



# Call for Proposals

in the frame of the

**INTERREG V-A SLOVAKIA-HUNGARY  
COOPERATION PROGRAMME**

Reference number:

**SKHU/1901**

**RESTRICTED CALL**

**Continuation of the 2<sup>nd</sup> round  
of the selection process in PA3**

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## Preface

According to the decision of the Monitoring Committee of the Interreg V-A Slovakia-Hungary Cooperation Programme, Managing Authority in agreement with the National Authority opens a restricted Call for proposals in the third priority axis of the Cooperation Programme on 11<sup>th</sup> June 2019.

The third priority axis focuses on the development of key conditions for improving labour mobility and puts emphasis on the integration of the cross-border labour market. The priority fosters creation of employment opportunities based on endogenous potentials and improves the accessibility to job opportunities. Since the complexity of the PA3 determines comprehensive interventions that are difficult to deal within a traditional Call the Monitoring Committee decided to apply two rounded selection procedure. In the first round, Applicants were obliged to elaborate complex development plans called *Territorial action plan for employment* and submit for the Call for proposals SKHU-1703. The list of the successful applications in the first round was approved by the Monitoring Committee on 26<sup>th</sup> April 2018 in Bratislava.

**The present Call is the continuation of the second round of the selection procedure in the third priority axis of the Co-operation Programme and restricted only for the projects that were rejected after the eligibility assessment of the Call for proposals SKHU-1802 as described in the Position paper to the Call for proposals. The Position paper is indispensable part of the Call.**

**The ERDF allocation for the present Call is 2 300 803,42 EUR. The Monitoring Committee reserves the right to award different amount of the available funds. The submission deadline for the present call is 8<sup>th</sup> July 2019.**

The Managing Authority in agreement with the National Authority may modify the terms of the Call by an amendment at any time prior to the deadline for the submission. Amendments may not affect the eligibility and evaluation criteria. In order to afford reasonable time for Applicants to fulfil the modified terms of the Call, the Managing Authority may extend the deadline for the submission of applications. If Applicants submitted the application before publishing an amendment Applicants cannot suffer disadvantage due to the modified terms of the conditions.

The Managing Authority in agreement with the National Authority may decide to cancel the present call at any stage, but particularly if

- there have been irregularities in the procedure, in particular where these have prevented equal treatment;
- in exceptional circumstances or force majeure render the normal implementation of the planned actions impossible.

Information on modifications or the cancellation will be published on the programme website. Any potential losses from cancellation are not entitled for compensation. For more information please visit the [www.skhu.eu](http://www.skhu.eu) or call +36 1 457 5523.

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## Application package

All documents related to the Call are available on the Programme website which can be downloaded as Application package. The package contains several guides, manuals, supporting materials and legislations that help the correct interpretation of the Call. Applicants may also participate on personal consultations with the members of the Joint Secretariat if needed. The package includes the following documents:

### Position paper to the Call for proposals

#### Call for proposals

##### Predefined annexes

- Annex I.A – Declaration of the Beneficiary /SK/
- Annex I.B – Declaration of the Beneficiary /HU/
- Annex III – Declaration on State aid
- Annex IV – Declaration on SME qualification
- Annex IX – Declaration on partnership
- Annex XI.A - Summary table of the affected parcels
- Annex XI.B - Declaration on building permissions

##### Guides and manuals

- Visibility guide for projects
- Guide on eligible expenditures
- Guide on indicators
- IMIS 2014-2020 application manual

##### Supporting materials

- The new SME definition - User guide and model declaration
- General guidelines for developing a business plan
- Template of the Partnership Agreement
- Template of the Subsidy Contract

##### Guiding legislations

- Commission Regulation (EU) No 1407/2013
- Commission Regulation (EU) No 651/2014 as amended by Commission Regulation (EU) 2017/1084
- Annex I. of the Treaty
- 44/2016. (III.10.) Government Decree in relation with state aid rules

**Assessment grids**

Amendments to the Call and the updated Application packages are published on the programme website. Please note that due to possible amendments, Applicants should check the Programme website regularly.



## Basic principles

### Intervention logic

The complexity of the PA3 determines comprehensive interventions including infrastructural and soft elements. Since these interventions are difficult to deal within single projects, Applicants had to create Territorial Action plans for Employment [TAPE] first and divide the proposed interventions into separate project proposals creating an interrelated chain of operations. The aim of the action plan was to

- thoroughly analyse the target area and identify the change needed on,
- match territorial needs with the eligible actions of the PA,
- set adequate objectives, clarify the target groups and the expected results,
- define appropriate steps for the implementations,
- accompanied by necessary inputs and
- identify the outputs that will be used by the relevant target groups.

These principles also have to be kept during the elaboration of *separate project proposals submitted for the second round of the selection procedure* [hereafter: project]. Each project shall be developed further as a part of the TAPE, but at the same time, they have to be fully functional as standalone operations as well. This means all projects have to:

- precisely identify challenges to be tackled,
- match objectives with the eligible actions,
- set the objectives and the expected results clearly with the qualitative description of the change,
- set activities that are adequate for the implementation,
- assign them with necessary resources (*budget, time, capacity*), and
- define the tangible outputs (*final products, services and solutions*).

Each project shall be developed according to the original proposal drafted in TAPE. The substantial parts of the projects e.g. the *mission, expected results and target groups* cannot be modified. Flexible parts e.g. *composition of the project partnership, budget, duration or target values of some indicators* can be adjusted to the present circumstances.

## Key elements of the TAPE

### Structure of the TAPE

Ensuring the TAPE's consistency, key elements of the approved action plans have to be respected in the present call as well. Each TAPE contains minimum three projects creating synergic or complementary relations. In this context, projects are able to fulfil their mission only if all related projects are realized as well. Therefore submitted projects for the present Call can be approved if all projects included into the TAPE were submitted and

- recommended for approval or
- recommended for approval with conditions.

The project can be approved even if other projects within the TAPE were rejected, if the fulfilment of the *key output indicators* can be ensured by other projects and the loss of the synergic or complementarity effects can be eliminated.

The structure of the TAPE can be modified in the following cases:

- a) new project can be added into the structure if responsibilities derived from the Lead Beneficiary principle shall be optimized by splitting of a particular project or if change in project partnership composition requires modification of the structure as well;
- b) project can be omitted from the structure if the fulfilment of the *key output indicators* can be ensured by other project(s) and the loss of the synergic or complementarity effects can be eliminated.

However applicants shall note that the structure of the TAPE can be modified only with the full respect of the conditions set in the Call for proposals /SKHU-1703/ as follows:

- each TAPE has to include minimum 3 maximum 8 project proposals created in line with the list of eligible actions;
- each TAPE has to contain minimum one Key action project and one predefined supplementary project called Coordination and communication project;
- project proposals having no remarkable synergic or complementary relationship with other projects within the TAPE therefore having no direct or indirect effect on employment or labour mobility objectives cannot be supported.

### Eligible actions

Eligible actions serve as guidelines and frame for the proposed projects. Each project shall be developed in line with one of the key or supplementary eligible actions.

### Key actions

- 1) Development of local products and services creating new working places
- 2) Improving cross-border labour mobility

### Supplementary actions

- 3) Modernization and structural transformation of specific areas
- 4) Launching integrated cross-border employment initiatives
- 5) Business services promoting employment
- 6) Joint education and training programmes
- 7) Coordination and communication services

Actions chosen for the proposed projects can be modified only in case of supplementary actions if the objective of a particular project was not matched correctly to the action.

### Project partnerships

The implementation of the TAPE is undertaken by wide partnership of local actors [Consortium] from both member states. Having the TAPE structured is also important from the '*Lead Beneficiary principle*' point of view. Keeping the Lead Beneficiaries' responsibility the lowest, members of the Consortium shall form individual project partnerships between Beneficiaries with similar or additional objectives. Composition of the project partnerships can be modified if any member of the proposed partnership step back from the second round of the selection procedure respecting the following conditions:

- Lead Beneficiary of the CCP can be replaced only by organization that is already the member of the Consortium;
- the modification of the project partnership can be accepted if the target value of the key indicator *CO02 - Number of enterprises receiving grants (pcs)* indicated in TAPE was not decreased after the submission of the separate projects. This basically means that an SME beneficiary can be replaced only by another SME;

If Beneficiaries undertaking the CCP are not involved into any other key or supplementary project eligible applicants can be only the following type of institutions:

- regional, county or local municipalities,
- European groupings of territorial cooperation,
- development agencies,
- local action groups.

### Total budget of the TAPE

During the second round of the selection procedure Applicants have to respect the maximum ERDF allocation approved by the Monitoring Committee during the first round of the selection procedure and the available total budget predefined for each eligible action in the present Call. The approved ERDF contribution can be freely reallocated between projects or Beneficiaries if substantial parts of each project (*mission, expected results, target groups*) remain ensured.

### Target value of linked indicator

All projects have to contribute to the fulfilment of the result indicator directly or indirectly as a part of the TAPE. At the same time, each project has to fulfil at least one Common and programme specific output indicator. Since some output indicators are linked to other parameters of the TAPE (e.g. amount of the ERDF contribution), Applicants can modify the target values of these key indicators as follows:

- 1) Projects submitted for the present call can be approved if the target value of the key indicator CO02 - *Number of enterprises receiving grants (pcs)* set in the TAPE was not decreased in the submitted projects;
- 2) Projects submitted for the present call can be approved if the target value for the key indicator CO08 - *Employment increase in supported enterprises* set in the TAPE was decreased in the submitted projects in line with conditions set in the first Call for proposals /SKHU-1703/ as follows:

Amount of the ERDF contribution of the TAPE	Minimum target value for indicator CO08
under 1.000.000 €	2
1.000.001 € - 2.000.000 €	4
2.000.001 € - 3.000.000 €	6
3.000.001 € - 4.000.000 €	8
4.000.001 € - 5.000.000 €	10
5.000.001 € - 6.000.000 €	12
6.000.001 € - 7.000.000 €	14
7.000.001 € - 8.000.000 €	16
8.000.000 € - 9.000.000 €	18
above 9.000.000 €	20

### Project durability

Projects comprising investment in infrastructure or productive investment shall be maintained in the target area for at least five years or at least three years in the case of SMEs, after the final payment to the Beneficiary. Please note that projects shall repay the community contribution if within the maintenance period the Beneficiary is subject to any of the following:

- a) cessation or relocation of a productive activity outside the programme area;
- b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

## Eligible actions

All projects have to be developed in line with the selected eligible action. Eligible actions serve as guidelines for the project development that determine the scope of objectives, timeframe for the implementation and the size of the total budget as well. In general, key action projects must create new working places or enhance labour mobility directly while projects developed in line with supplementary actions shall support or exceed the efficiency of the key action ones. This means that projects and individual project partnerships shall be created by Beneficiaries with similar or additional objectives. In case this is not possible applicants have to choose the more relevant action with a special care on conditions set for both actions.

## Key actions

### 1. Development of local products and services creating new working places

Within this action projects with the following objectives can be supported:

- development of market based local products and services,
- improvement of public services in the field of education, health and social services.

#### Specific conditions

- Projects developed in line with this action have to directly create new working places at relevant enterprises or institutions.
- Activities concerning products of the soil and of stock farming produced by primary agricultural production sector are not supported.
- Activities concerning processing of agricultural products are supported in case the final product is not considered as primary agricultural. The list of agricultural products is set by the Annex I. of the Treaty.
- Activities concerning hotel and accommodation services, restaurant and catering services, direct trade and commercial services (*e.g. retail services*) are not supported in the frame of this action.

