconstructed or upgraded roads	kilometres	2.00	Beneficiaries	yearly	
O12.4	Total length of newly built bicycle paths	kilometres	5.00	Beneficiaries	yearly	
O12.5	Total length of the railway line directly affected by development plans	kilometres	50.00	Beneficiaries	yearly	
O12.6	Number of improved public transport services	services	3.00	Beneficiaries	yearly	

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 2 - Decreasing the bottlenecks of cross-border traffic						
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator	
F1.2	F	Eligible certified expenditure of the priority axis 2 "Decreasing the bottlenecks of cross-border traffic"	EUR	1 235 465	17,058,824,00	Monitoring System	Financial indicator is the n+3 spending obligation in 2018 within the Priority, proportionate to the Programme level spending obligation.	
KS2.2	I	Number of projects contracted related to the improvement of physical infrastructure of border crossing roads	Pieces	1	2.00	Monitoring System, AIR	KIS 2.2 has been chosen to complement OI 2.2 and 2.3 since at the moment of the introduction of the Performance Framework there is 1 strategic project targeting OI 2.2 in contracting phase and there are applications submitted to this type of intervention targeting OI 2.3 within the 2nd CFP. The 2018 milestone envisaging 1 contracted project, which will ensure the achievement of the 2023 target value and expectedly there will be more road building/reconstruction project will be contracted.	
OI2.2	O	Total length of newly built roads	kilometres	0	3.00	Beneficiaries, AIR	Since there are missing links in the road network crossing the border, there is a significant need to build new road sections further developing the accessibility of border area settlements.	
OI2.3	O	Total length of reconstructed or upgraded roads	kilometres	0	2.00	Beneficiaries, AIR	Some of the roads leading up to the border are in a very bad shape. Increasing the capacities of roads leading up to the border crossings is in line with the Priority's objective. (Please also check the 'Summary of information' part).	

Summary of information on the establishment of the performance framework for PA 2 “Decreasing the bottlenecks of cross-border traffic”

The selected output indicator relates to main operations under PA 2, namely measures for development of border crossing points and the relevant transport lines leading to the border-crossing point. Those are expected to represent the majority of resources allocated to this priority axis. Performance framework milestones and indicators' targets for 2023 are directly linked to the achievement of PA 2 specific objective “Increasing the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes (public transport, bicycle, water transport)”.

The selection methodology of these two output indicators (OI 2.2 and OI 2.3) is simply arithmetical since there are already 2 Calls for Proposals launched by the time of introduction the Performance Framework into the CP. The factual figures extracted from the projects/applications showing the followings:

In the 1st CFP (Strategic CFP) one project was selected for contracting, planned with 36 month duration. The envisaged starting date of this project is 1 October 2016 (not confirmed yet), thus by the end of 2018 this projects will not finish the implementation, therefore the Programme cannot report full operations by then. On the other hand this project is targeting the selected OI 2.2, the target value already reaching the Programmes planned achievement in this regard and covering more than 4,65 m EUR IPA funding (reaching more than 32% of the Priority's allocation)

In the 2nd CFP 7 applications were submitted to the PA 1. Among those 7 further applications 1 targeted the OI 2.3. Also, the 3rd CFP is planned to be launched, targeting the same Priorities.

Taking into consideration the 1. CFP's figures and the assumption that there will be more projects selected in the course of the 2nd and 3rd CFP, it can be stated that the selected OI 2.2 and 2.3 are the appropriate ones for the measurement of the Programme's performance, supplemented by a Key Implementation Step (KIS 2.2).

In case of the KIS 2.2 and FI 2 the estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.

A Key Implementation Step is envisaged when no or only few outputs related to fully implemented operations are expected by the end of 2018, e.g. it is assumed that in case an expected achievement in 2018 below 50% of the 2023 target value a KIS is provided. The KIS 2.2 has it's milestone value (2018) set as 2 contracted projects. Since there is only one project in the contracting phase and considering that in the 2nd CFP only one application targeting the OI 2.3, it is realistic to set only one project being selected by the end of 2018. The final target value of KIS 2.2 is 2, which can be more of course if there will be more selected projects targeting OI 2.2 or 2.3.

The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to PA 2 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Table 6: Dimension 1 Intervention field

Priority axis	PA 2 - Decreasing the bottlenecks of cross-border traffic	
Dimension		€ Amount
026 - Other Railways		2,550,000.00
032 - Local access roads (new build)		7,275,000.00
034 - Other reconstructed or improved road (motorway, national, regional or local)		2,040,000.00
044 - Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)		1,785,000.00
090 - Cycle tracks and footpaths		850,000.00

Table 7: Dimension 2 Form of finance

Priority axis	PA 2 - Decreasing the bottlenecks of cross-border traffic	
Dimension		€ Amount
01 - Non-repayable grant		14,500,000.00

Table 8: Dimension 3 Territory type

Priority axis	PA 2 - Decreasing the bottlenecks of cross-border traffic	
Dimension		€ Amount
03 - Rural areas (thinly populated)		14,500,000.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 2 - Decreasing the bottlenecks of cross-border traffic	
Dimension		€ Amount
07 - Not applicable		14,500,000.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 2 - Decreasing the bottlenecks of cross-border traffic
Not relevant	

2.1.1 Priority axis

ID of the priority axis	PA 3
Title of the priority axis	Encouraging tourism and cultural heritage cooperation

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	<p>Tourism is an opportunity for the less developed settlements to catch-up with the more developed ones in terms of job creation and self-employment, and in catalysing local investments. The CBR has a high potential for tourism based on its natural (e.g. thermal baths, national parks, water tourism, cycling, horse riding) and cultural (urban and rural built heritage, traditions, ethnical variety etc.) assets. The following bottlenecks can be however identified: limited number of joint tourism products with attractiveness for longer stays, lack of interconnection amongst individual elements of supply, shortage of quality tourism and lack of integrated regional tourism strategy. It is necessary to create a complex and joint touristic product-supply, based on local values and potentials and ensuring sustainable use of cultural and natural heritage.</p> <p>As shown by examples of the 2007-2013 programme, common cultural heritage provides good basis for bringing people from the two sides of the border closer which contributes to a better appreciation and understanding among people, especially the young generation.</p>

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	d
Title of the thematic priority	Encouraging tourism and cultural and natural heritage.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
TP 4	Creation of commonly coordinated cross-border tourism destinations based on the complementary local assets in order to ensure sustainable development of tourism potentials, Promoting co-operation activities in the field of culture, leisure, sport, and nature protection	<p>Tourism is to become a key sector of the border economy through increased number of guest nights, longer stays and increased turnovers at tourism service providers (e.g. accommodations).</p> <p>On the basis of a joint tourism development strategy a harmonized and common branded well-known, integrated tourist offer will be developed in the border region.</p> <p>Cultural, historical and natural heritage status and service level of tourism destinations will improve in the CBC region in a sustainable manner, through cooperation of the relevant actors.</p> <p>Increased institutional and public interest in participation in the cross-border cultural programmes will result in common understanding among people living in the CBR.</p> <p>As an overall result of the envisaged interlinked measures, positive changes are</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>expected on the labour market through an increased activity within the sector and its suppliers, generating more employment.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Tourism development

Elaboration of a joint tourism and marketing strategy and action plan for the cross-border region and implementation of marketing activities on regional level

Target groups of this action are tourist attraction management organisations, enterprises interested in tourism sector, local governments

Potential beneficiaries of the actions are regional tourism organisations with the involvement of the local tourism destination management associations, NGOs, and local / county / regional level authorities(if relevant)

Development of joint tourism products (e.g. cultural tourism including religious and folklore) and jointly branded offers(reflecting also on the intangible values): thematic routes, nautical tourist ways, cycling paths, rural tourism, eco-tourism with visitor centres and related nature protection activities (e.g. ex situ breeding and release programmes) based on the sustainable utilization and development of the cultural and natural heritage with tangible and/or intangible character. Support of joint tourism products must be based on the joint tourism strategy. When developing joint tourism products high attention will be paid to connecting the attractions, sites and venues of the two sides of the border (not mirror projects), through connecting the separate elements of tourism supply (with clear specification, clear segmentation and positioning, clear added value of cross-border co-operation), in order to encourage longer stay of visitors in the CBR. Potential supported activities can be thematic routes – planning and designation of routes, signs, printed and mobile application guides, infrastructure development (e.g. stopping and resting places, boat mooring for water routes, bicycle parking places, drinking water providing places for horse riding routes, equipment rental system, reconstruction of sites and venues), etc.

Target groups of the action are tourism service providers and tourists

Potential beneficiaries of the action are local governments, county and regional level bodies and their organisations, tourist attraction management organisations (e.g., NGOs, public entities responsible for the preservation and utilization of cultural or natural values e.g. national parks, forestry, etc.)

Promoting networking, development of capacity of actors and encouraging entrepreneurship in different fields of tourism based on the tourism destination management method. The proposed activities can be the following:

- Implementation of joint training programmes for tourist service providers (e.g. professional trainings, language courses) in order to improve the level of service provided
- Elaboration and introduction of a joint and locally branded quality control and qualification system for tourism service providers and local product producers who are interested in tourism business (e.g. organisation of events with the aim of promoting values, services of the specific field (e.g. fair to promote handmade food products, etc.)
- Implementation of cultural and leisure sport events with touristic importance
- Harmonizing the marketing (e.g. common branding) and information activities of tourism. Potential activities can be: development of tourist packages, specific tourist cards, online tourist services, mobile applications, etc.

Support to tourism networks developments must be based on the joint tourism strategy elaborated.

Target groups of these actions are tourism service providers and tourists

Potential beneficiaries of the actions are professional tourist organisations (e.g. local tourism destination management organisations or other associations, clusters acting in the tourism sector), with the involvement of NGOs, sport clubs, local governments (if relevant)

Cultural cooperation activities

Organizing small scale co-operation projects including cultural, leisure sport and nature protection programmes with special regards to the target groups young people and children.

Developing and organizing cultural co-operation activities in the border region (e.g. events, festivals, programmes, knowledge transfer).

Target groups of these actions are inhabitants, especially young people

Potential beneficiaries of the actions are NGOs, e.g. civil society organisations dealing with sport, culture, and youth affairs, as well as regional, county, regional and local governments and their institutions

Enhancement of cooperation for protection of cultural, historical and natural heritage (i.e. revitalization of historical and cultural sites, cooperation between museums, workshops on conservation of art, etc.)

Target groups of this action are the inhabitants

Potential beneficiaries of the actions are state owned organisations, county and regional level bodies and their organisations, local governments and their relevant institutions, NGOs dealing with cultural heritage

Providing permanent information about key cultural, social, economic news and events of the border region for the public. The following actions can be supported: gathering and publishing news and information (in national languages and in English), creation of infrastructural conditions for communication and information activities and operating information centres. Developments are preferred to capitalize on the existing information

systems, achievements, institutional frames and infrastructure located in settlements frequented by tourists.

Target groups of this action are the inhabitants, but especially young people who are interested in news, cultural, sport and any similar programmes and information from the border region

Potential beneficiaries of the action are relevant, public (county and regional level) bodies, NGOs and cross-border cooperation organisations responsible for developing and operating cultural information centres, local governments.

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Most of the projects are selected via open calls for proposal.

Most important selection criteria, inter alia, are

- Potential contribution to the competitiveness of the tourism supply
- Importance of the tourism destination in the CBR
- The cross-border relevance of the project
- Contribution of the project to longer stay of visitors in the CBR
- Level of cooperation among project partners
- Long run sustainability of developed projects (environmentally, financially, technically and institutionally)
- Management and financial capacity of the beneficiary organizations
- Contribution to horizontal principles (action specific selection criteria may be defined in the Call for Proposals)
- Preparedness of infrastructural projects

Besides the open call system strategic approach will be applied through **restricted call for proposals**, which limit the calls for a small number of potential beneficiaries, for the following key importance activity:

- Providing permanent information about key cultural, social, economic news and events of the border region for the public, as well as establishing information and/or training facilities to promote cross-cultural exchange and dialogue – by means of capitalizing on existing information systems, institutional frames and infrastructure located in settlements frequented by tourists.

