

# INTERREG-IPA Cross-Border Cooperation Programme Hungary-Serbia

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## **Guidelines for Applicants**

**for the 2nd Call for Proposals  
launched on 03/10/2016**

Reference number of the Call for Proposals: HUSRB/1602

## TABLE OF CONTENTS

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<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>1. INTERREG-IPA CROSS-BORDER COOPERATION PROGRAMME HUNGARY-SERBIA .....</b>	<b>4</b>
<b>1.1 BACKGROUND.....</b>	<b>4</b>
<b>1.2 BASIC DEFINITIONS OF TERMS USED IN THE GUIDELINES FOR APPLICANTS.....</b>	<b>5</b>
<b>1.3 OBJECTIVES AND PRIORITIES OF THE PROGRAMME.....</b>	<b>6</b>
<b>1.4 PROGRAMME LEVEL INDICATORS.....</b>	<b>19</b>
<b>1.5 FINANCIAL ALLOCATION OF THE PRESENT CALL FOR PROPOSALS .....</b>	<b>20</b>
<b>1.6 PROGRAMME AREA .....</b>	<b>21</b>
<b>2. ELIGIBILITY OF APPLICANTS.....</b>	<b>22</b>
<b>2.1 GENERAL ELIGIBILITY OF APPLICANTS .....</b>	<b>22</b>
<b>2.2 GROUNDS FOR EXCLUSION .....</b>	<b>24</b>
<b>2.3 SUMMARY OF ELIGIBILITY OF APPLICANTS .....</b>	<b>25</b>
<b>3. ELIGIBILITY OF PARTNERSHIPS .....</b>	<b>26</b>
<b>4. PROJECT DURATION .....</b>	<b>28</b>
<b>5. INDICATORS.....</b>	<b>29</b>
<b>5.1 HORIZONTAL PRINCIPLES AND OBJECTIVES TO BE RESPECTED BY ALL APPLICANTS .....</b>	<b>30</b>
<b>5.1.2 GLOSSARY OF TERMS AND PRACTICAL AND GENERAL GUIDELINES .....</b>	<b>30</b>
<b>5.1.3 SUSTAINABLE DEVELOPMENT .....</b>	<b>32</b>
<b>5.1.4 EQUAL OPPORTUNITIES AND NON-DISCRIMINATION .....</b>	<b>35</b>
<b>5.1.5 EQUALITY BETWEEN MEN AND WOMEN .....</b>	<b>37</b>
<b>5.1.6 CONTRIBUTION TO THE HORIZONTAL PRINCIPLES: NEGATIVE, NEUTRAL AND PROACTIVELY POSITIVE.....</b>	<b>37</b>
<b>5.1.7 ASSESSMENT OF THE CONTRIBUTION TO THE HORIZONTAL PRINCIPLES .....</b>	<b>40</b>
<b>6. SOURCES OF FUNDING .....</b>	<b>41</b>
<b>6.1 REVENUE GENERATING PROJECTS .....</b>	<b>42</b>
<b>6.2 APPLICABLE STATE AID RULES.....</b>	<b>42</b>
<b>7. MANAGEMENT STRUCTURE OF THE PROGRAMME.....</b>	<b>44</b>
<b>8. SUBMISSION OF THE APPLICATIONS .....</b>	<b>45</b>
<b>8.1 PROJECT DEVELOPMENT ASSISTANCE.....</b>	<b>45</b>
<b>8.2 AVAILABLE INFORMATION AND CONTACTS RELATED TO THE CALL FOR PROPOSALS .....</b>	<b>45</b>
<b>8.3 APPROVAL OF DATA MANAGEMENT / PRIVACY POLICY .....</b>	<b>46</b>
<b>8.4 LIST OF DOCUMENTS TO BE SUBMITTED .....</b>	<b>47</b>
<b>8.5 DEADLINE FOR THE SUBMISSION OF APPLICATIONS .....</b>	<b>52</b>

<b>9. ASSESSMENT, SELECTION, CONTRACTING .....</b>	<b>53</b>
<b>9.1 PRE-SELECTION STAGE .....</b>	<b>53</b>
<b>9.2 ASSESSMENT PROCESS, EVALUATION GRIDS .....</b>	<b>53</b>
<b>9.2.1 FORMAL OR ADMINISTRATIVE ASSESSMENT .....</b>	<b>54</b>
<b>9.2.2 QUALITY ASSESSMENT .....</b>	<b>55</b>
<b>9.3 DECISION ON SELECTED PROJECTS .....</b>	<b>57</b>
<b>9.3.1 VERIFICATION OF ELIGIBILITY .....</b>	<b>57</b>
<b>9.4 HANDLING COMPLAINTS.....</b>	<b>58</b>
<b>9.5 PREPARATION FOR CONTRACTING .....</b>	<b>60</b>
<b>9.6 CONTRACTING OF IPA SUBSIDY .....</b>	<b>62</b>
<b>9.7 CONTRACTING OF NATIONAL STATE CO-FINANCING (ONLY FOR BENEFICIARIES FROM HUNGARY).....</b>	<b>62</b>
<b>9.8 PUBLICATION OF THE CONTRACTED PROJECTS ON THE INTERNET .....</b>	<b>62</b>
<b>9.9 INDICATIVE TIMETABLE .....</b>	<b>63</b>
<b>10. IMPLEMENTATION OF PROJECTS .....</b>	<b>64</b>
<b>10.1 PROJECT ADVANCE .....</b>	<b>64</b>
<b>10.2 REPORTING AND PAYMENTS.....</b>	<b>65</b>
<b>10.3 PROCUREMENTS.....</b>	<b>66</b>
<b>10.4 INFORMATION AND PUBLICITY MEASURES.....</b>	<b>69</b>
<b>10.5 CONTRACT MODIFICATIONS.....</b>	<b>72</b>
<b>10.6 AUDITS AND SUSTAINABILITY OF PROJECT RESULTS.....</b>	<b>72</b>
<b>ANNEXES TO THE GUIDELINES FOR APPLICANTS .....</b>	<b>74</b>
<b>APPENDICES TO THE GUIDELINES FOR APPLICANTS .....</b>	<b>75</b>
<b>APPENDIX A: LIST OF RELEVANT REGULATIONS .....</b>	<b>75</b>
<b>APPENDIX B: SPECIAL STIPULATIONS ON THE OWNERSHIP OF LAND AND BUILDINGS IN CASE OF PROJECTS HAVING INVESTMENT/WORKS ACTIVITIES .....</b>	<b>81</b>
<b>APPENDIX C: FORMAL ASSESSMENT GRID .....</b>	<b>84</b>
<b>APPENDIX D: QUALITY ASSESSMENT GRID .....</b>	<b>85</b>
<b>APPENDIX E: LIST OF ABBREVIATIONS .....</b>	<b>90</b>

## 1. INTERREG-IPA CROSS-BORDER COOPERATION PROGRAMME HUNGARY-SERBIA

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### 1.1 Background

The Interreg-IPA Cross-border Cooperation Programme Hungary-Serbia (*the Programme*) is implemented within the 2014-2020 European Union financial framework under the Instrument for Pre-accession Assistance (*IPA*). Established by the Regulation (EC) No 231/2014 of the European Parliament and of the Council and implemented according to Commission Implementing Regulation (EU) No 447/2014 (IPA II Implementing Regulation), this instrument for pre-accession assistance serves as a financial source both for candidate (among them Serbia) and potential candidate countries. IPA addresses five policy areas and 'regional and territorial cooperation' (including CBC) is one of them.

In the current Programme, Hungary and Serbia co-operate in a joint structure through shared management and joint decision making, with common financial resources available. The Programme summarizing the priorities and objectives, as well as the main implementation modalities has been developed mutually, and it was approved by the EC by its decision C(2015) 9488 on the 15<sup>th</sup> December 2015. The Programme is available on the Programme's official website: <http://www.interreg-ipa-husrb.com>.

#### NOTE!

The present Programme builds on the results of the Hungary-Serbia IPA CBC Programme 2007-2013 and on several planning documents relevant for the Programme area. Most of the basic requirements remained the same as in the previously implemented Programme, but there are many specific details, which have been changed. Therefore, it is strongly recommended for all Applicants to read all the documents of the Application package.

In the Programme, the participating countries selected Thematic Priorities available in annex II of the IPA II establishing Regulation. Based on these Thematic Priorities the Programme lists **Priority Axes** focusing also on the indicative activities to be supported during Programme implementation.

The present Guidelines intends to provide detailed information to potential Applicants in the course of preparing, applying for and implementing joint **projects** in the framework of the Programme.

The present Guidelines were elaborated in line with the Programme and relevant legislation which is included in Appendix A of the present document. All Applicants must respect and follow the legislation governing the Programme and the provisions of the Call for Proposals and those of the present Guidelines.

## 1.2 Basic definitions of terms used in the Guidelines for Applicants

**Activities** are the actions (tasks) that have to be taken to produce results mainly at project or, if applicable, at project-part level. Therefore, the main identified activities are the summary of what the project must do – by means of applied inputs/resources – in order to deliver results. Thus results have to be expressed in terms of a tangible output ('delivered / produced / conducted, etc.') which are the measurable consequence of the activity ('to prepare / design / construct / conduct a research, etc.) being implemented.

**Applicant:** Under the present Call the term refers to **both** the potential Lead Beneficiary and the potential Beneficiaries (instead of the former term 'Project Partner' the term 'Beneficiary' is used) which are applying in a partnership for subsidy from the Programme's funds and which are fulfilling the same eligibility criteria.

**Application:** set of documents comprised of Application Form (with Annexes) and required supporting documents. Application Form needs to be filled in electronically via IMIS 2014-2020 Application Module available at <https://imis2014-2020.eu/imis-web/public#!foAppSrbLogin>

**Application Package:** Documents containing all provisions and relevant information for the present Call for Proposals available for download on the Programme's official web site: <http://www.interreg-ipa-husrb.com>. The Application Package is comprised of the following documents: Call for Proposals, Guidelines for Applicants with its Annexes, Eligibility Rules of expenditures.

**Partnership:** Projects have to be implemented in partnership (following the "Lead Beneficiary principle") including a Lead Beneficiary and Beneficiaries acting as partner(s). A partnership should be formed by at least two beneficiaries, one from each side of the border.

**Beneficiary:** a beneficiary organisation actively participating in the implementation of a project with a responsibility to properly implement its project part in particular and assisting the Lead Beneficiary in order to meet project level objectives.

**Lead Beneficiary:** the organisation assuming the leading role in the partnership, as defined by the "Lead Beneficiary principle" in the Article 40 of the IPA II Implementing Regulation. In accordance with this, all partnerships have to designate one beneficiary among them to act as the Lead Beneficiary who will submit the Application on behalf of the entire partnership and will be responsible for the overall project implementation towards the programme management structures. Nevertheless, the Lead Beneficiary also acts as a "Beneficiary" in connection to its own project part.

**Project:** this term refers to a coherent set of interconnected activities, directed towards a common goal and necessary for its achievement, implemented by the partnership in a defined timeframe and matched by the corresponding budget.

**Project part:** a group of activities within the project, implemented by a defined actor, i.e. one of the Beneficiaries, in a defined timeframe (indicated in the Application Form) and matched by the

corresponding budget (see separate budget tables for each Beneficiary in the Application Form). The implementation of a specific project part is the responsibility of the designated Beneficiary (including the Lead Beneficiary as well), both from a professional and a financial point of view. Moreover, each Beneficiary is responsible for any irregularity declared on the Beneficiary level report. The verification of project expenditures is conducted by the respective national Control Bodies at the Beneficiary level.

**Users' Manual:** The main objective of the Users' Manual is to provide instructions to the Applicants of the Interreg -IPA - CBC Hungary-Serbia Programme on how to use the IMIS 2014-2020 Monitoring and Information System. It is available for download on the Programme's official web site: <http://www.interreg-ipa-husrb.com>.

### **1.3 Objectives and Priorities of the Programme**

The long term and overall aim of the Programme is the "harmonized development of the region with intensified economic cooperation through sustainable use of natural and cultural resources".

In order to achieve this overall aim the following five specific objectives were defined:

- 1) Decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on quality of water bodies and nature protected areas
- 2) Increasing the capacities of border crossings and the connected transport lines through promoting development of road transport and use of sustainable transport modes (public transport, bicycle, water transport)
- 3) Creation of commonly coordinated cross-border tourism destinations based on the complementary local assets in order to ensure sustainable development of tourism potentials
- 4) Promoting co-operation activities in the field of culture, leisure, sport, and nature protection
- 5) Enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services

The different specific objectives are represented by different thematic priorities, while all projects supported by the Programme should also take into consideration the horizontal principles (see details in Chapter 5.1 of the present guidelines) set out in the Programme document.

The specific objectives are achieved through Priority Axes formulated in the Programme document as follows:

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

**PA 2: Decreasing the bottlenecks of cross-border traffic**

**PA 3: Encouraging tourism and cultural heritage cooperation**

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

Technical Assistance is formulated in the Programme document as PA 5 (**NOTE:** PA 5 is not subject of open Calls for Proposals, as it provides funding exclusively for the management of the Programme.)

**The present Call for Proposals is open for all Priority Axes (listed above) of the Programme.**

The below table summarizes the **Priority Axes**, the Specific Objectives of the Programme, and the **Actions** within which the project **activities** should be implemented. The indicative list of activities and the list of potential beneficiaries may help the orientation of the potential Applicants when planning their projects (Please also consult Chapter 2. 'Eligibility of Applicants' of the present Guidelines). The financial conditions of IPA contributions, namely the indicative maximum IPA allocation of the Priority Axes and the minimum and maximum amount of IPA contribution per project are highlighted as well.

**Priority Axis 1.**

**Improving cross-border water management and risk prevention systems**

*Specific objective of the PA 1. in the Co-operation Programme:*

Decreasing environmental risks (e.g. drought, flood, hail) and preventing negative effects on quality of water bodies and nature protected areas

**Action 1.1 Water management and protection against extreme weather conditions**

Indicative list of activities:

Collection of reliable information for improving the quality/quantity of groundwater and rivers/streams/canals and implementing relevant water management measures.

- 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 activities are the inhabitants of the region

**Potential beneficiaries** are water management authorities in partnership with the relevant public institutions and 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 activities can be implemented: establishment of new or reconstruction of existing water management systems, as watersheds and the connecting sluices and construction of related water quality monitoring systems. The investment shall contain restoration of the natural environment to redress or prevent the negative impact of the measures in water management on the environment. Developments involving renewable energy solutions will be supported. The actions can contain environmental friendly awareness-raising activities which have positive benefit for both water and air quality, e.g. awareness-raising campaigns for decreasing the fertiliser use..

**Target groups** of the activities are the inhabitants of the region

**Potential beneficiaries** are water management institutions and organisations, in partnership with national, county/regional and local governments if relevant, etc.

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. Within this Action 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 activities are the inhabitants of the region

**Potential beneficiaries** are water management institutions and organisations with involvement of the relevant national and regional authorities and local governments situated along the canals, etc.

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 activities are the inhabitants of the region, agricultural producers and enterprises.

**Potential beneficiaries** are national/county/local level governments in partnership with weather forecast institutions, hydro-meteorological organisations and agricultural organisations, public utility companies dealing with water supply and sanitation, etc.

**Minimum and maximum amount of the IPA subsidy per project: 500 000 – 1 500 000 EUR**

**Available IPA allocation within the present Call: 4 000 000 EUR**



### Action 1.2 Nature protection and conservation of water based habitats

Indicative list of activities:

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 activities are the inhabitants of the region.

**Potential beneficiaries** are nature protection organisations and institutions both state owned and civil society organisations, waste water treatment companies

**Minimum and maximum amount of the IPA subsidy per project: 100 000 – 500 000 EUR**

**Available IPA allocation within the present Call: 1 000 000 EUR**

### Priority Axis 2.

#### Decreasing the bottlenecks of cross-border traffic

*Specific objective of the PA 2. in the Co-operation Programme:*

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).

### Action 2.1 Border crossing points, roads and bicycle roads

Indicative list of activities:

Development of border crossing points and the relevant transport lines leading to the border point, e.g. 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, e.g. completing the existing bicycle routes (networks), or 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 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 activities are passengers, tourists, public and private transport companies, non-profit organisations and general public

**Potential beneficiaries** are public road management and development companies, national ,county/regional and local governments, border control and customs administrations, institutions and organisations which are maintaining the transport stations and operating public transport: bus and railway public transport companies, non-profit organizations dealing with shipping, etc.

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 these activities are manufacturing and logistics enterprises, and general public

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

**Minimum and maximum amount of the IPA subsidy per project: 500 000 – 3 000 000 EUR**

**Available IPA allocation within the present Call: 5 000 000 EUR**

## Action 2.2 Improving public transport services and railway lines

Indicative list of activities:

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 the activities are passengers, public and private transport companies and general public

**Potential beneficiaries** are national, county and regional level bodies, institutions and their organisations, 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 activity are passengers and railway companies

**Potential beneficiaries** are national, county/ regional level bodies and organisations owned by them, railway management and development public companies

Development of passenger information and service systems for the individual cross-border roads and public transport networks (bus, railway, biking, water transport)

**Target groups** of these activities are passengers, tourists, public and private transport companies,

**Potential beneficiaries** are public road management and development companies, national, county/regional and local governments, border control and customs administrations, institutions and organisations which are maintaining the transport stations and operating public transport: bus and railway public transport companies, institutions and organizations dealing with shipping

**Minimum and maximum amount of the IPA subsidy per project: 100 000 – 500 000 EUR**

**Available IPA allocation within the present Call: 1 000 000 EUR**

### Priority Axis 3.

#### Encouraging tourism and cultural heritage cooperation

*Specific objective of the PA 3. in the Co-operation Programme:*

*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*

#### Action 3.1 Tourist products, services and attractions based on cultural and natural heritage

Indicative list of activities:

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 activity are tourist attraction management organisations, enterprises interested in tourism sector, local governments

**Potential beneficiaries** are national, county, local tourism organisations with the involvement of the local tourism destination management associations, furthermore NGOs, and national, , county / regional and local level organizations(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, fluvial 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 region. 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 activities are tourism service providers, tourists and general public

**Potential beneficiaries** are local governments, national, county/regional level bodies and their institutions and 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 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 through 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 activities are tourism service providers and tourists, general public

**Potential beneficiaries** are national, county/regional and local level 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, museums, regional and local institutes for the protection of cultural monuments, local governments (if relevant).