### 2. Improving cross-border labour mobility

Within this action projects with the following objectives can be supported:

- construction of new cross-border roads, bridges and infrastructure for ferries,
- development of private transport services,
- development of accommodation facilities for commuting workers.

#### Specific conditions

- All projects have to improve cross-border labour mobility with direct link to projects creating new working places.
- Construction of cross-border roads, bridges and infrastructure for ferries with TEN-T relevance not supported.

- Projects aiming to improve public transport services are not supported.

## Supplementary actions

### 3. Modernization and structural transformation of specific areas

Within this action, projects aiming to renovate and/or modernize specific areas contributing to structural transformation can be supported.

#### Specific conditions

- Projects have to contribute to transition of an economy from low productivity and labour intensive economic activities to higher productivity and skill intensive activities ensuring new ways or higher level of utilisation.
- Specific areas are considered as rust belts, declining industrial zones, poorly maintained or unused industrial, agricultural or public facilities.

### 4. Launching integrated cross-border employment initiatives

Within this action, projects aiming to establish

- joint employment initiatives,  
*(e.g. facilitating unemployed persons returning on the labour market)*
- labour market cooperation initiatives, and  
*(e.g. concluding employment pacts between education institutions and employers)*
- innovative employment projects can be supported.  
*(e.g. special programs with emphasis on the employability of Roma people)*

### 5. Business services promoting employment

Within this action, projects aiming to establish

- background services promoting cross border employment,  
*(e.g. creation of databases, providing consultancy services, creation of websites etc.)*
- new business services and cross-border cooperation of business support structures, and  
*(e.g. reducing administrative burdens)*
- development of networks to support employment *(e.g. IT systems)* can be supported.

### 6. Joint education and training programmes

Within this action, projects aiming to

- explore training needs and provide joint education and training services,
- raise awareness among employers in field of discrimination, and projects aiming to
- ensure common use of expert and consultancy services can be supported.

#### Specific conditions

- Joint education and training services shall be created in line with training needs of the labour market of the target area.

- Development of new training or education curricula is supported only if the activity meets at least one of the following criteria:
  - the education activity introduces new specialization as a part of the basic education portfolio;
  - the training represents innovative approach for which curricula or external experts are not available on the market;
  - the training is applied for a special target group which requires unique supporting materials;
  - Beneficiary maintains training activities at least for five years after the reimbursement of the last payment.

## **7. Coordination and communication services**

Within this action, projects ensuring the consistency of the action plan are supported. CCP projects shall include the following activities:

- coordinating the implementation of the TAPE,
- providing risk management during the implementation of the TAPE,
- communicating and capitalizing the TAPE,
- supporting project management tasks for Regional aid projects,
- carrying out communication tasks for each project.

## Eligible applicants

### Location criteria

Applicants are eligible if they have their seats or regional/local branch offices registered in the programme area. The programme area covers 13 NUTS III level eligible regions adjacent to the Slovak-Hungarian border. In Slovakia 5 self-governing regions and in Hungary 8 NUTS III level regions are eligible as set out in the following table:

*Eligible NUTS3 areas*

SK010	Bratislavský samosprávny kraj	HU101	Budapest főváros
SK021	Trnavský samosprávny kraj	HU102	Pest megye
SK023	Nitriansky samosprávny kraj	HU212	Komárom-Esztergom megye
SK032	Banskobystrický samosprávny kraj	HU221	Győr-Moson-Sopron megye
SK042	Košický samosprávny kraj	HU311	Borsod-Abaúj-Zemplén megye
		HU312	Heves megye
		HU313	Nógrád megye
		HU323	Szabolcs-Szatmár-Bereg megye

### Institutional criteria

Applicants are eligible if they fit into the following organization types:

*Eligible type of institutions*

Local, county or regional municipalities	Non-governmental organisations
European groupings of territorial cooperation	Private institutions serving public interests
Local action groups	Social partnerships
Development agencies	Social enterprises
Public institutions	State owned companies
Universities and colleges	Small and medium sized enterprises
Chambers	



## Exclusion criteria

Applicants are eligible if:

- their legal personality is in accordance with the legislation of Slovakia and Hungary and are exclusively legal entities;
- they have fulfilled their obligations relating to the payment of social security contributions and/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 Managing Authority or those of the country where the contract is to be performed;
- they are not bankrupt or being wound up, are not having their affairs administered by the courts, have not entered into an agreement with creditors,
- they have not suspended business activities, are not the subject of proceedings concerning those matters, or are not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they have not been convicted of an offence concerning their professional conduct by a judgement which has the force of 'res iudicata';
- they have not been guilty of grave professional misconduct proven by any means which the Managing Authority or the National Authority can justify;
- they have not been subject of a judgement which has the force of 'res iudicata' for fraud, corruption, involvement in a criminal organisation or for any other illegal activity detrimental to the Community's financial interests;
- they are not subject to a conflict of interests connected to their participation in the present Call;
- they are not guilty of misrepresentation in supplying the information required by the MA/NA as a condition of participation in the Call or in failing to supply information;
- they have not attempted to obtain confidential information or to influence the Monitoring Committee or the MA/NA/JS during the assessment process of the current or a previous Call.

## Eligible SMEs

In the present Call small and medium enterprises are eligible since new working places shall be primarily created in the private sector. In general, SMEs shall be able to use financial assistance for economic growth, for the expansion of their business activities and financial efficiency and to employ more citizens living in the target area. The Programme aims to support enterprises which have relevant experience in their profile, stable service or product portfolio and balanced financial history. Enterprises can be eligible if the following criteria regarding their financial background are fulfilled at once.

### Minimum duration of operation

Enterprises have to be active on the market at least in the last two fiscal years (2017, 2016). If any action of the TAPE requires the foundation of a new enterprise stakeholders may found a new enterprise for the project purposes in duly justified cases until the submission deadline of the present Call.

### No public debts

Enterprises cannot have any public debts at the time of submission of the Application form neither option for instalment payment of public debts.

### Positive equity

Enterprises must have positive equity in the last fiscal year not less than the lowest amount of the prescribed capital stock.

Each SME Beneficiary has to prepare and submit a business plan for the implementation phase and the following 3 years of sustainability period according to the guidelines introduced in the Application package. For more information, please see the document "*General guidelines for developing a business plan*".

## Exclusion criteria for SMEs

Enterprises cannot be supported if one of the following criteria is fulfilled:

- they are in difficult situation (according to Regulation 651/2014/EU);
- their activities have been suspended;
- they are under bankruptcy proceeding, liquidation, final settlement;
- they are involved in court cases in respect of their own operations;
- they are under sanction concerning national or EU support;
- they have not fulfilled their obligation relating to the payment of social security contributions or the payment of taxes in accordance with the national legal provisions;
- they have been the subject of judgement which has the force of 'res iudicata' for fraud, for corruption, for severe breach of contract in connection to obligations stemming from public procurement rules or rules governing the use of Community funding

or national subsidies, for involvement in a criminal organization or for any other illegal activity detrimental to the Community's financial interests;

- they are subject to a conflict of interests connected to their participation in the present Call.



The Managing Authority reserves the right to ask for guarantees from the SMEs beneficiaries and to determine the means of safeguarding the future claims for the contracting procedures.

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### Identification of the small and medium-sized enterprises

Any entity engaged in an economic activity is considered an enterprise irrespective of its legal form and the way in which it is financed. In other words, any organisation producing products or services to satisfy market needs in order to reach profit shall be considered as an enterprise. Legal forms of the enterprises may be various. This includes in particular, self-employed persons and family businesses engaged in craft or other activities and partnerships or associations regularly engaged in an economic activity. In the present call only enterprises, falling into the category of small and medium-sized enterprises [SMEs] stipulated in Annex (1) of the regulation 651/2014/EU can be supported.

The main factors determining whether an enterprise is an SME are the staff headcount and either turnover or balance sheet total. The data to apply to the headcount of staff and the financial amounts are those relating to the latest approved accounting period and calculated on an annual basis. They are taken into account from the date of closure of the accounts. The amount selected for the turnover is calculated excluding value added tax (VAT) and other indirect taxes.

#### Medium-sized enterprise

The category of medium-sized enterprises is made up of enterprises, which employ fewer than 250 persons, and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total does not exceed EUR 43 million.

#### Small and micro-sized enterprise

Small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. Micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million. Individual entrepreneurs are considered as micro enterprises.

### Partner or linked enterprises

The above-described ceilings apply to the figures for individual enterprises only. According to the Article 3 of the Annex I of the 651/2014/EU, an SME can be considered as independent in case it has no participation in other enterprises and no enterprise has a participation in it. Furthermore the SME

- holds of less than 25% of the capital or voting rights (whichever is the higher) in one or more other enterprises and/or
- outsiders do not have a stake of 25% or more of the capital or voting rights (whichever is the higher) in it.

The SME may still be ranked as autonomous, and thus as not having any partner enterprises, even if this 25% threshold is reached or exceeded by any of the following investors:

- Public investment corporations, venture capital companies and business angels.
- Universities and non-profit research centres.
- Institutional investors, including regional development funds.
- Autonomous local authorities with an annual budget of less than 10 million euro and fewer than 5,000 inhabitants.

In case the enterprise can be considered as partner or linked enterprise the data to apply to the headcount of staff and the financial amounts should be aggregated according to Article 6 of Annex I of the 651/2014/EU regulation.

For more information please see the document *“The new SME definition - User guide and model declaration”*.

## Partnership requirements

Beneficiaries shall be experienced and their profile shall be in line with the role and activities described in the project. Project partnerships shall be composed of Beneficiaries that are linked professionally to the project and may have major contribution and impact within the partnership. The partnership should include organisations that are relevant for dealing with the common challenge or capitalizing on the joint asset identified by the project. Beneficiaries having no clear contribution to project objectives within the project partnership will be withdrawn from the partnership.

The minimum requirement for the project partnership is to have at least one Slovak and one Hungarian partner. In line with the Article 12 (3) Regulation No 1299/2013 of the Council and the European Parliament, this requirement is automatically fulfilled by the organisations operated in the form of European Groupings of Territorial Cooperation type of legal bodies. The maximum limit for the project partnership is six Beneficiaries and four associated partners. Enterprises cooperating under a single project should be autonomous enterprises from each other.

## Cooperation criteria

The strength of the partnership can be described via four cooperation criteria. Beneficiaries are required to fulfil at least three of the following criteria:

### *Joint development*

The criterion is fulfilled if the project idea is jointly developed by the Beneficiaries.

### *Joint implementation*

The criterion is fulfilled if activities, outputs and results are jointly carried out and each Beneficiary is responsible for at least one core activity.

### *Joint staffing*

The criterion is fulfilled if each Beneficiary has internal management staff that are jointly responsible for the project implementation.

### *Joint financing*

The criterion is fulfilled if at least 5% of project budget is used at each Beneficiary.

The Joint development and Joint implementation are obligatory for all projects; the third criteria to be fulfilled can be either cooperation in the staffing and/or in the financing of the project.

