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# Hungary-Serbia

IPA Cross-border Co-operation Programme

## Guidelines for Applicants

for the Call for Proposals launched on 01/03/2012

Reference number of the Call for Proposals: HUSRB/1203



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<b>1. HUNGARY – SERBIA IPA CROSS-BORDER CO-OPERATION PROGRAMME .....</b>	<b>3</b>
1.1 BACKGROUND .....	3
1.2 OBJECTIVES AND PRIORITIES OF THE PROGRAMME .....	4
1.3 FINANCIAL ALLOCATION OF THE PRESENT CALL FOR PROPOSALS .....	6
1.4 PROGRAMME AREA .....	6
1.4.1 ELIGIBLE AREA .....	6
1.4.2 ADJACENT REGIONS .....	7
1.5 MANAGEMENT STRUCTURE OF THE PROGRAMME .....	8
1.6 BASIC DEFINITIONS OF TERMS USED IN THE GUIDELINES FOR APPLICANTS .....	9
<b>2. ELIGIBILITY CRITERIA .....</b>	<b>11</b>
2.1 ELIGIBILITY OF APPLICANTS .....	11
2.2 ELIGIBILITY OF PARTNERSHIPS .....	15
2.2.1 MEMBERS OF THE PARTNERSHIP .....	15
2.2.2 JOINT CRITERIA FOR THE PARTNERSHIP .....	17
2.3 ELIGIBLE PROJECT ACTIVITIES UNDER THE ACTIONS .....	19
2.3.1 PROJECT DURATION .....	19
2.3.2 LOCATION OF PROJECTS .....	19
2.3.3 INDICATIVE LIST OF ELIGIBLE PROJECT ACTIVITIES IN DIFFERENT ACTIONS .....	20
2.3.4 NUMBER OF APPLICATIONS TO BE SUBMITTED/SUPPORTED .....	32
2.3.5 INDICATORS .....	32
2.3.6 HORIZONTAL PRINCIPLES AND OBJECTIVES TO BE RESPECTED BY ALL APPLICANTS .....	33
2.4 ELIGIBILITY OF COSTS .....	35
2.4.1 ELIGIBILITY PERIOD OF EXPENDITURES .....	36
2.4.2 GEOGRAPHICAL ELIGIBILITY OF EXPENDITURES .....	37
2.4.3 ELIGIBILITY OF COST BY BUDGET HEADINGS .....	37
2.4.4 NON-ELIGIBLE EXPENDITURES .....	44
2.4.5 SOURCES OF FUNDING .....	45
2.4.6 REVENUE GENERATING PROJECTS .....	46
2.4.7. STATE AID RULES .....	47

<b>3. SUBMISSION OF THE APPLICATIONS.....</b>	<b>49</b>
3.1 PROJECT DEVELOPMENT ASSISTANCE.....	49
3.2 FURTHER INFORMATION RELATED TO THE CALL FOR PROPOSALS.....	49
3.3 APPROVAL OF DATA MANAGEMENT / PRIVACY POLICY.....	51
3.4 LIST OF DOCUMENTS TO BE SUBMITTED.....	51
3.5 PLACE AND DEADLINE FOR THE SUBMISSION OF APPLICATIONS.....	57
<b><u>4. EVALUATION, SELECTION, CONTRACTING.....</u></b>	<b>59</b>
4.1 EVALUATION PROCESS, EVALUATION GRIDS.....	59
4.1.1 FORMAL ASSESSMENT.....	59
4.1.2 QUALITY ASSESSMENT.....	62
4.1.3 DECISION ON SELECTED PROJECTS.....	67
4.1.4 VERIFICATION OF ELIGIBILITY.....	68
4.2 CONTRACTING.....	68
4.2.1 CONTRACTING OF IPA SUBSIDY.....	70
4.2.2 CONTRACTING OF NATIONAL STATE CO-FINANCING (ONLY FOR HUNGARIAN PARTNERS).....	71
4.2.3 PUBLICATION OF THE CONTRACTED PROJECTS ON THE INTERNET.....	71
4.3 INDICATIVE TIMETABLE.....	71
<b><u>5. IMPLEMENTATION OF PROJECTS.....</u></b>	<b>72</b>
5.1 INFORMATION AND PUBLICITY MEASURES.....	72
5.2 PUBLIC PROCUREMENTS.....	73
5.3 CONTRACT MODIFICATIONS.....	75
5.4 PROJECT ADVANCE.....	76
5.5 REPORTING AND PAYMENTS.....	77
5.6 AUDITS AND SUSTAINABILITY OF PROJECT RESULTS.....	79
<b><u>6. ANNEXES TO THE GUIDELINES FOR APPLICANTS.....</u></b>	<b>80</b>
<b><u>7. APPENDICES TO THE GUIDELINES FOR APPLICANTS.....</u></b>	<b>81</b>
APPENDIX A: LIST OF RELEVANT REGULATIONS.....	81
APPENDIX B: SPECIAL STIPULATIONS ON THE OWNERSHIP OF LAND AND BUILDINGS IN CASE OF PROJECTS HAVING INVESTMENT/WORKS ACTIVITIES.....	84
APPENDIX C: OWN CONTRIBUTION RATE IN CASE OF HUNGARIAN APPLICANTS.....	87
APPENDIX D: LIST OF ABBREVIATIONS.....	89