The indicative allocation of the envisaged restricted call is 27% of the budget of PA3.

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

--

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		TP 4 - Creation of commonly coordinated cross-border tourism destinations based on the complementary local assets in order to ensure sustainable development of tourism potentials, Promoting co-operation activities in the field of culture, leisure, sport, and nature protection					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
RI3.1	Number of overnight stays	overnight stays	1,835,757.00	2014	1,964,000.00	Statistical Office of the Republic of Serbia online database and Hungarian Central Statistical Office database	2019, 2021, 2023
RI3.2	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	survey	2019, 2021, 2023

Table 4: Common and programme specific output indicators

ID of the thematic priority		d - Encouraging tourism and cultural and natural heritage.				
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting	
O13.1	Expected number of visits to supported sites of cultural and natural heritage and attractions	visits/year	30,000.00	Beneficiaries	yearly	
O13.2	Number of joint cultural, recreational and other types of community events and actions organised	events	200.00	Beneficiaries	yearly	
O13.3	Average monthly user entries to online communication tools developed	user entries	5,000.00	Beneficiaries	yearly	

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 3 - Encouraging tourism and cultural heritage cooperation					
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator
FI 3	F	Eligible certified expenditure of the priority axis 3 "Encouraging tourism and cultural heritage	EUR	1 082 097	12,700,000.00	Monitoring System	Financial indicator is the n+3 spending obligation in 2018 within the Priority, proportionate to the Programme level spending obligation.
OI3.2	O	Number of joint cultural, recreational and other types of community events and actions organised	events	20	200.00	Beneficiaries, AIR	Both Actions under PA3 are supporting also community events serving the cooperation in the field of tourism and cultural heritage. Promotion of tourism assets, services and cultural heritage are the main focus of the Priority. These promotional activities will be implemented through local/regional events. Taking into consideration that most of the projects will be selected and contracted in the course of 2017, the estimated milestone value by the end of 2018 is 10% of the final target.

Summary of information on the establishment of the performance framework for PA 3 “Encouraging tourism and cultural heritage cooperation”

The selected output indicator relates to the majority of operations under PA 3, namely organizing small scale co-operation projects including cultural, leisure sport and nature protection programmes with special regard to the young people and children as target groups, developing and organizing cultural co-operation activities in the border region (e.g. events, festivals, programmes, knowledge transfer), that are expected to represent the majority of resources allocated to this priority axis.

The performance framework milestones for the year 2018 and indicators' targets for 2023 established for PA 3 are directly linked to the achievement of the specific objectives “Creation of commonly coordinated cross-border tourism destinations based on the complementary local assets in order to ensure sustainable development of tourism potentials” and „Promoting co-operation activities in the field of culture, leisure, sport, and nature protection” . The estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.

The selection methodology of the OI 3.2 is based on the previous Programme's (7-13) achievements and an arithmetical calculation of submitted applications in the first two Call for Proposals of the present Programme.

The previous Programme had a separate Action for ‘People to people’ actions, supporting mostly cultural, recreational and other types of community events, similar to the ones covered by OI 3.2 of the present Programme. The final achievements of the former Programme's ‘People-to-people’ action was 57 implemented projects with more than 330 000 people involved. Although the output indicators are not the same in the two Programmes, it can be stated that the projects targeting PA 3 in the current Programme will organize a lot of community events, since both actions under PA 3 of the Programme encouraging such activities. Typically, these projects are shorter ones compared to the infrastructure development related projects (see in PA 1 and PA 2) and they can start the implementation of their activities earlier.

In the 1st CFP (Strategic CFP) one project was selected for contracting, planned with 36 month duration. The envisaged starting date of this project is 1 June 2017 (not confirmed yet), thus by the end of 2018 this projects will not finish the implementation, therefore the Programme cannot report full operations by then. On the other hand this project is targeting the selected OI 3.2, the target value already significantly contributes (targeting 139 community events) to the Programmes planned achievement in this regard and covering more than 3,3 m EUR IPA funding (reaching more than 26% of the Priority's allocation).

In the 2nd CFP there are 141 applications submitted and the majority of those applications planned OI 3.2 in their projects. According to prior estimates (based on the available minimum and maximum IPA contribution per project) the JMC will be able to select approximately 40-50 projects for funding in this Call. Also, the 3rd CFP is planned to be launched, targeting the same Priorities.

Assuming that the Strategic Project already selected and the projects to be selected in the 2nd CFP will start organizing community events from the beginning of 2018, thus at least 10% of the OI 3.2 can be achieved by the end of the year.

The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to priority axis 3 until 2015 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decommitment.



2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Table 6: Dimension 1 Intervention field

Priority axis	PA 3 - Encouraging tourism and cultural heritage cooperation	€ Amount
Dimension		
092 - Protection, development and promotion of public tourism assets		3,810,000.00
093 - Development and promotion of public tourism services		1,270,000.00
094 - Protection, development and promotion of public cultural and heritage assets		3,810,000.00
095 - Development and promotion of public cultural and heritage services		3,810,000.00

Table 7: Dimension 2 Form of finance

Priority axis	PA 3 - Encouraging tourism and cultural heritage cooperation	
Dimension		€ Amount
01 - Non-repayable grant		12,700,000.00

Table 8: Dimension 3 Territory type

Priority axis	PA 3 - Encouraging tourism and cultural heritage cooperation	€ Amount
Dimension		
01 - Large Urban areas (densely populated >50 000 population)		3,810,000.00
02 - Small Urban areas (intermediate density >5 000 population)		7,620,000.00
03 - Rural areas (thinly populated)		1,270,000.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 3 - Encouraging tourism and cultural heritage cooperation	
Dimension		€ Amount
07 - Not applicable		12,700,000.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 3 - Encouraging tourism and cultural heritage cooperation
Not relevant	

2.1.1 Priority axis

ID of the priority axis	PA 4
Title of the priority axis	Enhancing SMEs' economic competitiveness through innovation driven development

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented solely through community-led local development

2.1.2 Fund, calculation basis for Union support and justification of the calculation basis choice

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
Justification of the calculation basis choice	<p>Similarities of key economic sectors on the two sides of the CBR (e.g. agriculture, medicine, ICT, engineering) provide a good potential for cross border co-operation between the relevant cluster organisations and the members of clusters, thereby taking advantage of the existing synergies.</p> <p>Szeged and Novi Sad are the strongest centres of the CBR in terms of tertiary education and in R&D, however R&D expenditure is still below the EU average. The utilisation rate of research results is low with a low contribution to development of SMEs.</p> <p>Labour force supply does not respond to the needs of the local companies. Different vocational education systems prohibit the mutual recognition of qualifications. Promoting knowledge-sharing and networking and improved professional experience and business skills of young researchers and entrepreneurs could contribute to a better trained labour force, which would be key factor for economic development.</p>

2.1.3 Thematic priority

(Reference: points (b)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID of the thematic priority	E
Title of the thematic priority	Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.

2.1.4 The specific objectives of the thematic priority and expected results

(Reference: Article 34(2) of IPA II Implementing Regulation)

ID	Title	The results that the partner States seeks to achieve with union support
TP 7	Enforcing the growth and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services.	<p>R&D&I results and innovative solutions will become more exploited through being more available and better tailor-made to the specific and concrete needs of the enterprises, especially SMEs acting in the challenged and/or emerging sectors, thanks to increased cross-border research cooperation activities in triple or quadruple helix cooperation forms.</p> <p>Better competitiveness, higher visibility, stabilized and sustainable cooperation structures will be created due to increased cooperation among clusters, enterprises, universities and R&D&I institutions in the cross-border region in the emerging sectors of the region, with special focus on agriculture and food processing.</p> <p>Enterprises acting in the key economic sectors of the CBR will benefit from better development conditions and perspectives due</p>

ID	Title	The results that the partner States seeks to achieve with union support
		<p>to the growing labour force with relevant competences and knowledge gained through new types of adult trainings, vocational training and tailor-made traineeship programmes.</p> <p>Measures foreseen will have a positive impact on the general employment status of the CBR through the development of new services and products and improvement the market oriented skills and knowledge of the labour force.</p> <p>Operations envisaged will directly contribute to sustainable development, too (e.g. promoting clean and green technologies, technologies that decrease industrial pollution, chemical pollution, thus contributing to the improvement of air quality etc.), as well as education, training and support services in the context of environment protection and sustainable development.</p>

2.1.5. Actions to be supported under the thematic priority

2.1.5.1. A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Development of innovation infrastructure and catalysing joint R&D&I projects tailored to SME needs

To enforce the development and adaptation of new technologies, processes, products or services for enterprises, by innovation-driven cross-border cooperation in line with the regional innovation strategies. For example the following activities can be implemented:

- Implementation of research and innovation projects to develop and adapt new technologies, processes, products or services to be directly used by the enterprises (technology and know-how transfer);
- Establishing well-equipped laboratories, innovation/technological centres providing surface for start-up companies, for joint research and innovation activities, trainings to facilitate the joint development of new products (prototypes), services or processes. Purchase of equipment and small scale infrastructure development, as well as marketing activities can be supported.

The following activities can be supported as complementary actions in well justified cases:

- Joint development of vocational, non-formal and adult training materials and pilot implementation of the related training programmes tailored to SME needs. (General business management training programmes are excluded.)

To achieve tangible results and to better focus the intervention, preferred sectors of the region (with catalysing effect) can be defined. (e.g. IT solutions and technology, metal industry, medicine).

Target groups of these actions are enterprises, especially SMEs; as well as young professionals, students, unemployed persons, especially young people who are seeking jobs in the border region

Potential beneficiaries of the actions are economic clusters, business and innovation support organizations, in cooperation with R&D&I and higher education institutions, vocational and adult training organisations, labour market organisations which coordinate labour flows in the CBC area

Setting up and operating "innovation communities" in "challenged economic and social areas"

Creating permanent cooperation "knowledge platforms" in the cross-border region's "challenged economic and social areas", through involving partners

of the “Quadruple helix innovation and cooperation form” (knowledge institutions, local companies, citizens and NGOs and authorities responsible for Local Economic Development (LED)) in order to solve joint problems and challenges by innovative solutions, services provided by local companies or other institutions through generating new project proposals[1].

After joint selection of the “challenged economic and social areas” of the CBR(e.g. solid waste recycling management – industrial ecology; renewable energy and energy efficiency; water management; chemical safety; medical and social care; social economy and employment; etc.) based on the regional innovation strategies (the content of the strategy is in line with requirements of the regional level smart specialized strategies), the following actions of cooperation platforms of the relevant organisations can be supported:

- identification of the challenges of the relevant economic and social area and the key stakeholders (e.g. interested research institutions, groups of companies, local/regional authorities, NGOs);
- setting up “knowledge platforms” aiming at finding appropriate solutions through involving business partners or preparing projects (e.g. to be funded under different EU development programmes, like Horizon 2020) to efficiently address the identified challenges or problems.

According to intentions for each selected “challenged economic and social area” one platform will be supported that would cover the whole territory of the border region and involve all relevant players.