## Type of beneficiaries

### Lead Beneficiary

Beneficiaries involved into project partnerships shall appoint one organization among themselves to act as Lead Beneficiary. Lead Beneficiary will bear the responsibilities to represent the whole project towards the Managing Authority, Joint Secretariat, Certifying Authority and Audit Authority. The Lead Beneficiary shall meet the following requirements:

- assume responsibility for ensuring the implementation of the entire project;
- lay down the arrangements with the other partners in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the projects, including the arrangements for recovering amounts unduly paid;
- ensure that expenditure presented by all Beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the Beneficiaries.

The Subsidy contract is concluded between the Managing Authority and the Lead Beneficiary setting out the conditions for support for the entire project. As a result the Lead Beneficiary is considered to be the organization that is legally responsible for the delivery of the whole project. General tasks of the Lead Beneficiary regarding the implementation of the project include:

- submission of the Application form;
- ensuring the delivery of the tangible outputs stipulated in the Application form;
- ensuring that all Beneficiaries carry out activities in line with the Application form;
- ensuring that all activities are carried out in line with the approved time plan;
- collecting the partners claims verified by the relevant body,
- submission of the project progress reports;
- submission of the project's financial claims;
- receiving payment of the ERDF support and distributing it amongst the partners;
- recovering amounts paid in error to other partners in the project;
- submission of Follow-up reports after the closure of the project.

### Cross-border beneficiary

The minimum setup of the partnership is that the Lead Beneficiary has at least one cross-border partner, which has its seat in the other country. In case there is more than one partner with registered seat in Slovakia, Slovak partners shall appoint one organization among themselves as Main cross-border beneficiary. The role of the Main cross-border beneficiary is to conclude the National co-financing contract on behalf of all Slovak beneficiaries.

## **Associated partner**

Beneficiaries not willing to be engaged financially in the Programme may act as associated partners receiving no direct financial support. Associated partners participate as professional guarantee or observers who are benefitting indirectly from the project results. Despite no direct financial assistance, associated partners may also contribute to the fulfilment of the relevant indicators.

## Project requirements

### Timeframe

#### Starting dates

Applicants shall plan project starting dates and project durations cautiously taking into consideration several factors like the length of the contracting and procurement procedures, the availability of necessary human resources, cash-flow conditions of the Beneficiaries and the seasonal weather conditions if relevant as well. The implementation of the projects within the TAPE can run parallel or sequentially in line with their synergic or complementarity relations. Applicants shall set the starting dates in line with the following conditions:

- each TAPE implementation shall start until 1/8/2019;
- the maximum duration for the implementation of the TAPE is 48 months;
- implementation of any project approved in PA3 has to be finished until 30/6/2023;
- starting dates of projects shall be adjusted to 1<sup>st</sup> day of the months;
- implementation of any project can start after the submission of the Application form at own risk;

*Please note that final starting dates will be set during the contracting procedure.*

#### Project durations

Beneficiaries shall set the possibly shortest implementation time that is still safe for the realization. The implementation of the CCP can be started maximum 4 month before the first related project and may be finished maximum 4 months after the last related project closes. The maximum duration times regarding eligible actions are listed in the following table:

<i>Eligible actions</i>	<i>Maximum project durations in months</i>
1) Development of products and services	
<i>(a) Development of local products and services</i>	24
<i>(b) Improvement of public services on the field of education, health and social services</i>	24
2) Improving cross-border labour mobility	
<i>(a) Construction of cross-border roads, bridges and ferries</i>	36
<i>(b) Development cross-border transport services</i>	24
<i>(c) Development of accommodation facilities for commuting workers</i>	24



<i>Eligible actions</i>	<i>Maximum project durations in months</i>
3) Modernization and structural transformation of specific areas	24
4) Employment initiatives 5) Business services promoting employment 6) Joint education and training programmes	16
7) Coordination and communication	48

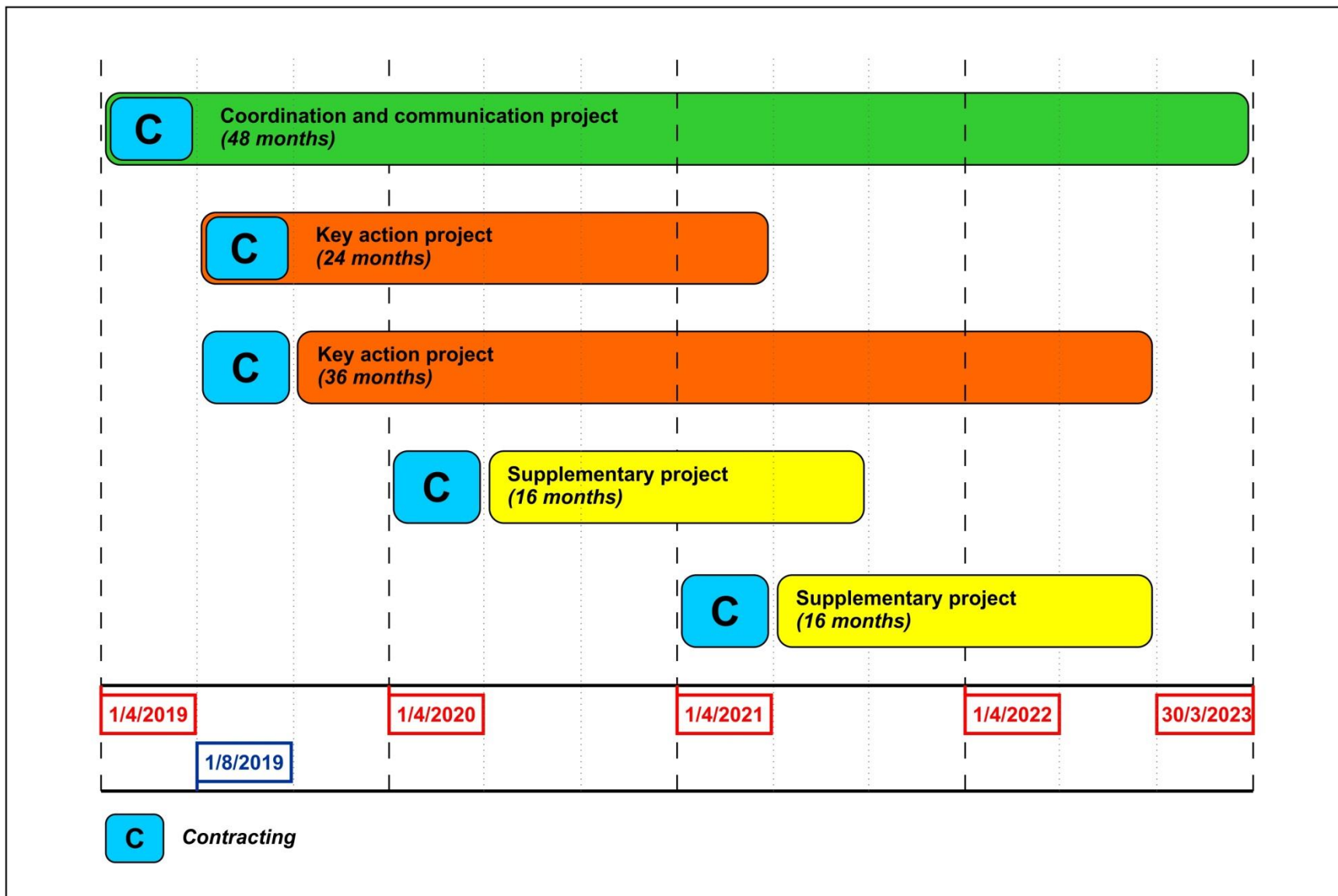
Please note that the Joint Secretariat may decrease the project durations all along the assessment or contracting procedure if the timeframe of the project activities are overestimated.

### **Contracting procedure**

The contracting procedure can be included into the project implementation time or may precede the realization. The Contracting starts with the notification of the Lead Beneficiary and lasts approximately 4 months. The Subsidy contract can be concluded after all mandatory annexes are submitted to the Joint Secretariat. According to this:

- a) In case of projects starting before 1<sup>st</sup> of August 2019 the contracting procedure starts parallel to the project implementation. Specific annexes shall be ready until the project starting date at the latest.
- b) In case of projects, starting after 31<sup>st</sup> of July 2019 the contracting procedure starts 4 months before the indicated starting date of the project. Specific annexes shall be ready 4 month before the project starting date at the latest.

Institutions that are not allowed to start project implementation without the signed Subsidy contract shall set the starting date after 31<sup>st</sup> of July 2019. Please note that Managing Authority may cancel the contracting procedure and withdraw from the Subsidy Contract if the Beneficiary is not able to submit mandatory annexes until the given deadline. Please see the following graphics for examples.



## Eligible activities

The project implementation shall be divided to exact activities, which have become the basic elements of the realization. Activities are practically a group of associated tasks with common and explicit outcomes. An activity can be eligible if it is

- necessary for the fulfilment of the project objectives, and
- accomplished in the target area.

Activities, which have no clear contribution to project objectives, will be excluded from the project implementation during the contracting procedure. In exceptional and fully justified cases, when the expected results of the project require actions outside the eligible area, actions shall be included into one separate activity, which may not represent more than 20% of the project's total budget.

Activities shall be carefully designed in terms of their quantity, duration, responsible, scheduling and expenditures. Too many activities may cause the implementation and evaluations complicated while few and vaguely described activities may provide insufficient information for the Beneficiaries and Programme bodies about the related tasks. Activities have to be thoroughly described and accompanied with quantified tangible outcomes. The descriptions shall state the exact tasks to be completed, the ID of the responsible Beneficiaries and the way the tasks will be carried out.

## Predefined activities

Each project is equipped with predefined activities for the project management and communication. Management and Communication activities shall be undertaken by the Beneficiary's internal staff or procured as external services.

### Project management

The usual setup for the internal project management is to have one project manager, one project assistant and one financial manager. *Pure management tasks* commit approximately the 60% of the workload of the employees in case of the mentioned positions.

### Communication

Coordination of the communication activities are organic part of the project management, however these tasks are separated into individual activity. The predefined communication activity includes solely those communication activities, which are serving the visibility and promotion of the project. Beneficiaries must constantly communicate by using appropriate communication tools depending on the size and needs of the project in order disseminate the aims, results and outcomes of the projects to stakeholders, key decision-makers and the public in general. Beneficiaries are free to introduce additional project specific communication tasks as separate activities.

## **Mandatory activities of the CCP**

To ensure the successful implementation of the TAPE, members of the Consortium shall choose Beneficiary(s) responsible for the overall coordination and communication. This task shall be accomplished in separate project called Coordination and communication project [CCP]. Beneficiary(s) of the CCP are responsible for the following tasks:

- coordinating the implementation of the TAPE,
- providing risk management during the implementation of the TAPE,
- communicating and capitalizing the TAPE,
- supporting the project management for the SME Beneficiaries,
- carrying out communication tasks for each Beneficiary.

## **Coordinating the implementation of the TAPE**

Beneficiaries of the CCP have to set up and operate supportive management function. CCP shall organize project progress meetings at least on annual basis in order to ensure the timely implementation and the synergy and complementarity relations of the TAPE. The CCP shall provide consultancy services to all Beneficiaries regarding project development, contracting, modifying and reporting. Beneficiaries of the CCP shall support Lead Beneficiaries during the maintenance period as well in elaboration of the follow-up reports.

## **Risk and crisis management**

The CCP shall monitor the implementation of the TAPE, prepare and evaluate risk analyses on yearly basis and carry out risk management especially in case of project or partner withdrawals, implementation delays or indicator failures.