**Minimum and maximum amount of the IPA subsidy per project: 100 000 – 500 000 EUR**

**Available IPA allocation within the present Call: 3 500 000 EUR**

### Action 3.2. Cooperation in the fields of cultural, community events, sport, leisure, nature protection

Indicative list of activities:

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).

**Target groups** of these activities are inhabitants, especially young people

**Potential beneficiaries** are NGOs, e.g. civil society organisations dealing with sport, culture, and youth affairs, as well as relevant regional/county 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 these activities are the inhabitants of the region

**Potential beneficiaries** are state owned organisations and institutions, regional/county level bodies and their organisations and institutions, 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 through, for example, 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. Preference is given to the developments which capitalize on the existing information systems, achievements, institutional frames and infrastructure located in settlements frequented by tourists.

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

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

**Minimum and maximum amount of the IPA subsidy per project: 40 000 – 200 000 EUR**

**Available IPA allocation within the present Call: 2 000 000 EUR**

**Priority Axis 4.**

**Enhancing SMEs' economic competitiveness through innovation driven development**

*Specific objective of the PA 3. in the Co-operation Programme:*

*Enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services.*

**NOTE! Under Priority Axis 4 the following type of projects contents cannot be supported:**

- Studies as stand-alone projects
- General business management trainings (for general purposes without scope or orientation)

**Action 4.1 Enhancing innovation through cooperation between SMEs and research institutions involving young people**

Indicative list of activities:

**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 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.) The trainings – as part of the business validation process – shall support transforming innovation projects' results to feasible business plans which contribute to the development of the border region. Participants in trainings shall present their final business plans as results of the trainings. Such training can also be organized as part of any projects under action 4.1 (as a complementary activity).

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 etc.).

**Target groups** of these activities are enterprises, especially SMEs; as well as young professionals, students, unemployed persons, especially young people who are seeking jobs in the border region, vulnerable groups and general public

**Potential beneficiaries** are economic clusters, business and innovation support organizations and institutions, in cooperation with R&D&I and higher education institutions, social enterprises, vocational and adult training organisations, labour market organisations which coordinate labour flows in the CBC area, local governments, NGOs in cooperation with education institutions, youth NGOs and youth offices in local self-governments, Regional Development Agencies, etc.

### **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.

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 activities 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, social enterprises, 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 activities are local SMEs, enterprises, local/county/regional governments and their specialized institutions, public organisations, knowledge (research) institutions, NGOs,

**Potential beneficiaries** are regional and local innovation organisations, business and innovation support organisations, national, county/ regional level bodies and their professional organisations, social enterprises, chambers of commerce, public organisations or NGOs with relevant professional background, clusters, local governments, local business associations, etc.

### **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 joint 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 activities are researchers, especially young researchers and students, young professionals/graduates, young entrepreneurs

**Potential beneficiaries** are R&D institutions, higher education organisations, chambers of commerce, business and innovation support organisations, enterprise development agencies, clusters/groups of companies, NGOs. Local business associations, etc.

### **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 activities 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** are relevant NGOs, professional organisations operating in agriculture and food processing (e.g. clusters, chambers of agriculture enterprises, non-profit agro-marketing organisations, agriculture cooperatives, craft cooperatives, customer cooperatives, consumer cooperatives, business and innovation support organisations etc.) in cooperation with R&D&I institutions, laboratories, higher education, vocational and adult training organisations, etc.

**Minimum and maximum amount of the IPA subsidy per project: 200 000 – 400 000 EUR**

**NOTE! Please, be noted that in case of Action 4.1 the infrastructure development (works) cannot exceed the 50% of the relevant project part's budget.**

**Available IPA allocation within the present Call: 2 500 000 EUR**

#### **Action 4.2 Encouraging and development of social entrepreneurship**

Indicative list of activities:

Having in mind the complex economic and social conditions that inhabitants of the border area live in, it is necessary to discover and apply new and innovative models to tackle these issues. One model which is becoming increasingly popular around the world and could be easily applied in the Programme area is social entrepreneurship. It combines innovation (disruptive innovation is the basis of social entrepreneurship in general, as well as of each individual social enterprise) with economic, marketable activity and a social cause. Social entrepreneurship must contain two important elements – it must be focused on achieving a social change (as its primary goal is not to gain profit but to make social impact) and it must contain the innovation which leads to the

resolution of previously unresolved social issue. Their activity is hybrid because it combines profit and non-profit elements, generating profit by working for public wellbeing.

Most of the social enterprises start with a good idea and very little resources, but with some support they are able to create work places, tackle inclusion of vulnerable groups, generate income and solve burning social problems. However, despite the obvious benefits of social entrepreneurship for society in general, its existence has not yet been legally regulated. The social enterprises are usually registered as NGOs, cooperatives, citizens associations, or in some rare cases, as L.t.d. -s (K.F.t. in Hungary and d.o.o. in Serbia). Therefore, the possible activities which could be supported within this priority, alongside the assistance to activities of social enterprises themselves, are also: advocacy initiatives, inclusion of minorities and other vulnerable groups, strategies and methods that help the decision makers to create or change policies, laws, regulations, distribution of resources or other decisions that affect social enterprises; raising awareness about the benefits of social entrepreneurship; introducing courses about social entrepreneurship in universities, etc.

**Target groups** of these activities are researchers, especially young researchers and students, young professionals/graduates, young entrepreneurs, vulnerable groups

**Potential beneficiaries:** social enterprises (non-profit organisations which employ people from disadvantaged groups - for the definition please consult the article 5.1.2 of the present Guidelines; organisations which are implementing activities to achieve positive social or environmental change, etc) public institutions and organizations, NGOs, national, local and county/regional governments, universities, chambers of commerce, social cooperatives etc.

**The output indicator** closely related to this action is 'Rate of persons from vulnerable groups involved in supported actions' but other indicator could be chosen if it is considered more relevant to the planned activities.

**Minimum and maximum amount of the IPA subsidy per project: 50 000 – 200 000 EUR**

**Available IPA allocation within the present Call: 2 500 000 EUR**

**Note that one Application can target only one Action!**

The list of activities described above is not exhaustive, other activities relevant for the Programme can be incorporated, and also Applicants can plan more activities.

## 1.4 Programme level indicators

Applicants have to choose an Action within the Priority Axis and also identify the target values of the Programme level **output** indicators. The following table summarizes the Actions within the Priority Axes and the Programme level output indicators.

<b>Actions and Output Indicators</b>	
<b>PA 1: Improving the cross-border water management and risk prevention systems</b>	
<b>1.1 Water management and protection against extreme weather conditions</b>	<b>1.2 Nature protection and conservation of water based habitats</b>
OI/1.1: Population benefiting from flood protection measures	
OI/1.2: Length of new or improved water management system	
OI/1.3: Area benefiting from modern hail protection measures	
OI/1.4: Surface area of habitats supported in order to attain a better conservation status	
<b>PA 2: Decreasing the bottlenecks of cross-border traffic</b>	
<b>2.1 Border crossing points, roads and bicycle roads</b>	<b>2.2 Improving public transport services and railway lines</b>
OI/2.1: Number of improved or newly built border crossing points	
OI/2.2: Total length of newly built roads	
OI/2.3: Total length of reconstructed or upgraded roads	
OI/2.4: Total length of newly built bicycle paths	
OI/2.5: Total length of the railway line affected by development plans	
OI/2.6: Number of improved public transport services	
<b>PA 3: Encouraging tourism and cultural heritage cooperation</b>	
<b>3.1 Tourist products, services and attractions based on cultural and natural heritage</b>	<b>3.2 Cooperation in the fields of cultural, community events, sport, leisure, nature protection</b>
OI/3.1: Number of visits to supported sites of cultural and natural heritage and attractions	
OI/3.2: Number of joint cultural, recreational and other types of community events and actions organized	
OI/3.3: Average monthly user entries to online communication tools developed	
<b>PA 4: Enhancing SMEs' economic competitiveness through innovation driven development</b>	
<b>4.1 Enhancing innovation through cooperation between SMEs and research institutions involving young people</b>	<b>4.2 Encouraging and development of social entrepreneurship</b>
OI/4.1: Number of enterprises cooperating with research institutions	
OI/4.2: Number of organisations actively participating in the work of the "knowledge platforms"	
OI/4.3: Number of months spent in the institutions and companies on the other side of the border through scholarships	
OI/4.4: Rate of persons from vulnerable groups involved in supported actions	

Programme level **result** indicators are defined by the relevant Priority Axis and Action selected by the Applicant, therefore **result indicators cannot be chosen**. Programme result indicators will be measured during the Programme implementation by the Programme bodies.

**NOTE!** You have to choose at least one Output Indicator relevant for your project from the set of indicators listed next to the given Action in the above table. Choosing more indicators not necessarily means advantage during quality assessment.  
For further information about indicators please consult Chapter 5. of the present Guidelines.

## 1.5 Financial allocation of the present Call for Proposals

The total available IPA amount for the present Call for Proposals is **21 500 000 EUR**. The below table shows the **indicative distribution** of the total available IPA amount between the Priority Axes, indicating the **minimum and maximum IPA support** per project.

Priority Axis (PA)	Minimum and maximum IPA contribution per project (EUR)		Planned allocation for projects within the PA (EUR)
PA 1: Improving the cross-border water management and risk prevention systems	<b>Action 1.1:</b>	500 000 – 1 500 000	4 000 000
	<b>Action 1.2:</b>	100 000 – 500 000	1 000 000
PA 2: Decreasing the bottlenecks of cross-border traffic	<b>Action 2.1:</b>	500 000 – 3 000 000	5 000 000
	<b>Action 2.2:</b>	100 000 – 500 000	1 000 000
PA 3: Encouraging tourism and cultural heritage cooperation	<b>Action 3.1:</b>	100 000 – 500 000	3 500 000
	<b>Action 3.2:</b>	40 000 – 200 000	2 000 000
PA 4: Enhancing SMEs' economic competitiveness through innovation driven development	<b>Action 4.1:</b>	200 000 – 400 000	2 500 000
	<b>Action 4.2:</b>	50 000 – 200 000	2 500 000
<b>Total:</b>			<b>21 500 000</b>



Any IPA support awarded for projects under this Call for Proposals must take into consideration the minimum IPA budget and must not exceed 85% of the total approved budget.

In case the indicative amount allocated to a Priority Axis cannot be used due to insufficient quality or number of received Applications, the Joint Monitoring Committee (JMC) reserves the right to reallocate the remaining funds to future Call for Proposals' allocation at the later stage of Programme implementation. Furthermore, the JMC reserves the right not to award all available funds.

## 1.6 Programme area

On the **Hungarian** side the eligible area covers the following counties:

- Csongrád
- Bács-Kiskun

On the **Serbian** side the eligible area covers the following NUTS III level equivalent regions:

- West Bačka (Zapadnobački upravni okrug),
- North Bačka (Severnobački upravni okrug),
- North Banat (Severnobanatski upravni okrug),
- South Bačka (Južnobački upravni okrug),
- Middle Banat (Srednjobanatski upravni okrug),
- South Banat (Južnobanatski upravni okrug),
- Srem (Sremski upravni okrug)



Note that the category “adjacent region” introduced in the previously implemented Programme does not exist in the present Programme, thus the conditions for the Applicants from Srem and South Banat are the same as the conditions for the Applicants from any other region of the Programme area.

## 2. ELIGIBILITY OF APPLICANTS

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### 2.1 General eligibility of Applicants

Applicants have to fulfil eligibility criteria with respect to their legal status, their operational background, their geographical location and their professional and financial background. At the same time, they must not be subject to any of the exclusion criteria. Last, but not least, the proposed partnership has to meet the respective requirements.

**Each Applicant** has to fulfil all of the following criteria:

- be a legal person and
- be non-profit making<sup>1</sup> and
- be directly responsible for the preparation and management of the proposed project activities both from a professional and financial point of view and must not act as intermediaries and
- in general, the following organisations are eligible to apply for the EU contribution allocated to the Programme:
  - 1) **Public authorities**, meaning legal entities established and governed by public law, assigned with special competencies and performing tasks in public interest; **or**
  - 2) **Bodies governed by public law**, meaning organisations
    - established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character,
    - having legal personality, and
    - which are either
      - financed, for the most part, by the state, regional or local authorities or by other bodies governed by public law; or
      - subject to management supervision by those bodies; or
      - have an administrative, managerial or supervisory board, with at least half of the members appointed by the state, regional or local authorities or by other bodies governed by public law; **or**

**Non-profit organisations governed by private law**, established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character

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<sup>1</sup> In case of road building or reconstructing activities, taking into consideration their exceptional status by law, the state owned companies responsible for road development are eligible, although they might have the company form, which cannot be defined as non-profit making.

- Applicants have to prove **an operation of at least one year**, counted back from the day of the submission of the application. Cases of legal succession can be accepted when proving the necessary operational background, provided that the predecessor- and the successor organisation together can cover at least one year of continuous operation.
- As a general rule Applicants have to have their headquarters in Hungary or Serbia, and their headquarters or a regional/local branch office has to be registered and acting in the eligible Programme area (NUTS 3, or equivalent regions covered by the Programme) as defined in chapter 1.6 of the present Guidelines.

In a situation **where the headquarters of the Beneficiary is not located in the eligible Programme area but it has a regional/local branch office there**, two setups can be distinguished:

- a) in case the national/regional organisation's headquarters in Hungary or Serbia is not registered in the eligible Programme area and the local branch is a legal entity registered in the Programme area then the local branch office has to be the Applicant and in case of contracting it shall be the Lead Beneficiary / Beneficiary. In this case, the local branch has to prove at least one year of operation in the eligible Programme area, counted back from the day of the submission of the application and the leader of the branch office has to be an authorised representative of the legal person to act in connection to the implementation of the relevant project part. Furthermore, local staff of the branch has to be involved in project management.
  - b) in case the national/regional organisation's headquarters in Hungary or Serbia is not registered in the eligible Programme area and its local branch is not a legal entity then the national/regional organisation has to be the Applicant and in case of contracting it shall be the Lead Beneficiary / Beneficiary. In this case, the organisation shall prove its distinct role in the border region and take into consideration that project activities have to be implemented in the eligible Programme area and must have a cross-border character, with local staff of the branch being involved in project management. The participation of a Beneficiary from outside of the eligible Programme area can be justified if the organisation is legally appointed and only authorised for a professional task, and it is provided that it has legally defined competences or field of functions for certain parts of the eligible Programme area.
- Applicants have to possess relevant previous **professional experience** and must prove their financial and administrative capacity to manage the relevant project parts.
  - Applicants have to possess proper project management experience matching the scale of funding they are requesting in the present Call.

NOTE! Applications in which any of the Applicants fails to meet the eligibility criteria will not be further evaluated.

## 2.2 Grounds for exclusion

Any member of the partnership falling under any of the grounds for exclusion listed below may not participate in the partnership or be awarded subsidy. These are:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they have been convicted of an offence concerning professional conduct by a judgment which has the force of *res judicata* (i.e., against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which the Managing/National Authority can justify;
- d) they have not fulfilled obligations related to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the National Authorities or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection to a procurement procedure or other grant award procedure financed from the Community budget;
- g) they are subject to a conflict of interests connected to their participation in the present Calls for Proposals;
- h) they are guilty of misrepresentation in supplying the information required by the Managing/National Authority as a condition of participation in the Call for Proposals or fail to supply this information;
- i) they have attempted to obtain confidential information from decision-making and management bodies or influence any stage of the assessment/project selection process of current or previous Calls for Proposals;
- j) they are currently subject to an administrative penalty due to one of the situations referred to in points (f) and (h).
- k) they have not fulfilled repayment obligation in Hungary-Serbia IPA CBC Programme 2007-2013 irrespective of its nature (i.e. irregularity, unsettled advance etc.)

Note! All Applicants are obliged to certify declaration annexed to the AF in which they declare that they are not subject to any of the grounds of exclusion listed in the 2.2 a) - k).



## **2.3 Summary of eligibility of Applicants**

To summarize, the conditions to be fulfilled simultaneously by all Applicants are:

- being a non-profit legal person governed by public or private law for the purposes of public interest (except state owned road building companies),
- having the headquarters or a regional/local branch office in the eligible Programme area (or if not, are being in line with the special rules on geographical location, described in Chapter 2.1 of the present Guidelines),
- having stable and sufficient professional and financial resources,
- being experienced in order to be able to manage activities similar to the ones in the application,
- being directly responsible for the project and not act as an intermediary, and
- not falling under the listed exclusion criteria.

### 3. ELIGIBILITY OF PARTNERSHIPS

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The members of the partnership, i.e. the later Beneficiaries have to be classified according to their responsibilities in the project:

- **Lead Beneficiary** (LB)
- **Beneficiary/ies** (B)

In the course of the implementation of the Programme, only **jointly prepared and implemented** projects are to be supported. These joint Applications will be submitted by the Lead Beneficiary on behalf of the members of the partnership.

The Programme's objective is to facilitate the development of balanced partnerships with an efficient division of tasks and responsibilities. Partnerships shall be composed of Beneficiaries who are able to carry out the implementation of project activities professionally and will significantly contribute to the partnership. One-sided partnerships will not be recommended for funding.

Legal representatives of all Applicants establishing a Partnership are required to sign and stamp the **Certification generated by the IMIS 2014-2020 system at the time of submission of the Application**, certifying that they elaborated the content together and they are aware of every obligation deriving from the rules of implementation in case of being selected for funding.