## 1.1 Background

The Hungary-Serbia IPA Cross-border Co-operation Programme (*the Programme*) is implemented within the 2007-2013 European Union financial framework under the Instrument for Pre-accession Assistance (*IPA*). Established by the Council Regulation (EC) No 1085/2006 and implemented according to Commission Regulation (EC) No 718/2007 (IPA Implementing Regulation), this new instrument for pre-accession assistance serves as a financial source both for candidate and potential candidate (among them Serbia) countries. It is implemented through five components, the Cross-border Co-operation (CBC), being one of them. This CBC component aims at promoting good neighbourly relations, fostering stability, security and prosperity in the mutual interest of all concerned countries and encouraging their harmonic, balanced and sustainable development.

In the current Programme, Serbia and Hungary co-operate in the frame of the CBC component of IPA in a joint structure through shared management and joint decision making, with common financial resources available. The Operational Programme summarizing the priorities and objectives, as well as the main implementation modalities has been developed mutually, and it was approved by the EC by its decision C(2008)1075 on 25<sup>th</sup> March 2008. The Operational Programme is available on the Programme's official website: [www.hu-srb-ipa.com](http://www.hu-srb-ipa.com).

The Programme builds on the results of the Hungary-Serbia and Montenegro Neighbourhood Programme 2004-2006 within the framework of the trilateral Hungary-Romania and Hungary-Serbia and Montenegro Cross-border Co-operation Programme.

The present Guidelines intend to provide detailed information to potential Applicants in the course of preparing, applying for and implementing joint projects in the framework of the Hungary-Serbia IPA Cross-border Co-operation Programme.

The present Guidelines have been elaborated in line with the Programming Document and relevant legislation which is included in Appendix A of the present document. **All potential Applicants must respect and follow the legislation governing the cross-border Programme and the provisions of the Call for Proposals and those of the present Guidelines.**



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## 1 Objectives and priorities of the Programme

The long term overall aim of the Programme is the facilitation of the development of a harmonic and cooperating region with a sustainable and safe environment, where the common cultural and natural heritage is successfully managed. In such regional setting, the opportunities for economic and cultural growth will be induced and encouraged through closer and strengthened business, educational, research and cultural ties, resulting in the creation of job opportunities, and minimalisation of the isolating effects of the Schengen external border situation.

In order to achieve the overall strategic aims, five specific objectives and four horizontal objectives are defined:

### Specific objectives:

1. Reducing isolation of border areas by improving cross-border accessibility
2. Environmental sustainability and safety in the border zone
3. Synergies and co-operation in the economy
4. Managing common cultural heritage to promote cultural values, traditions and to develop tourism
5. Intense cultural, educational and research interaction

### Horizontal objectives:

1. Creating joint structures by maximizing cross-border impact
2. Strengthening Hungarian-Serbian bilingualism in the eligible area during Programme implementation
3. Ensuring equal opportunities for the underprivileged population
4. Creating sustainability

The different specific objectives are represented by the different Priorities, Areas of Intervention and Actions in the Programme, while all projects supported by the Programme have to comply with the horizontal objectives.