Target groups of these actions are local SMEs, enterprises, local/county/regional governments and their specialized institutions, public organisations, knowledge (research) institutions, NGOs

Potential beneficiaries of the actions are regional innovation organisations, county and regional level bodies and their organisations, and their professional organisations, chambers, public organisations or NGOs with relevant professional background, clusters

Positioning the CBC agriculture and food processing through joint innovation activities

Enforcing joint agricultural and local product producing, logistics, quality management solutions, food processing and sale systems. Among others, the following activities can be implemented:

- Implementation of research and innovation projects to develop and adapt new technologies, processes, products or services to be directly used by enterprises.
- Establishing laboratories, innovation and technological centres for common use by the enterprises in the border region in order to develop new products, services and processes. Purchase of equipment and small scale infrastructure development, as well as marketing activities can be supported.
- Establishing and developing commercial centres, markets for common use by producers and distributor enterprises in order to promote marketing and positioning of agricultural goods and local products. Infrastructure development, purchase of equipment, marketing activities can be supported.
- Implementation of common marketing activities (developing common brands, establishing common webshops, participating in exhibitions etc.) to promote local products (e.g. agro-food products) through common brand-building

- Developing solutions to help integration processes in agriculture and food-processing (e.g. catalysing networking, establishment of supply-chains)

The following activities can be supported as complementary actions in well justified cases:

- Capacity building through joint development of vocational and adult training materials and implementation of the related training programmes in order to cover knowledge gaps and lack of state-of-the-art skills. (General business management training programmes are excluded.)

Target groups of these actions are agricultural producers, production and sales cooperatives and food processing enterprises; students, unemployed persons, especially young people who are seeking jobs in the border region

Potential beneficiaries of the actions are relevant NGOs, professional organisations operating in agriculture and food processing (e.g. clusters, chambers of agriculture enterprises, non-profit agro-marketing organisations) in cooperation with R&D&I institutions, laboratories, higher education, vocational and adult training organisations

Promoting knowledge-sharing and networking amongst, and professional experience building for young researchers and entrepreneurs

Encouraging cooperation and network building among researchers, students and entrepreneurs in order to promote knowledge-sharing and cross-border commercial activities. Generating and implementing common research and education programmes, as well as promoting practice-oriented (on the job) learning modes through traineeship programmes. Offering help for young people to set up new businesses through improving their business skills, providing entrepreneurial mentoring, advisory and training services.

- Realizing an entrepreneur experience program based on the example of the concept „ERASMUS for young entrepreneurs” by the European Commission. (This specific program aims at reaching young professionals, who have the ambition to start their own enterprise, but are in lack of experience.)The activity is also targeting young entrepreneurs who have already started an SME, but are in need of detailed knowledge on how to move on towards growth. During the time of scholarship in the neighbouring country, young professionals/entrepreneurs can gain practical knowledge of the business sector they are interested in, they gain insight into a successful enterprise in the partner-country, which as a mentor helps them with advice and good practices in realizing their business concepts. Besides experiencing the modern business and technical knowledge of the participant company, young scholars can take part in trainings which help to improve their business skills.
- Organizing mutual research and cross-border student scholarships by research institutions and universities in predefined sectors and areas (e.g. “challenged economic areas”, key sectors of the region) and establishing traineeship programmes with companies (in the “challenged economic areas”) for young professionals (students and graduates) organized by chambers of commerce/groups of companies/clusters. Both facilities are to be implemented for a minimum of 6 months period enabling participants to gain thorough experience in the given field.

Target groups of these actions are researchers, especially young researchers and students, young professionals/graduates, young entrepreneurs.

Potential beneficiaries of these actions are R&D institutions, higher education organisations, chambers of commerce, enterprise development agencies,

clusters/groups of companies, NGOs.

[1] Based on the “The Dublin Innovation Declaration”. <http://ec.europa.eu/digital-agenda/en/news/%E2%80%9C-dublin-innovation-declaration%E2%80%9D-manifesto-ten-point-declaration-create-more-wealth-better>

2.1.5.2. Guiding principles for the selection of operations

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Projects are selected via open calls for proposal.

Most important selection criteria, inter alia, are

- Potential contribution to the competitiveness of the relevant sector or economically and socially challenged area
- The cross border relevance of the project
- Compliance with regional innovation strategies (e.g. S3 Strategy of South Great Plain and Vojvodina and the common innovation strategy of the border region)
- Level of cooperation among project partners
- Long run sustainability of the results of the projects
- Management and financial capacity of the beneficiary organizations
- Contribution to horizontal principles (action specific selection criteria may be defined in the Call for Proposals)
- Preparedness of the projects

2.1.5.3. Planned use of financial instruments (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

Not applicable

2.1.5.4 Planned use of major projects (where appropriate)

(Reference: point (b)(iii) of Article 8(2) of Regulation (EU) No 1299/2013)

--

2.1.6 Common and programme specific indicators

(Reference: point (b)(ii) and (b)(iv) of Article 8(2) of Regulation (EU) No 1299/2013 and Article 2(2) of IPA II Implementing Regulation)

2.1.6.1 Priority axis result indicators (programme specific)

Table 3: Programme specific result indicators

Specific objective		TP 7 - Enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
RI4.1	Rate of innovative SMEs in the CBR	%	32.94	2014	33,00	Official survey carried out by the national statistical offices according to the methodology of EUROSTAT	2019, 2021, 2023

2.1.6.2. Priority axis output indicators (common or programme specific)

Table 4: Common and programme specific output indicators

ID of the thematic priority		g - Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.				
ID	Indicator	Measurement unit for indicator	Target value (2023)	Source of data	Frequency of reporting	
O14.1	Number of enterprises cooperating with research institutions	enterprises	35.00	Beneficiaries	yearly	
O14.2	Number of organisations actively participating in the work of the "knowledge platforms"	organisations	60.00	Beneficiaries	yearly	
O14.3	Number of months spent in the institutions and companies on the other side of the border through scholarships	months	200.00	Beneficiaries	yearly	
O14.4	Rate of persons from vulnerable groups involved in supported actions	percentage	50.00	Beneficiaries	yearly	

2.1.7 Performance framework

(Reference: point (b)(v) of Article 8(2) of Regulation (EU) No 1299/2013 and Annex II of Regulation (EU) No 1303/2013)

Table 5: Performance framework of the priority axis

ID of the priority axis		PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development						
ID	Type	Key implementation step or indicator	Measurement unit	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator	
F14	F	Eligible certified expenditure of the priority axis 4 "Enhancing SMEs' economic competitiveness through innovation driven development"	EUR	759 308	10,484,236.00	Monitoring System	Financial indicator is the n+3 spending obligation in 2018 within the Priority, proportionate to the Programme level spending obligation.	
O4.1	O	Number of enterprises cooperating with research institutions	enterprises	10	35.00	Beneficiaries, AIR	The majority of the projects targeting PA 4 can be implemented only with the cooperation of research institutions and SME's. One of the Programme's main eligibility criteria is that Beneficiaries must be non-profit organizations, thus the traditionally for-profit SME's cannot be directly granted from the funds. On the other hand the research institutions have to target the SME's economic competitiveness with the result of their projects and therefore SMEs should be involved in the implementation	

Additional qualitative information on the establishment of the performance framework (optional)

Summary of information on the establishment of the performance framework for PA 4 “Enhancing SMEs’ economic competitiveness through innovation driven development”

The selected output indicator relates to the majority of operations under PA 4, namely enforcing the development and adaptation of new technologies, processes, products or services for enterprises, by innovation-driven cross-border cooperation, that are expected to represent the majority of resources allocated to this priority axis.

The performance framework milestones for the year 2018 and indicators’ targets for 2023 established for PA 4 are directly linked to the achievement of the specific objectives “Enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services”.

The estimated milestone values for 2018 are realistic, achievable, transparent and verifiable.

The selection methodology of the OI 4.1 is based on an arithmetical calculation of submitted applications in the 2nd Call for Proposals of the present Programme, also considering the previous Programme’s achievements. The Programme did not launch Strategic Call in case of PA 4.

The 7-13 Programme supported ‘Product oriented R&D’ action, however it cannot be seen as a real benchmark for the selected output indicator. Instead of benchmarking the previous Programme’s achievement can be a good starting point for the activities foreseen in PA 4. Many researchers and research institutions established contacts and worked together and implemented joint R&D activities, provided innovative solutions for interested enterprises.

The first Action within PA 4 is ‘Enhancing SMEs’ economic competitiveness through innovation driven development’. In the 2nd CFP the Programme received 68 applications to the above mentioned Action and the majority of those applications planned OI 4.1 in their projects. According to prior estimates (based on the available minimum and maximum IPA contribution per project) the JMC will be able to select approximately 10 projects for funding in this Call. Also, the 3rd CFP is planned to be launched, targeting the same Priorities.

Assuming that the projects to be selected in the 2nd CFP will involve SMEs from the beginning of 2018, thus at least 28% of the OI 4.1 can be achieved, meaning 10 SMEs (out of the envisaged 35) will cooperate with research institutes by the end of 2018. Since there will not be fully operations in this Action by the end of 2018, it is proposed to sign and report written agreements between SMEs and Research Institutions at the beginning of the projects concerned, which could serve as a proof of the milestone value of the OI 4.1.

The milestone for 2018 of the financial indicator (the total amount of eligible expenditure entered into the accounting system of the certifying authority and certified) represents the financial resources allocated to priority axis 3 until 2015 including EU contribution (IPA II) in order to meet the n+3 rule and to avoid decumulation.

2.1.8 Categories of intervention

(Reference: point (b)(vii) of Article 8(2) of Regulation (EU) No 1299/2013)

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Table 6: Dimension 1 Intervention field

Priority axis	PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development	€ Amount
Dimension		
060 - Research and innovation activities in public research centres and centres of competence including networking		1,336,740.00
062 - Technology transfer and university-enterprise cooperation primarily benefiting SMEs		1,782,320.00
063 - Cluster support and business networks primarily benefiting SMEs		1,782,320.00
066 - Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)		891,160.00
067 - SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)		891,160.00
072 - Business infrastructure for SMEs (including industrial parks and sites)		2,227,900.00

Table 7: Dimension 2 Form of finance

Priority axis	PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development	
Dimension		€ Amount
01 - Non-repayable grant		8,911,600.00

Table 8: Dimension 3 Territory type

Priority axis	PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development
Dimension	€ Amount
01 - Large Urban areas (densely populated >50 000 population)	6,683,700.00
02 - Small Urban areas (intermediate density >5 000 population)	1,782,320.00
03 - Rural areas (thinly populated)	445,580.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development
Dimension	€ Amount
07 - Not applicable	8,911,600.00

2.1.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

(Reference: point (b)(vi) of Article 8(2) of Regulation (EU) No 1299/2013)

Priority axis	PA 4 - Enhancing SMEs' economic competitiveness through innovation driven development
<i>Not relevant</i>	

2.2 Description of the priority axes for technical assistance

(Reference: point (c) of Article 8(2) of Regulation (EU) No 1299/2013)

2.2.1 Priority axis

ID of the priority axis	PA 5
Title of the priority axis	Technical Assistance

2.2.2 Calculation basis for Union support and justification of the calculation basis

Calculation basis (total eligible expenditure or public eligible expenditure)	Total
---	-------

**Justification of the calculation
basis choice**

PA 5 Technical Assistance provides support to actions related to the management of the programme such as:

1. Actions related to human resource management of bodies responsible for the implementation of the Programme:
 - selection, training, assessment and rewarding of employees;
 - leadership and management of organisation;
 - internal and external staff training (seminars, workshops, courses, internships, domestic / foreign business trips, etc.);
 - mobility management.
2. Actions related to office/facility management of bodies responsible for the implementation of the Programme:
 - Procurement of small, expendable, daily use office items (such as paper clips, post-it notes and staples), small machines (such as hole punches, binders, staplers and laminators), writing utensils, paper, etc;
 - Procurement of higher-cost office equipment like computers, printers, fax machines, photocopiers and office furniture such as chairs, cubicles, filing cabinets, desks, etc.;
 - Procurement of IT systems related to programme implementation.
3. Actions related to the overall management of the Programme:
 - Organization and technical support of working group meetings, commissions and committees, and activities relating to safeguarding the exercise of their powers;
 - Procurement of expert services related to programming, evaluation, monitoring, publicity, audit in line with the provisions of the relevant regulations;
 - Procurement of legal advice;
 - Procurement of studies, reports and other external expert services;
 - Costs of first level control.
4. Strengthening the institutional capacity of relevant partners:
 - dedicated workshops,
 - training sessions,
 - coordination and networking structures,
 - contribution to the cost of participating in meetings on the preparation, implementation, monitoring and evaluation of the Programme.
5. Visibility and publicity:
 - Information, promotion, publicity and exchange of experience;
 - Development and implementation of the communication plan

2.2.3 The specific objective of the priority axis and the expected results

(Reference: points (c)(i) and (ii) of Article 8(2) of Regulation (EU) No 1299/2013)

ID	Title	Results that the partner States seek to achieve with Union support
PA 5	Ensuring the effective management and implementation of the HU-SRB CBC Programme	Ensuring the effective management and implementation of the HU-SRB CBC Programme.