In case the submitted Application is selected for funding, a **Partnership Agreement** has to be signed by the Lead Beneficiary and each member of the partnership and submitted to the Joint Secretariat (JS) before contracting. The **model Partnership Agreement** is available as part of the Application Package on the website of the Programme. However, members of the partnership may modify this template according to the specificities of the partnership, keeping in mind that the modification must not be in conflict with principles, objectives and rules of the present Call for Proposals.

Note! Partnership Agreement has to be signed only in case the Application is selected for funding – not before the contracting phase.

#### **Lead Beneficiary**

According to the Lead Beneficiary principle set out in Article 40 of the IPA II Implementing Regulation, the Applicants have to designate a Lead Beneficiary for their project and that particular organization will be responsible for representing and mediating the whole project towards the Programme management bodies. In all cases the Lead Beneficiary has to have the necessary financial and human resources in order to coordinate the management of the project. The LB will ensure smooth cooperation and communication within the partnership as well as oversee the fulfilment of the activities of each Beneficiary, in particular:

- The LB will sign the Subsidy Contract for Community Funding on behalf of the members of the partnership;

- The LB shall conclude a Partnership Agreement with Beneficiaries laying down the arrangements for its relations with them, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the project, including the arrangements for recovering amounts unduly paid;
- The LB will bear the responsibility to ensure the full implementation of the project, (however, each Beneficiary bears full responsibility for the appropriate implementation of its own project part):
- The LB shall ensure, that the expenditure presented by the Beneficiaries was incurred for the purpose of implementing the project and corresponds to the activities agreed between the Beneficiaries and to those listed in the Subsidy Contract for EU Contribution;
- The LB shall verify that the expenditure presented by the Beneficiaries was validated by the respective Control Body;
- The LB will be accountable for project reporting and administrative actions on joint level;
- The LB will have to transfer the IPA support to the Beneficiaries according to the approved Application for Reimbursement in full, with no specific charge or other charge with equivalent effect levied.

The responsibilities of the LB are set out in the Subsidy Contract for EU Contribution (please see the model Subsidy Contract as part of the Application Package on the website of the Programme).

### **Beneficiaries**

The partnerships must have eligible partners from both sides of the border, each and all satisfying the eligibility criteria for Applicants. **The minimum setup is that the Lead Beneficiary has at least one partner organization from the other side of the border, i.e. one cross-border Beneficiary.** Additional cross-border and/or domestic Beneficiary/ies can be involved in the implementation of the project, provided the content of the project justifies so. **The number of Beneficiaries is maximum 6, including the Lead Beneficiary.**

Note! The budget of the Applications has to be planned in a balanced way, thus each Beneficiaries' share shall be at least 10 % of the total project budget.

The role of the Beneficiary is as important in the implementation of joint projects as that of the Lead Beneficiary. Each Beneficiary is responsible for irregularities regarding the expenditure(s) which they declared. All Beneficiaries are required to have the necessary financial and human resources and capacity in order to implement their own project part.

In accordance with the above, each Beneficiary (including the Lead Beneficiary) will be required **to fill in and sign individual Declaration by Applicants (Annex I of the Application Form).**

**NOTE:** Eligibility rules of expenditures is a separate document available for download on the Programme's website as a part of the Application Package.

## 4. PROJECT DURATION

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The planned implementation period of a project **must not be less than 6 months** and **must not exceed 24 months in duration**. Under Action 2.1 (**Border crossing points, roads and bicycle roads**) in duly justified case the maximum project duration can be extended to 36 months with the prior approval of the MA during the implementation of the project concerned (MA will take into account the n+3 status of the Programme and decide accordingly).

The period of implementation of a project **must not start before the deadline for submission of Applications defined for this CfP expires (which means that it can start on and after 1 February 2017)**. After the submission deadline has passed, the Lead Beneficiary and Beneficiaries can start implementing their project taking the risk of being not selected for funding and keeping in mind that the approved project activities might differ from the ones planned in the Application, as the JMC has the right to select a project for funding with reductions of the budget and/or with certain conditions to be fulfilled. These conditions shall be detailed in the Notification Letter sent to the Lead Beneficiary. Only those expenditures which are clearly connected to project activities and included in the Subsidy Contract can be reimbursed.

The start and end date for the implementation of the project **shall be specified in the Subsidy Contract for EU Contribution based on the submitted Application**.

**Note! Project implementation has to start within one year from the deadline for submission of Applications under this Call for Proposals, which means that the implementation must start on 31 January 2018 at the latest!**

## 5. INDICATORS

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Indicators are relevant to measure whether the project – and the Programme as a sum of projects – has achieved its objectives. Therefore, the achievement of specific objectives of each project will be measured by specific output and result indicators.

The following set of indicators is established within the Programme:

- Programme-level indicators (Output and Result),
- Project-level indicators (Output and Result)
- Horizontal indicators

**Programme-level Output Indicators:** They are defined in the Cooperation Programme and they are Action specific – each action is measured by its own set of output indicators.



Each project must contribute to at least one Programme-level output indicator, The applicant can select more than one Programme-level output indicators in case their project contributes to them, but the mere fact that the project contributes to more than one indicator will not add to its quality or bring it any advantage during selection for financing.

**Programme-level Result Indicators:** These are also indicators which derive from the Cooperation Programme and they are specific for each Action. They are measured by the Programme Bodies and the Applicant does not need to specify them in the Application.

**Project-level Indicators.** They are defined by the applicants, as a part of the logical framework of their project. The project planning starts from the definition of the project's objective which must fit to one of the programme's actions, or, more precisely, to the action specific objective. Only then the applicant starts planning the activities which lead to accomplishment of the set objective. Activities are grouped in such way that each group leads to an outcome, which is measured by an indicator. Therefore, each activity must be necessary, purposeful and logically coherent with other activities which lead to a joint outcome. The outcome, on the other hand, must be tangible and measurable, which is proved by its indicator.

### NOTE:

- **The special attention will be paid to Indicators during the quality assessment.**
- **The Indicators must be carefully defined and their values realistically set because they will be used in the monitoring of the project implementation and evaluation of the project's achievements.**

**Horizontal Indicators.** All projects must observe the horizontal principles of the Programme. To actively and positively contribute to one of the horizontal principles, the Applicant defines one or two

Horizontal Indicators. Horizontal indicators are evaluated during the quality assessment and monitored throughout the project life cycle.



Active positive contribution to one of the horizontal principles is awarded up to 3 points during the quality assessment.

## 5.1 Horizontal principles and objectives to be respected by all Applicants

Horizontal principles, in the context of EU funded work, are priorities and objectives that cut across and have relevance to all areas of the work of EU funded projects. The solutions for certain issues are achievable by careful, well-targeted, patient and persistent measures and activities of many actors, organizations and individuals from all spheres of social life and in accordance with their capacity, mandate and outreach. For that reason, horizontal principles are to be integrated across the programmes and observed in all projects. Articles 7 and 8 of REGULATION (EU) No 1303/2013 define 3 horizontal principles:

- sustainable development
- equal opportunities and non-discrimination, and
- equality between men and women.

The concepts of inclusion and non-discrimination, gender equality and sustainable development aim at mitigating negative effects on the environment and society while stimulating changes in attitude and behaviour. Therefore, every project funded by the Programme is required to observe the horizontal principles listed above and elaborated in the passages below.

Before reading detailed explanation of Horizontal principles and instructions for observing them when planning the project activities, the Applicants are encouraged to (re)familiarize themselves with the concepts briefly described in the glossary of terms<sup>2</sup>.

### 5.1.2 Glossary of terms and practical and general guidelines

**Accessibility** - encompasses all policies, rules, instruments and measures devised to ensure access to the physical environment, infrastructure and services, information and communications as well as public life to the vulnerable groups on an equal basis with others.

**Discrimination** – unfavorable and unjustifiable treatment of people who belong to certain groups or possess certain features. **Direct discrimination** occurs when in a comparable situation one person is treated less favorably than another, on the basis of any of the prohibited grounds such as sex, racial or ethnic origin, religion, disability, age or sexual orientation. **Indirect discrimination** occurs when a practice, policy or rule which applies to everyone in the same way, has a worse effect on people from vulnerable or disadvantaged groups.

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<sup>2</sup> Since the glossary contains succinct and condensed definitions of concepts, the definitions inescapably reduce complex and multilayered social practices and behaviours into over-simplified one-sentence entries. In addition to consulting the Glossary, the Applicants are invited to consult reference literature, EU and national legislation on each of the topics.

**Disadvantaged groups** - categories of persons in a position of inequality in relation to most citizens because of identity differences, and/or which are facing social exclusion: rejection and marginalization, and/or denied or partial access to resources, goods, services, rights and all or some aspects of public life. The term *disadvantaged groups* is often used interchangeably with the term **vulnerable groups**.

**Equality between women and men** - ensuring equal opportunities for men and women in similar situations.

**Equal opportunities** - measures devised to ensure the access of every person to the areas of public life (for example, to the workplace, to education, or to accessing goods and services, etc).

**Horizontal principles** - priorities agreed by the Member States of the European Union, which are embedded in various forms in all the EU policies. The horizontal principles are referring mainly to sustainable development and energy efficiency, equal opportunities and non-discrimination.

**Social exclusion** - the processes which deny (or obstruct) access to resources, goods or services and exercising their rights to certain groups of people because of their ethnicity, race, religion, gender, sexual orientation, origin, age, disability and economic status. Social exclusion is more often than not closely related to various forms of discrimination.

**Sustainable development** - environmentally responsible development which satisfies the needs of a society without diminishing the ability of future generations to meet their own needs.

### **Practical and general guidelines**

The Applicants are invited to define a focused, effective and realistic goals when planning their activities. In order to avoid mistargetted activities or measures which are merely one-time effort with unpalpable and/or short-term results, it is advisable that the Applicants:

- identify the issue their organization and partnership can and will address during the implementation of the project;
- research, understand and situate the issue: its origin(s), contributing factors, context, manifestations and impact as well as groups of people whom it affects;
- gather information about and analyse the legal framework regulating the issue;
- collect information how a certain issue is addressed and dealt with elsewhere, while bearing in mind local and regional context and specificities. It is advisable not only to learn about success stories from other countries and projects, but also to read about and learn from failed and criticized initiatives and measures;
- find and contact organizations and individuals who are already involved in addressing and solving the identified issue and develop a cooperative and trusting relationship with them: specialized associations, state institutions and agencies, NGOs, advocacy groups and other relevant institutions.
- realistically assess the extent to which the Applicant organizations can contribute to solving a certain problem or contribute to the lasting improvement of environmental or social conditions in an area;

- assess and adjust the scale and scope by narrowing/widening the geographic area of the intervention or increasing/decreasing the number of people in the target group (in)directly benefiting from the measures/activities in order to achieve the optimum and lasting results;

The chapters 6.1, 6.2 and 6.3 of the Cooperation Programme of the Interreg – IPA CBC Hungary – Serbia Programme identified how each of the Priority Axes contributes to sustainable development, equal opportunities and non-discrimination, as well as equality between women and men. In the following three subheadings (5.1.3, 5.1.4 and 5.1.5), some of the possible areas of intervention in each of the Priority Axes of this Call for Proposals are suggested.

### **5.1.3 Sustainable development**

Sustainable development and protection of the environment are integrated as horizontal principles in the Cooperation Programme. Therefore all projects supported by the programme will have to respect the relevant policies and rules.

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.

Priority Axes targeted by the present CFP directly contribute to the sustainable development of the Programme area, as follows.

#### ***PA1: Improving the cross-border water management and risk prevention systems***

Implementation of this PA contributes to the principle of sustainable development with a special emphasis on the specificities of the Programme area:

- 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 (e.g. restoration of flood plains and wetlands, afforestation) will be considered. The planned investments should fit to the Danube River Basin Management Plan (DRBMP) for the period 2016-2021.
  - 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 Framework Directive 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 (Directive 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 (Directive 2009/125/EC) will be applied.

During implementation the national air quality plans (under Directive 2008/50/EC in the EU or equivalents elsewhere) and national air pollution control programmes (linked to reaching compliance with National Emission Ceilings) will be considered.

***PA2: Decreasing the bottlenecks of cross-border traffic***

Improvements in public transport infrastructure within the CBR will contribute to sustainable transport development through the following actions:

- 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 (Directive 2000/60/EC), and in particular the conditions of Article 4(7), where relevant.

***PA3: Encouraging tourism and cultural heritage cooperation***

All activities under this PA 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 Directive 2008/50/EC (or equivalent).

***PA4: Enhancing SMEs competitiveness through innovation driven development***

Operations funded under this PA may focus on specific fields that directly contribute to sustainable development, such as:

- promotion of 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.

In general, sustainable development will 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 Applications.
- Application of compensatory measures and the intent to moderate damage shall be presented in the Application, where relevant (e.g. 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, etc.);
- 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 for the investments.
- During the implementation of the projects the use of sustainable procurement (green public procurement) will be taken into account.
- It is recommended for projects involving purchasing products that these products should comply with the energy efficiency requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) or should comply already now with future requirements as established by the Regulations under the Ecodesign Framework Directive for products subject to public procurement. If a project involves building construction and renovation, cost-optimal levels of energy performance according to Directive 2010/31/EU are required.

The Applicants can describe the contribution to the sustainable development in the Chapters 3 and 5 and throughout the Application Form as described in the sections 5.1.6 and 5.1.7 of the present Guidelines.

Whether projects are directly addressing the issues sustainable development or not, the Applicants are invited and encouraged to implement actions/measures in their day-to-day and project

management activities which reduce the negative impact on the environment. These can include, but are not limited to, the following:

- Use of video conferencing to reduce travelling;
- Use public or modes of organized massive transportation (mini-bus, bus) or car-pooling for project meetings and events;
- Use green modes for transport, especially for covering shorter distances
- Use of “green public procurement” procedures and innovative public procurement where appropriate;
- Use of short supply chains in the implementation of projects activities;
- Use recycled paper for administrative purpose, but also for information and publicity printed material where possible;
- Raising awareness of partners, beneficiaries and target groups about sustainability issues;
- Promotion of activities with limited use of energy and natural resources.

The list is not exhaustive and activities and measures with similar effects are also encouraged. The Applications implementing the measures for reducing environmental impact in their day-to-day and project management activities should not describe them in the Chapter 5 of the Application Form and will not be awarded additional points for the question 31, Criterion VI Sustainability and Horizontal Principles of the Quality Assessment grid.

#### **5.1.4 Equal opportunities and non-discrimination**

The Programme considers the principles of equal opportunities and non-discrimination and ensures 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 is to be respected.

During programme implementation, all projects are obliged to avoid discrimination of any kind and to ensure that their activities comply with the principles of equal opportunities. Interventions contributing to equal opportunities and non-discrimination of vulnerable groups (including ethnic minorities, people with disabilities, elderly people, children, women, unemployed, etc. as relevant for the action) will be preferred during the assessment and selection.

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 persons with disabilities 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 people with disabilities)
- 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 persons with disabilities 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

The Applicants can describe the contribution to the equal opportunities and non-discrimination in the Chapters 3, 4, 5 and throughout the Application Form as described in the sections 5.1.6 and 5.1.7 of the present Guidelines.



Important Note: The Applicants must observe and respect sensitivity, confidentiality and the rights of persons to refuse disclosing their personal information<sup>3</sup>. It means that the (potential) participants can only **voluntarily and with informed consent** disclose their personal information requested for the purpose of selection criteria for implementing

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<sup>3</sup> Articles 43 and 47 of the Constitution of Republic of Serbia guarantee free expression of ethnicity (national affiliation) and religious belief and protect the right of an individual not to declare them to anyone, so the disclosure can be only voluntary.

measures of equal opportunities and equality between men and women. Also, the so called demographic questions (age, gender, disability, socioeconomic status, marital and family status, ethnicity, religious belief...) should not be intrusive and should respect the privacy and dignity of persons from vulnerable groups. The use of the collected personal data must ensure confidentiality and protection of privacy. Thus, the disclosure of personal information of each person must be voluntary and with prior knowledge of the purpose of disclosing the data (informed consent). The Applicants are also advised to obtain the participants' written informed consent to disclose minimum necessary information for the purpose of submitting and verification of the reports to the Programme and reimbursing the funds, and especially for the purpose of publicity and the project promotion, if applicable. The Applicants are also kindly asked to minimize the administrative and, with it, possible financial burden on (potential) participants from vulnerable groups.

### **5.1.5 Equality between men and women**

The principle of gender equality is applied throughout the implementation of the Programme. All projects are obliged to avoid discrimination of any kind, and to ensure that their activities comply with the principles of equality between men and women. The Applicants are encouraged to involve women who are at risk of or living in poverty, women from minority groups and/or at risk of discrimination, rural and elderly women, women with disabilities, internally displaced and women migrants, victims of domestic physical and psychological violence, single parents and their children, and similar.

### **5.1.6 Contribution to the horizontal principles: negative, neutral and proactively positive**

The objectives and activities of the project **must not have negative or adverse impact** on the environment, groups of people which are at risk of discrimination, vulnerable or disadvantaged groups as well as women. If, during the quality assessment of the Applications, the negative impact of project activities on the environmental or social sustainability is noted, the project will not be recommended for financing. The Applicants are reminded that both Hungary and Serbia promulgated laws which regulate the environmental protection and forbid discrimination, so having a negative impact on some of the horizontal principles is also illegal. The measures designed to ensure equal opportunities and equality between men and women, are in their essence positive. If Applicants decide not to incorporate them into their project it will not be considered as a negative impact (as long as there is no discrimination), but as neutral.

In this Call for Proposals, the Applicants may opt for either **neutral** or **proactive positive contribution** to the horizontal principles.

#### **Neutral contribution:**

The Applicants may decide not to directly address any specific issue related to the horizontal objectives, but their activities, deliverables and impact of the project cannot have a negative effect - even if unintended. Applications adhering to a minimum prescribed by law in their respective countries are considered as neutral (=having neutral contribution to horizontal principles). There will

be no penalty for „remaining neutral“ ie. for Applications which are merely respecting legal minimum prescribed by relevant legislation in each of the two countries. The Applications with neutral contribution to the horizontal principles are advised to leave the section of the Chapter 5 of the Application Form („Contribution to Horizontal Principles“) blank. In the Chapter 3 of the Application Form they are invited to specify whether they considered horizontal principles when planning activities and describe how they will ensure that there will be no negative impact of their project activities on environmental and social sustainability.