## **Communication and capitalization of the TAPE**

The communication activity in case of the CCP means the communication about the implementation of the TAPE. Communication activity regarding the promotion of the TAPE shall be accomplished based on Communication and capitalization plan that is created by the CCP until the end of the first reporting period. CCP shall regularly communicate in order to disseminate the aims, results and outcomes of the TAPE to stakeholders, key decision-makers and the public in general.

According to the capitalization plan Beneficiaries of the CCP have to facilitate the cross-border spread of business information for SMEs operating on the target area. The CCP shall constantly monitor the target area and:

- seek out new private partners building further business relationships;
- explore new business opportunities for SMEs using potential results of the TAPE.

## **Project management for SME Beneficiaries**

Since management expenditures in case of applying Regional investment aid are not eligible, management tasks at SME Beneficiaries shall be supported by the members of the Coordi-

nation and Communication project. Management of the CCP shall provide supporting management services for SME beneficiaries in case they require.

**Communication of each project**

Communication activities at each project shall be undertaken by the members of the CCP. CCP shall ensure the fulfilment of the mandatory visibility tasks for each project. In order to ensure a proper level of publicity for the projects Programme introduced minimum requirements in means of communication. Projects may use different kinds of information and publicity measures such as publications, photographs and audio-visual productions, promotional materials, adverts (paid articles or any kind of advertisements), whose costs must be planned ahead. For more details on information and publicity, please see Visibility guide for projects.

## Eligible expenditures

Projects are co-financed from the European Regional Development Fund [ERDF] (*community contribution*), central state budgets of the Member States (*national co-finance*) and own resources of the Beneficiaries (*own contribution*). Applicants have to respect the maximum ERDF allocation and the available total budget predefined for each eligible action approved by the Monitoring Committee. The predefined total budget for eligible actions comprises the budget of all Beneficiaries. The maximum sizes of the total budget per eligible actions are listed in the following table:

<b>Eligible actions</b>	<b>Size of the total budget per project</b>
<b>1) Development of products and services</b>	
(a) <i>Development of local products and services</i>	Not specified
(b) <i>Improvement of public services on the field of education, health and social services</i>	200.000 – 500.000 €
<b>2) Improving cross-border labour mobility</b>	
(a) <i>Construction of cross-border roads, bridges and ferries</i>	Not specified
(b) <i>Development cross-border transport services</i>	Up to 1.000.000 €
(c) <i>Development of accommodation facilities for commuting workers</i>	400.000 – 1.000.000 €
<b>3) Modernization and structural transformation of specific areas</b>	400.000 – 2.500.000 €
<b>4) Employment initiatives</b>	
<b>5) Business services promoting employment</b>	100.000 – 200.000 €
<b>6) Joint education and training programmes</b>	

The total project size for the Communication and coordination project is up to 6% of the total budget size of all projects submitted in line with the approved TAPE but not more than 75.000 €/year.

ERDF contribution approved for the TAPE can be freely reallocated between project proposals or Beneficiaries if substantial parts of the projects (*objectives, expected results, target groups, tangible outputs*) remain ensured. Expenditures are eligible only in case they are directly related to project activities that are eligible. Applicants shall strive to prepare the budget as precise as possible in line with the principles of the sound financial management.

According to this the following principles will be closely observed during the assessment and contracting period:

- resources used by the Beneficiary shall serve the attainment of the Specific objective and the achievement of the intended results (*efficiency*);
- resources used by the Beneficiary shall concern the best relationship between the resources used and results achieved (*effectivity*);
- resources used by the Beneficiary shall be made available in due time, in appropriate quantity and quality at the best price (*economy*);

Applicants shall indicate their expenditures in EUR in line with their VAT status. This means that Beneficiaries reclaiming VAT shall indicate net prices for the concerned expenditures. All expenditures shall be fit into one of the following cost categories:

- staff costs;
- office and administrative expenditure;
- travel and accommodation costs;
- external expertise and services costs;
- equipment expenditure, and
- infrastructure and works.

Except of the preparation costs expenditures subject to reimbursement must occur between the start and end date of the project indicated in the Subsidy contract which becomes the eligibility period of expenditures. Please note that during the assessment and the contracting procedure the planned expenditures will be evaluated against sound financial principles and may be revised before the contracting. For more information, please see the document "Guide on eligible expenditures".

## Source of finance

The co-financing rate of each Beneficiary depends on several factors including the type of activities, location or the legal status of the Beneficiary. According to the Regulation (EU) No. 1303/2013 the maximum ERDF co-financing rate is 85% of the total budget of the operation. All financial contribution provided to Beneficiaries is non-repayable grant in the form of reimbursement. For Beneficiaries registered in Hungary the ERDF contribution and the national co-financing might be entitled for advance payment from national resources. The source of funding is primarily determined by the fact whether the Beneficiary is engaged in economic or in non-economic activity.

## Non-economic activities

In general, non-economic activities are activities, which are not aiming to make profit but offering benefits for the public or wider community without the possibility of exclusion. Co-financing rates for Beneficiaries performing non-economic activities are the followings:

Type of beneficiary	Community contribution (ERDF)	State co-financing	Own contribution
<b>Hungary</b>			
Central budgetary organizations <sup>1</sup>	85%	15%	0%
Other organizations	85%	10%	5%
<b>Slovak republic</b>			
State administration organizations	85%	15%	0%
Other public administration organizations	85%	10%	5%
Higher territorial units and their budgetary and contributory organizations			
Municipalities and their budgetary and contributory organizations			
NGOs/NPOs	85%	5%	10%
Private sector out of state aid schemes			

<sup>1</sup> Central budgetary organisations - according to Act CXCV of 2011 on the state economy, Article 8 section (1) a) - are budgetary organisations established by the Government, the Parliament or the Minister. Central budgetary organisations belong to the central sub-system of the Hungarian state economy.



## Economic activities

Activities offering goods or services on a given market in order to reach profit are treated as economic. Beneficiaries engaged in economic activities are considered to be undertakings regardless of their legal status and the way in which they are financed. If financial assistance given on selective basis strengthens particular undertakings relative to their competitors State aid rules shall be applied. More specifically state aid rules shall be applied if the following criteria are fulfilled at once:

- **Financial assistance is given for economic activity**  
*Beneficiaries are engaged in economic activity if they offer goods or services on a given market in order to reach profit. Beneficiaries engaged in economic activity are considered undertakings regardless of their legal status and the way in which they are financed.*
- **Financial assistance distorts the fair competition on the market**  
*If the contribution gives competitive advantage for the Beneficiary relative to its competitors or potential competitors, the financial support can distort the fair competition on the market. Competitive advantage is defined as any economic benefit that the undertaking would not normally gain under normal market conditions. The potential to distort competition does not have to be substantial or significant.*
- **Financial assistance affects the trade between the member states of EU**  
*In case the goods or services are traded or potentially tradeable between the members states of the EU the financial support affects the trade between the member states.*

The aim of the State aid is to maintain the free and fair competition on the internal market of the EU. Therefore, if the financial support given by the Member States is considered State aid the Commission shall be notified and the assistance has to be cleared before it is paid. In order to exempt the Member States from this obligation, Commission introduced two financial mechanisms that simplify the procedure if all relevant criteria are respected. According to this, the Programme provides financial assistance considered State aid only in line with mechanisms regulated in the following legislations:

- a) 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 or the *(De minimis regulation)*
- b) 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. *(General Block Exemption Regulation)*

Please note that the Call for proposals due to its scope consults only the most important conditions and criteria laid down in De minimis regulation and GBER. Beneficiaries, activities

or expenditures contrary to these legislations cannot be eligible even though some criteria were not mentioned in the current document. Applicants are highly recommended to study these legislations (*available in national languages as a part of the Application package*) or consult with the national state aid offices, state aid experts or the Joint Secretariat.

## De Minimis Aid

According to the Commission Regulation (EU) No. 1407/2013 Member States are allowed to support local undertakings by small amount financial assistance that is unlikely to distort the fair competition on the market. De minimis aid shall be applied if activities of the Beneficiaries fall under state aid rule regardless of the eligible action they selected or the type of the institution.

### Excluded activities

The De minimis aid can be used in various sectors except fishery and aquaculture, primary production of agricultural products and export-related activities. For the list of agricultural products, please see the Annex I to the Treaty. Primary production of agricultural products does not include the processing and marketing of agricultural products. De minimis aid shall apply for the processing and marketing of primary agricultural products if the aid does not finance activities necessary for preparing a product for the first sale or activities concerning the first sale by a primary producer to resellers or processors.

### Excluded expenditures

De minimis support is eligible for a wide range of operational costs and investments, including expenditure on tangible assets and intangible ones such as patents and licences. However, the following types of spend are explicitly excluded:

- support for exporting through, for example, support linked to quantities exported, the development of an export network or operating costs associated with export activity;
- support which is conditional on using domestic over imported goods;
- support for acquiring road freight transport vehicles by undertakings in the road haulage business.

### Maximum amount of the aid

The maximum amount of the *De Minimis aid* is 200.000 EUR granted by the Member State over any period of three years for single undertaking. (*In case of freight transport maximum 100.000 EUR*) Since the Programme operates as the cooperation of two Member States the contribution shall be counted as financial support of two Member States equally shared. According to this, Beneficiaries might receive maximum 400.000 € of De minimis aid. If the Beneficiary has been already awarded or received any De minimis aid less than 200.000 EUR the maximum amount of the possible De minimis aid is double of the remaining amount.

**Single undertaking**

The *De minimis aid* shall be counted on single undertakings. As it is stipulated in regulation, the single undertaking includes all enterprises having at least one of the following relationships with each other:

- one enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- one enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

In case of entities, having direct or indirect relationships with public bodies they are not considered a single undertaking.

**Co-financing rate**

The co-financing rate for the *De minimis aid* in the present Call is identical for all Beneficiaries regardless of their location or legal status:

Community contribution (ERDF)	85%
Own contribution	15%

For the legislation applicable to de minimis aid, see Section 64 of Government Decree 44/2016 (III. 10.) and Commission Regulation (EU) No 1407/2013.

## General Block Exemption Regulation

According to the Commission Regulation (EU) No 651/2014 Member states can provide financial assistance to undertakings without the notification of the Commission in certain categories if their activities are in line with criteria laid down in the regulation. The GBER specify the range of measures clearly favouring job creation and boosting competitiveness, and measures in favour of SMEs in which the Member State are allowed to simplify the procedure.

### Excluded activities

GBER can be applied in all sectors of economic activity apart from steel and synthetic fibres sectors, the fisheries and aquaculture, primary production of agricultural products and transport sector. For detailed description of the restricted sectors, please see the Article (2) of the Regulation. For the list of agricultural products, please see the Annex I to the Treaty.