On the basis of the situation analysis and the SWOT analysis of the Operational Programme, 3 Priorities, 4 Areas of Intervention and 10 different Actions are identified as main contributors to the achievement of the objectives outlined above.

## **Priority 1 INFRASTRUCTURE AND ENVIRONMENT**

### **1.1 Infrastructure for physical connections**

*1.1.1 Border crossing infrastructure, construction, reconstruction of lead up roads*

*1.1.2 Planning transport lines, harmonisation of public transport*

### **1.2 Common responsibility for the environment**

*1.2.1 Minor actions in water management*

*1.2.2 Animal health monitoring, minor actions for improving the quality of the environment*

## **Priority 2 ECONOMY, EDUCATION and CULTURE**

### **2.1 Stimulating a synergic economy, tourism and R&D**

*2.1.1. Trainings and partner finding facilitation for businesses*

*2.1.2. Development of thematic routes of cultural heritage*

*2.1.3. Coordinated studies for territorial and sectoral development of the region*

*2.1.4. Product oriented research, development and innovation*

### **2.2 Education and culture for a common mind**

*2.2.1. Educational co-operation*

*2.2.2. People to people co-operation*

## **Priority 3 TECHNICAL ASSISTANCE**

The present Call for Proposals is open for **all 10 Actions** listed under Priority 1 and 2 of the Programme. Priority 3: Technical Assistance is not subject of open Calls for Proposals, as it provides funding exclusively for the management of the Programme.

The total available IPA amount for the present Call for Proposals is **15 101 376 EUR**. The below table shows the **indicative distribution** of the total available IPA amount between the Actions, indicating the **minimum and maximum IPA support** per project.

Priority 1	Total IPA amount	Minimum	Maximum
INFRASTRUCTURE AND ENVIRONMENT	(EUR)	IPA support per project (EUR)	
<b>1.1 Infrastructure for physical connections</b>			
1.1.1 Border crossing infrastructure, construction, reconstruction of lead up roads	6 644 807	500 000	1 500 000
1.1.2 Planning transport lines, harmonisation of public transport	559 559	100 000	400 000
<b>1.2 Common responsibility for the environment</b>			
1.2.1 Minor actions in water management	3 036 571	400 000	1 000 000
1.2.2 Animal health monitoring, minor actions for improving the quality of the environment	862 831	100 000	400 000
<b>Priority 2</b>			
<b>ECONOMY, EDUCATION and CULTURE</b>			
<b>2.1 Stimulating a synergic economy, tourism and R&amp;D</b>			
2.1.1. Trainings and partner finding facilitation for businesses	292 020	50 000	200 000
2.1.2. Development of thematic routes of cultural heritage	1 109 697	100 000	300 000
2.1.3. Coordinated studies for territorial and sectoral development of the region	851 889	50 000	100 000
2.1.4. Product oriented research, development and innovation	559 559	100 000	400 000
<b>2.2 Education and culture for a common mind</b>			
2.2.1. Educational co-operation	559 559	100 000	400 000
2.2.2. People to people co-operation	624 885	50 000	100 000
<b>Total</b>	<b>15 101 376</b>		



Any IPA support awarded for projects under this Call for Proposals **must fall between the above minimum and maximum amounts and must not exceed 85% of the total approved budget.**

In case the indicative amount allocated to a specific Action cannot be used due to insufficient quality or number of received Applications, the Joint Monitoring and Steering Committee (JMSC) reserves the right to reallocate the remaining funds between Actions. Furthermore, the JMSC reserves the right not to award all available funds.