### **Proactively positive contribution:**

If the Beneficiaries decide to PROACTIVELY POSITIVELY contribute to some of the horizontal principles they should describe and define the activities and measures, target groups and geographic area, as well as planned achievements and indicators in the Chapter 5 of the Application Form. If the potential Applicants opt to proactively positively contribute to social and environmental sustainability through their project activities, they must clearly and unambiguously demonstrate how the planned activities and measures will lead to expected improvement of the environmental or social conditions of the target group/geographic area. Proactive positive contribution to horizontal principles can be integrated into a project in two ways:

- a) The **Main Objective** of the project = issue **related to** horizontal principle(s)

The overall objective of the project is to address and tackle one or a combination of the following: an environmental issue, various forms and manifestations of discrimination and gender disparities and inequality. The Application is, thus, demonstrably and unambiguously designed to contribute to the horizontal objective in the specific Priority Axis and will be **awarded 3 points** for the question 31, Category VI. Sustainability and Horizontal Principles of the Quality Assessment grid. As the entire planned project activities are designed in such a way to lead to an overall objective of the project which in turn is related to a horizontal principle, the Applicants are advised to:

- fill in the Chapter 5 of the Application Form (section “Contribution to Horizontal Principles“) by describing the project’s contribution to the Horizontal principles and defining specific indicators for measuring and monitoring the effectiveness of that contribution.
- explain the context, background, activities and solutions to the identified issue (related to horizontal principles) throughout the Application Form, especially in the Chapter 3.
- select the Programme level output indicator “Rate of persons from vulnerable groups involved in supported actions“ in the Chapter 4 (in the Section “Programme-level Output Indicators“) of the Application Form, if the Applicants **apply for the PA4** and if **majority of participants (more than 50%)** in the project activities are **persons from one or more vulnerable groups**. The same indicator should not be repeated in the Chapter 5 (section “Contribution to Horizontal Principles“), but the Applicants are free to define and describe other horizontal indicators at the project level, if applicable.

During quality assessment it will be evaluated, how well a horizontal objective is addressed in the project’s design and the planned activities, and whether the Applicants’ statement is

justified. The contribution to horizontal principles will be closely monitored and verified during the implementation of the project.

- b) **The Main Objective** of the project **is not an issue related to horizontal principle(s)**, but one or more project activities are contributing to one (or more) of the three horizontal principles

The main objective of the project is not focused solely on a horizontal objective, but the partnership planned to implement measures and activities which will specifically and exclusively contribute to a horizontal objective. Such Application contains one or more measures which tackle one or a combination of the following: environmental sustainability, discrimination and gender disparities and inequality, while tackling another problem as an overall objective of the project. If the Application demonstrably and effectively contributes to the identified horizontal objective(s), the Applicants will **receive up to 2 (two)** points for the Question 31 of the Quality Assessment grid (please see Appendix D). In this case, the Applicants are advised to:

- incorporate realistic and sustainable measures and describe them in the Chapter 5 (section “Contribution to Horizontal Principles”) and define specific indicators for measuring and monitoring the effectiveness of that contribution;
- describe them in the Chapter 3 of the Application Form;
- select the Programme-level output indicator “Rate of persons from vulnerable groups involved in supported actions” in the Chapter 4 (in the Section “Programme-level Output Indicators”) of the Application Form if the Applicants **apply for the PA4** and if **half of participants** in the project activities are **persons from one or more vulnerable groups**. The same indicator should not be repeated in the Chapter 5 (section “Contribution to Horizontal Principles”), but the Applicants are free to define and describe other horizontal indicators at the project level, if applicable.

During quality assessment it will be evaluated, how well horizontal principle is addressed in the project’s design and the planned activities, and whether the Applicants’ statement is justified. The contribution to horizontal principles will be closely monitored and verified during the implementation of the project.

To summarize, overall advice to the potential Applicants is to adjust the scope and focus of the measures/activities as to reach and maintain realistic, sustainable and effective achievements. This advice is applicable both when dealing with horizontal objectives and other objectives and outcomes of their planned activities.

The Applicants are reminded that not all the problems can be solved in the scope of one project - no matter the amount of funding – and that it is advisable to plan and set their goals realistically in order to achieve the optimal and sustainable benefits for the identified target groups and/or areas. It is essential to bear in mind that no measure, if well-targeted, well-planned and well-executed is negligible or too small or too insignificant, as long as it is effective. Certain issues require lengthy, ongoing and well-coordinated interventions of many institutions, organizations, groups and communities. Environmental sustainability and inclusive society are continuous processes of

improvement: a cumulative effect of all efforts and work of many individuals, organizations and institutions from all avenues of life.

### 5.1.7 Assessment of the contribution to the Horizontal Principles

The Applications which demonstrate clear and unambiguous contribution to objectives of sustainable development, non-discrimination and equal opportunities as well as equality between women and men will be awarded up to 3 (three) points during the quality assessment. The main principles for assessment and for awarding the points for the contribution to the horizontal principles during the quality assessment and selection of Applications for co-financing are summarized in the table below.

	Pertinent question or process	Sustainable Development	Equal opportunities and non-discrimination	Equality between men and women
NEGATIVE	Can the Application be selected for funding?	No	No	No
	Quality Assessment decision	Rejected Application	Rejected Application	Rejected Application
NEUTRAL	Relevant Chapter of the Application Form	3	3	3
	Can the Application be selected for funding?	Yes	Yes	Yes
	Quality Assessment	0 points	0 points	0 points
PROACTIVELY POSITIVE	Relevant Chapter of the Application Form	3 and 5 or ALL	3, (4) and 5 or ALL	3, (4) and 5 or ALL
	Can the Application be selected for funding?	Yes	Yes	Yes
	Quality Assessment	1-3 points	1-3 points	1-3 points

The Applicants are advised that the contribution to horizontal principles will be closely monitored and verified during the implementation of the project.



## 6. SOURCES OF FUNDING

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On project level, **IPA can provide support up to maximum 85%** of the total eligible expenditure.

**The remaining 15% shall be financed from national sources** (state contribution and/or own contribution of Applicants), which differ in case of Hungary and Serbia.

In case of **Beneficiaries from Hungary**, as a general rule, **5% of total eligible cost** of the respective project part must be provided by the Applicant **as own contribution**, and the remaining **10% will be provided by the Hungarian state budget**.

In case the Beneficiary is a central state owned budgetary organization, the own contribution will be covered by the Hungarian State, meaning that 15% of the total eligible costs will be provided from the Hungarian state budget.

In case of **Beneficiaries from Serbia** **15% of total eligible cost** of the respective project part must be provided by the Applicant **as own contribution**.

### NOTE:

**The ratio of own contribution is calculated based on the eligible costs of the given Beneficiary's budget, that is, the given project part.**

### **IMPORTANT NOTE FOR APPLICANTS:**

**The final applicable sources of funding of the respective project part will depend on the classification of Applicants determined by the Managing Authority based on legal classifications!**

**The ratio** of the state contribution as well as the own contribution of the respective Applicant depends on the type of organisation applying for the Programme and also on the applicable **State aid rules** (on the latter please consult Section 6.2 of the present Guidelines).

**In Hungary, separate contract will be concluded for the national state contribution – to be transferred in one amount *as an advance payment* – with each Hungarian Beneficiary individually.**

**The concluded Subsidy Contract for the EU-Contribution is a prerequisite** for signing the Subsidy Contracts for the State Contribution.

## 6.1 Revenue generating projects

If project activities generate revenues from sales, rentals, services, enrolment fees or other equivalent receipts during the project implementation period, they have to be taken into account. The expected revenues shall be indicated in the Application Form and **must be deducted from the total eligible costs** of the relevant project activity in full or pro-rata, depending on whether it was generated entirely or partly by the project activity.

The IPA funding will be calculated on the basis of the total eligible expenditures after the deduction of any revenue generated during the project implementation period.

**NOTE: During project implementation, the Beneficiaries have to report revenues generated by the project regularly in the Beneficiary Reports, to be validated by the designated controllers. In the Project Reports and in the Final Project Report, the Lead Beneficiary has to report the revenues to the JS. The revenues generated during the follow-up period should be reported in the Follow-up Report.**

The members of the partnership have to accept that under no circumstances the subsidy can be used to generate profit for them and that subsidy must be limited to the amount required to balance income and expenditure for the project activity concerned. These provisions shall not apply to project activities that are subject to the rules on State Aid related to public service compensation.

## 6.2 Applicable State aid rules

According to Article 107 of the Treaty on the Functioning of the European Union "Any aid granted by Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market."

Programme State Aid rules should be applied for the beneficiaries of the Programme.

In general EU and state contribution given by the Programme to undertakings (i.e. Beneficiaries) will be granted under the **de minimis** rule<sup>4</sup>.

In exceptional cases EU- and state contribution might be awarded with other titles of the aid within the General Block Exemption Regulation (GBER)<sup>5</sup> or Services of General Economic Interest (SGEI)<sup>6</sup>.

<sup>4</sup> In line with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the TFEU to *de minimis* aid (OJ L 352, 24.12.2013).

<sup>5</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 on declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (the GBER) (OJ L 187/1. 26.6.2014).

<sup>6</sup> SGEI is a utility (infrastructure) or service that a Member State considers essential such as public bus services, water supply, waste water treatment, public libraries, public housing, health care, postal services, public broadcasting, fire services, environmental protection etc. The concept of SGEI can be found in Articles 14 and 106(2) of the TFEU and in Protocol No 26 to the TFEU.

### ***De minimis aid***

Detailed rules are to be found in the relevant regulation<sup>7</sup>. However, in the application phase it is important to highlight the following main consequences:

- The total de minimis aid granted to any one undertaking shall not exceed EUR 200.000 over any period of three fiscal years. The aid granter shall inform the undertaking in writing of the prospective amount of the aid (expressed as gross grant equivalent) and of its de minimis character, making express reference to Commission Regulation (EU) No 1407/2013 and citing its title and publication reference in the Official Journal of the EU.
- Aid payable in several instalments shall be discounted to its value at the moment of being granted. The beneficiary undertaking shall declare the prospective amount of de minimis aid granted in the previous three fiscal years. Records regarding de minimis aid shall be maintained for 10 years from the date on which it was granted, and such invitation of the granter the beneficiary is obliged to present all the documents. On request of the EC, information shall be provided on de minimis aid within 20 workdays.

Together with the Application package the potential Applicants shall submit the Declaration by the Applicant on state aid relevance (containing a self-assessment of state aid relevance) in order to analyse state aid during the assessment procedure. (Annex II of the AF)

#### **NOTE:**

**All Beneficiaries must sign the Declaration regarding “state aid”/“de minimis” aid received by the Beneficiary organization.**

**If “de minimis aid” is granted to a Beneficiary, then the total amount of de minimis cannot exceed EUR 200 000 over any period of three fiscal years of the respective organization!**

**Declaration by the Applicant on state aid relevance is annexed to the Application Form (Annex II)**

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<sup>7</sup> In line with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the TFEU to *de minimis* aid (OJ L 352, 24.12.2013).

## 7. MANAGEMENT STRUCTURE OF THE PROGRAMME

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The Programme is to be implemented through shared management under the responsibility of a single Managing Authority, a Certifying Authority and an Audit Authority. The participating countries regulate their relations and responsibilities in a Memorandum of Understanding. The management structure of the Programme is the following:

- **European Commission:** Donor of the Community contribution (IPA funds).
- **Joint Monitoring Committee (JMC):** supervises and monitors the programme implementation, responsible for project selection. Its operations are regulated by the Rules of Procedures of the JMC.
- **Managing Authority (MA):** bears the overall responsibility for the management and implementation of the Programme towards the European Commission. The Prime Minister's Office in Hungary acts as the Managing Authority.
- **Certifying Authority (CA):** the main task of the CA is drawing up certified statements of expenditure and applications for payment and submitting them to the European Commission. The Directorate of EU Assistance of the Hungarian State Treasury acts as the Certifying Authority.
- **Audit Authority (AA):** body functionally independent from the Managing Authority and the Certifying Authority, is responsible for verifying the effective functioning of the management and control system and the expenditure declared to the EC by means of audits on projects. The work of the AA is assisted by the Group of Auditors. The Directorate General for Audit of European Funds in Hungary acts as the Audit Authority.
- **Joint Secretariat (JS):** Set up within Széchenyi Program Office Nonprofit Limited Liability Company (hereinafter referred to as SZPO) in Budapest with member(s) in the SZPO Regional Office in Szeged, the JS assists the MA, CA, AA, the JMC and the National Authorities in carrying out their respective duties. The JS keeps daily contact with potential Applicants and Lead Beneficiaries of contracted projects. The JS has its **JS Antenna (JSA)** in Subotica, which fulfils its tasks in close cooperation with the JS. The JS Antenna is particularly responsible for supporting efficient project development on both sides of the border, by giving direct assistance to potential Applicants. Similarly to JS members, the JS Antenna bears also Programme Manager responsibilities.
- **National Authorities (NA):** Beside the above mentioned structures, the Prime Minister's Office in Hungary and the European Integration Office of the Government of the Republic of Serbia bear responsibility – among others – for setting up the control system in order to validate the expenditures at national level and for ensuring national state co-financing. Moreover, NAs are responsible for investigation of suspicion of irregularities, declaration of irregularities and handling of irregularities.
- **Control Bodies:** Set up in SZPO in Hungary with its territorial offices in Szeged and Békéscsaba and within the Ministry of Finance of the Republic of Serbia, the Control Bodies are responsible for validating expenditures at the national level in accordance with Community and national rules.

## 8. SUBMISSION OF THE APPLICATIONS

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### 8.1 Project development assistance

Cooperation among the Beneficiaries within the project is an essential component of projects financed by the Programme. Cooperation between cross-border Beneficiaries will not only be important during the implementation phase, but also in the phase of joint planning of project activities. **The amount and the quality of cooperation between partner beneficiaries is one of the key criteria for selecting Applications.**

While searching for partners, special attention should be paid to:

- Joint interests and objectives,
- Type of the project which Applicants are developing, bearing in mind the targeted activities of the present Call
- Beneficiary's eligibility,
- Beneficiary's financial and organisational capability to implement their respective project parts,
- Professional qualifications of Beneficiaries regarding the project activities.

Potential beneficiaries listed in Chapter 1.3 of the present Guidelines helping the orientation, although the list of potential beneficiaries is not exhaustive

### 8.2 Available information and contacts related to the Call for Proposals

The complete Application Package and all relevant information for the present Call for Proposals are available on the Programme's official web site: <http://www.interreg-ipa-husrb.com>.

In the application period, Applicants from both sides of the border may ask for information, guidance and clarification from the designated contact persons of the JS and the JS Antenna **by phone or via e-mail. Personal consultations are provided only at pre-arranged appointments at the given office hours.**

#### **JOINT SECRETARIAT**

Institution: Joint Secretariat of the Interreg-IPA CBC Hungary-Serbia  
Address: Széchenyi Programoffice Limited Liability Company  
H-1053 Budapest, Szép utca 2., 4.em  
E-mail: info@interreg-ipa-husrb.com

Office hours: For personal consultation:  
**Monday and Wednesday** (9.00 – 12.00 and 13.30-16.00)

We can accept phone calls:

**Monday to Thursday** (9.00 -16.00) and on **Friday** (9.00 – 14.00)

Contact persons:

Ms Andrea Szeti-Furka (in Budapest) tel: +36 1 224-32 82 (ENG / HU)  
Mr Viktor Tunić (in Budapest) tel: +36 1 457 55 56 (ENG / SRB)  
Mr Péter Rácz (in Szeged, on Mondays and Wednesdays) tel: +36 62 549 372 (ENG / HU)

### **JS ANTENNA IN SERBIA (JSA)**

Institution: JS Antenna of the Interreg-IPA CBC Hungary-Serbia  
Address: Subotica, Matije Korvina 17 (HKPC Galleria, 1 floor)  
Phone: +381 (0) 24 55 97 97

Contact persons:

Mr Relja Burzan e-mail: [rburzan@seio.gov.rs](mailto:rburzan@seio.gov.rs) (ENG / SRB)  
Mr Dejan Vujinović e-mail: [dvujinovic@seio.gov.rs](mailto:dvujinovic@seio.gov.rs) (ENG / HU / SRB)

**NOTE:** Questions may be asked over the phone, however if you prefer to receive a written answer, questions should be put in writing (e-mail).

### **8.3 Approval of data management / Privacy policy**

The potential Beneficiaries, by submitting the Application to the present Call for Proposals, duly consent to the fact that the Data Manager (Prime Minister's Office, Hungary) and the Technical Data Processor (SZPO Nonprofit LLC.) will manage all the personal data included in the Application and provided in the contracting or project implementation phase, in particular with regard to the data managed in the Monitoring System of the Programme.