Primary production of agricultural products does not include the processing and marketing of agricultural products. GBER shall apply for the processing and marketing of primary agricultural products if the aid does not finance activities necessary for preparing a product for the first sale or activities concerning the first sale by a primary producer to resellers or processors. State aid according to the GBER cannot be given to support activities such as transport of passengers by aircraft, maritime transport, road or rail and by inland waterway or freight transport services for hire or reward. In the present Call the following GBER measures can be applied:

<i>Eligible actions</i>	<i>Applicable measures of the GBER</i>
1) Development of products and services	<i>Regional investment aid (Article 14)</i> <i>Investment aid to SMEs (Article 17)</i>
2) Improving cross-border labour mobility	
3) Modernization and structural transformation of specific areas	<i>Aid for local infrastructures (Article 56)</i>
4) Employment initiatives	<i>(De minimis aid)</i>
5) Business services promoting employment	
6) Joint education and training programmes	

## Regional investment aid

Regional investment aid can be provided if conditions laid down in Article (14) of the Regulation (EU) No 651/2014 are fulfilled. In line with the Regulation Member States in assisted areas are allowed to grant state aid in a form of Regional investment aid to Beneficiaries fulfilling the conditions of Article 107(3)(a)(c) of the Treaty. Regional aid can be given for initial investments in new production facilities or to extend or modernise existing facilities. Assisted areas are designated in a regional aid map which states the aid intensity. Beneficiaries falling under State aid regardless of their legal status may receive the following rates of aid according to their location:

<b>Hungary</b>		<b>Type of area</b>	<b>Intensity</b>
HU101	Budapest	-	-
HU102	Pest megye	C	0-25-35%
HU212	Komárom-Esztergom megye	A	35%
HU221	Győr-Moson-Sopron megye	A	25%
HU311	Borsod-Abaúj-Zemplén megye	A	50%
HU312	Heves megye	A	50%
HU313	Nógrád megye	A	50%
HU323	Szabolcs-Szatmár-Bereg megye	A	50%
<b>Slovak Republic</b>			
SK010	Bratislavský samosprávny kraj	-	-
SK021	Trnavský samosprávny kraj	A	25%
SK023	Nitriansky samosprávny kraj	A	25%
SK032	Banskobystrický samosprávny kraj	A	35%
SK042	Košický samosprávny kraj	A	35%

In assisted areas type 'A' the aid may be granted for an initial investment regardless of the size of the beneficiary. In assisted areas type 'C' the aid may be granted to SMEs for any form of initial investment. The co-finance rate states the rate of all public resources. The remaining part of the total budget of the project shall be ensured from the Beneficiaries' own resources.

As a precondition of being granted regional aid, the beneficiary is required to confirm that it has not carried out a relocation to the establishment in which the initial investment for which aid is requested is to take place, in the two years preceding the application for aid and give a commitment that it will not do so up to a period of two years after the initial investment for which aid is requested is completed.

Relocation means a transfer of the same or similar activity or part of it from an establishment in one contracting party to the EEA Agreement (initial establishment) to the establishment in which the aided investment takes place in another contracting party to the EEA Agreement (aided establishment). There is a transfer if the product or service in the initial and in the aided establishments serves at least partly the same purposes and meets the demands or needs of the same type of customers and jobs are lost in the same or similar activity in one of the initial establishments of the beneficiary in the EEA.

### **Supported activities**

Regional investment aid can be granted for an initial investment or an initial investment in favour of a new economic activity. Initial investment means:

- a) an investment in tangible and intangible assets related to
  - the setting-up of a new establishment,
  - extension of the capacity of an existing establishment,
  - diversification of the output of an establishment into products not previously produced in the establishment or
  - a fundamental change in the overall production process of an existing establishment; or
- b) an acquisition of assets belonging to an establishment that has closed or would have closed had it not been purchased, and is bought by an investor unrelated to the seller and excludes sole acquisition of the shares of an undertaking;

The new establishment means new place of business which is intended to be stable, regular and to continue for an indefinite period. Usually this would require the place of business to be fully functional, autonomous and self-standing, but there may be sharing of back office functions. Initial investment in favour of new economic activity means:

- a) an investment in tangible and intangible assets related to
  - the setting up of a new establishment, or to
  - the diversification of the activity of an establishment,under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment;
- a) the acquisition of the assets belonging to an establishment that has closed or would have closed had it not been purchased, and is bought by an investor unrelated to the seller, under the condition that the new activity to be performed using the acquired assets is not the same or a similar activity to the activity performed in the establishment prior to the acquisition;

New activity means any activity which does not fall under the same 4 digit NACE or SIC code as activities previously performed at the establishment.

### **Eligible expenditures**

The eligible costs shall be investment costs in tangible and intangible assets. 'Tangible assets' means assets consisting of land, buildings and plant, machinery and equipment.

'Intangible assets' means assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property; Intangible assets are eligible for the calculation of investment costs if they fulfil the following conditions:

- a) they must be used exclusively in the establishment receiving the aid;
- b) they must be amortisable;
- c) they must be purchased under market conditions from third parties unrelated to the buyer; and
- d) they must be included in the assets of the undertaking receiving the aid and must remain associated with the project for which the aid is granted for at least five years or three years in the case of SMEs.

For the legislation applicable to regional aid, see Sections 25-33 of Government Decree 44/2016 (III. 10.) and Commission Regulation (EU) No 651/2014 (Articles 13-14).

## SME investment aid

SME investment aid can be provided if conditions laid down in Article (17) of the Regulation (EU) No 651/2014 are fulfilled. In line with the Regulation Member States are allowed to grant state aid in a form of SME investment aid to SME Beneficiaries fulfilling the conditions of Article 107(3) of the Treaty for initial investments in new production facilities or to extend or modernise existing facilities.

Investment aid to SMEs can be provided up to 20% for small enterprises and 10% for medium enterprises of the eligible costs of investments in tangible and intangible assets as described at Regional investment aid.

### Maximum co-financing rate

The maximum co-financing rates in the present Call for SME Beneficiaries provided as Regional investment aid and SME investment aid depending on the Beneficiaries' location are the followings:

#### Micro and small-sized enterprises

<i>Hungary</i>		Regional Investment Aid	SME Investment Aid	Rate of maximum contribution	Own co-finance
HU101	Budapest	-	20%	<b>20%</b>	80%
HU102	Pest megye	35%*	20%	<b>55%</b>	45%
HU212	Komárom-Esztergom megye	35%	20%	<b>55%</b>	45%
HU221	Győr-Moson-Sopron megye	25%	20%	<b>45%</b>	55%
HU311	Borsod-Abaúj-Zemplén megye	50%	20%	<b>70%</b>	30%
HU312	Heves megye	50%	20%	<b>70%</b>	30%
HU313	Nógrád megye	50%	20%	<b>70%</b>	30%
HU323	Szabolcs-Szatmár-Bereg megye	50%	20%	<b>70%</b>	30%
<i>Slovak Republic</i>		Regional Investment Aid	SME Investment Aid	Rate of maximum contribution	Own co-finance
SK010	Bratislavský samosprávny kraj	-	20%	<b>20%</b>	80%
SK021	Trnavský samosprávny kraj	25%	20%	<b>45%</b>	55%
SK023	Nitriansky samosprávny kraj	25%	20%	<b>45%</b>	55%
SK032	Banskobystrický samosprávny kraj	35%	20%	<b>55%</b>	45%
SK042	Košický samosprávny kraj	35%	20%	<b>55%</b>	45%

\*Please consult the regional map available on <http://tvi.kormany.hu/>.



## Medium-sized enterprises

<b>Hungary</b>		Regional Investment Aid	SME Investment Aid	Rate of maximum contribution	Own co-finance
HU101	Budapest	-	10%	<b>10%</b>	90%
HU102	Pest megye	35%*	10%	<b>45%</b>	55%
HU212	Komárom-Esztergom megye	35%	10%	<b>45%</b>	55%
HU221	Győr-Moson-Sopron megye	25%	10%	<b>35%</b>	65%
HU311	Borsod-Abaúj-Zemplén megye	50%	10%	<b>60%</b>	40%
HU312	Heves megye	50%	10%	<b>60%</b>	40%
HU313	Nógrád megye	50%	10%	<b>60%</b>	40%
HU323	Szabolcs-Szatmár-Bereg megye	50%	10%	<b>60%</b>	40%
<b>Slovak Republic</b>		Regional Investment Aid	SME Investment Aid	Rate of maximum contribution	Own co-finance
SK010	Bratislavský samosprávny kraj	-	10%	<b>10%</b>	90%
SK021	Trnavský samosprávny kraj	25%	10%	<b>35%</b>	65%
SK023	Nitriansky samosprávny kraj	25%	10%	<b>35%</b>	65%
SK032	Banskobystrický samosprávny kraj	35%	10%	<b>45%</b>	55%
SK042	Košický samosprávny kraj	35%	10%	<b>45%</b>	55%

\*Please consult the regional map available on <http://tvi.kormany.hu/>.

For the legislation applicable to SME investment aid, see Section 33 of Government Decree 44/2016 (III. 10.) and Commission Regulation (EU) No 651/2014 (Article 17).

## Investment aid for local infrastructures

Financing of construction or upgrade of local infrastructures which concerns infrastructure that contribute at a local level to improving the business and consumer environment and modernising and developing the industrial base shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempt from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in Article (56) and in Chapter I of the Regulation (EU) No 651/2014 are fulfilled.

The maximum co-financing rate of ERDF contribution for Investment aid for local infrastructures is 85%. The infrastructure shall be made available to interested users on an open, transparent and non-discriminatory basis. The price charged for the use or the sale of the infrastructure shall correspond to market price. The eligible costs shall be the investment costs in tangible and intangible assets.

The aid amount may not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit must be deducted from the eligible costs *ex ante*, on the basis of reasonable projections, or through a claw-back mechanism.

No investment aid for local infrastructures may be provided for dedicated infrastructure (i.e. infrastructure that is built for ex-ante identifiable undertaking(s) and tailored to their needs).

For the legislation applicable to SME investment aid, see Sections 62-63 of Government Decree 44/2016 (III. 10.) and Commission Regulation (EU) No 651/2014 (Article 56).

## Indicators

Indicators are quantitative markers measuring the results and outputs generated by the Programme and projects. Indicators may also refer to the quality of the projects in terms of efficiency and economy. The programme works with four types of indicators. For more information on indicators please see also the document “*Guide on indicators*”.

### Result indicators

Each project approved in PA3 has to contribute to the fulfilment of the given result indicator directly or indirectly through synergic or complementary relations with other projects. The indicator measuring the result of the third priority axis is the rate of employment in the programme area (R310). The baseline value of the employment rate measured in 2013 is 63,2%. The target value to be achieved by the end of 2023 is 65,2%. Result indicators are measured by the Managing Authority and refer to achieved result of the Programme.

### Output indicators

Common and Programme specific output indicators [output indicators] measure tangible outcomes as well as parameters of specific services created by the projects. All projects must contribute to the fulfilment of at least one output indicator. Projects contributing to more output indicators shall describe and quantify all relevant indicators. Target values of the indicators have to be achieved until the end date of the project implementation.

### Common output indicators (measured by all Member States)

#### CO01 Number of enterprises receiving support (pcs)

Applicants shall indicate the number of enterprises receiving support in any form from ERDF. Form of the support contains the following subsets:

- number of enterprises receiving grants  
*(non-refundable direct financial support);*
- number of enterprises receiving financial support other than grants  
*(non-grant type financial support);*
- number of enterprises receiving non-financial support  
*(guidance, consultancy, enterprise incubators, etc.)*

*Indicator shall be used in each project where SME's are involved as Beneficiaries or as associated partners.*

#### CO02 Number of enterprises receiving grants (pcs)

Applicants shall indicate the number of enterprises receiving support in forms of non-refundable direct financial support [ERDF financial contribution]. *Indicator shall be used in each project where SMEs are involved as Beneficiaries.*

**CO08 Employment increase in supported enterprises (FTE)**

Applicants shall indicate gross new working positions in supported enterprises in full time equivalents (FTE).