2.2.5 Programme specific indicators

2.2.5.1 Programme specific result indicators

(Reference: point (c)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 10: Programme specific result indicators

Priority axis	PA 5 - Technical Assistance						
ID	Indicator	Measurement unit	Baseline value	Baseline year	Total target value (2023)	Source of data	Frequency of reporting

2.2.5.2 Programme specific output indicators expected to contribute to results

Reference: point (c)(iv) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 11: Common and programme specific output indicators

Priority axis		PA 5 - Technical Assistance			
ID	Indicator	Measurement unit	Total target value (2023)	Source of data	
O15.1	Number of projects administered by the JS	projects	100.00	Monitoring system	
O15.2	Number of publicity events	events	5 00	Joint Secretariat	
O15.3	Number of employees	employees in FTE	8 00	Joint Secretariat	

2.2.4 Actions to be supported and their expected contribution to the programme implementation

Priority axis	PA 5 - Technical Assistance
	<p>PA 5 Technical Assistance provides support to actions related to the management of the programme such as:</p> <ol style="list-style-type: none"> 1. Actions related to human resource management of bodies responsible for the implementation of the Programme: <ul style="list-style-type: none"> o selection, training, assessment and rewarding of employees; o leadership and management of organisation; o internal and external staff training (seminars, workshops, courses, internships, domestic / foreign business trips, etc.); o mobility management. 2. Actions related to office/facility management of bodies responsible for the implementation of the Programme: <ul style="list-style-type: none"> o Procurement of small, expendable, daily use office items (such as paper clips, post-it notes and staples), small machines (such as hole punches, binders, staplers and laminators), writing utensils, paper, etc; o Procurement of higher-cost office equipment like computers, printers, fax machines, photocopiers and office furniture such as chairs, cubicles, filing cabinets, desks, etc.; o Procurement of IT systems related to programme implementation. 3. Actions related to the overall management of the Programme: <ul style="list-style-type: none"> o Organization and technical support of working group meetings, commissions and committees, and activities relating to safeguarding the exercise of their powers; o Procurement of expert services related to programming, evaluation, monitoring, publicity, audit in line with the provisions of the relevant regulations; o Procurement of legal advice; o Procurement of studies, reports and other external expert services; o Costs of first level control. 4. Strengthening the institutional capacity of relevant partners: <ul style="list-style-type: none"> • dedicated workshops, • training sessions, • coordination and networking structures, • contribution to the cost of participating in meetings on the preparation, implementation, monitoring and evaluation of the Programme. 5. Visibility and publicity of the Programme: <ul style="list-style-type: none"> • Information, promotion, publicity and exchange of experience;

- Development and implementation of the Programme's communication plan.

2.2.6 Categories of intervention

(Reference: point (c)(v) of Article 8(2) of Regulation (EU) No 1299/2013)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support.

Table 12: Dimension 1 Intervention field

Priority axis	PA 5 - Technical Assistance	€ Amount
Dimension		
121 - Preparation, implementation, monitoring and inspection		5,209,920.00
122 - Evaluation and studies		651,240.00
123 - Information and communication		651,240.00

Table 13: Dimension 2 Form of finance

Priority axis	PA 5 - Technical Assistance	
Dimension		€ Amount
01 - Non-repayable grant		6,512,400.00

Table 14: Dimension 3 Territory type

Priority axis	PA 5 - Technical Assistance	
Dimension		€ Amount
07 - Not applicable		6,512,400.00

2.3 Overview table of indicators per priority axis and thematic priority

Table 15: Table of common and programme specific output and result indicators

Priority axis	Thematic priority	Specific objective	Result indicators	Output indicators
PA 1	b- Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia, joint actions for environmental protection; promoting sustainable use of natural resources; resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.	Specific objective TP 2	RI1	OII.1, OII.2, OII.3
PA 2	c- Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.	Specific objective TP 3	RI2.1	OI2.1, OI2.2, OI2.3, OI2.4, OI2.5, OI2.6
PA 3	d- Encouraging tourism and cultural and natural heritage.	Specific objective TP 4	RI3.1, RI3.2	OI3.1, OI3.2, OI3.3
PA 4	g- Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.	Specific objective TP 7	RI4.1	OI4.1, OI4.2, OI4.3, OI4.4
PA 5		Specific objective PA 5		OI5.1, OI5.2, OI5.3

SECTION 3. FINANCING PLAN

(Reference: point (d) of Article 8(2) of Regulation (EU) No 1299/2013)

3.1 Financial appropriation from the IPA (in €)

(Reference: point (d)(i) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 16

	2014	2015	2016	2017	2018	2019	2020	Total
	0.00	4,716,530.00	6,735,504.00	15,468,570.00	12,483,138.00	12,732,800.00	12,987,458.00	65,124,000.00

3.2.1 Total financial appropriation from the IPA and national co-financing (in €)

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

1. The financial table sets out the financial plan of the cooperation programme by priority axis.
2. The EIB contribution is presented at the level of the priority axis.

Table 17: Financing plan

Priority axis	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union Support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b) or (a) + (c)	Co-financing rate (f) = (a) / (e)	For information	
				National public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
PA 1	Total	22,500,000.00	3,970,589.00	3,573,530.00	397,059.00	26,470,589.00	84.9999975444%	0.00	0.00
PA 2	Total	14,500,000.00	2,558,824.00	2,302,947.00	255,882.00	17,058,824.00	84.9999976552%	0.00	0.00
PA 3	Total	12,700,000.00	2,231,177.00	2,017,059.00	224,118.00	14,941,177.00	84.9999969882%	0.00	0.00
PA 4	Total	8,911,600.00	1,572,636.00	1,415,373.00	157,263.00	10,484,236.00	84.9999942771%	0.00	0.00
PA 5	Total	6,512,400.00	1,149,248.00	1,149,248.00	0.00	7,661,648.00	84.999995584%	0.00	0.00
Total		65,124,000.00	11,492,474.00	10,458,152.00	1,034,322.00	76,616,474.00	84.9999962149%	0.00	0.00

3.2.2 Breakdown by priority axis and thematic priority

(Reference: point (d)(ii) of Article 8(2) of Regulation (EU) No 1299/2013)

Table 18

Priority axis	Thematic priority	Union support	National counterpart	Total funding
PA 1	b - Protecting the environment and promoting climatic change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness.			
PA 2	c - Promoting sustainable transport and improving public infrastructures by, inter alia, reducing isolation through improved access to transport, information and communication networks and services and investing in cross-border water, waste and energy systems and facilities.			
PA 3	d - Encouraging tourism and cultural and natural heritage.			
PA 4	g - Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment through, inter alia, promotion and support to entrepreneurship, in particular small and medium-sized enterprises, and development of local cross-border markets and internationalisation.			
Total				

SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT (WHERE APPROPRIATE)

(Reference: Article 34 (1) of IPA II Implementing Regulation and Article 8(3) of Regulation (EU) No 1299/2013)

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme and the Partnership Agreements of the participating Member States showing how it contributes to the accomplishment of the programme objectives and expected results

The CBR belongs to the less developed part of Europe with internal territorial differences in economic performance and social position.

Main development bottlenecks of the CBR:

- Highly agricultural/rural R with missing/not fully developed environment/water protection facilities for handling environmental and climate change risks
- Cross-border public transport infrastructure in poor condition resulting in limited mobility; border safety to be improved
- Lacks of integrated regional tourism strategy, missing joint quality tourism products jeopardize exploiting the potential of sustainable use of cultural/natural heritage.
- Low utilisation rate of research results with a low contribution to development of SMEs, thus low regional competitiveness and employment

Main development assets of the CBR:

- valuable natural and cultural heritage as an economic asset for tourism development
- similarities of key economic sectors (agriculture, medicine ICT, engineering) providing potential for increased CBC
- urban centres with acknowledged universities, R&D capacities, cluster organisations to become drivers of regional development through joint actions

The bottlenecks call for joint efforts while the CBR's strengths create great opportunities through well-defined territorial approach addressing critically important areas, integrating them within and between the selected PAs by setting overarching objectives complementing those set in national/regional OPs. In territorial context some are clearly focusing on rural, some on urban areas, and the CP offers possibilities for strengthening rural-urban coop. also by knowledge transfer, favouring joint bottom-up approaches with large participatory bases (creating common tourism products, extended cluster cooperation).

PA1 In the, decreasing environmental risks and preventing climate change's negative effects is an important issue . The aim is to implement joint actions to provide better, safer environment for the inhabitants and create more stable water mngmnt circumstances. The improved environmental situations will mean favourable conditions for economic activities (agriculture/food production,tourism).

PA2 aims to increase the capacities of border crossing by promoting the development of road transport and use of sustainable transport modes to make the CBR more accessible and boost its competitiveness through better connectivity and mobility. It also addresses the critically important border safety.

PA3 will boost regional tourism by promoting its integrated development. Less developed settlements are envisaged to catch-up with more developed ones in job creation and self-employment, and in catalysing local investments.

PA4 aims at increasing the growth thus the employment potential of SMEs through providing accessibility for new technologies, processes etc. For this R &D&I results, innovative solutions will be more available and better tailor-made to their needs. Thanks to increased triple/quadruple helix cooperation forms better competitiveness, higher visibility, sustainable cooperation structure will be created among clusters, enterprises, universities and R&D&I institutions.

Territorial approach will be also supported through strategic calls targeting priority areas or territory. Preference will be given to create joint projects implemented jointly by joint staffing and with lasting effects for the whole CBR.

The CP does not contain CLLD and ITI activities. There are no actions to be part of any ITI project financed by other Ops.

4.1 Community-led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (a) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

4.2 Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the IPA support for these actions

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (b) of Article 8(3) of Regulation (EU) No 1299/2013)

Not applicable

Table 19: Integrated actions for sustainable urban development – indicative amounts of Union support

Indicative amount of Union Support (€)

99999999.99

4.3 Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

(Reference: Article 34 (3) of IPA II Implementing Regulation and point (c) of Article 8(3) of Regulation (EU) No 1299/2013)

Not relevant

Table 20: Indicative financial allocation to ITI (aggregate amount)

Priority axis	Indicative financial allocation (Union support) (EUR)
PA 1	
PA 2	
PA 3	
PA 4	
PA 5	
Total	0.00

4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant partner States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)

(Where partner States and regions participate in macro-regional and/or sea basin strategies)

(Reference: point (d) of Article 8(3) of Regulation (EU) No 1299/2013)

The EU Strategy for the Danube Region (EUSDR) is a macro-regional strategy adopted by the European Commission (December 2010) and endorsed by the European Council in 2011. The European Commission and the Danube Region countries – with the involvement of relevant stakeholders – have developed the EUSDR jointly in order to address common challenges together. The EUSDR aims at creating synergies and coordination between existing policies and initiatives taking place across the Danube Region.

The territory of the Programme is part of the area covered by EUSDR. Taking the area of relevance into account and the thematic priorities selected for the Programme, it can be stated that the challenges of the Danube Region could be also identified as the ones related to the eligible CBR, thus strong coherence is determined with the EUSDR. The challenges that the CBR is facing are addressed by the Programme in the areas of environment, climate change and risk prevention, development of transportation, culture and tourism, as well as innovation driven economic development.