## 8.4 List of documents to be submitted

**NOTE: Applications have to be submitted electronically via IMIS 2014-2020 system. When you start filling in the Application Form, please consult the Users' Manual of the IMIS 2014-2020 Application Module on the Programme's webpage. Supporting documents have to be scanned and uploaded also via IMIS 2014-2020 system. The original documents have to be retained by the Lead Beneficiary at its premises. The documents might be a subject of a monitoring visit, or later on on-the-spot check.**

**The requested supporting documents must be scanned **originals** meaning that the original documents have to be **issued by the respective authority** or **certified by a public notary /court**, or **certified by the legally authorised representative of the respective Applicant** meaning they have to be signed and dated by the person(s) authorised in the establishing document and/or in the specimen of signature to sign in the name of the Applicant organisation!**

The following documents shall be prepared for upload to the IMIS 2014-2020 system:

Name of document	Description	Compulsory / if relevant	Language	Submission/Uploading
<b>Application and Annexes</b>				
<b>Application Form</b>	To be filled in according to the instructions of the present Guidelines and the separate Users' Manual of IMIS 2014-2020.	Compulsory <b>No completion possible!</b>	English	<b>Submission via IMIS 2014-2020 by the Lead Beneficiary</b>
<b>Declaration by the Applicant (Annex I of the AF)</b>	Separate Declarations filled in properly by all Applicants (by each potential Beneficiary organization of the Partnership). (The Applicants must fill in the data about their organization, but the content and provisions of the Declaration by the Applicant cannot be altered in any way.)	Compulsory	English	<b>To be uploaded: scanned version in PDF format.</b> <b>Original:</b> certified (i.e. dated, signed and stamped) by the legally authorized representative of the respective Applicant
<b>Declaration by the Applicant on State Aid relevance (Annex II of the AF)</b>	Separate Declarations filled in properly by all Applicants (by each potential Beneficiary organization of the Partnership).	Compulsory	English	<b>To be uploaded: scanned version in PDF format.</b> <b>Original</b> certified (i.e. dated, signed and stamped) by the legally authorized representative of the respective Applicant

Name of document	Description	Compulsory / if relevant	Language	Submission/Uploading
<b>Basic supporting documents</b>				
<b>1. Extract from register (or equivalent document) of all Applicants</b>	Extract from register (or equivalent document) for all Applicants issued by the relevant registering authority – <b>not older than 90 days</b> at the time of submission!	Compulsory	In the original language	<b>To be uploaded: scanned version in PDF format.</b> <b>Original:</b> issued by the respective authority <b>OR</b> <b>Copy</b> certified by a notary public/court ( <b>NOTE:</b> in case of certified copy, the original – which is copied – shall not be older than 90 days)
<b>2. Specimen of signature<sup>8</sup> of the legally authorised representative(s) of all Applicants</b>	Original specimen of signature of <i>all</i> persons (signing e.g. the Declarations by the Applicant) as legally authorised representatives of the respective organisation.	Compulsory	In the original language	<b>To be uploaded: scanned version in PDF format.</b> <b>Original:</b> issued by the respective authority <b>OR</b> <b>Copy</b> certified by a notary public/court
<b>3. Curriculum Vitae (CV) of staff and project team members</b>	CVs (in Europass CV format) of <b>all personnel</b> involved in the implementation (i.e. project management staff as well as team members) <b>employed by the potential Beneficiaries</b> indicating their position in the project. <b>NOTE!</b> CVs of all personnel need to be submitted, regardless of the chosen type of reimbursement of staff costs (real cost or flat rate).	Compulsory	English	<b>To be uploaded: scanned version in PDF format.</b> <b>Original:</b> signed by the respective team member

<sup>8</sup> The legal representative of the Applicant i.e. the person(s) with the right of representation and signature is determined by the establishing document of every organisation, and the **specimen of their signature** is kept in a legally prescribed way, depending on the legal status of the organisation. This document – or a copy certified by a public notary – must be submitted alongside with the application form.

In the case the organisation does not have such a document issued by the relevant institution, it should provide a statement in original language – signed, stamped and dated by its legally authorised representative declaring that the signature at the end of the statement belongs to the 'legally authorised representative' and that 'the same signature will be used on all official documents in the course of project implementation'. This very statement **should then be certified by a public notary**. The signatory person (and the signature itself) has to be the same on the AF and on other statements that are signed by the respective Applicant.



Name of document	Description	Compulsory / if relevant	Language	Submission/Uploading
<b>4. Content summary (Terms of Reference /ToR/) of the study / technical plan</b>	<b>In case the project contains activities concerning elaboration of studies/technical plans</b> , the scope or specific content summary or Terms of Reference of the study/plan has to be uploaded.	If relevant	English	<b>To be uploaded: scanned version in PDF format.</b>  <b>Original:</b> certified by the legally authorized representative of the relevant Applicant
<b>Supporting documents in case of projects with works components/activities</b>				
<b>5. Feasibility study including cost-benefit analysis (if required on national level)</b>	<b>Only in case of works activities in the respective project part!</b> The study should be drawn up according to the national regulations regulating the content and formal requirements. In case a study is required its content must cover all the works element(s) of the planned project concerned and it has to contain a cost-benefit analysis. <b>Note!</b> During the quality assessment feasibility related clarification(s), i.e. a feasibility study/cost-benefit analysis may be requested by the assessors.	If required on national level	English	<b>To be uploaded: scanned version in PDF format.</b>  <b>Original:</b> certified by the legally authorized representative of the relevant Applicant (the organisation implementing the investment)
<b>6. Construction plans (engineering plans, descriptions)</b>	Construction plans (engineering plans, descriptions): Construction plan and technical description submitted for the building permit in PDF format <b>AND</b> in an engineering software compatible format (protected version).  <b>If the planned works activity does not require a building permit:</b> technical description and diagrammatical plan and the general plan of each building site – one copy per plan.  <b>NOTE!</b> Construction plans should be available also in printed version at the premises of the relevant Beneficiary. During Quality Assessment, or in case of implementation during the validation of costs and on the spot checks the paper version can be requested by the Programme bodies.	Compulsory	In the original language	<b>To be uploaded:</b> <b>in PDF format AND in an engineering software compatible format</b> (protected version).

Name of document	Description	Compulsory / if relevant	Language	Submission/Uploading
7. Photo documentation	Photos taken from the scene of the works activities <b>(taken from all corners for each item for which land or building registration certificates are submitted)</b> in its current state – in separate folders in JPG or PDF format.	Compulsory	n/a	<b>To be uploaded in JPG or PDF format.</b>
8. Documents providing information regarding the ownership rights or rights of use of real estates affected by the works	Copy of the <b>relevant contract, agreement, declaration</b> concerning the quality of ownership and any other rights of the Applicants – according to the stipulations of <b>Appendix B</b> of the present Guidelines. In case of an appropriation procedure is needed, the document of launching the procedure shall be attached.	Compulsory  NOTE! Copies of land or building registration certificates shall be submitted by the time of contracting at the latest (see Chapter 9.5)!	In the original language;  <b>NOTE!</b> The <u>ID numbers of the real estates (if already available)</u> have to be indicated in the AF, Chapter 8 'Investment/Works'	<b>To be uploaded: scanned version in PDF format.</b>  <b>Original OR Copy</b> certified by the legally authorized representative of the respective Applicant.
9. Detailed cost estimation of works	Detailed cost estimation/price quotation by type of work <b>issued by a designer</b> indicating unit prices and the costs of materials and works / Detailed price quotation issued by an actor of the market, indicating unit prices and the costs of materials and works.	Compulsory	In the original language;  <b>NOTE!</b> The price quotation should match the budgeted costs under budget line 'Works'	<b>To be uploaded: scanned version in PDF format.</b>  <b>Copy</b> certified by the legally authorized representative of the respective Applicant (implementing the works activities)
10. Building/Construction permit (if already obtained) / Documents certifying the exemption of the construction from building permit	<b>Building/Construction permit</b> (if already obtained), <b>OR</b> Declaration <b>certifying the exemption</b> of the construction from building permit issued by the designer or the respective authority.	Compulsory  NOTE! Building/Construction permit (if relevant) shall be submitted by the time of contracting at the latest (see Chapter 9.5)!	In the original language	<b>To be uploaded: scanned version in PDF format.</b>  <b>Original</b> issued by the respective authority / designer <b>OR</b> <b>Original</b> declaration certifying the exemption of the construction from building permit signed and stamped by the legally authorized



Name of document	Description	Compulsory / if relevant	Language	Submission/Uploading
				representative of the respective Applicant (implementing the works activities)
<b>11. Environmental permits and environmental impact assessment</b> / <b>Documents certifying the exemption from environmental assessment / attainment of environmental permit</b>	Environmental permits and environmental impact assessment (if already obtained) <b>OR</b> a Declaration of the relevant authority that conducting an environmental assessment or the attainment of environmental permit <b>is not relevant</b> for the project	Compulsory  NOTE! Environmental permits and environmental impact assessment (if relevant) shall be submitted by the time of contracting at the latest (see Chapter 9.5)!	In the original language	<b>To be uploaded: scanned version in PDF format.</b>  <b>Original</b> issued by the respective authority OR <b>Copy</b> of declaration of the relevant authority that conducting an environmental assessment or the attainment of environmental permit <b>is not relevant</b> for the project

**Basic formal requirements:**

**NOTE:**

The language of Application Forms is English. Application Forms in languages other than English will be rejected!

The scanned version of uploaded documents can be full-colour or black/white and should be saved and uploaded as a pdf file (unless stated differently in the table above). Each uploaded scanned document must be filled in with correct data, openable, legible and must contain all pages and identifiable (legible) stamp and signature. The signature and date on the scanned and uploaded documents shall be legible when opening the given document.

A Certification will be generated by IMIS 2014-2020, which shall be printed, stamped and signed by the legal representatives of all Beneficiaries.

It is a formal requirement to send the Certification by post in one original stamped and signed by each and all Beneficiaries of the partnership! The Certification is the only document to be submitted in original on paper by post for the purpose of applying.

## 8.5 Deadline for the submission of Applications

The **Applications** must be submitted online via the Application Module of IMIS 2014-2020 by **31 January 2017, 24:00 (midnight) local time (Central European Time)**. Applications cannot be submitted after the given deadline, the IMIS 2014-2020 blocks the Application module when the submission deadline expires.

The **Certification** generated by IMIS 2014-2020, signed and stamped by all **potential** Beneficiaries must be submitted in a sealed envelope by registered mail or by courier service by **7 February 2017, 24:00 (midnight) local time (Central European Time) as evidenced by the date on the postal stamp** to the following address:

**JOINT SECRETARIAT**  
**OF THE INTERREG-IPA CROSS-BORDER COOPERATION PROGRAMME HUNGARY-SERBIA**  
Széchenyi Program Office Nonprofit Lc.  
**H-1053 Budapest, Szép utca 2., 4.em**  
HUNGARY

The envelope in which the original **Certification** is sent must contain the following:

- The **address** to which the Certification is submitted;
- The **full name and address of the Lead Beneficiary**;

The **project ID** assigned by the IMIS 2014-2020

- The **acronym of the Application** (as indicated in the Application Form);

And the wording: » **HUSRB/1602 Project Application – Not to be opened before the Opening Session: Interreg-IPA CBC Hungary-Serbia** «.

**Certifications sent by any other means** (e.g. by fax or by e-mail) or delivered at other addresses will be rejected.

**NOTE! It is advised to submit the Application well before the deadline, in order to avoid late submission!**



The legal representatives of all potential Beneficiaries in the Partnership **must sign the Certifications** (generated by IMIS 2014-2020). **Incomplete Applications may be rejected.**

## 9. ASSESSMENT, SELECTION, CONTRACTING

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### 9.1 Pre-selection stage

Based on the number of received Applications, the JS proposes the schedule of the assessment process and forwards it to the MA for information. At the same time, the JS and JSA managers conduct the formal assessment in line with the 4-eyes principle.

As a general rule the Applications are processed continuously after receipt.

Applications cannot be submitted after the given deadline, the Monitoring System blocks the Application module at the moment of the submission deadline.

Every Application receives an individual registry number that will be used throughout the assessment process as a reference number. The format of the registry number is specified by the Monitoring System and ensures precise identification of each Application.

### 9.2 Assessment process, evaluation grids

The selection procedure consists of the following main stages:

- Formal (and basic eligibility) assessment
- Quality assessment
- Decision of the JMC
- Notification of the Applicants (including the request of documents necessary for the verification of the eligibility and the preparation of the Subsidy Contract)

**Formal or administrative assessment** is carried out by the Members of the JS/JSA. Each application is checked by two assessors in order to ensure the 4-eye principle. The assessment is done against the Formal Assessment grid which is prepared in advance and approved within the application package. The finalised and cross-checked Formal grid is printed and signed by the responsible assessors.

**The quality assessment** is carried out by external assessors who possess adequate knowledge in the fields covered by the Programme's priorities, so that the Programme bodies can rely on their assessment when making the selection for financing. The quality assessment is carried out against the set of criteria, listed in the Quality Assessment grid.

The decision on selected projects is made by the JMC.

### 9.2.1 Formal or administrative assessment



Only those applications which met the submission deadline are subject to the formal assessment.

The formal assessment grid contains two different groups of criteria:

- administrative criteria (Required annexes and supporting documents)
- eligibility criteria

The formal assessors check Applications against the grid and mark 'Yes' or 'No' next to each criterion. If the application does not satisfy the **minimum criteria** of the Formal Assessment grid (A.1, A.2, A.5, A.6, B.1- B.4), the Application will be rejected for formal reasons and will not be a subject to further evaluation.

If the Application is not complete, or if the formal eligibility criteria listed in A.3, A.4, A.7, and A.8 of the Formal Assessment grid (please see Appendix C of the present Guidelines) are not satisfied, the Lead Beneficiary is invited to submit<sup>9</sup> a completion/clarification within maximum 10 calendar days from the date of receipt of the official notification (the letters are sent by e-mail, with the 'Request a read receipt' option activated).

There is only one chance for completion/clarification during the formal assessment process. If after the completion/clarification the Application is still not compliant with the formal criteria, the application will be rejected.

After the deadline for completion/clarification expired, the JS finalizes the formal assessment grid. The responsible Programme Manager hands over the Application and the formal grid to his/her colleague for a cross-check. Once the formal assessment grid is finalized the printed version of the grids signed by both assessors and stored at the premises of the JS.

If the application meets all the formal assessment criteria, the assessors recommend it for quality assessment. On the other hand, if (even after the completion/clarification) the Application shows formal deficiency it will be formally rejected.

The JS, on behalf of the MA, informs the potential Lead Beneficiaries, informing them whether their Application was submitted within the deadline, whether it satisfied the formal assessment criteria and, as a consequence, whether it is recommended for further assessment.

(Formal assessment grid is attached in the Appendix C of this document)

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<sup>9</sup> Completions will be required to be submitted through the IMIS 2014-2020 monitoring system

### 9.2.2 Quality assessment

The quality assessment is carried out by external assessors who possess adequate knowledge in the fields covered by the Programme's priorities, so that the Programme bodies can rely on their assessment when making the selection for financing. The quality assessment is carried out against the set of criteria, listed in the Quality Assessment grid.

The Quality Assessment grid contains the following aspects of evaluation:

- *Financial and operational capacity:* Applicants must have stable and sufficient resources for the implementation of the project as well as the necessary professional competencies and qualifications to complete the proposed activities.
- *Partnership:* The partnership must be able to perform the proposed activities; the distribution of tasks, activities and budget must be well balanced between the partners; it should be described how the partnership improves the chances for the project's success.
- *Relevance to the Programme:* The application must clearly contribute to the Programme's objectives; there must be a link between Project's indicators and Programme's results, as well as between project' results and the Programme's result indicator; Applicants must elaborate the importance of the cross-border approach for the chosen topic as well as for the target groups, Programme area and the partners.
- *Project content:* The chosen topic must be justified clearly, must be relevant and realistic; the proposed activities should be beneficial for the target groups, Programme area and the partners. Project content should be in line also with Macroregional/National/Regional/County level policies, strategies and International plans where relevant
- *Methodology (Work plan):* there should be a clear connection between the proposed activities and overall project objective; all proposed activities should lead to the project's objective; activities must be practical and achievable in the proposed timeframe; the project indicators should be realistic, achievable and SMART; potential risks should be identified and probable solutions suggested.
- *Sustainability and Horizontal principles:* the project idea should lead to the project's sustainability and multiplier effect; the project's results should be sustainable; project activities must be environmentally friendly and project's results must be environmentally sustainable.
- *Communication:* The communication approach of the proposal must contribute to the Programme's visibility, promotion of the horizontal principles and good neighbourly relations (CBC effect); above all, the communication approach must be adequate to the project's objectives, and target the adequate audience.
- *Budget and cost effectiveness:* The proposed expenditures must be necessary, realistic and cost effective.

The quality assessment grid is divided into sections and subsections according to the different aspects of the evaluation. The maximum score that can be obtained is 100 points, distributed between the main sections as follows:

Section	Maximum score	Minimum score
Financial and operational capacity	10	5
Partnership	9	5
Relevance to the Programme	15	8
Project content	15	8
Methodology ( <i>Work plan</i> )	15	7
Sustainability and horizontal principles	13	6
Communication	8	3
Budget and cost effectiveness	15	8
	Total: 100	Min. to pass: 50

An Application must reach the defined minimum score in each section and *at least 50* point in total, in order to be recommended for support. Quality assessors should only assign integral number of points, without decimals.

The quality assessors assign points to each criterion in the quality assessment grid according to their professional judgement and justify the scoring for each section of criteria. The final score of each application is the arithmetical average of the total number of points given by the assessors.

In case when there are deficiencies in the application which do not allow assessors to assess the application entirely, assessors may initiate a clarification process through the JS. Assessors submit a written notification (via e-mail) to the JS in which they list the questions/clarifications/justifications related to specific applications. The JS asks the Lead Beneficiary to submit clarification within 10 calendar days from the day of receipt of the request (by e-mail, with the 'Request a read receipt' option activated) and forwards it to the assessor. Clarification/Justification can be requested only once during the quality assessment process. If the justification is unsatisfactory the assessor should make a note on the quality assessment grid that the given criteria was assessed based on the provided data, or the given criteria could not be assessed.

After the quality assessment is completed, the JS prepares a list of applications recommended for financing ranked according to their scores and a list of applications not recommended for financing and presents both at the JMC meeting in order to facilitate the JMC decision on selection. (Quality assessment grid is attached in the Appendix of this document).



Both Formal and Quality Assessment is assisted by the Monitoring System, the main procedures will be assigned through the system. A separate Users' Manual is available on the Programme's website providing further information about the system's operation.

### **9.3 Decision on selected projects**

The JMC is responsible for selecting applications for support. The JMC meets the decision which applications will be financed, which will be financed with conditions, and which will not be financed. The decision is based on the ranking list of applications made after quality assessment.