CO08 is essentially a 'before-after' indicator which captures the part of the employment increase that is direct consequence of project completion. The positions need to be filled (*vacant positions are not counted*) and increase the total number of jobs in the enterprise. If total employment in the enterprise does not increase, the value is zero – it is regarded as realignment, not increase. Safeguarded etc. jobs are not included. Workers employed to implement the project are not counted.

An FTE is the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees. On an annual basis, an FTE is considered to be 2,080 hours, which is calculated as: 8 hours per day x 5 work days per week x 52 weeks per year = 2,080 hours per year.

*The base value of the average headcount of staff is relating to the latest approved accounting period (according to the date of closure of the accounts) and calculated on an annual basis. The target value has to be fulfilled until the end day of the implementation of the relevant project. Target value of the headcount staff is related to the last month of the implementation period and will be taken from interim accountancy report. The indicator shall be used in each project developed in line with the key action: "Development of local products and services creating new working places".*

**CO13 Total length of newly built roads (km)**

Applicants shall indicate the length of roads (in kilometres) constructed by the project.

Only those new roads can be indicated where no road existed before or as a consequence of project completion, the capacity and quality of the previously existing local/secondary road is significantly improved to reach a higher classification (e.g. national road or equivalent);

**CO39 Public or commercial buildings built or renovated in urban areas (m2)**

Applicants shall indicate the size of renovated/newly developed public and commercial areas. *Indicator shall be used in infrastructural projects where public or commercial buildings are built or renovated.*

## Programme specific output indicators

### **CO44 Number of participants in joint local employment initiatives and joint training (person)**

Applicants shall indicate the number of persons participating in local employment initiatives. Employment initiatives are activities promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets. *The indicator is relevant in projects designed in line with supplementary actions:*

- *Launching integrated cross-border employment initiatives;*
- *Business services promoting employment;*
- *Joint education and training programmes.*

*Persons participating in such initiatives shall be counted according to attendance sheets and/or certificates issued by the Beneficiary or external service providers.*

### **O312 Number of women in joint local employment initiatives and joint trainings (person)**

Applicants shall indicate the number of women participating of local employment initiatives. *The indicator O312 is the subset of the indicator CO44.*

### **O313 Number of participants from groups at risk of discrimination, including Roma in joint local employment initiatives and joint trainings (person)**

Applicants shall indicate the number of participants from groups at risk of discrimination, including Roma participating of local employment initiatives. *The indicator O313 is the subset of the indicator CO44.*

### **O314 Number of new business services promoting employment and consultancy services (pcs)**

Number of business services promoting employment and common use of expert and consultancy services. *Indicator shall be used at projects designed in line with supplementary actions*

- *Business services promoting employment*
- *Joint education and training programmes*
- *Coordination and communication services*

## Project specific output indicators

Project specific output indicators are numerical measures developed by the Joint Secretariat in order to monitor the project outputs and to prepare statistical data for programme purposes. Beneficiaries shall quantify all relevant Project specific output indicators that can be relevant for the project.

## Horizontal principles

All projects must pay special attention to implement their activities in line with horizontal principles of the programme, which are promoting sustainable development, ensuring equality between men and women and prevent to discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Horizontal principles are divided into four categories. Obligatory requirements are mandatory for each project.

## Obligatory requirements

### 1. Compensatory measures and damage mitigation

Projects comprising investment in infrastructure negatively affecting nature, fauna and flora, and biodiversity, project activities have to be accompanied by compensatory measures and damage mitigation.

### 2. Cost-optimal levels of energy performance

Projects comprising investment in infrastructure have to choose climate-friendly architectural solutions and cost-optimal levels of energy performance according to the Directive 2010/31/EU.

### 3. River basin management

Projects comprising investment in infrastructure to inland waterways have to be implemented in accordance with Art. 4 of the Directive 2000/60/EC and the river basin management have to be respected.

### 4. Green public procurement

Applicants shall use their purchasing power to choose environmentally friendly goods, services and works; they can make an important contribution to sustainable consumption and production.

## **Programme specific measures**

Applicants must choose at least one measure concerning each principle and describe the project's contribution to its fulfilment from qualitative and quantitative point of view. Applicants shall describe their contribution to the chosen Programme specific measures in the Application form.

### **Sustainable development**

Basic pillars of the Sustainable development are the environmental, economic and social sustainability. The main purpose of the sustainable development is to ensure the environmental, social, and economic sustainability with special emphasis on protection and improvement of the environment. All projects must contribute to the requirements of environmental protection, resource efficiency, reduction climate change mitigation and adaptation to this change, resistant towards disasters at the same time enables shift towards the quality prevention of environmental resources. Programme specific measures regarding Sustainable development are the followings:

- Project contributes to the reduction of greenhouse gas emission by reduced usage of hazardous material for the environment;
- Project reduces the consumption of energy, water and limited resources and increase the usage of renewable energy;
- Project increases the energy efficiency and usage of recycled materials,
- The project pays attention to efficiency and rational approach to funds and resources and goes beyond cost-optimal levels according to Directive 2010/31/EU.
- In case project involves purchasing products the requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) is respected.

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

All projects shall ensure that equality between men and women and the integration of gender perspective should be taken into account and promoted throughout the preparation and implementation as well. Programme specific measures regarding Equality between men and women are the following:

- Project increases access to employment opportunities for women and supports flexible working hours.
- Project promotes female entrepreneurship and self-employment of women;
- Project ensures minimum 50% in number of women or disadvantaged persons participating in joint education and training activities, events;
- Project supports equal pay initiatives at the workplace.

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

Projects shall contribute to prevention from any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and im-

plementation. In particular, projects shall take into account the accessibility of the results for persons with disabilities. Programme specific measures regarding Equal opportunities and non-discrimination are the following:

- Project must be transparent and must take into account non-discrimination principles.
- Project ensures accessibility of people with disabilities to newly developed services.
- In case of the employment initiatives the project gives preference to the social inclusion and gives advantage to Roma people and to people living in deep poverty.

### **PA specific measures**

PA3 aims at improving the employment conditions of the border area which necessitates the focusing on less developed regions and most disadvantaged people. According to the Cooperation Programme PA3 shall focus on the following principles:

- involving people living in deep poverty and Roma on labour market,
- involving long-term unemployed people on labour market or
- involving tertiary educated, unemployed people on labour market.

If relevant Applicants shall describe which of the above-mentioned groups are targeted directly or indirectly through synergic or complementary relation of the project.



## Mandatory annexes

Applicants shall submit all Mandatory annexes electronically. Mandatory annexes are divided into two categories. *General annexes* are integral parts of the Application, which prove the fulfilment of the eligibility criteria and help the proper interpretation of the project during the assessment. *Specific annexes* are requisite part of the contracting procedure, which proves that Beneficiaries are authorized to carry out the planned investment activities in infrastructure.

### General annexes

General annexes shall be submitted until the submission deadline of the Call electronically by uploading them into the deliberate folders of the Application module. Requirements regarding to the General annexes may alternate according to the role, type or location of the particular Beneficiaries.

#### **ANNEX I – Declaration of the Beneficiary**

Each Beneficiary has to submit Declaration of the Beneficiary. The template for the declaration has to be downloaded, filled in, printed and signed by the statutory representative(s) of the applying organization and uploaded into the folder Annex I – Declaration of the Beneficiary. Each Beneficiary shall use the proper template according to its location available in the Application package.

#### **ANNEX II – Proof of foundation**

Each Beneficiary has to submit a document that states the official name, address, the scope of the organization and the name and ownership ratio of the founders/owners. Applicants shall submit the relevant *copy* of the following type of documents:

- foundation letter (*memorandum*),
- statute,
- partnership contract

along with the

- authentic certificate of the organization issued by the registering authority (*e.g. ministry, court, National treasury etc.*) not older than 30 days.

Documents have to be uploaded into the folder Annex II – Proof of foundation.

#### **ANNEX III – Declaration on State aid**

Each Beneficiary has to submit Declaration on State aid. The template for the declaration has to be downloaded, filled in, printed and signed by the statutory representative(s) of the applying organization and uploaded into the folder Annex III – Declaration on State aid. Each Beneficiary shall use the template available in the Application package.

#### **ANNEX IV – Declarations on SME qualification**

Each Beneficiary considered being an SME has to submit Declaration on SME qualification. The template of the declaration has to be downloaded, filled in, printed and signed by the statutory representative(s) of the applying organization and uploaded into the specific folder Annex IV – Declarations on SME qualification. Detailed instructions for filling in the Declaration are available as separate documents of the Applicant's package in Hungarian and Slovak language. When filling in the declaration Beneficiaries shall consult their accountant. Each Beneficiary shall use the template available in the Application package.

#### **ANNEX V – Financial reports**

Each Beneficiary considered being an SME (except the newly founded SMEs for project purposes) according to the Declarations on SME qualification has to submit general ledger extracts and annual financial reports related to the last two approved accounting period calculated on an annual basis in accordance to the national law in force. Financial reports have to contain information on the staff headcount, annual turnover and balance sheet total.

Applicants shall submit the copy of the general ledger extracts and annual reports for the last two fiscal years. Private entrepreneurs are obliged to submit the copy of the personal income tax declaration for the last two years in accordance with the national law in force. Documents regarding financial statements have to be uploaded into the folder Annex V - Financial reports.

#### **ANNEX VI – Business plan**

Each Beneficiary considered being an SME has to submit a business plan for the implementation phase and the 3 years of the sustainability period according to the guideline available as a part of the application package. Business plans have to be uploaded into the folder Annex VI – Business plans.

#### **ANNEX VII – Confirmation of the Tax Authority**

Each Beneficiary has to submit the confirmation of the national tax authority stating that the Beneficiary organization has no public dues or option for instalment payment of public dues. The copy of the confirmation has to be uploaded into the folder Annex VII - Confirmation of the Tax Authority.

#### **ANNEX VIII – Resolution of the council**

Each Beneficiary ensuring the own contribution or a part of it from public resources of a municipality, local or regional government has to submit the acceptance resolution of the respective council stating the commitment of the own contribution for the purpose of the submitted project proposal. The resolution shall state:

- the name of the project,
- approval of the council to submit and in case of approval implement the project, and

- the amount of the allocation of the own contribution.

The resolution can be issued in national language of the concerned Beneficiary. The copy of the resolution has to be uploaded into the folder Annex VIII - Resolution of the council.

#### **ANNEX IX – Declaration on partnership**

Each Beneficiary has to submit the Declarations on partnership. The template for the declaration has to be downloaded, filled in, printed and signed by the statutory representative(s) of the Beneficiary and the statutory representative(s) of the Lead Beneficiary of the Coordination and Communication Project and uploaded into the folder Annex IX – Declaration on partnership. Each Beneficiary shall use the template available in the Applicant's package.

#### **ANNEX X – Minutes of the preparatory meeting**

Each Lead Beneficiary has to submit documents proving that the project proposal was developed jointly. Lead Beneficiary shall submit '*Minutes*' from at least one project preparatory meeting where all members of the project partnership were attended indicating the:

- name of the represented organizations,
- name and title of the representatives,
- summary of the discussion and
- the place and date of the venue and signature of the participants.

The '*Minutes*' can be recorded in any Programme language. '*Minutes*' have to be uploaded into the folder Annex X – Minutes of the preparatory meeting.