The EUSDR addresses a wide range of issues which are divided into 4 pillars and 11 priority areas. Based on the similarities of the existing challenges, the EUSDR priorities have been taken into account and most of them are also covered in the Programme. Through this the Programme seeks to contribute to EUSDR in the following priority areas:

PA1 reflects the priorities of the EUSDR aiming at environment protection at the Danube region in order to handle environmental damages, as well as at restoring and maintaining the quality of waters and preserving biodiversity.

PA2 reflects the priorities of the EUSDR aiming at improved mobility and multimodality.

PA3 reflects the priority of the EUSDR aiming at promotion of culture and tourism and people to people contacts.

PA4 reflects the priorities of the EUSDR aiming at developing the knowledge society through research, education and information and supporting the competitiveness of enterprises, including cluster development.

While implementing the activities under the priority axes of the Programme, the EUSDR Strategy will be taken into account as appropriate.

SECTION 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

5.1 Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

Table 21: Programme authorities

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	Hungarian Prime Minister's Office / Deputy State Secretariat for International Affairs	Deputy State Secretary		nemzetkozihat@me.gov.hu
Certifying authority	Hungarian State Treasury / Directorate of EU Assistance	Head of Certifying Authority		filep.nandor@allamkinostar.gov.hu
Audit authority	Directorate General for Audit of European Funds, Hungary	Director general		balazs.dencso@eutaf.gov.hu

The body to which payments will be made by the Commission is:

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

- the managing authority
 the certifying authority

Table 22: Body or bodies carrying out control and audit tasks

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Body or bodies designated to be responsible for carrying out audit tasks	Directorate General for Audit of European Funds, Hungary	Balázs Dencső dr, Director General	Hungary	balazs.dencso@eudaf.gov.hu
Body or bodies designated to be responsible for carrying out audit tasks	Member of Group of Auditors: Audit Authority Office of EU Funds of the Government of the Republic of Serbia	Svetlana Novaković, Director of the Audit Authority Office of EU Funds	Serbia	svetlana.novakovic@aa.gov.rs
Body or bodies designated to carry out control tasks	Division for first level control of projects financed under IPA cross-border and transnational cooperation component, Department for Contracting and Financing of EU Funded Programmes – CFCU, Ministry of Finance, Government of the Republic of Serbia	Mirjana Ćirić, Head of Division	Serbia	mirjana.ciric@mfin.gov.rs
Body or bodies designated to carry out control tasks	Széchenyi Programme Office Non-profit LLC (SZPO) – Budapest and Regional Control Units of SZPO Territorial Offices in Szeged and Békéscsaba, Hungary	Márta Gordos, Head of Department	Hungary	gordos.marta@szpi.hu

5.2 Joint Monitoring Committee

Table 23: Indicative list of Joint Monitoring Committee members

Name of authority/body and department or unit	Role in the programme	Name of the person responsible for the authority/body (position or post)	Address	Email
Budapest Danube Contact Point	JMC Consultative	Péter KISS-PARCIU	Hungary	PKissParciu@mfa.gov.hu
Bács-Kiskun County Council	JMC Member	László FARKAS Dr.	Hungary	farkaslaszlo@bacskiskun.hu
Csongrád County Council	JMC Member	Eszter CSÓKÁSI	Hungary	office@dkmt.net
Directorate General for Audit of European Funds	Audit Authority, JMC Advisory	Ágota TÓTH Dr.	Hungary	agota.toth@eufaf.gov.hu
European Integration Office	National Authority, JMC Member	Sanda ŠIMIĆ STAMBOLIĆ	Serbia	ssimic@seio.gov.rs
Government of Autonomous Province of Vojvodina	JMC Member	Nebojsa DRAKULIĆ	Serbia	nebojsa.drakulic@vojvodina.gov.rs
Hungarian State Treasury	Certifying Authority, JMC Advisory	Viktória KOVÁCS	Hungary	kovacs_viktoria@allamkincstar.gov.hu
Prime Minister's Office	Managing and National Authority, JMC Member	Zsigmond PERÉNYI	Hungary	nemzetkozih@me.gov.hu
Standing Conference of Towns and Municipalities	JMC Member	Aleksandra VUKMIROVIĆ	Serbia	aleksandra.vukmirovic@skgo.org
Széchenyi Program Office	Joint Secretariat, JMC Advisory	Ferenc MÁRKUS	Hungary	markus.ferenc@szpi.hu

5.3 Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

The Programme will have a single JS in accordance with Article 23 (2) of EU Regulation No. 1299/2013. The JS will, inter alia assist the MA and the JMC in carrying out their functions, will provide information to applicants, will deal with project applications and will assist beneficiaries in implementing their operations.

The JS will work in close co-operation with the MA related to programme co-ordination and implementation. The two bodies will operate in a system most securing their co-operation on the one hand and their independence from national structures on the other. The work plans of the JS will have to be approved by the JMC. The JS will be funded from TA budget.

Since arrangements are already in place at the time of programme submission, the work, staff and functioning of the future JS will be based on the already functioning JTS from the 07-13 programming period keeping the main arrangements in order to ensure the smooth transition.

The JS will be set up with an indicative number of 9 team members, taking into account the programme cycle and implementation needs, with a central office in Budapest and at least one staff member working in Szeged. Additional 2 team members are planned to work at the JS Antenna, in Subotica. Considering that the average number of employees at the JTS and Information Point in the 07-13 period was about the same, and at the same time the budget of the Programme has increased for the 14-20 period, and also tasks will be somewhat more diversified (different treatment of ordinary and strat. projects, more attention to be paid to measuring of fulfilment of indicator target values), the above indicative number of staff is justified. The JS and JSA will ensure that all of the operational impl. tasks, including coordination of project development and project selection processes are fulfilled. In order to secure smooth implementation, the following staff will be employed within JS and JSA:

- Head of the JS;
- Financial Manager;
- Programme Managers, also filling in the following positions:
 - Deputy-head of the JS;
 - Deputy Financial Manager
- Communication Manager
- Office Manager
- Head of JSA
- Programme manager at JSA

The JS staff will fulfil professional requirements of the positions and will have knowledge of at least one of the languages of the participating countries, in addition to English. They will be employed by SZPO as a hosting institution, on the basis of a contract with the MA. New staff members shall be selected in agreement with the MA and the NAs. A selection committee composed of the representatives of MA, NA and the SZPO as hosting institution shall arrange for the nomination of the Head of the JS. The JS members shall be selected by a committee composed of the representatives of the MA, NA, the Head of JS and the SZPO as the hosting institution of the JS.

On the Serbian side of the border two full-time employees will operate as JSA. The JSA will be established in Subotica, in line with the principle of territorially balanced programme implementation. The staff of the JSA shall be selected by a committee

composed of the representatives of the MA, NA and the Head of JS.

Responsibilities of each JS member, task division among members and coordination of tasks will be ensured by means of job descriptions and by instructions of the Head of the JS. Detailed list of the tasks is defined in section 5.4.

The described arrangement that relate to the JSA will be based on the already functioning IP of the 07-13 programming period.

5.4 Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

In line with Article 36 of the IPA II Regulation, the Interreg - IPA CBC Hungary-Serbia Programme will be implemented through shared management under the responsibility of the following institutions: a single Managing Authority, a single Certifying Authority and a single Audit Authority.

The following structures will be created for the management of the Programme:

Joint structures:

- **Joint Monitoring Committee (JMC):** supervising and monitoring the programme implementation, selecting operations (projects). The JMC may set up a steering committee (SC) acting under its responsibility for the selection of operations.
- **Managing Authority (MA):** bearing overall responsibility towards the European Commission (EC) for the management and implementation of the Programme;
- **Certifying Authority (CA):** certifying declarations of expenditure and applications for payment before they are sent to the EC;
- **Audit Authority (AA):** body functionally independent from the MA and the CA, responsible for verifying the effective functioning of the management and control system;
- **Joint Secretariat (JS):** assisting the MA and the JMC in carrying out their respective duties.

All programme-level bodies including the MA, CA, AA and JS are established in different public institutions in Hungary (see table 19 and section 5.3). As the organisations hosting the MA, CA and the AA are independent from each other, separation of functions between these bodies is guaranteed.

Joint Monitoring Committee

The JMC will be set up by the participating countries within three months of the date of notification to Hungary of the EC decision endorsing the Programme. Members of the JMC will be representatives of national, regional, county and local level actors in order to ensure efficiency and broad representation. Since organizations delegating members to the JMC can be applicants as well, the Rules of Procedures of the JMC shall contain guarantees to the transparency of the decision-making process, and measures to prevent conflict of interests and to ensure impartiality.

The respective JMC members shall be appointed within 30 days of the approval of the Programme. The chairmanship and the rights and duties of the chairperson shall be defined in the JMC's Rules of Procedures. Representatives of the EC will participate in the work of the JMC in an advisory capacity, according to Article 38(4) of the IPA II Regulation.

In line with Article 38 of the IPA II Regulation and Articles 49 and 110 of the Regulation (EU) No 1303/2013 the JMC shall review the overall effectiveness, quality and coherence of the implementation of all actions towards meeting the objectives set out in the Programme. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators

and progress towards quantified target values. The JMC shall furthermore:

- examine and approve the methodology and criteria used for selection of operations;
- examine and approve the annual and final implementation reports;
- examine and approve the evaluation plan and any amendments thereof, and examine the progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations;
- examine and approve the communication strategy and any amendments thereof and examine the implementation of the communication strategy;
- examine actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for persons with disabilities;
- examine actions to promote sustainable development;
- examine and approve any proposal made by the MA for any amendment to the Programme.

The JMC may make recommendations for improving actions whenever needed, and shall monitor actions taken as a result of its observations.

The MA will attend the JMC meetings and will safeguard the regularity, efficiency and effectiveness of the Programme implementation. The JS will provide the secretariat function towards the JMC, including the preparation of documents, decisions and minutes. The JMC will meet at least once a year. Additional meetings may also be convened at the initiative of one of the participating countries or of the Commission, in particular on a thematic basis. Decision-making and other procedures of the JMC are to be regulated in the Rules of Procedures, to be adopted at the first meeting of the JMC.

Managing Authority

The designated MA of the Programme is the Hungarian Prime Minister's Office, Deputy State Secretariat for International Affairs. Based on Article 37(1) of the IPA II Regulation, the MA shall be responsible for managing the operational programme in accordance with the principle of sound financial management. The MA will be directly supported by the JS, as the latter carries out the operational management of the Programme. While the MA bears overall responsibility for the Programme, certain horizontal tasks (employment of JS members, operation of the programme's Monitoring and Information System, legal and other back office services) maybe delegated to SZPO, hosting institution of the JS. The delegation of tasks will be prescribed in the Description of the Management and Control Systems. Risk assessment will be carried out in order to effectively prevent, mitigate and manage internal and external risks during the implementation of the Programme.

Certifying Authority

In accordance with Article 37(2) of the IPA II Regulation, the CA will be responsible for drawing up and submitting certified statements of expenditure and applications for payment to the EC and for receiving payments from the EC. The designated CA of the Programme is the Hungarian State Treasury, Directorate of EU Assistance.

Audit Authority

In accordance with Article 37(3) of the IPA II Regulation, the AA shall ensure that audits are carried out on the proper functioning of the management and control system of the Programme and on an appropriate sample of operations on the basis of the declared expenditure. The AA prepares within eight months of the adoption of the

Programme an audit strategy for performance of audits, also setting up the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and two subsequent accounting years. It also prepares the control report on the compliance of the management and control systems and the audit opinion. The designated AA of the Programme is the Directorate General for Audit of European Funds, Hungary. The work of the AA will be supported by the Audit Authority Office of EU Funds Government of the Republic of Serbia.

Group of Auditors

In line with Article 25 (2) of EU Regulation No. 1299/2013, a Group of Auditors (GoA) will be set up to assist the AA. The representatives of the GoA will be appointed by the concerned partner States. Auditors from Serbia will be nominated by the Audit Authority Office of EU Funds Government of the Republic of Serbia, while auditors from Hungary will be nominated by the AA directly. The GoA will be set up within three months from the approval of the Programme. It shall draw up its own Rules of Procedures and shall be chaired by the AA. The AA and the auditors appointed to the GoA shall be independent of the management and control system of the Programme. If necessary, the JS of the Programme can support the activities of the GoA.