Applications which do not reach *at least 50 points in total, or at least the defined minimum scores in each section* of the Quality Assessment grid, are not recommended for financing, and the JMC will not discuss them.

The external assessors might be invited to the JMC meeting in order to present their assessment and answer the questions of the JMC members.

The JMC may decide to support applications with certain conditions (budget modification, compliance with EU or national regulations, horizontal principles, etc). These conditions must be recorded in the minutes of the JMC meeting.

The JMC decision to approve or reject any application must be duly justified and made by consensus of the Committee.

According to the ranking list the JMC supports applications up to the available allocation of the Call for each action. The JMC also reserves the right not to allocate all available funds.

As a general rule 120-160 days elapse between the deadline for submission of applications and the date of the JMC decision. The above timeframe may be prolonged by the Managing Authority.

Once the decision is made by the JMC, the JS, on behalf of the MA, sends Notification letters to the Lead Beneficiaries with the final decision about their application.

The Notification letters also include the list of supporting documents required for the verification of eligibility and other conditions which must be fulfilled in order to sign the Subsidy Contract for EU Contribution. In case of rejected applications, the JS offers a possibility to check the results of the assessment at its premises.

#### **9.3.1 Verification of eligibility**

The verification of eligibility is carried out by the JS and JS Antenna. Its purpose is to make sure that

- Declaration by the Applicant is in conformity with the submitted supporting documents. Failure to submit any supporting document, or any inconsistency between the Declaration and the supporting documents, will lead to the rejection of the Application,
- The Applicant is eligible (see Chapter 2 of the present Guidelines).

In case of projects containing 'works/investments' the deadline for submitting all documents required for contracting is maximum 6 months after the reception of the notification letter. For all other projects the deadline for submitting all documents required for contracting is maximum 1 month after the reception of the notification letter.

The Managing Authority reserves the right not to contract those projects for which the applicants failed to submit the requested documents proving the fulfilment of eligibility criteria by the given deadline. The verification of eligibility is carried out in parallel with the preparation of the Subsidy Contracts for EU Contribution.



**The JS is entitled to carry out monitoring visit(s) before verifying the eligibility of the Applicant.**

## **9.4 Handling complaints**

### **Procedure of handling complaints**

Decisions regarding the formal rejection of a project are taken by the MA and the decisions regarding the quality of a project are taken by the JMC.

The Lead Beneficiary can have an insight in the evaluation grids (both formal and quality assessment grids) within 7 calendar days after the receipt of the notification letter about the relevant decision. In case the potential Lead Beneficiary or the partnership does not agree with the decision of the MA/JMC, the potential Lead Beneficiary is entitled to file a complaint.

The complaint can be filed in case the decision:

- infringes the rights stipulated in the Regulations of the European Union;
- presents an encroachment to the CfP published or the procedures regulating the assessment process.

The complaint shall

- be written in English;
- be addressed and sent to the Joint Secretariat by regular mail to the address of the JS.
- be filed by the legal representative of the potential Lead Beneficiary;

- be sent in 10 calendar days following the receipt notification regarding the rejection of the project or after the date of becoming familiar with the content of the quality evaluation, in case a personal insight in the evaluation documentation was requested;
- contain clear reference to the nature of the encroachment based on EU Regulations, procedures or the CfP.

The complaint can be lodged after the formal or after the quality assessment.

**Complaint on the findings of the formal assessment:**

If the lodged complaint challenges the findings of the formal assessment, the JS and MA review the findings of the formal assessment by double-checking the submitted Application.

**Complaint on the decision on the selection of the projects:**

If the lodged complaint challenges the findings of the quality assessment and the decision on the selection of the projects, the Managing Authority, assisted by the Joint Secretariat, examines the complaint and prepares its technical examination regarding the merit of the complaint.

Firstly, the JS and MA may invite the potential Lead Beneficiary to examine the quality grids. The names of the quality assessors must be removed from the grids presented to the applicant and applicant is not allowed to take the grids out of the JS premises.

In case the applicant persists in lodging a complaint, the complaint will then be examined on the basis of the information brought forward by the potential Lead Beneficiary in the complaint and the technical examination done by the MA/JS with the involvement of the quality assessors concerned.

The decision whether the complaint is justified and it should be considered by the JMC is taken by the MA.

In case it is justified, the case may be sent back to the JMC to review the application and its assessment. The MA has to provide the JMC with a written justification with explicit reference to the criteria described earlier.

The JMC decides whether the revised assessment is adopted and modifies the initial decision accordingly.

The decision whether the complaint is approved or rejected by the JMC is communicated by the Managing Authority in writing to the potential Lead Beneficiary 15 calendar days following the adoption decision on the complaint.

The decision whether the complaint is 'justified and adopted' or 'not justified and rejected' is final, binding to all parties and not subject of any further complaint proceedings within the Programme based on the same grounds.

All complaints shall be forwarded to the MA by the JS ex officio and shall be considered and answered by the MA, as the responsible complaint handling body, in 20 calendar days following receipt of the complaint. This can be extended once with an extra 45 calendar days in case further investigations are needed. The Lead Beneficiary is informed about the extension of the deadline. The Serbian NA shall be informed in all cases about the reception of a complaint and the decision taken.

Complaints shall be automatically rejected, without any examination in case:

- they were not filed by the potential Lead Beneficiary entitled to submit a complaint;
- they were filed after deadline, i. e. more than 10 calendar days after the receipt of the official rejection letter or more than 10 calendar days after the date of becoming familiar with the content of the quality evaluation;
- they do not contain clear reference to the nature of the encroachment based on EU Regulations, procedures or the CfP;
- the subject and content of a complaint corresponds with a complaint already filed and rejected;
- it was not sent by regular mail or courier service (e.g. per fax or e-mail).

## **9.5 Preparation for contracting**

After the approval of an Application by the JMC, the Subsidy Contract for EU Contribution (hereafter: contract) should be signed between the MA and the LB. The language of the contract is English. The contract and its annexes, will contain all the necessary information: legal framework; the objective of the financing: activities, work plan, maximum contribution; conditions for eligibility of costs; rules of contract/project modifications; reporting requirements and deadlines; procedure for payment requests; rights and obligations of the LB etc. The MA/the JS on behalf of the MA will notify the Lead Beneficiaries selected for support about the approved amount of subsidy and about the conditions for approval of the Application (if any). At the same time, the Lead Beneficiaries will be requested to submit – on behalf of the partnership – documents necessary for the verification of eligibility and preparation of the contract. Among others *(Please note that the below list of documents is indicative and serves for information purposes only)*:

- **Establishing documents / Statutes**, are requested to prove eligibility of all Beneficiaries before contracting.
- **Original signed Partnership Agreement**, One of the most important contracting documents is the Partnership Agreement between the Beneficiaries of the project. The Partnership Agreement has to cover all aspects of co-operation within the partnership,

including a clear distribution and allocation of respective financial amounts – including the advance payment – reflecting the assigned tasks and responsibilities of the Beneficiaries as well as the rights and obligations of the parties (reporting, financial flows between the partners, liabilities, etc.).

It should be made based on the Model Partnership Agreement (Annex II. of the present Guidelines) and signed between the Beneficiaries of the project. The Model Partnership Agreement contains the compulsory minimum to regulate the relationship among beneficiaries in the project; however the members of the partnership may add further provisions to the Partnership Agreement keeping in mind that the modification must not be in conflict with principles, objectives and rules of the present Call for Proposals.

- In case of national/regional organisations established outside of the Programme area, but having a branch office (which is not a legal entity) in the Programme area, the **proof of at least one year of operation of the branch office in the Programme area.**
- **Bank statement proving the establishment of a separate EUR bank account** (or sub-account) by the Lead Beneficiary for the purposes of the project.
- **Certifications on the payment of contributions and taxes.** These are issued by the respective authorities (social security contributions, taxes and customs) and certify that the Beneficiaries fulfilled obligations relating to the payment of social security contributions and taxes. Documents should not be older than 30 days at the time of submission. Beneficiaries should submit originals or copies certified by a public notary.
- If relevant, **any additional documents** requested by the JMC relating to the conditions of approval of the project.

In case the project includes infrastructure and works, additional documents will be required:

- **Originals of land or building registration certificates** (originals issued by the respective institution or copies certified by a public notary will have to be submitted). They should be in the original language and not older than 30 days. Copies of the relevant contract, agreement, declaration concerning the type of ownership and any other rights of the beneficiaries certified by the legally authorised representative of the respective Applicant;
- **Original legally binding building permit (if relevant)** in case they were not submitted with the Application;
- **Original, legally binding environmental permit (if relevant)** in case they were not submitted with the Application.
- **Supporting letter from the relevant authority (if applicable for clarifying issues related to national legislation)**, identified by the JMC based on the quality assessment. If the given investment activity in the project is identified as it shall be supported by the relevant authority, the JMC can request the supporting letter of that particular authority concerned for contracting.

In order to be able to conclude the Subsidy Contract for EU Contribution, the LB has to submit all required documents and fulfil all conditions stipulated in the letter of award of subsidy within the deadline defined in the Notification letter.

## **9.6 Contracting of IPA subsidy**

Once the Lead Beneficiary submitted documents necessary for the contract on behalf of all Beneficiaries of the Partnership, the JS prepares the contract in the IMIS 2014-2020 system, following the template annexed to the present Guidelines (see Annex I of the present Guidelines). Note that the Model Subsidy Contract for EU Contribution is for information purposes only and the MA reserves the right to change it before signature.

Before the conclusion of the contract, Programme Managers from the JS may perform a site visit at the premises of the Lead Beneficiary, and/or other Beneficiaries of the partnership especially in case of investment projects.

The Subsidy Contract for EU Contribution is signed between the Head of the MA on one side, and the legal representative(s) of the Lead Beneficiary (on behalf of the partnership) on the other side.

## **9.7 Contracting of national state co-financing (only for Beneficiaries from Hungary)**

Contracting of national state co-financing for Beneficiaries from Hungary will be done in accordance with the relevant Hungarian national level regulations.

## **9.8 Publication of the contracted projects on the Internet**

In line with regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013, annex XII – Information and communication on support from the funds, the list of the members of the Partnership, the title and the summary of the projects as well as the amount of funding allocated to projects will be published by the JS on the Programme's official website following the period of contracting.

## 9.9 Indicative timetable

	DATE	TIME (CET)
Deadline for request for information from the JS	23 January 2017	16:00
Deadline for submission of Applications	31 January 2017	24:00
Deadline for submission of the Certification	7 February 2017	24:00
Information to LB on the results of the formal assessment	March 2017*	-
Notification to LB on the result of the assessment and request for documents necessary for contracting	June 2017*	-
Signature of the Subsidy Contract for Community Funding	July-September 2017*	-

*\*Provisional timing*

## 10. IMPLEMENTATION OF PROJECTS

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The contracted projects will be implemented according to the stipulations of the Subsidy Contract for EU Contribution, the IPA regulations, the Project Implementation Handbook, the Guidelines for Implementing Information and Publicity Requirements for the Projects, the Eligibility Rules of Expenditures and respective national regulations. Below you will find the key aspects of project implementation.

### 10.1 Project advance

**Projects will automatically receive an advance payment in an amount of 15 % of the total IPA support awarded to the project, stipulated in the Subsidy Contract for Community Funding.**

The amount of the advance is transferred in Euro to the Lead Beneficiary's separate EUR bank account in 60 days from the registration date of the signed Subsidy Contract for EU Contribution at the JS. In case the Community funding balance of the programme single bank account does not cover the amount to be transferred, the payment of the advance will be suspended until the transfer of the Community funding from the EC is made.

The Lead Beneficiary is responsible for transferring the respective amounts of advance specified in the Subsidy Contract for EU Contribution to all Beneficiaries within the timeframe agreed in the Partnership Agreement.

Advance settlement: All the submitted and approved Applications for Reimbursement will be paid in full until the expenditures have reached 60% of the total IPA contribution for the respective project part (i.e. of the budget of the respective Beneficiary). Having 60% of the IPA contribution reimbursed, the amount of **the advance will be recovered** until the total amount of the advance has been settled. Therefore, when approving these Application(s) for Reimbursement the amount of transferable EU contribution will be calculated with the consideration of recovered amount of advance payment. The total amount of the advance payment is settled if the amount of eligible expenditures reimbursed in the Application for Reimbursement reaches the 75% of the total EU contribution of the respective project part. Then, the transfer of the reimbursed IPA contribution will restart.

The designated controllers and the JS are responsible to follow the efficient use of advance during project implementation. If the Beneficiary concerned cannot settle the total advance transferred to him/her according to the Applications for Reimbursement by the submission of the final project report, the unsettled advance will have to be recovered together with interest chargeable from the Beneficiary concerned.



## 10.2 Reporting and payments

Each Beneficiary (including the Lead Beneficiary) has to submit the reports and invoices or accounting documents of equivalent probative value to the Control Bodies **within 15 calendar days following the end date of the reporting period**. Control Bodies validate the delivery of the products and services to be co-financed, the soundness of the expenditure declared, and the compliance of such expenditure and related parts of the project with Community rules, Programme rules and relevant national rules. For each Beneficiary, a **Declaration on validation of expenditure** is issued by the respective Control Body in Hungary or in Serbia **within 45 calendar days** (including completion of missing documents, if applicable). Each Declaration on validation of expenditure will indicate the amount of validated eligible expenditure and the amount of validated IPA financing for the respective reporting period. Beneficiaries shall send/the IMIS 2014-2020 monitoring system will forward the Declaration on validation of expenditure to the Lead Beneficiary (the LB receives its own DOVE from the Control Body through the system).

**Complaints related to the decisions of the national controllers:** Beneficiaries who have complaints related to the decisions of the national controllers, can file a complaint to the respective National Authority following national procedures set in place in accordance with Article 74(3) of the CPR.

Having received the Declaration on validation of expenditure submitted by each Beneficiary, **the Lead Beneficiary compiles the 'Project Report' and the 'Application for Reimbursement'** on behalf of the entire partnership and submits them to the JS. The Project Reports and the Applications for Reimbursement have to be submitted to the JS **within 90 calendar days from the end date of each reporting period**.

**The Lead Beneficiary has to submit the Project Report and the Application for Reimbursement for each four-month reporting period from the project starting date.** In all cases Project Reports have to be **prepared in EUR** using the monthly accounting exchange rate of the European Commission in force (available on [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm)) **in the month in which the expenditure is submitted by the Beneficiary to the Control Body.**

The applicable format of the Project Report, Application for Reimbursement and the Declarations on validation of expenditure are defined for the Programme and are obligatory to use. The Lead Beneficiary **has to complete and submit the Project Report and the Application for Reimbursement online through the Front Office surface of the** Monitoring and Information System of the Programme.

**Please note that the project implementation may start on the first day after the deadline for submission expires (1 February 2017),** however, only the projects selected for support will be reimbursed for costs that arose before the signature of the Subsidy Contract for EU Contribution.

### **Payment of the IPA contribution**

The JS checks the Application for Reimbursement and Project Reports within maximum 30+30 calendar days after the arrival of the documents: all submitted reports will be checked within 30 days and the missing documents must arrive within maximum 30 days.

After successful verification the 'Application for Reimbursement' the validated amount of IPA contribution is transferred in EUR to the **separate project account held by the LB**.


Finally, it is the task of the LB to transfer the respective IPA amount **to each Beneficiary** within the deadline agreed in the Partnership Agreement.

### **Payment of national state contribution (Relevant only for Hungarian beneficiaries)**

The national state contribution will be transferred according to the Hungarian National level regulations, following the signature of the national state co-financing contract.

**NOTE: The Lead Beneficiary must open a separate EUR bank account for the purposes of the project. The Beneficiaries (other than LB) are advised to open a separate bank account for the project, if they find it necessary (however it is not compulsory). The costs related to the separate bank accounts opened for the purposes of the project are eligible costs.**

## **10.3 Procurements**

 According to Article 45 of IPA II Implementing Regulation and other regulations relevant to the Programme<sup>10</sup>, each project contracted under the Programme has to manage **procurements of services, supplies and works in accordance with external aid rules**, i.e. the provisions of Commission Decision C (2013) 1171 'Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries'. The rules governing the award of contracts, standard contracts and corresponding operational instructions and the rules, standard contracts and operational instructions for grants awarded in the context of external actions are listed and explained in the

***Practical Guide to contract procedures for EU external action (PraG):***

<http://ec.europa.eu/europeaid/prag/document.do>

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<sup>10</sup> Procurement procedures in the whole area of the cross-border Programme, both on Hungarian and Serbian territory, 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, as well as Commission Decision C (2013) 1171 repealing Decision C (2007) 2034 on the 'Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries', with the exclusion of its Section II.8.2.

For procurement procedures the standard PraG templates tailored to this Programme have to be used by all Beneficiaries. The documentation is available on the Programme website:

<http://www.interreg-ipa-husrb.com>

The public procurements have to be carried out independently by the Beneficiaries and the procedures will be subject to validation process. The costs are eligible for reimbursement only after the validation of the procurement procedure.

The procedures to be applied in case of irregularities revealed in public procurements in the present IPA II Programme are those established for the Structural Funds Programmes stipulated in Commission Decision C(2013) 9527 and set out in the following guidelines:

<http://ec.europa.eu/transparency/regdoc/rep/3/2013/EN/3-2013-9527-EN-F1-1-ANNEX-1.Pdf>

According to the terms set out in the PraG, practically it means that **the Beneficiaries act as Contracting Authorities, the management mode of the procurement procedure is decentralised and the control is ex-post.**

The Beneficiaries shall ensure necessary expertise to carry out the public procurement procedures.

### **The rule of nationality and origin**

In line with Article 8 (4) of Regulation EU 236/2014 all supplies purchased under a procurement contract, or in accordance with a grant agreement, financed under this Regulation shall originate from an eligible country. However, they may originate from any country when the amount of the supplies to be purchased is below the threshold for the use of the competitive negotiated procedure (100 000 EUR net).