#### **ANNEX XI – Simplified building documentation**

Expenditures regarding investments in infrastructure shall be indicated on budget line "*infrastructure and works*" therefore all projects having cost on this budget line are considered infrastructural. Each Beneficiary realizing investment in infrastructure has to submit simplified building documentation including the following elements:

- layout plan of the affected site highlighting the planned or subjected objects including the exact address and parcel numbers,
- summary table of the affected parcels prepared by the Beneficiary including
  - the parcel numbers,
  - name of the current owners or majority owners and
  - further steps to be taken to fulfil contracting criteria (e.g. purchasing, concluding rental contract or expropriation);

**The summary table shall be prepared according to the predefined template document Annex XI.A - Summary table of the affected parcels, which is a part of the Application package.**

- photo documentation of the current situation,

- floor plan and elevation views,
- section and facade plans,
- visualization (*3d projection*)
- preliminary cost calculation for the investment and
- declaration of the Beneficiary about building permission requirements including
  - type of the permission to be issued according to the national legislation,
  - estimated time for obtaining the permission (if needed).

**The declaration shall be prepared according to the predefined template document *Annex XI.B - Declaration on building permissions*, which is a part of the Application package.**

The 'Simplified building documentation' can be prepared in any Programme language and has to be uploaded into the folder Annex XI – Simplified building documentation.

#### **ANNEX XII – Updated application form SKHU-1703**

The Lead Beneficiary of each Coordination and communication project has to submit the updated application form part 2 (*Excel part*) of the Call for proposals SKHU-1703. The application form shall be updated with the final date regarding all submitted projects included into the approved TAPE. The Application form (*Excel file*) has to be updated by the Lead Beneficiary of the CCP and uploaded only for the CCP into the folder Annex XII – Application form SKHU-1703.

#### **ANNEX XIII – Other documents**

Applicants may upload any other document (*brochures, plans, maps, photos*) into the folder Annex XIII – Other documents which according to their opinion helps better interpretation of the project or in case the Application forms does not give the possibility to describe clearly specific project parts.

## Specific annexes

Expenditures regarding the investments in infrastructure shall be indicated on budget line “*infrastructure and works*” therefore all projects having cost on this budget line are considered to be infrastructural projects. Applicants having investment in infrastructure shall submit specific annexes according to the given deadline. Please note that the Subsidy Contract can be concluded after all mandatory annexes are submitted to the Joint Secretariat. Deadlines for the submission of the specific annexes are the followings:

- 1) In case of projects, starting before 1<sup>st</sup> July 2019 the contracting procedure will start parallel to the project implementation. Specific annexes shall be ready until the project starting date at the latest. Applicants will be obliged to submit the specific annexes in hard copy 45 days after the receipt of the Notifying letter on project approval sent by the Managing Authority to the Lead Beneficiary.
- 2) In case of projects, starting after 31<sup>st</sup> June 2019 the contracting procedure will start 4 months before the indicated starting date of the project. Specific annexes shall be ready 4 month before the project starting date at the latest. Applicants will be obliged to submit the specific annexes in hard copy 45 days after the receipt of the Request for the specific annexes letter is sent by the Joint Secretariat to the Lead Beneficiary.

Requirements regarding to the specific annexes may alternate according to the type of the specific investment.

## Proof of the property ownership

Any investment in infrastructure can be accomplished solely on property (land and/or land built on) on which the ownership rights of the Beneficiary are guaranteed at least until the end of the sustainability period regarding all affected parcels. Ownership rights can be ensured with real ownership including land acquisition (*purchase or expropriation*) or long term permission. Beneficiaries shall prove these rights with any of the following documents:

### Property deed

In case the Beneficiary owns the property, Applicants shall submit the copy of the property deed not older than 90 days at the time of submission. The property deed does not have to be authenticated.

### Property purchase documents

In case the Beneficiary is willing to purchase the property in the frame of the project, the Beneficiary shall submit the following documents:

- letter of intent on selling of the property or pre-purchase contract signed by the current owner,
- the copy of the property deed proving the ownership of the current owner(s) not older than 90 days at the time of the submission, and

- independent appraisal report not older than 90 days at the time of submission.

### **Long term permission to use or operate**

In case the Beneficiary does not own the property, Applicants shall submit

- permission to use or operate the property from the current owner(s) **for at least 10 years** concluded in the year of submission and
- the copy of the property deed proving the ownership of the current owner(s) not older than 90 days at the time of the submission. The property deed does not have to be authenticated.

### **Building permission**

Each Beneficiary realizing investment in infrastructure must prove that it is authorized to carry out the proposed investments according to the national legislation.

#### **Declaration**

If the investment does not require building permission Applicants shall submit a declaration issued by a registered architect stating that the proposed investment does not require building permission.

#### **Announcement**

If the investment requires *'Announcement of small scale construction/reconstruction works'* for the relevant authority, Applicants shall submit the announcement and the official statement of the acting authority.

#### **Building permit**

If the investment requires building permission issued by relevant building authority, Applicants shall submit the copy of the official building permission in accordance with the national legislations.

### **Technical plans**

Each Beneficiary realizing investment in infrastructure that require building permission shall submit the final technical plans that were the subject of the authorization process in accordance with the national legislations.

## Submission procedure

Applications have to be submitted electronically through the application module of the Interreg Monitoring and Information System 2014-2020 [IMIS 2014-2020] until is 8<sup>th</sup> July 2019. Before filling in the Application form, please consult the *'User's Manual of the IMIS 2014-2020 Application Module'* available as part of the Applicant's package.

The online application form has to be filled in in English; any document issued by national authorities or the technical documentation can be uploaded in national languages. If available, Beneficiaries must use the predefined templates included as a part of the Application package. Documents to be scanned shall be created possibly as one .pdf file. Each scanned and uploaded document must be filled properly and must contain all pages including the place and date, stamp and signature identifiable (legible).

As a last step of the submission procedure the IMIS 2014-2020 will automatically generate a Certification which shall be printed, signed (and stamped) by the legal representative/s of the Lead Beneficiary and uploaded into the system.

## Assessment procedure

All assessment grids are available for preview for the Applicants in the Application package.

### Formal assessment

#### Admissibility criteria

After the Call is closed programme managers of the Joint Secretariat accomplish the assessment of all applications against the set of admissibility criteria. Application can be forwarded into the next step of the assessment procedure if Applicants fulfil the following admissibility criteria at once:

- The application form has to be filled in in English language.
- The application has to be submitted until the given deadline.
- Certificate generated by the IMIS 2014-2020 is uploaded including the signature (and stamp if relevant) of the statutory representative(s) of the Lead Beneficiary.

After the admissibility criteria of all Applications are assessed, the Joint Secretariat informs Lead Beneficiaries via e-mail about the result of the assessment including the project identification codes assigned to each project.

Please note that Lead Beneficiary is informed about the admissibility check via e-mail that is sent to the Lead Beneficiary's e-mail address entered to IMIS system. After the submission of the Application, the Lead Beneficiary shall regularly check his e-mails with special attention on incoming mailbox and the spam box as well. In case the Lead Beneficiary does not

receive any e-mail from the Joint Secretariat within 30 days after the submission of the Application please contact the Joint Secretariat at [info@skhu.eu](mailto:info@skhu.eu).

### **Completeness criteria**

The next step of the formal assessment is to check whether the application is accompanied with all required annexes. Application can fulfil the completeness criteria if the submitted project proposal contains all mandatory general annexes according to the detailed prescriptions. In case any general annex is missing, the Lead Beneficiary will be requested via e-mail to complete the Application and submit the requested documents listed one by one.

Lead Beneficiary has to submit the missing documents via the IMIS 2014-2020. In case the Applicant fails to submit the requested documents until the given deadline in full or the submitted documents do not meet the detailed prescriptions, the Application will be rejected. Applications fulfilling the completeness criteria are forwarded to the next step of assessment process, which is eligibility assessment.

### **Eligibility assessment**

As a further assessment step, submitted applications have to fulfil the eligibility assessment criteria, which consist of following parts:

- Cross-border cooperation criteria assessment
- General eligibility criteria assessment

The eligibility assessment shall ensure that only eligible project applications are considered for the further project selection procedure. This evaluation step has no quality ranking. Eligibility assessment criteria are examined by attributing “fulfilled” (YES) or “not fulfilled” (NO). Applications fulfilling the eligibility assessment criteria are forwarded to the next step of assessment process, which is quality assessment.

### **Cross-border cooperation criteria**

There are 4 cross-border cooperation criteria set for the each joint project submitted within the Programme:

- joint development;
- joint implementation;
- joint staffing;
- joint financing.

Projects are required to cooperate in at least three of these criteria. The first two fields are obligatory for all projects, while the third one can be either cooperation in the staffing or in the financing of the project. Applications that do not fulfil the general eligibility criteria and at least 3 cross-border cooperation criteria will be rejected and not evaluated any further.



### **General eligibility criteria**

The eligibility criteria will assess the legal as well as territorial eligibility of the objectives and Beneficiaries.

### **Quality assessment**

Quality of each application is assessed against a set of criteria laid down in the Quality assessment grid. The assessment is accomplished by the programme managers of the Joint Secretariat representing both member states. Quality assessment criteria are examined by attributing “fulfilled” (YES), “not fulfilled” (NO), “conditional” (C) or not relevant (NR).

- 1) In case the project proposal fulfils the specific criterion Assessors indicate ‘YES’ without any further justification.
- 2) In case the project proposal does not fulfil the specific criterion and according to the Assessors opinion the project cannot be modified in order to fulfil, Assessors indicate ‘NO’ and provide further justification indicating reasons and facts referring to the Application form.
- 3) In case the project proposal does not fulfil the criterion or fulfils it only partly but according to the opinion of the Assessors the project can be clarified or modified in order to fulfil, Assessors indicate ‘C’ and list the conditions that shall be accepted by the Applicants during the contracting procedure.
- 4) In case of criteria which are not relevant for the specific project proposal Assessors indicate ‘NR’

Quality assessment criteria are grouped into two categories. Main categories listed below are further divided into the following sub-categories:

#### **Strategic evaluation**

- project environment and coherence
- relevance for the set objectives
- added value and expected results
- level of cross-border cooperation
- project partnership
- sustainability of project results

#### **Operational evaluation**

- feasibility of project activities
- management capacities
- requested financial resources
- project working schedule
- horizontal principles.

According to the evaluation of different criteria Assessors prepare the final assessors summary containing general opinion of the Assessors on assessed project proposal, “*pro*” and “*contra*” facts for consideration and if relevant the list of conditions to be approved by the Monitoring Committee and accepted by the Applicants.

Assessment criteria under sub-categories ‘*Relevance for the set objectives*’ and ‘*Added value and expected results*’ are referring to the substantial parts of the project. **Project proposals that are not able to fulfil any of the evaluation criteria referring to the substantial parts of the projects shall be rejected.** Project proposals fulfilling substantial criteria and the other criteria are fulfilled or conditional are recommended for approval or recommended for approval with conditions.

## Decision of the Monitoring Committee

The selection procedure of the Priority Axis 3 ends with the decision of the Monitoring Committee based on the assessment procedure. Project proposals rejected during the formal or eligibility assessment are not put forward to the Monitoring Committee. Project proposals assessed against quality criteria are put forward to the Monitoring Committee grouped according to the approved TAPE.