Joint Secretariat

The Programme will have a single JS in accordance with Article 23 (2) of EU Regulation No. 1299/2013. The JS will support the MA in programme co-ordination and implementation, and it will perform the secretariat functions of the JMC (and eventually towards the SC). The activities of the JS are financed from the Technical Assistance devoted to the implementation of the Programme.

General tasks of the JS are listed below, and will be described in details in the Description of the Management and Control Systems and audit trails, and further regulated in the internal procedure manual of the JS:

1. *General programme co-ordination tasks*

1. co-operating with the administrative, central, regional and local organizations (in the programme area) with the view to collect data and information necessary for the Programme implementation;
2. preparing the communication plan to be submitted to the MA and to be approved by the JMC;
3. co-ordinating the implementation of the communication plan and implementation of the joint communication activities of the programme;
4. participating in the working groups set up for elaborating/revising the programming documents;
5. preparing proposals for any necessary programme amendments.

1. *Secretariat tasks to the Joint Monitoring Committee*

1. fulfilling the standard tasks of a secretariat serving the general operation of JMC;
2. based on the results of project evaluation, submitting its proposal to the MA and for decision-making to the JMC;
3. providing the JMC with background documentation and reports in English on the implementation of the Programme, including minutes of meetings organised to assist decision-making;
4. implementing operational decisions of the JMC, including running written procedures;
5. providing assistance and technical co-ordination in the elaboration of the annual

report for the European Commission.

1. *Administrative activities*

1. ensuring the administrative management of external expertise and services;
2. supporting the AA and the GoA in their activities.

1. *Programme evaluation and programming process*

1. co-ordinating ex-ante and on-going evaluation
2. contributing to the programming process 2020+.

1. *Project development (generation) and selection*

1. co-ordinating support provided for project generation and development;
2. managing the project application process: preparing and making documents necessary for project application and selection available; providing information and advice to applicants; receiving and registering project applications;
3. co-ordinating the process of project evaluation and contracting external experts on a case-by-case basis;
4. carrying out the formal, eligibility and quality assessment of proposals independently or with the involvement of external experts;
5. monitoring the joint projects/partner search database.

1. *Implementation and monitoring*

1. preparing materials necessary for Programme implementation;
2. assisting Lead Beneficiaries (LBs) in project implementation: providing advice and assistance to LBs as to the implementation of project activities and financial administration;
3. exchanging information and coordinating tasks between the JS and JS Antenna;
4. preparing subsidy contracts;
5. checking progress and financial reports elaborated by LBs;
6. verifying the existence of declarations on validation of the expenditure issued by the Control Bodies;
7. monitoring project progress through collecting and checking project monitoring reports, monitoring outputs, carrying out monitoring visits (both to Hungarian and Serbian project partners);
8. preparing progress and verification reports on programme and project implementation and submitting them to the JMC and the MA;
9. preparing annual implementation reports and any other document as required by the EC
10. contributing to setting up the IMIS monitoring and information system operated at programme level and coordinated by the MA, which will be in line with e-cohesion policy;
11. regularly updating the data content of IMIS and feeding data into the system.
12. ensuring data collection for measuring the achievement of target values of result and output indicators, through IMIS, or by way of surveys, as necessary;

1. *Information and publicity*

1. providing support for preparing, managing and developing the visual identity of the Programme;
2. establishing, developing and maintaining the Programme's website, including sections serving project partner search and implemented project database;
3. participating in communication initiatives of the EC, of INTERACT and/or

- national organisations of Hungary and Serbia (e.g. taking part in European Co-operation Day or similar programmes);
- 4. providing guidance to beneficiaries (mainly the LBs) in the proper use of the Programme's visual designs;
- 5. representing the Programme at national and international events, competitions, data collections etc.;
- 6. organising or contributing to the organisation of Programme events;
- 7. presenting and representing the Programme at regional level so that partners are able to collect information necessary for developing projects;
- 8. contributing to information and publicity actions at regional and local level both in Hungary and in Serbia;
- 9. acting as a contact point for project applicants and partners at regional level.

Activities will be carried out according to the Communication Strategy to be adopted by the JMC.

JS Antenna

The JS Antenna will be set up in Subotica, Serbia in order to ensure a geographically balanced implementation of the Programme through serving applicants' needs in the Serbian border area as well. In general, the JS Antenna contributes to the implementation of tasks delegated to JS. Tasks will be described in details in the Description of the Management and Control Systems and audit trails, and possibly further regulated in the internal procedure manual.

Activities of the JS Antenna will be financed from the TA budget of the Programme.

National level responsibilities:

Besides the above listed structures, the participating countries will bear responsibility for setting up the control system in order to validate the expenditures at national level and for ensuring co-financing.

National Authorities (NAs)

The NAs represent the participating countries in the Programme, i.e. Hungary and Serbia respectively. These authorities are the Prime Minister's Office, Deputy State Secretariat for International Affairs in Hungary and the European Integration Office (SEIO) Government of the Republic of Serbia.

The NAs carry out the following functions:

- 1. signing an agreement or Memorandum of Understanding (MoU) regulating the responsibilities between the participating countries;
- 2. contributing to the drafting of the Cooperation Programme as well as in its possible modifications, and participating at JMC meetings;
- 3. supporting dissemination of information about the Programme, implementing national level publicity actions;
- 4. setting up and operating a control system, to validate the expenditures at national level (project partner level and TA expenditure) and ensuring adequate financial sources for control activities under the TA budget in line with the approved financial structure of the CP;
- 5. being responsible for development of guidelines for specific national control, based on the Programme level guidelines developed by the JS;
- 6. ensuring obligatory co-financing for the TA according to the approved allocation of funds;

7. operating the payment system of the national co-financing for the TA including verification of expenditures and providing information on the national co-financing payment flows for the TA;
8. detecting and correcting irregularities, recovering amounts unduly paid as described in Section 5.5;
9. accessing and using the programme's IMIS monitoring and information system.

Control Bodies (CB)

In line with Article 37(1) of the IPA II Regulation, each partner State shall designate the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory (the 'controller(s)'). The MA shall ensure that the expenditure of each beneficiary participating in an operation has been verified by a designated controller. Each partner State shall be responsible for verifications carried out on its territory and the participating countries shall also ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned.

The responsible control body of each partner state checks the invoices or accounting documents of equivalent probative value submitted by the partner(s) and verifies the delivery of the products and services co-financed, the soundness of the expenditure declared, and the compliance of such expenditure and related (parts) of projects with relevant EU- and national rules. Verification carried out by the control bodies comprises of administrative and on-the-spot checks. The responsible control body of each participating country issues a declaration on validation of expenditure to the project partner according to the standard form of the Programme.

The designated controllers of the Programme will work in the frame of:

- Széchenyi Programme Office Nonprofit LLCd. in Hungary
- Department for Contracting and Financing of EU Funded Programmes – CFCU, Ministry of Finance, Government of the Republic of Serbia.

Control Bodies in SZPO will functionally be completely independent of the JS, keeping the institutional arrangements of the 2007-2013 period. There will be no conflict of interest among JS members and controllers.

Arrangements and procedures for programme's management, implementation and control

The detailed description of management and control system will be approved by the JMC after the CP will be endorsed and the JMC will be set up. As based on the findings of the on-going evaluation the management and control system of the 2007-2013 period complied with the applicable requirements and functioned effectively, existing arrangements and procedures will largely continue to be applied. Major principles are summarized herewith:

The working language of the programme is English.

Evaluation and selection of operations:

In the framework of the Programme, two types of procedures for selection of operations will be applied: open calls and restricted calls for strategic projects. Due to the strategic approach applied, a significant share of the Programme will be allocated to the restricted calls. Therefore, in order to ensure an efficient resource allocation and facilitate the timely start of strategic projects that are envisaged to be rather complex developments,

the first call to be launched shall be the restricted call. Partner states will endeavor to ensure, that the application package is prepared by the time when the JMC is set up, so that the JMC is able to endorse it shortly.

In case of both open calls and restricted calls, the eligibility criteria will be made available to applicants through a guide for applicants that shall be approved, by the JMC. Criteria for selection of operations shall be detailed in the evaluation manual to be approved by the JMC. Besides the guiding principles for the selection of operations detailed in Section 2 for each PA, projects including operations that are of integrated nature will be preferred in all PAs.

In case of the restricted call, due to the crucial importance of the successful implementation of strategic projects, stricter professional criteria shall apply, putting special emphasis on the following aspects:

- preparedness of the project
- experience of the LB
- composition and experience of the partnership
- direct contribution to indicators and to the specific objective of the respective PA
- cross-border relevance
- compliance with EU / national / regional strategies, policy priorities (e.g. EUDSR, Water Framework Directive etc.)
- projects capitalizing on the results of a preceding project financed by the 2007-2013 or the 2004-2006 predecessor programmes will be given advantage.

Complaint handling

The procedures set in place for the resolution of complaints are differentiated according to the object of the complaint.

Complaints related to assessment and selection: Project lead applicants will be informed in writing about the reasons why an application was not eligible or approved, providing details on the reason for non-eligibility/approval. Any complaint related to the assessment shall be submitted by the lead applicant to the MA that will examine and provide its position regarding the merit of the complaint. The MA has no right to overrule the decision of the MC. The MA has the right to give its opinion to the MC on the issue.

Complaints related to decisions made by the MA: Any complaints in relation to decisions made by the MA on the basis of the subsidy contract or MC decisions shall be submitted by the project applicant/beneficiary to the MA that will examine and provide in due time an answer (in collaboration with the MC and NA if necessary).

Complaints related to the national control system: Project LBs or PPs that have complaints related to the national control system set up in accordance with Article 23(4) of the ETC Regulation, can file a complaint to the National Authority following national procedures set in place in accordance with Article 74(3) of the CPR.

Further information on the procedure for the submission of complaints will be laid down in the relevant programme documents communicated to applicants and beneficiaries. Such procedures will be in line with addresses and guidance from EC as well as with national provisions on the matter.

The complaints received from parties other than beneficiaries or applicants within the programme will be managed by the MA in cooperation with NA if needed. The content

and the solutions proposed or already implemented will be reported to the MC.

Contracting:

After the approval of a project proposal by the JMC, the subsidy contract will be signed between the MA and the LB. The language of the contract is English. The financing contract will contain all the necessary information: legal framework; the objective of the financing; activities, work plan, maximum contribution; conditions for eligibility of costs; limits for changes within the budget; reporting requirements and deadlines; procedure for payment requests; rights and obligations of the LB; accounting documentation necessary; procedure for recoveries; publicity; ownership (including dissemination rights); rules on generation of revenues; assignment, legal succession and litigation; liability clauses etc. The final approved application documentation and the official approval of the project by the JMC will be part of the financing contract.

Procurement:

In line with Article 45 of Commission Implementing Regulation (EU) No 447/2014., for the award of service, supply and work contracts, by beneficiaries the procurement procedures shall follow the provisions of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012 which apply in the whole programme area, both on the Member State and on the IPA II beneficiary/ies' territory. For the award of service, supply and work contracts by the managing authority under the specific budget allocation for technical assistance operations, the procurement procedures applied by the managing authority may either be those referred to in paragraph 1 of Article 45 of Regulation (EU) No 447/2014 or those of its national law.”

Reporting, monitoring and payment:

The monitoring of the Programme will be done through the IMIS system that will collect project-level technical and financial information. The reporting will be provided by the LB on behalf of the entire partnership, through periodical and final reporting submitted to the JS. The JS will check the compliance of the reports and approve them. The data of the reports will be stored in the system that in turn will generate, based on it, the reports to be submitted to the EC. The JS will monitor the project implementation with the involvement of JS Antenna. Payment to LBs will be made by the Certifying Authority.