The applicable rules of nationality and origin are available in chapter 2.3.1 of PRAG and its A2a annex:

<http://ec.europa.eu/europeaid/prag/annexes.do?annexName=A2a&lang=en&id=>

The following countries are eligible:

- a) EU member states (Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom);
- b) Member States of the European Economic Area (Iceland, Liechtenstein, Norway);

- c) Any country that is a beneficiary of the IPA II (The Former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia and Herzegovina, Montenegro, Serbia, including Kosovo);
- d) European Neighbourhood Instrument (ENI) partner countries and territories: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, occupied Palestinian Territory (oPt), Syria, Tunisia, Ukraine;
- e) Other countries defined under section 2.3.1 of the PraG.

**The country of origin is deemed to be the country in which the supplies have undergone their last, economically justified, substantial transformation.**



**Certificates of origin** must be issued by the competent authorities of the supplies' or supplier's country of origin and comply with the international agreements to which that country is a signatory.

**Tender procedures and indicative timeframe of procedures (amounts are indicated as net amounts)**

Based on the estimated values of the contract, the following procedures shall be applied:

<b>SERVICE CONTRACTS</b>	<b>min. EUR 300 000</b>	<b>above EUR 20 000 but below 300 000 EUR</b>		up to max. <b>EUR 20 000</b> Single tender
	International restricted tender procedure	Competitive negotiated procedure or Framework contract BENEf 2013		
<b>SUPPLY CONTRACTS</b>	<b>above EUR 300 000</b>	<b>min. EUR 100 000</b> <b>max. EUR 300 000</b>	<b>above EUR 20 000</b> <b>below EUR 100 000</b>	
	International open tender procedure	Local open tender procedure	Competitive negotiated procedure	
<b>WORKS CONTRACTS</b>	<b>min. EUR 5 000 000</b>	<b>min. EUR 300 000</b> <b>below EUR 5 000 000</b>	<b>above EUR 20 000 but</b> <b>below 300 000 EUR</b>	
	International open tender procedure or International restricted tender procedure	Local open tender procedure	Competitive negotiated procedure	

The indicative estimated timeframe of the above procedures:

- 10-20 days in case of single tender
- 30-75 days in case of framework contracts
- 40-90 days in case of competitive negotiated procedure or local open tender
- 80-150 days in case of international tenders

## **10.4 Information and publicity measures**

Communication is an integral part of a project. Therefore, careful planning and choosing suitable communication tools to inform about and publicize the project are essential for the project visibility and successful implementation of the project.

Beneficiaries should choose communication tools based on the nature of the project, its objectives and target audience. Additionally, they must comply with the set of requirements related to the information and publicity measures which the EU regulation and the Programme prescribe.

**The Lead Beneficiary coordinates communication activities of the project. It is responsible at project level for informing the public about the support awarded from the EU funds. The Lead Beneficiary is also responsible for communication with the JS on behalf of the project and reporting to the JS on the progress and results of the implementation of communication initiatives within the project.**

**To all other communication activities, unless specified differently, the Beneficiaries need to contribute equally.**

### **Obligatory communication elements**

- Programme logo
- EU emblem with the obligatory phrase about the project co-funding
- Disclaimer – stating that The EU is not responsible for the contents of communication material prepared by the beneficiaries. To be applied to all communication material, unless the size of the material does not allows for it.

### **Recommended:**

- Programme slogan
- Programme boilerplate – brief description About the Programme (e.g. for press releases)
- Reference to the Programme website

## **Obligatory Communication Tools**

According to the point 2.2. *Responsibilities of the Beneficiaries* of the *Annex XII - Information and Communication on Support from the Funds* of the Regulation (EU) No 1303/2013 of the European Parliament and the Council, the Lead Beneficiary/Beneficiary must fulfil the following requirements:

- 1) Acknowledge in all information and communication measures the support from the IPA fund, by displaying:
  - a) the Union emblem together with a reference to the Union;
  - b) a reference to the IPA fund supporting the operation.
- 2) During implementation of an operation, inform the public about the support obtained from the Fund by:
  - a) placing at least one poster (minimum size A3), with information about the project, including the financial support from the Union, at a location readily visible to the public, such as the entrance area of a building;
  - b) If the project has a website – a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union.
- 3) Ensure that those taking part in an operation have been informed of the funding under an operational Programme co-financed by the IPA fund.

Any document, relating to the implementation of an operation which is used for the public or for participants, including any attendance or other certificate, must include a statement to the effect that the operational programme is supported by the IPA fund.

- 4) For each operation consisting of the financing of infrastructure or construction operations for which the total public support to the operation exceeds EUR 500,000, the Beneficiary will put up, at a location readily visible to the public, a temporary billboard of a significant size, during the implementation of the operation.
- 5) For each operation for which the total public support to the operation exceeds EUR 500,000, and which consists of the purchase of a physical object or of the financing of infrastructure or of construction operations, the Beneficiary will put up a permanent plaque or billboard of significant size at a location readily visible to the public no later than three months after completion of the operation.

Additionally, the Programme requires the Beneficiaries to incorporate the following communication tools into their activities:

- 1) For every single piece of equipment purchased through this Programme the Beneficiaries should label it with a sticker.

- 2) Project photography – it is mandatory to produce photographs about project events and activities. The photography is used for reporting and promotional purposes.
- 3) Promotional material (in addition to the obligatory poster) –produce at least one type of promotional material. All chosen types of promotional material must be bilingual (Hungarian and Serbian), and may also be produced in English and other languages, depending on the needs of the Project (e.g. tourism related projects);
- 4) Communication/visibility event(s) – organize at least one event.
- 5) Media coverage – secure the minimum of one piece of coverage promoting the project in the traditional media (print – newspapers and magazines; electronic – TV and radio; or online – web portals).
- 6) Social media network profile – at least one social media network profile is required to launch and maintain.

In addition to required communication tools, the Programme also recommends a set of communication tools (described in detail in the *Guidelines for Implementation of Information and Publicity Measures for Projects*), which projects may also include in their communication activities.

### **Communication Approach**

Before launching any communication activities, the Beneficiaries must develop a communication approach for the project. The Beneficiaries are required to answer the following questions, in the Application Form:

- 1) How do Communication Objectives respond to the Project Objectives and raise awareness about the identified issue?
- 2) Who are the Target Audiences?
- 3) How do the activities will promote horizontal principles?
- 4) How will the communication activities contribute to the good neighbourly relations (CBC effect)?
- 5) How the communication tasks will be divided (planned in advance) between the Beneficiaries to ensure the maximum impact of communication activities?

Additionally, the Beneficiaries should come up with an indicative budget that is needed for the communication activities.

All Communication elements and tools requirements and the instructions and recommendations for their implementation, as well as the instructions for obligatory reporting and archiving are defined and explained in the *Guidelines for Implementation of Information and Publicity Measures for Projects*, available for download on the programme website. Beneficiaries must adhere to the measures outlined in the *Guidelines for Implementation of Information and Publicity Measures for Projects*.

## 10.5 Contract modifications

Although projects need to be planned with utmost care, it might occur that the project implementation differs from the approved Application. In this case the Subsidy Contract for EU Contribution needs to be modified. The Lead Beneficiary may request the amendment of the contract through the Monitoring System, justifying its request with a clear reasoning and description of the effects that the amendment might have on previously approved budget and timetable.

The following **modifications are not allowed**:

- Modifications of the Subsidy Contract which affect the basic purpose of the Project as approved by the JMC,
- Change of Lead Beneficiary (unless it is necessary by law),
- Budget reallocations between Beneficiaries,
- Reallocation to budget lines which did not contain allocated amounts in the approved budget or to those which were decreased according to the decision of the JMC,
- Reallocation to the Budget Heading 1. Preparation Costs.

In those cases where the modification requires approval of the Joint Monitoring Committee or the Managing Authority, the modification is a Subsidy Contract Modification and requires an Addendum to the Subsidy Contract.

In the cases where the modification requires approval of the Joint Secretariat, the modification is an Other Project Change.

Administrative changes (e.g. change of addresses, bank account, etc. ) also need to be reported to the Joint Secretariat, but do not require formal approval.

The Lead Beneficiary and Beneficiaries have to adhere to the rules and procedures for requesting project changes which are detailed in the Subsidy Contract for EU Contribution and in the Project Implementation Handbook.

If the national co-financing contract is affected by the modification of the Subsidy Contract for EU Contribution, it shall be amended in parallel.

## 10.6 Audits and sustainability of project results

The EC, the auditing bodies of the Participating Countries, as well as the Audit Authority, the Managing Authority, the Joint Secretariat and the Certifying Authority of the Programme are entitled to audit the projects.

The Beneficiaries shall provide all documents required for the audit, as well as all necessary information and give access to their business premises. The Beneficiaries are obliged to retain for audit purposes all files, documents and data about the Project for at least three years following the



submission of the accounts in which the expenditure of the operation is included (as per the provisions of Article 46 (5) of Regulation (EU) No 447/2014) or for 10 years from the financing decision of the last state-aid-related project (as regulated in Article 6(4) of the de minimis Regulation), whichever is later.

The ownership of the results of the project shall be maintained by the Beneficiaries for at least five years from the date of the final payment to the Lead Beneficiary.

## **ANNEXES TO THE GUIDELINES FOR APPLICANTS**

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The Annexes to the Guidelines for Applicants are available on the Programme website as follows:

Annex I: Model Subsidy Contract for EU Contribution

Annex II: Model Partnership Agreement

## **APPENDICES TO THE GUIDELINES FOR APPLICANTS**

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### **APPENDIX A: LIST OF RELEVANT REGULATIONS**

The Interreg-IPA Cross-border Cooperation Programme Hungary-Serbia is co-financed by the Instrument for Pre-accession Assistance of the European Community. The Programme procedures are principally governed by the following regulatory framework:

#### **Community legislative provisions:**

- REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- COMMISSION DELEGATED REGULATION (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II);
- Commission Implementing Regulation (EU) No 447/2014 of May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II) (hereinafter referred to as the IPA Implementing Regulation);
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (hereinafter referred to as the ETC Regulation);
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter referred to as the Common Provisions Regulation, CPR);

- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- COMMISSION REGULATION (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;
- COMMISSION DECISION 2011/9380/EC of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest;
- COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

In case the application is selected for funding - besides the above mentioned legal references - the following official documents and guidelines have to be also respected in the framework of the Subsidy Contract concluded between the MA and the LB:

- The Interreg – IPA CBC Hungary – Serbia Programme, approved by the European Commission on 15 December 2015 by Decision No C(2015) 9488 with programme reference number CCI 2014TC16I5CB001;
- Financing Agreement between the Republic of Serbia and European Commission for the Programme;
- EU rules regarding EU horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement;
- Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (2012/C 8/02).
- national rules applicable to the Lead Beneficiary and the Beneficiaries;
- the relevant Call for Proposals of the Programme (HUSRB/1602), published on 3 October 2016 on the Programme website;
- the Project Implementation Handbook for the Interreg – IPA CBC Hungary – Serbia Programme, laying down the programme specific rules for the implementation of the projects (hereinafter referred to as the Project Implementation Handbook);
- Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg – IPA CBC Hungary – Serbia Programme, laying down the programme specific rules on information and publicity measures of the projects;
- the relevant national level legislation governing the rules of public procurement procedures in Hungary and Serbia.

- Convention on Environmental Impact Assessment in a Transboundary Context, Espoo, Finland, 25 February 1991 (Espoo EIA Convention)
- Convention on Cooperation for the Protection and Sustainable use of the Danube River Sofia, Bulgaria, 22 October 1998 (Danube River Protection Convention)''

**National legislative provisions (list is not exhaustive):**

**HUNGARY:**

- 44/2016. (III. 10.) Governmental Decree on applicable state aid rules
- 126/2016 (VI.7.) Governmental Decree on the implementation rules of Cross-border Co-operation Programmes financed by ERDF , or IPA in the financial period of 2014-2020
- LVII. Act on Water Management 1995
- LIII. Act on General Rules of Environmental Protection 1995
- 219/2004 (VII. 21.) Governmental Decree on Protection of Groundwater
- 220/2004 (VII. 21.) Governmental Decree on Rules on Quality Protection of Surface Waters
- 221/2004 (VII. 21.) Governmental Decree on Certain Rules of River Basin Management
- 314/2005 (XII.25.) Governmental Decree on Environmental Impact Assessment and the Integrated Environmental Licencing Procedure
- 72/1996 (V.22.) Governmental Decree on Practice of Authorities on Water Management Licensing
- 147/2010 (IV.29.) Governmental Decree on General Rules on Activities for Water Utilization, Protection and Facilities for Elimination of Water Damages
- 18/1996 (VI.23.) Ministerial Decree on Required Application and Annexes of Water Licensing Procedure
- CLXIV. Act on Trade 2005
- 213/1996. (XII. 23.) Governmental Decree
- 281/2008. (XI. 28.) Governmental Decree
- 239/2009. (X. 20.) Governmental Decree
- 33/2009. (XII. 18.) Ministry of Local Government Decree
- 14/2008 (XII.20.) Ministry of Local Government Decree
- 173/2003. (X. 28.) Governmental Decree

**REPUBLIC OF SERBIA:**

- Law on the ratification of the Framework Agreement between the Government of Republic of Serbia and European Commission on the rules for cooperation related to the European Communities financial aid to Republic of Serbia under the Instrument for Pre-Accession Assistance II (IPA II), (“Official Gazette of the Republic of Serbia- International Contracts”, No. 19/2014, from 29.12.2014.);
- Financing for Interreg – IPA CBC Hungary – Serbia 2014 -2020;
- Decree introducing the amendments to the Decree on establishment of the Serbian European Integration Office (Official Gazette of the Republic of Serbia, No. 126/2007, 117/2007, 42/2010, 48/2010, 106/2012);
- Government Conclusion on the appointment of National Authority; 05 No. 337-4257/2016-01
- Decree on establishment of the Audit Authority Office of EU Funds (“Official Gazette of the Republic of Serbia”, No. 41/2011, 83/2011)
- Public Procurement Law (“Official Gazette of the Republic of Serbia”, No.124/2012, 14/2015 and 68/2015) with subsequent modifications;
- Law on Regional Development (“Official Gazette of the Republic of Serbia”, No. 51/2009, 30/2010 and 89/2015) with subsequent modifications;
- Law on Budget System (“Official Gazette of the Republic of Serbia”, No. 54/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013, 108/2013, 142/2014, 68/2015 and 103/2015) with subsequent modifications;
- Law on Chambers of Commerce (“Official Gazette of the Republic of Serbia”, No. 112/2015) with subsequent modifications;
- Law on Associations (“Official Gazette of the Republic of Serbia”, No. 51/2009 and 99/2011) with subsequent modifications;
- Law on State Aid Control (“Official Gazette of the Republic of Serbia”, No. 51/2009) with subsequent modifications;
- Regulation on Rules and Procedure for State Aid Notification (“Official Gazette of the Republic of Serbia”, No. 13/2010) with subsequent modifications;
- Regulation on Rules for State Aid Granting (“Official Gazette of the Republic of Serbia”, No. 13/2010; 100/2011 and 97/2013) with subsequent modifications;
- Law on Environmental Protection (“Official Gazette of the Republic of Serbia”, No. 135/2004, 36/2009, 72/2009, 43/2011 and 14/2016) with subsequent modifications;
- Law on Integrated Prevention and Control of Environmental Pollution (“Official gazette of the Republic of Serbia”, No. 135/2004) with subsequent modifications;
- Law on Environmental Impact Assessment (“Official Gazette of the Republic of Serbia”, No. 135/2004, 36/2009) with subsequent modifications;

- Law on Ratification of the Convention on Environmental Impact Assessment in a Transboundary Context ("Official Gazette of the Republic of Serbia", No. 102 /2007)with subsequent modifications;
- Law on Ratification first and second Amendment to ESPOO Convention ("Official Gazette of the Republic of Serbia", No. 4/ 2016) with subsequent modifications;
- Law on ratification of the Protocol on strategic environmental assessment to the Convention on environmental impact assessment in a transboundary context ("Official Gazette of the Republic of Serbia – International contracts" No. 1/2010) with subsequent modifications;
- Law on Nature Protection, ("Official gazette of the Republic of Serbia", No. 36/2009, 88/2010, 91/2010 and 14/2016) with subsequent modifications;
- Law on National Parks ("Official Gazette of the Republic of Serbia", No. 84/2015) with subsequent modifications;
- Law on Strategic Environmental Impact Assessment ("Official Gazette of the Republic of Serbia", No. 135/2004, 88/2010) with subsequent modifications;
- Code on the contents of the study on environmental impact assessment ("Official Gazette of the Republic of Serbia", No. 69/2005) with subsequent modifications;
- Law on Waters ("Official Gazette of the Republic of Serbia" No. 30/2010 and 93/2012) with subsequent modifications;
- Law on Navigation and Ports on Inland Waters ("Official Gazette of the Republic of Serbia", No. 73/2010, 121/2012, 18/2015 and 96/2015) with subsequent modifications;
- Law on Water Regime ("Official Gazette SRJ", No. 59/98 and "Official Gazette of the Republic of Serbia", No.101/2005) with subsequent modifications;
- Gender Equality Act ("Official Gazette of the Republic of Serbia", No. 104/2009) with subsequent modifications;
- Law on the Prohibition of Discrimination in the Republic of Serbia "(Official Gazette of the Republic of Serbia", No. 22/2009) with subsequent modifications;
- Law on State Survey and Cadastre ("Official Gazette of the Republic of Serbia", No. 72/2009, 18/2010, 65/2013, 15/2015 and 96/2015) with subsequent modifications;
- Law on Planning and Construction ("Official Gazette of the Republic of Serbia", No. 72/2009, 81/2009, 64/2010, 24/2011, 121/2012, 42/2013, 50/2013, 98/2013, 132/2014 and 145/2014) with subsequent modifications;
- Law on Public Property ("Official Gazette of the Republic of Serbia", No. 72/2011, 88/2013 and 105/2014) with subsequent modifications;
- Law on VAT ("Official Gazette" No. 84/2004, 86/2004, 61/2005, 61/2007, 93/2012, 108/2013, 6/2014, 68/2014 142/2014, 83/2015) with subsequent modifications;