The Monitoring Committee may decide regarding each project proposal one by one and in accordance with the Rules of procedure. In this case, the Monitoring Committee may alter from the final recommendations of the Assessors. The Monitoring Committee may also make its decision ‘en-block’ regarding to each group of project proposals in accordance with the final recommendations of the Assessors.

In case the Monitoring Committee considers that any operation carries significant risk regarding the implementation, feasibility, sustainability or any other circumstance, the Committee may decide not to approve the Application despite the assessors’ recommendation for approval.

## Complaint procedure

According to Article 74(3) EU Regulation No. 1303/2013 the Beneficiaries may submit complaint. Complaints may be raised against the project assessment process and its correctness thereof. The right to complain against a decision regarding the project selection applies to the Lead Beneficiary whose project application was not selected for co-financing during the project assessment and selection process. The complaint can be lodged only against the outcomes of the eligibility assessment.

The complaint should be submitted in written form by postal mail to the JS of the Programme within 14 calendar days after the Lead Beneficiary had been officially notified by the MA/JS about the results of the project selection process. The complaint shall be written in English and shall include the:

- a) name and address of the Lead Beneficiary;
- b) reference number and acronym of the application;
- c) clearly indicated reasons for the complaint, including
  - listing of all elements of the assessment which are being complaint and/or
  - failures in adherence with procedures limited to eligibility criteria;
- d) signature of the legal representative of the Lead Beneficiary; and
- e) any supporting documents (no additional content-related information than the one included in the proposal is allowed).

The relevant documentation shall be provided for the sole purpose of supporting the complaint. No other grounds for the complaint than eligibility assessment will be taken into account during the complaint procedure. A complaint will be rejected without further examination if submitted after the set deadline. In case the complaint is rejected, the MA/JS conveys this information within 10 working days to the Lead Beneficiary. After the receipt of the complaint, the MA assisted by the Joint Secretariat examines the complaint and prepares its technical examination regarding the merit of the complaint.

The complaint will be examined based on the information brought forward by the Lead Beneficiary in the complaint and the technical examination prepared by the MA by the Complaint Board. The Complaint Board comprises members of the MA, NA and JS and is the only body entitled to review a complaint against a decision regarding assessment and selection of projects co-financed by the Programme. The Complaint Board have 30 calendar days to provide a binding decision. This can be extended once by additional 30 calendar days in case further information is needed. The decision of the Complaint Board shall be taken by consensus. In case it is justified, the project will be forwarded to next step in assessment process. The decision of the Complaint Board is communicated in writing to the Lead Beneficiary within 7 calendar days from the receipt of the Complaint Board decision. The decision of the Complaint Board is final, binding to all parties and not subject of any further complaint proceedings within the Programme based on the same grounds.

## Data protection and data processing policy

The purpose of the present data protection and data processing policy (hereinafter referred to as 'Policy') is to define data protection and data processing principles related to the Call for proposals SKHU-1802 launched within the framework of Interreg V-A Slovakia-Hungary Cooperation Programme (hereinafter referred to as 'Programme') by Széchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company (hereinafter referred to as 'Company') and therefore, the data subject will be provided with adequate information of data processed by the Company or the data processor, source of the data, purpose of the processing, legal basis for the processing, period of processing, name and address of data processor involved by data controller, activity of data processor related to data processing, furthermore, where personal data is transferred the legal basis for and recipient of transfer of personal data.

Acts and their abbreviations used and considered in relation to the Policy

<b>the Act</b>	Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information (hereinafter referred to as 'Act')
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (hereinafter referred to as 'GDPR')
<b>Government Decree</b>	Government Decree No 68/2011. (IV.28.) on Széchenyi Programme Offices

### Definitions

Definitions in the present Policy meet definitions of Article 4 of GDPR:

personal data	any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person
processing	any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such

as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction

controller	the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data; where the purposes and means of such processing are determined by Union or Member State law, the controller or the specific criteria for its nomination may be provided for by Union or Member State law
processor	a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller
third party	a natural or legal person, public authority, agency or body other than the data subject, controller, processor and persons who, under the direct authority of the controller or processor, are authorised to process personal data

consent of the data subject any freely given, specific, informed and unambiguous indication of the data subject's wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her

Where definitions of GDPR in force are different from the definitions of the present policy, definitions of GDPR in force shall prevail.

## I. Data controller and contact details

Data controller regarding data provided to participate in Call for proposals:

name:	<b>Széchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company</b>
registered office:	1053 Budapest, Szép utca 2. 4. em.
company reg. no:	01 09 916308
represented by:	Szakács Áron (managing director)
e-mail:	info@szechenyiprogramiroda.hu

## II. Data protection officer and contact details

Data protection officer designated by the Company:

name: dr. Nyerges Judit  
 postal address: 1053 Budapest, Szép utca 2. 4. em.  
 e-mail: adatvedelmitisztviselo@szechenyiprogramiroda.hu

## III. Personal data, purpose of processing, legal basis for processing, period of processing

Personal data	Purpose of processing	Legal basis for processing
name	running the call for proposals and contact	Legitimate interest of the Company
e-mail	running the call for proposals and contact	Legitimate interest of the Company
phone number	running the call for proposals and contact	Legitimate interest of the Company

Means of processing: paper-based, electronic

Period of processing: for 3 years after 31st December following submitting accounts of eligible costs related to the implementation of the Programme

## IV. Principles

The Company processes personal data in accordance with principles of good faith and fair dealing and transparency and subject to law in force and provisions of the present Policy. The Company processes personal data only on the basis of the present Policy and for a specific purpose(s) and does not go beyond them.

If the Company intends to use personal data for purpose(s) other than the original purpose(s), the Company informs the data subject of such a purpose and use and obtain the previous and express consent of the data subject (where there is no other legal basis determined by GDPR) and the Company allows the data subject opportunity to defy the use of personal data.

The Company does not control personal data provided, person who provided the personal data, shall be liable for adequacy. The Company does not transfer personal data, except that the Company is entitled and obliged to transfer or forward personal data available to and properly stored by the Company to competent authority where transfer and forward of personal data is determined by law or legally binding order of authority. Company shall not be liable for such a transfer or its consequences.

The Company ensures the security of personal data, takes all technical and organizational measures and establishes rules of procedure that guarantee protection of recorded, stored and processed personal data, and prevent accidental losses, destruction, unauthorised access, unauthorised use, unauthorised alteration and unauthorised dissemination.

## **V. Rights of the data subject**

The data subject may exercise right in the following ways:

- e-mail
- by post
- in person

The Company draws attention to the fact that in case of data processing based on consent, data subject is entitled to withdraw the consent at any time, however this withdrawal shall not concern the lawfulness of data processing based on consent before withdrawal.

### **Right of information and access to personal data**

The data subject may at any time request the Company to provide information on data processed by the Company or the data processor involved by or according to the order of the Company, purpose of the processing, legal basis for the processing, period of processing, name and address of data processor, activity of data processor related to data processing, the circumstances, effect of a personal data breach, measures taken for averting personal data breach, furthermore, where personal data is transferred the legal basis for and recipient of transfer of personal data.

In relation to the above, the data subject may request a copy of his/her processed data. In case of an electronic request the Company executes the request first electronically (PDF format), except where the data subject requests expressly otherwise.

The Company already draws attention to the fact that if the above right of access affects adversely the rights or freedoms of others, including in particular trade secrets or intellectual property, the Company may refuse the execution of the request, to the extent it is necessary and proportionate.

### **Right to rectification and modification**

The data subject may request the rectification, modification and completion of personal data processed by the Company.

### **Right to data portability**

The data subject has the right to receive the personal data concerning him or her, which he or she has provided to the Company, in a structured, commonly used and machine-readable format and have the right to transmit those data to another controller without hindrance from

the Company. Furthermore, the data subject has the right to have the personal data transmitted directly from one controller to another, where technically feasible.

### **Right to erasure ('right to be forgotten')**

The data subject may request the erasure of one or all personal data concerning him or her. In this case, the Company erases the personal data without undue delay and the controller shall have the obligation to erase personal data without undue delay where one of the following grounds applies:

- the personal data are no longer necessary in relation to the purposes for which they were collected or otherwise processed;
- the data subject withdraws consent on which the processing is based and where there is no other legal ground for the processing;
- data processing is based on legitimate interest of the Company or third person but the data subject objects to the processing and (except objection to processing related to direct marketing) there are no overriding legitimate grounds for the processing;
- the personal data have been unlawfully processed;
- the personal data have to be erased for compliance with a legal obligation.

The Company informs the data subject of the refusal to the request of erasure in any event (e.g. data processing is required for the establishment, exercise or defence of legal claims), indicating the reason of the refusal. Erasure of personal data is executed that after fulfilment of request of erasure personal data (erased) cannot be restored.

In addition to the exercise of right to erasure, the Company erases personal data if the data processing is unlawfully, the purpose of data processing is no longer exists, data storage period determined by law is already expired, it is ordered by court or authority.

### **Right to restriction of processing**

The data subject shall have the right to obtain from the controller restriction of processing where one of the following applies:

- the accuracy of the personal data is contested by the data subject, for a period enabling the Company to verify the accuracy of the personal data;
- the processing is unlawful and the data subject opposes the erasure of the personal data and requests the restriction of their use instead;
- the Company no longer needs the personal data for the purposes of the processing, but they are required by the data subject for the establishment, exercise or defence of legal claims;
- the data subject has objected to processing pending the verification whether the legitimate grounds of the Company override those of the data subject

Where processing has been restricted, such personal data won't be processed or will, with the exception of storage, only be processed with the data subject's consent or for the estab-



ishment, exercise or defence of legal claims or for the protection of the rights of another natural or legal person or for reasons of important public interest of the Union or of a Member State. A data subject will be informed by the Company before the restriction of processing is lifted.

### **Right to object**

Where the legal basis for processing is legitimate interest of the Company or third person (except compulsory data processing) or data is processed for direct marketing, scientific or historical research purposes or statistical purposes, the data subject, has the right to object to processing of personal data concerning him or her. Objection may be rejected if the Company demonstrates

- compelling legitimate grounds for the processing which override the interests, rights and freedoms of the data subject or
- that data processing is related to the establishment, exercise or defence of legal claims of the Company.

The Company examines the lawfulness of the objection of the data subject and where the objection is grounded, the Company stops data processing.

### **Right to legal remedy**

See Section VII.

## **VI. Modification of the Policy**

The Company reserves the right to modify the present Policy through an unilateral decision at any time. If the data subject does not agree with the modification, he/she may request the erasure of his/her personal data as determined above.

## **VII. Legal remedies and enforcement**

The Company as data controller may be contacted for the purpose of any question or comments related to data processing using contact details above. In case of any violation related to data processing, the data subject may make a complaint to the competent data protection supervisory authority of the Member State of residence, workplace or the place of the alleged violation.

In Hungary, complaint shall be made to Hungarian National Authority for Data Protection and Freedom of Information („NAIH”, address: 1125 Budapest, Szilágyi Erzsébet fasor 22/c.; phone: +36-1-391-1400; e-mail: [ugyfelszolgalat@naih.hu](mailto:ugyfelszolgalat@naih.hu); website: [www.naih.hu](http://www.naih.hu)).

The data subject may bring the following cases before court:

- violation of rights
- against the legally binding decision of the supervisory authority

- if the supervisory authority does not deal with the filed complaint or does not inform the data subject of aspects or result of the procedure related to the filed complaint within 3 months