5.5 Apportionment of liabilities among partner States in case of financial corrections imposed by the managing authority or the Commission

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

In accordance with Article 27 of EU Regulation No 1299/2013, the MA shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole beneficiary. Beneficiaries shall repay to the LB any amounts unduly paid.

If the LB does not succeed in securing repayment from other beneficiaries or if the MA does not succeed in securing repayment from the lead or sole beneficiary, the partner State on whose territory the beneficiary concerned is located shall reimburse the MA any amounts unduly paid to that beneficiary. The MA shall be responsible for reimbursing the amounts concerned to the general budget of the Union.

In line with Article 122 of EU Regulation No. 1303/2013, when amounts unduly paid to a beneficiary cannot be recovered the respective partner State shall be responsible for reimbursing the amounts concerned to the budget of the EU.

Within one month from the adoption of the Programme by the EC, the partner State shall inform the MA about the authority (including the name and address of the organization, name, position, telephone and fax numbers of the person) responsible for repayment of amounts unused or unduly paid in case of an unsuccessful recovery procedure between the MA and the LB. The MA shall be informed on any changes in the above data within five working days.

In case the EC decides on financial corrections and repayments, the CA and the MA will determine the partner States' financial liabilities, based on the audit report or any other form of correspondence from the Commission. According to the decision the partner State shall be responsible for the repayment of the amount specified as soon as possible but within 1 year the latest.

Partner States may decide not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the Funds.

The MS/Partner Country will bear liability in connection with the use of the programme IPA funding as follows:

- Each MS/partner country bears liability for possible financial consequences of irregularities caused by the beneficiary located on its territory in the proportion of IPA claim to the EC for the period, which forms the basis for the financial correction.
- For a systemic irregularity or financial correction on programme level that cannot be linked to a specific MS the liability shall be jointly and equally borne by the MS and Partner Country.
- For TA expenditure incurred by the MA/JS//JS Antenna , the liability related to administrative irregularities shall be borne by the MA/JS//JS Antenna, respectively.
- For TA expenditure incurred by the AA, the liability shall be borne by the AA.
- For TA expenditure incurred by the CA, the liability shall be borne by the CA.
- For TA expenditure incurred by the MS/Partner Country (including FLC) the liability shall be borne by the MS/ Partner Country (including FLC) concerned.

Specific procedures in this respect will be laid down in the agreement between Hungary

and Serbia and will also be part of the description of the management and control system.

5.6 Use of the Euro (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

Method chosen for the conversion of expenditure incurred in another currency than the Euro: Article 28 point (b) of EU Regulation No 1299/2013.

According to Article 46(2) of the IPA II Implementing Regulation, Article 28 point (b) of EU Regulation No 1299/2013 concerning the use of euro shall apply, meaning that expenditures shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the controller in accordance with Article 23 of that Regulation.

The conversion shall be verified by the MA or by the controller in the partner State in which the beneficiary is located.

The exchange rate shall be published electronically by the EC each month. Due to the fact that neither Hungary nor Serbia have yet adopted the Euro, the above detailed exchange method will be used.

In case when the Euro becomes the currency of a Member State, the conversion procedure set out in paragraph 1 of Article 133 of EU Regulation 1303/2013 shall continue to apply to all expenditure recorded in the accounts by the CA before the date of entry into force of the fixed conversion rate between the national currency and the Euro.

5.7 Involvement of partners

(Reference: point (c) of Article 8(4) of Regulation (EU) No 1299/2013)

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the Joint Monitoring Committee

Partners and their roles in the preparation of the Programme

In accordance with the multi-level governance principle, the involvement of partners has been a central component throughout the development of the Programme. The programming process has been coordinated by the Task Force (TF) consisting of relevant ministries and regional/county level organizations from Hungary and Serbia. From Hungary these include the Prime Minister's Office, SZPO, the Ministry of Public Administration and Justice (and following a legal succession the Ministry for Foreign Affairs and Trade), the Ministry for National Economy, Csongrád County and Bács-Kiskun County. From Serbia, the institutions involved include the European Integration Office of the Government of the Republic of Serbia, the Ministry of Regional Development and Local Self-government, the Ministry of Energy, Development and Environmental Protection (and following a legal succession, the Ministry of Agriculture and Environmental Protection), the Ministry of Construction, Transport and Infrastructure, the Government of Autonomous Province of Vojvodina and the Standing Conference of Towns and Municipalities. The JS and the MA are also involved in the programming process. The planning work of the TF is assisted by an external consortium, which is composed of both Hungarian and Serbian experts.

The key milestones of the programming process are TF meetings with the participation of the TF members, programming and strategic environmental assessment experts (SEA experts) as well as ex ante evaluators. Furthermore, competent authorities related to specific themes discussed (e.g. road and railway developments) have been invited in an observer status to participate at thematically relevant Task Force meetings. The role of the TF – besides steering and strategically coordinating the planning process – was to discuss and approve the major outputs of the programming process (Inception Report, Situation Analysis including SWOT Analysis, working documents related to the strategy and the content of the draft Cooperation Programme).

The desk officer of the EC responsible for the Programme has been systematically involved into the process and has been informed about the status and achievements of the programming through written communication and participation at specific TF meetings.

The Secretariat of the EUSDR Ministerial Commissioner, representing the EUSDR, the most relevant macro-regional strategy for the programme area has also been involved in the programming process in order to align the formulation of the Programme to the objectives of the EUSDR.

Furthermore, from the beginning of the preparation process of the Programme stakeholders as listed below from both sides of the border have been directly and actively involved in line with the provisions of the Code of Conduct and based on the valuable contribution of the TF and the JTS of the 2007-2013 Programme (based on their local knowledge and experience with the 2007-2013 Programme):

1. regional or county level and local public authorities, largest cities, micro regions,

- representatives of higher education institutions, research centres and other public authorities responsible for the application of horizontal principles;
- 2. relevant economic and social partners, cluster organizations, chambers of commerce and business associations;
- 3. relevant civil organizations, NGOs (environment, energy, labour, social issues including social inclusion, health, culture, ethnic cooperation, education).

The involvement of these stakeholders has been carried out through a series of workshops, interviews and online public consultation in order to generate an active dialogue with them (e.g. identifying local challenges and development needs, concrete actions and project ideas, existing and potential applicants and cooperation networks etc.).

Workshops organised for involvement of the stakeholders in the programming process:

- WS 1: discussion about key features of the regional analysis and SWOT; 11 July 2013 (more than 60 participants)
- WS 2: 3 county/regional level workshops: discussion of the proposed structure of the objectives and the expectations regarding the content of the priority axes (24, 26 September, 2 October 2013) (altogether close to 100 participants)
- WS 3: discussion about the content of the proposed priority axes, 26 November 2013 (over 130 participants)
- WS 4 and WS 5: discussion of the content and proposed actions of the Draft CP, 14 and 19 August 2014.

WS3 had a significant role in the programming process. This WS provided a common forum to the Serbian and Hungarian stakeholders to discuss in details the priority axes and to propose actions to be implemented within the CP. Some key statements of WS 3 that were incorporated into the Programme are listed below:

PA1:

- Dealing with waters is a very important issue in environmental protection, monitoring of surface water and groundwater is necessary;
- Impact of waters on agriculture and tourism was highlighted.

PA2:

- Joining efforts, advancing in small steps (smaller investments and developments) can lead to good ideas and results;
- The use of small border crossings should be emphasized and further developed (unburden larger border crossings, especially during peak season);
- Construction of cycling paths has started but not finished yet. It is necessary to work on the completion of these works.

PA3:

- R&D should contribute to SME development and competitiveness of the regional economy;
- Development of the workforce, adult education and training is important.

PA4:

- Cultural heritage have to be promoted in order to become attractive for tourists;
- People to people actions were among the most successful areas of cooperation

and proved to be sustainable.

Related to potential strategic relevance projects a series of consultation actions have been carried out in the form of meetings and phone consultations, through operating a permanent help-desk service, as well as organizing common preparation and evaluation sessions.

Key decision makers, stakeholders (county presidents, representatives of line ministries, National Authorities etc.) have been repeatedly interviewed in line with the progress of the programming process.

4 newsletters were disseminated in order to inform the wider public about the status of the programming process, with a possibility to raise questions. An online public consultation was launched to explore the comments and views of the public on the draft CP. The conclusions of these consultations were considered and processed by the external expert consortium responsible for programming and incorporated in the Programme where relevant. The comments were mainly supportive, proposing minor adjustments in the formulation of eligible activities or potential target groups. Some comments were touching issues that are for consideration during the implementation (e.g. in the calls for proposals or throughout monitoring).

Partners and their roles in the implementation of the Programme

In application of the Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European Code of Conduct on Partnership in the framework of the European Structural and Investment Funds, relevant partners from both participating countries shall be involved in the preparation and implementation of the Programme, including their participation in the JMC.

The partner States intend to ensure close cooperation between public authorities at national, regional and local levels in both participating countries and with the private and other sectors.

Relevant partners have been identified as follows:

1. competent national, regional, local, urban and other public authorities;
 - national level actors include line ministries from sectors targeted by the interventions of the Programme (e.g. environment, economy, regional development),
 - regional level representatives from counties and AP Vojvodina,
 - larger cities,
 - higher education institutions and research centres
1. economic and social partners;
2. commercial and industrial chambers;
3. civil society organisations.

In the 2007-2013 programming period competent authorities from national, regional and local level were participating in the work of the JMSC. The existing JMSC will be widened to ensure inclusion of relevant partners for the 2014-2020 period. The full setup and the concrete roles of all the partners will be included and represented in the work of the JMC and will be specified in the Rules of Procedures of the JMC.

Institutional coordination mechanism

The Prime Minister's Office (in Hungary, PMO) and the Serbian European Integration Office of the Government of Serbia (in Serbia, SEIO) supported by the work of Joint Monitoring Committees, Joint Secretariats, Controlling and other Programme Bodies will be used as a permanent coordination mechanisms, ensuring overall coordination and monitoring of implementation of ESI and IPA funds (mainstream operational programmes and cooperation programmes under the IPA and ERDF) and other Union and relevant national funding instruments.

Furthermore In line with the EU Regulation No. 1303/2013 Article 123 (8) the role and responsibilities of a Coordinating Body are fulfilled by the Prime Minister's Office (PMO). It means that the most important tasks of coordination are in one hand, at the PMO, separately from the organizations responsible for the technical implementation of the programmes. The department responsible for the Cross-border Cooperation Programs designated by the Government resolution No. 27/2014. (II.7) operates within the PMO as well. Furthermore when EAFRD is considered, the Regulation (EU) No 1305/2013 will be taken into account.

In the planning phase, the PMO was responsible to draft and negotiate the PA – mainly through its Department for Implementation of International Cooperation Programmes – and coordinated the programming process of all cross-border cooperation programme Hungary participates in.

As it is introduced in Section 1.1.1 of the CP within the Contribution to the relevant Partnership Agreement and Country Strategic Paper(s) subsection, there is a need to coordinate the implementation of CP and national mainstream OPs in order to avoid the double financing of the projects and ensure the synergies between the programmes. The coordination can be especially relevant

1. during the phase of drafting the call for proposals to harmonize the terms and conditions of supporting similar actions and make distinctions between support schemes
2. during the project assessment period to make a cross check between the programmes to avoid the double financing of the same activities

In Hungary the PMO will, in the implementation phase, continue its ongoing coordination by

- internal work processes and meetings to harmonise implementation of all CBC programmes with Hungarian participation
- organizing and chairing regular official meetings of main Hungarian governmental and regional stakeholders of the CP
- in cases when higher level decision is required, preparing official submissions to Governmental Committee for National Development responsible for ensuring the coordinated use of ESI funds on the basis of Government Decree 272/2014 (XI.5), on the rules of management of support from certain EU funds of the 2014 – 2020 period)

Hungary will use a Territorial Selection Mechanism to be used in the national OPs, more specifically in the Territorial Developments OP, referred to also by Government Decree 272/2014 (XI.5), with the aim of encouraging the coordinated exploitation of territorial development potentials and management of territorial problems. County level administrations and county assemblies – operating at NUTS III level are expected to have a decisive role in developing and selecting projects to be supported by this OP, in line with their predefined integrated development strategy. In the same time these

institutions are represented in the Monitoring Committee of the CBC programme, too, with extensive responsibilities in selecting projects. In Hungary, therefore, county administrations have the best view on the planned developments to create synergies between potential interventions, on the basis of their integrated strategies, by promoting relevant projects in the Territorial OP and the CBC programme in a harmonised way.