- Rules for VAT exemption (“Official Gazette of the Republic of Serbia”, No. 120/2012,40/2015 and 82/2015 ) with subsequent modifications;
- Labor Law (“Official Gazette of the Republic of Serbia”, No. 24/2005, 61/2005, 54/2009, 32/2013 and 75/2014) with subsequent modifications;
- Law on Contracts and Obligations (“Official Gazette of SFRJ”, No. 29/1978, 39/1985, 45/1989, “Official Gazette of SRJ”, No. 31/1993, “Official Gazette of SCG”, No. 1/2003) with subsequent modifications;
- Special Practice on Construction (“Official Gazette of SFRJ”, No. 18/1977) with subsequent modifications;
- Regulation on Contents and Method of Keeping Inspection Book and Construction Diary (“Official Gazette of the Republic of Serbia”, No. 22/2015) with subsequent modifications;
- Regulation on Contents and Manner of Expert Supervision (“Official Gazette of the Republic of Serbia”, No. 22/2015) with subsequent modifications;
- Ordinance of the Government of Serbia on reimbursement of costs for civil servants and appointees (regulating method for calculation and payment of per diems for in-country and abroad travel) (“Official Gazette of the Republic of Serbia”, No.98/2007 and 84/2014) with subsequent modifications;
- State Employment Act, of the Republic of Serbia, (“Official Gazette of the Republic of Serbia”, No. 36/2009 ,88/2010 and 38/2015);
- Law on State Administration (“Official Gazette of the Republic of Serbia”, No. 79/2005, 101/2007, 95/2010 and 99/2014) with subsequent modifications;
- Law on Civil Servants (“Official Gazette of the Republic of Serbia”, No. 79/2005, 81/2005, 83/2005, 64/2007, 67/2007, 116/2008, 104/2009 and 99/2014) with subsequent modifications;
- Law on Investments ( “Official Gazette of the Republic of Serbia”, No. 89/2015);
- Law on Cooperatives (“Official Gazette of the Republic of Serbia”, No.112/2015);
- Law on Local Self-Government (“Official Gazette of the Republic of Serbia”, No.129/2007 and 83/2014);
- Law on Employees in Autonomous Provinces and Units of Local Self-Government (“Official Gazette of the Republic of Serbia”, No. 21/2016)
- Law on Amendment to the Law on Tourism (“Official Gazette of the Republic of Serbia”, No. 3006/2009, 88/2010, 99/2011, 93/2012 and 84/2015)
- Law on Railway (“Official Gazette of the Republic of Serbia”, No. 45/2013 and 91/2015);
- Amendment to the Law on Public Roads (“Official Gazette of the Republic of Serbia”, No. 104/2013).



## **APPENDIX B:**

### **SPECIAL STIPULATIONS ON THE OWNERSHIP OF LAND AND BUILDINGS IN CASE OF PROJECTS HAVING INVESTMENT/WORKS ACTIVITIES**

In case of projects having investment/works activities, the Beneficiaries must prove the quality of ownership or usage rights of the land and/or building involved in the works component.

Please note, that in the frame of the Interreg IPA CBC HU-SRB Programme, the following rules must be respected:



- the **purchase, rent of land and existing buildings** is eligible expenditure up to 10% of the given project part's budget;
- investment/works activities can exclusively be implemented on the land or to a building which is **the property of the Beneficiary or owned by the State or a county/local government**;
  - In all cases a land or building **registration certificate** from the relevant public register must be submitted together with the Application (if available), or by Contracting at the latest (in case of being selected).

The ownership, or the certain usage right has to be proven by the relevant document (contract, declaration etc.) appointed in the below sections, according to the national legislation.

The following cases can be distinguished:

- 1) In case **the land or building is exclusively owned by the Beneficiary** implementing the works component, the investment is implemented on own property and only a land or building registration certificate from the relevant public register is necessary to be submitted with the application.
- 2) In case **the land or building is a joint property, not in the exclusive ownership of the Applicant** implementing the works component, the written consent of the joint proprietors also has to be attached to the application, in which they must express that they agree with the implementation of the project and with the continuation of its operation until 5 years from the closure of the project.

If the land or building constitutes a piece of **undivided joint property**, the usage agreement between the joint proprietors, stipulated in a notarial document or private law contract of equal probative value, as well as the drawing about the functional division of the property have to be submitted together with the application.

- 3) **The land or building is not owned by the Beneficiary** implementing the works component, **but by the State or county/local government**<sup>11</sup>:
- a) If the ownership of the land and of the building located on it is legally **divided**, the owner of the land and the Applicant implementing the works component have to conclude a detailed contract to be attached to the Application, ruling the implementation of the investment and how the ownership of the land and the building will be separately indicated in the public register.
  - b) If the Applicant implementing the works component **already rents, or wishes to rent** for the duration of the project and for subsequent operation, the land or building, the relevant **rental contract** must be annexed to the Application, together with the declaration of the owner of the property that the owner agrees with the submission of the Application to implement and subsequently operate the works component for at least **5 years** after project closure. The rental contract must be stipulated for a definite period of the project implementation and **no shorter than additional 10 years** and it must ensure the exclusive use of the investment, according to the activities described in the Application Form and endorsed by the JMC, during the implementation of the project **and in the following 10 years**.
  - c) If the land or building on which an investment is to be implemented is not the property of the Beneficiary responsible for the activity but the Beneficiary acts as the trustee of the property, the trusteeship has to be proven by **attaching to the Application the relevant contract or any other document proving the trusteeship legal relation**.
- 4) **If the Beneficiary implementing the works component wishes to purchase the land** on which an investment is to be implemented from its current owner then the submission of a **pre-contract on the purchase of the property, or the appropriation plan concerning the properties affected by the investment (if relevant) must be attached to the Application**. The contract can contain a suspending clause stating that the contract on the purchase will only be stipulated if the project receives funding. In all cases the land concerned must become the property of the Lead Beneficiary / Beneficiary by the time of conclusion of the Subsidy Contract for EU Contribution or a separate clause in the Subsidy Contract for EU Contribution should be introduced, stating that **no investment related invoices can be submitted by the Beneficiary** until the Beneficiary's ownership regarding the real estate concerned is not proven, e.g. the land or building registration certificate(s) are submitted to the JS.

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<sup>11</sup> In this respect, property owned in 100 % by organisations (non-profit making companies) which are in the 100 % ownership of the State or the local government can also be regarded as 'in the ownership of the state or of county/local governments'

In all cases the building and/or the land must:

- be free of any encumbrances,
- not be the object of pending litigation and
- not be the object of a claim according to the relevant national legislation.

The land or building is free of encumbrances and is not an object of a claim if nobody has a claim, for the present or for the future, listed in the register that could in any way and to any extent hinder the present or future owner of the property in exercising his or her ownership and usage rights.

A claim is e.g. if on the extract from the register of the property in question one of the following entries can be found:

- purchasing right, repurchasing right,
- forcible collection right,
- existence of a winding-up or liquidation procedure against the owner,
- a construction or parcel-establishing prohibition based on a court or administrative decision, other construction restrictions,
- commencement of a parcel-establishing or expropriating procedure,
- appointing of an auction procedure,
- closure,
- purchase with the retention of ownership,
- suspension of a register procedure.

The following encumbrances are not to be regarded as claims: mortgage, restraint on alienation and encumbrance, servitude and usufruct.

By the end of the implementation period of an investment type project at least the record of the technological delivery session must be presented, together with the statement of the responsible architectural supervisor. Until the final and valid permission of use is attained, a temporary permission of use can be accepted from the Lead Beneficiary/Beneficiary or they can submit a copy (provided by the relevant authority) of the document proving that the organisation has handed in its request for the initialisation of the permission procedure.

**APPENDIX C:**

**FORMAL ASSESSMENT GRID**

ADMINISTRATIVE AND ELIGIBILITY CHECK LIST					
<b>Project ID</b>					
<b>Project acronym</b>					
<b>Project title</b>					
<b>Name of the Lead Beneficiary organisation</b>					
[Name of Formal Assessor 1]				Signature:	
[Name of Formal Assessor 1]				Signature:	
	Criterion	Description	Yes	No	Comments
<b>A</b>	<b>Administrative criteria</b>				
A.1	Submitted by the set deadline	<i>Application submitted electronically through the Monitoring System and original signed and stamped Certification by post.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.2	Original Certification submitted by post is stamped and signed by the legal representatives of all Applicants	<i>Original document is stamped and signed by the legally authorized representative(s) of each Applicant organization.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.3	All obligatory annexes are submitted	<i>Obligatory annexes (Declarations by the Applicant and Declarations on State Aid relevance) for each Applicant organization are attached to the application and submitted through the Monitoring System. Each uploaded scanned pdf document is filled in with correct data, openable, legible and with identifiable (legible) stamp and signature and contains all pages.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.4	All obligatory annexes are stamped and signed by the legally authorised persons	<i>Each Declaration by the Applicant and each Declaration on State Aid relevance is signed by the legally authorised person(s) of the respective Applicant organization.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.5	The application form is filled in in English		<input type="checkbox"/>	<input type="checkbox"/>	
A.6	Application form is correctly filled in	<i>Relevant sections of the Application Form contain data.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.7	All obligatory supporting documents are submitted	<i>Each uploaded supporting document is openable and legible, contains all pages and in compliance with requirements specified in the Chapter 8.4 of the HUSRB/1602 Guidelines for Applicants.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
A.8	Administrative and formal data in the application is consistent	<i>Information presented in all application documents (Application Form, its annexes and relevant supporting documents) is consistent.</i>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>B</b>	<b>Eligibility criteria</b>				
B.1	The application fulfils minimum requirements for partnership	<i>Fully in compliance with the requirements specified in the Heading 3 of the HUSRB/1602 Guidelines for Applicants.</i>	<input type="checkbox"/>	<input type="checkbox"/>	

B.2	Each Applicant is an eligible organisation	Fully in compliance with the requirements specified in the Chapters 2.1, 2.2 and 2.3 of the HUSRB/1602 Guidelines for Applicants.	<input type="checkbox"/>	<input type="checkbox"/>	
B.3	Defined Time frame is respected	Start and end dates (eg depending on the closure of the call of proposals or the end of the programme period) and duration of the project.	<input type="checkbox"/>	<input type="checkbox"/>	
B.4	Minimum and maximum budget requirements are respected	IPA contribution to the project is within the defined minimum and maximum amount	<input type="checkbox"/>	<input type="checkbox"/>	
<b>The project is formally compliant</b>			<input type="checkbox"/>	<input type="checkbox"/>	

**APPENDIX D:  
QUALITY ASSESSMENT GRID**

<b>INTERREG - IPA CBC HUNGARY - SERBIA</b>		
Call for Proposal:	HUSRB/1602	2nd Call for Proposals
Application ID:	HUSRB/1602/.../...	Project Acronym:
Quality assessment of the Application		
Name of the assessor:		Signature of assessor:
Organization of the assessor (if relevant):		Date of assessment:

<b>ASSESSMENT GRID</b>				
No.	Criteria	Maximum score	Obtained score	
<b>I Financial and operational capacity</b>				Relevant AF chapters
	<i>Needs 5 to pass</i>	10	0	
1.	Do the project beneficiaries have experience in project management and implementation?	3		2. Partn
2.	Do the project beneficiaries have sufficient operational capacity: managerial, professional and technical for implementing the proposed activities? (staff, equipment, resources)	3		2
3.	Have the beneficiaries had stable financial situation in the last two financial years?	2		2

4.	Have any of the beneficiaries participated in a project of similar size or importance?	2		2. Partn
<b>II Partnership</b>			<i>Needs 5 to pass</i>	9
			0	Relevant AF chapters
5.	Has the partnership/cooperation between the beneficiaries existed before this project?	2		2
6.	Are all beneficiaries adequate to the activities assigned to them?	3		2, 3, 5.ActPI
7.	Is the partnership necessary or beneficial for the implementation of the proposed activities?	2		2, 3, 5.ActPI
8.	Do the proposed budget and activities indicate a balanced partnership?	2		5.ActPI, 7
<b>III Relevance to the Programme</b>			<i>Needs 8 to pass</i>	15
			0	Relevant AF chapters
9.	To what extent will the project contribute to the achievement of programme's objectives?	4		4
10.	Do project indicators clearly contribute to one of the Programme outputs?	3		4, 5
11.	Are the project results linked to the programme level indicators?	3		4, 5
12.	Is the importance of the cross-border approach to the topic clearly demonstrated - the results cannot (or only to some extent) be achieved without cooperation?	3		2, 5
13.	Does the cross-border cooperation have a significant added value for the beneficiaries - there is a clear benefit from cooperating for the project beneficiaries / target groups / project area / programme area)?	2		2, 3
<b>IV Project content</b>			<i>Needs 8 to pass</i>	15
			0	Relevant AF chapters
14.	Are the proposed activities relevant to the chosen topic?	4		3, 4, 5
15.	To what extent is the problem that the project addresses relevant and realistic?	3		3
16.	To what extent will the chosen target groups benefit from the proposed activities?	3		3, 5
17.	To what extent will the affected area benefit from the proposed activities?	3		3, 5
18.	Are the proposed activities and objectives compliant with the Danube strategy?	1		
19.	To what extent are the proposed activities and processes compliant with national/regional/county policies?	1		3, 5

<b>V Methodology (Work plan)</b>		<i>Needs 7 to pass</i>	15	0	Relevant AF chapters
20.	Do the proposed activities logically lead to the project objectives?		2		4, 5
21.	Are ALL activities necessary in achieving the project objectives?		3		4, 5
22.	Are the activities realistic in the proposed time frame?		2		5
23.	Are the activities feasible and practical?		3		5
24.	Are the indicators set for the project results and outputs, realistic and achievable?		3		5
25.	Are the potential risks realistically observed and tackled?		2		3
<b>VI Sustainability and horizontal principles</b>		<i>Needs 6 to pass</i>	13	0	Relevant AF chapters
26.	Will the proposed activities lead to the financial sustainability?		2		3, 4, 5
27.	Is the proposal likely to have multiplier effect? (Is it possible to replicate or multiply the project results in a different situation or in a wider dimension?)		2		3
28.	Are the expected results socially sustainable?		2		3,5
29.	Are the proposed activities environmentally friendly?		2		3, 5
30.	Are the expected results environmentally sustainable?		2		3, 5
31.	If applicant chose to specifically contribute to the horizontal principles, is it likely they would achieve significant results in that area?		3		3, 5
<b>VII Communication</b>		<i>Needs 3 to pass</i>	8	0	Relevant AF chapters
32.	Do the communication activities target the adequate audience and contribute to the visibility of the Programme?		2		6
33.	Do the communication activities actively promote horizontal principles?		1		3, 5, 6
34.	Do the communication objectives respond to the project objectives and raise awareness about the identified problem?		1		6
35.	How will the communication tasks be divided (planned in advance) between the Beneficiaries within the		1		5, 6

	project to ensure the maximum impact of communication activities?			
36.	Do the communication activities actively contribute to the good neighbourly relationships (CBC effect)?	1		3, 6
37.	Is the proposed communication approach adequate to the project objectives?	2		4, 6
<b>VIII Budget and cost effectiveness</b>				
<i>Needs 8 to pass</i>		15	0	Relevant AF chapters
38.	Are the proposed costs necessary for the implementation of the project?	4		5, 7
39.	Is the proposed budget realistic and well justified? (Does it contain overestimated or underestimated amounts?)	4		5, 7
40.	How balanced are the budget headings in relation to the theme of the project. (Staff, Services, Equipment)	2		4, 5, 7
41.	How balanced is the budget of the project between the beneficiaries.	2		7
42.	How well do the costs of the project relate to the expected results of the project?	3		5, 7

### SUMMARY OF THE ASSESSMENT AND JUSTIFICATION

Main assessment criteria	MAX	Needs	Obtained	Result
<b>I Financial and operational capacity</b>	10	5	<b>0</b>	<b>Failed</b>
[please add justification for scores and for this heading over-all]				
<b>II Partnership</b>	9	5	<b>0</b>	<b>Failed</b>
[please add justification for scores and for this heading over-all]				
<b>III Relevance to the Programme</b>	15	8	<b>0</b>	<b>Failed</b>
[please add justification for scores and for this heading over-all]				
<b>IV Project content</b>	15	8	<b>0</b>	<b>Failed</b>



[please add justification for scores and for this heading over-all]

<b>V Methodology (Work plan)</b>	15	7	<b>0</b>	<b>Failed</b>
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[please add justification for scores and for this heading over-all]

<b>VI Sustainability and horizontal principles</b>	13	6	<b>0</b>	<b>Failed</b>
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[please add justification for scores and for this heading over-all]

<b>VII Communication</b>	8	3	<b>0</b>	<b>Failed</b>
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[please add justification for scores and for this heading over-all]

<b>VIII Budget and cost effectiveness</b>	15	8	<b>0</b>	<b>Failed</b>
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[please add justification for scores and for this heading over-all]

<b>TOTAL SCORES</b>	100	50	<b>0</b>	Failed
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The Assessor's proposal:	
<b>Overall justification, advice for project development (if project is not recommended), conditions (if applicable):</b>	

**APPENDIX E:**  
**LIST OF ABBREVIATIONS**

AA	Audit Authority
AF	Application Form
CA	Certifying Authority
CfP	Call for Proposals
EC	European Commission
GfA	Guidelines for Applicants
IMIS	IMIS - The Monitoring and Information System of the Programme
IPA	Instrument for Pre-accession Assistance
JMC	Joint Monitoring Committee
JS	Joint Secretariat
LB	Lead Beneficiary
MA	Managing Authority
NA	National Authorities
PraG	Practical guide to contract procedures for EC external actions
RDI, R&D	Research and Development
SME	Small and medium sized enterprises
ToR	Terms of Reference
TS	Technical Specifications
SZPI	Széchenyi Program Office Llc.