In Serbia, the European Integration Office coordinates IPA assistance and will use the monitoring system to prevent double financing. In addition to this, the JMC representatives from Serbia are those involved in EU affairs, as well as programming and use of funds related to other IPA policy areas and will contribute to complementarity.

In addition to that coordination will be ensured by occasionally inviting the programme authorities to the MC meetings or having regular national level consultation in specific topics prior to JMC meetings and decisions.

SECTION 6. HORIZONTAL PRINCIPLES

(Reference : Article 8(7) of Regulation (EU) No 1299/2013)

6.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

The SEA was carried out in parallel with the programming process. The programme document took into consideration the proposals of the SEA process. The SEA report defined that the main focus of the Programme is the protection and enhancement of the environment, creation of favourable conditions for economic activities (agriculture, tourism) and support of sustainable transport modes.

PAs contribute to the sustainable development of the CBR, as follows:

PA1:

- preserving quality of water (following the Water Framework Directive), which is demonstrated with the following examples
 - Investment in the green infrastructure for natural water retention (restoration of flood plains and wetlands, afforestation) will be considered. The planned investments should fit to the Danube flood risk mngmnt plan (FRMP) for the period 16-21.
 - For any project that modifies the hydro-morphological characteristics of a water body causing deterioration of its status, an appropriate analysis is required by Article 4(7) of Water Mngmnt Dir. 2000/60/EC and it should be carried out as early as possible in the planning process. This will entail the analysis of alternatives (better environmental options), the setting-up of necessary mitigation measures and a justification of the importance of the project for the overriding public interest.
 - Navigation projects should take into account the WFD requirements (Dir. 2000/60/EC), and in particular the conditions of Article 4(7), where relevant.
- preventing risks and damages caused by climate change
- preserving natural habitats and ecosystems
- promoting renewable energy where it is applicable in a sustainable way

In case of any use of solid biomass the emission limit values developed under the eco-design directive (Dir. 2009/125/EC) will be applied

During implementation the national air quality plans (under Dir. 2008/50/EC) and national air pollution control programmes (linked to reaching compliance with NEC) will be considered.

PA2:

- harmonising transport development plans in order to decrease CO₂ emissions, ensure inter-connectivity, enable easier and cheaper access to markets
- improving quality of service and safety for passengers, especially in case of public transport
- improving railway transport in the border region

Navigation projects should take into account the WFD requirements (Dir. 2000/60/EC), and in particular the conditions of Article 4(7).

PA3:

All activities will pay special attention to promoting sustainable utilisation and development of natural and cultural heritage, while protecting and maintaining the functionality of the ecological network.

When improving the accessibility of tourist attractions, the environmental friendly transport solutions will be preferred. This approach is in line with the sustainable urban or regional mobility plans to be linked to air quality plans under Dir. 2008/50/EC (or equivalent).

PA4:

- promotion clean and green technologies, technologies that decrease industrial pollution, chemical pollution, thus contribute to the improvement of air quality etc.
- education, training and support services in the context of environment protection and sustainable development

Sustainable development will further be considered during the assessment and selection of projects as well as the monitoring of implementation based on the following principles:

- Preference for projects demonstrating resource efficiency and sustainability will be considered both during implementation and maintenance.
- The measures and actions which harm the environment cannot be supported. The Programme encourages the actions which promote and contribute to environmentally sustainable development. In case of major investments environmental impact analysis should be taken into consideration during the assessment of project proposals. Application of compensatory measures and the intent to moderate damages shall be presented in the project proposal, where relevant (related to catchment areas in case of water quality protection measures under PA1, or related to nature protection areas in case of touristic utilization of natural heritage under PA3);
- Climate-friendly architectural solutions (e.g. the use of silent road surface, passive noise reduction, impermeable rainwater drains, etc.), application of renewable energy produced solutions (heating systems, small plants) and in case of construction, buildings fitting into the landscape shall be considered. It is desirable that modern, up to date green technology is used to the investments.
- During the implementation of the projects the use of sustainable procurement (green public proc.) will be taken into account.
- It is recommend for projects involving purchasing products that these products should comply with the energy efficiency requirements set out in Annex III of the Energy Efficiency Dir. (2012/27/EU) for products subject to public procurement. If a project involves building construction and renovation, cost-optimal levels of energy performance according to Dir. 2010/31/EU are required.

The project AF will include a section, in which the applicants have to describe the project's contribution to sustainable development. During quality assessment it will be evaluated, how far sustainability is addressed in the project's design and the planned activities, and whether the applicants' statement is justified. The Programme may also define action specific indicators in the CfP and GfA for measuring and monitoring the

contribution of the implemented projects to sust. development.

6.2 Equal opportunities and non-discrimination

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

The Programme will consider the principles of equal opportunities and non-discrimination and ensure that these are taken into account in all phases of its implementation, as well as in terms of Programme management (PA 5). Needs of various target groups at risk of discrimination and the requirements ensuring accessibility for persons with disabilities will be respected.

During the programming process, special attention has been given to promotion of the principles of equal opportunities and non-discrimination in all phases: in selection of target groups and potential beneficiaries, in design of types of activities and in the consultation process. During programme implementation, all projects will be obliged to avoid discrimination of any kind and to ensure that their activities comply with the principles of equal opportunities. Besides, PA specific selection criteria will be applied, ensuring that interventions contributing to equal opportunities and non-discrimination of vulnerable groups (including ethnic minorities, disabled people, elderly people, children, women, unemployed, etc. as relevant for the action) are preferred.

In case of *PA1: Improving the cross-border water management and risk prevention systems* preference shall be given to projects:

- promoting social inclusion of vulnerable groups that might be affected by climate change or any type of environmental risk (pollution, flood, draught, etc.)
- affecting underprivileged territories with a larger share of population belonging to vulnerable groups
- providing access for disabled persons to nature protection sites
- ensuring access to information and education to vulnerable groups regarding pollution, risk prevention, nature protection etc.

In case of *PA2: Decreasing the bottlenecks of cross-border traffic* preference shall be given to projects

- providing citizens in remote areas with easier and shorter transport modalities
- taking into account special needs of specific target groups (e.g. bus or railway stations or communication forms for disabled people)
- affecting underprivileged territories with a larger share of population belonging to vulnerable groups

In case of *PA3: Encouraging tourism and cultural heritage cooperation* preference shall be given to projects

- fostering cultural cooperation with minority groups
- presenting and promoting the cultural heritage of ethnic minorities
- enabling access to information and education for vulnerable groups
- enabling access for disabled persons to cultural sites and events
- fostering activities for children and youth in order to promote and educate social integration and cooperation
- affecting underprivileged territories with a larger share of population belonging

to vulnerable groups

In case of *PA4: Enhancing SMEs competitiveness through innovation driven development* preference shall be given to projects

- including innovative actions which help the daily life of vulnerable groups or provide them with special services
- promoting entrepreneurship and self-employment of vulnerable groups (especially youth and women)
- contributing to the creation of employment opportunities to vulnerable groups
- involving partners which are committed to ensure non-discrimination and equal opportunities at their organisation (e.g. having relevant policies, internal regulations in place; employing disabled people, etc.)
- involving vulnerable groups in project activities such as trainings, scholarships, etc.

The project application form will include a section, in which the applicants have to describe the project's contribution to equal opportunities and non-discrimination. During quality assessment it will be evaluated, how far equal opportunities and non-discrimination is addressed in the project's design and the planned activities, and whether the applicants' statement is justified. The Programme may also define action specific indicators in the Call for Proposals and Guidelines for Applicants for measuring and monitoring the contribution of the implemented projects to equal opportunities and non-discrimination.

6.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

The principle of gender equality will be applied throughout the implementation of the Programme, as well as in terms of Programme management (PA 5). Generally, all projects will be obliged to avoid discrimination of any kind, and to ensure that their activities comply with the principles of equality between men and women.

The application form will include a section, in which the applicants have to describe the project's contribution to equality between men and women. During quality assessment it will be evaluated, how far equality between men and women is addressed in the project's design and the planned activities, and whether the applicants' statement is justified.

The programme will measure the involvement of men and women in its monitoring and evaluation processes, as relevant. For this reason, Programme the Call for Proposals and Guidelines for Applicants may define action specific indicators for measuring and monitoring the contribution of the implemented projects to equality between men and women (e.g. number of women and men participating in training or scholarship programmes, number of companies or research and innovation institutions having women manager, women participants in research programmes, etc.).

SECTION 7 SEPARATE ELEMENTS

7.1 Major projects to be implemented during the programming period

Table 24 - List of major projects

Title	Planned notification /submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Thematic Priorities
-------	---	---	---	-------------------------------------

7.2 Performance framework of the cooperation programme

Table 25 – Performance framework (summary table)

Priority axis	Indicator or Key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
PA 1	FI1 - Eligible certified IPA funding of the PA 1 "Improving the cross-border water management and risk prevention systems"	EUR	1 917 101	26,470,589.00
PA 1	KS1.2 - Number of projects contracted related to the improvement of the water management system's physical infrastructure in the cross border region	Pieces	4	6.00
PA 1	OI1.2 - Length of new or improved water management system	metres	0	6,000.00
PA 2	FI 2 - Eligible certified expenditure of the priority axis 2 "Decreasing the bottlenecks of cross-border traffic"	EUR	1 235 465	17,058,824.00
PA 2	KS2.2 - Number of projects contracted related to the improvement of physical infrastructure of border crossing roads	Pieces	1	2.00
PA 2	OI2.2 - Total length of newly built roads	kilometres	0	3.00
PA 2	OI2.3 - Total length of reconstructed or upgraded roads	kilometres	0	2.00
PA 3	FI 3 - Eligible certified expenditure of the priority axis 3 "Encouraging tourism and cultural heritage"	EUR	1 082 097	12,700,000.00
PA 3	OI3.2 - Number of joint cultural, recreational and other types of community events and actions organised	events	20	200.00
PA 4	FI 4 - Eligible certified expenditure of the priority axis 4 "Enhancing SMEs' economic competitiveness through innovation driven development"	EUR	759 308	10,484,236.00
PA 4	OI4.1 - Number of enterprises cooperating with research institutions	enterprises	10	35.00

7.3 Relevant partners involved in the preparation of the cooperation programme

Not relevant

Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
1st Modification of the Interreg-IPA Hungary-Serbia Programme	Cooperation programme proposal	06-Jun-2017		Ares(2017)29871-46	Interreg-IPA HUSRB Programme_1st Modification	14-Jun-2017	ntocrzsu

Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Citizen's summary of the Interreg-IPA HUSRB Programme	Citizens' summary	1.1	02-Apr-2015		Ares(2015)4278810	Citizen's summary	14-Oct-2015	npalfiag
Annex of the Ex-ante evaluation	Report of the ex-ante evaluation	1.2	02-Apr-2015		Ares(2015)4717587	Annex of the Ex-ante evaluation	30-Oct-2015	npalfiag
Programme Snapshot of data before send 2014TC1615CB001 2.0	Snapshot of data before send	2.0	14-Jun-2017		Ares(2017)2987146	Programme Snapshot of data before send 2014TC1615CB001 2.0 hu	14-Jun-2017	ntocrzsu
Agreement to the content of the CP from Hungary	Confirmation of agreement in writing to the contents of the cooperation programme	1.3	26-Nov-2015		Ares(2015)5417589	Agreement to the content of the CP from Hungary	27-Nov-2015	nhossfor