## 1.4 Programme area

### 1.4.1 Eligible area

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

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

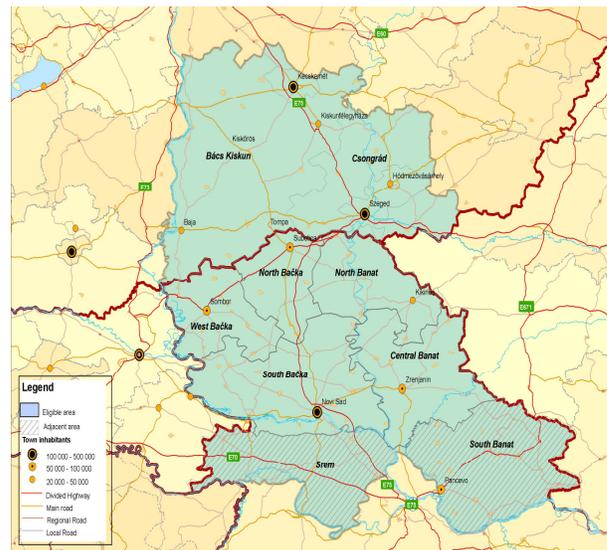
- West Bačka (Zapadnobački upravni okrug),
- North Bačka (Severnobački upravni okrug),
- North Banat (Severnobanatski upravni okrug),
- South Bačka (Južnobački upravni okrug),
- Middle Banat (Srednjobanatski upravni okrug).

#### 1.4.2 Adjacent regions

Furthermore, the following NUTS III equivalent regions in Serbia are included as **adjacent regions**:

- South Banat (Južnobanatski upravni okrug),
- Srem (Sremski upravni okrug)

In the above mentioned adjacent regions (South Banat and Srem) according to Article 97 of Commission Regulation (EC) No 718/2007, Community funding may finance expenditure up to a limit of 20 % of the amount of the Community contribution to the cross-border programme. In practical terms, it means that the total IPA contribution granted to Project Partners from South Banat or Srem cannot exceed 20% of the total IPA amount in a given project. For further details on geographical eligibility of expenditures please consult Section 2.4.2 of the present Guidelines.



In line with Article 98 of the IPA Implementing Regulation, the Programme is to be implemented through shared management under the responsibility of a single Managing Authority, a Certifying Authority and an Audit Authority. The participating countries regulate their relations and responsibilities in a Memorandum of Understanding. The management structure of the Programme is the following:

- **European Commission:** Donor of the Community contribution (IPA funds).
- **Joint Monitoring and Steering Committee (JMSC):** supervises and monitors the programme implementation, responsible for project selection. Its operations are regulated by the Rules and Procedures of the JMSC.
- **Managing Authority (MA):** bears the overall responsibility for the management and implementation of the Programme towards the European Commission. The National Development Agency in Hungary acts as the Managing Authority.
- **Certifying Authority (CA):** the main task of the CA is drawing up certified statements of expenditure and applications for payment and submitting them to the European Commission. The Directorate of EU Assistance of the Hungarian State Treasury acts as the Certifying Authority.
- **Audit Authority (AA):** body functionally independent from the Managing Authority and the Certifying Authority, is responsible for verifying the effective functioning of the management and control system and the expenditure declared to the EC by means of audits on projects. The work of the AA is assisted by the Group of Auditors. The Directorate General for Audit of European Funds (EUTAF) in Hungary acts as the Audit Authority.
- **Joint Technical Secretariat (JTS):** Set up within VÁTI Hungarian Nonprofit Limited Liability Company for Regional Development and Town Planning (hereinafter referred to as VÁTI) in Budapest with member(s) in the VÁTI Territorial Office in Szeged, the JTS assists the MA, CA, AA, the JMSC and the National Authorities in carrying out their respective duties. The JTS keeps daily contact with potential Applicants and Lead Beneficiaries of contracted projects. The JTS member in Szeged and the Information Point, as antenna of the JTS, set up in Subotica are particularly responsible for supporting efficient project development on both sides of the border, by giving direct assistance to potential Applicants.
- **National Authorities (NA):** Beside the above mentioned structures, the National Development Agency in Hungary and the European Integration Office of the Government of the Republic of Serbia bear responsibility – among others – for setting up the control system in order to validate the expenditures at national level and for ensuring national state co-financing. Moreover, NAs are responsible for investigation of suspicion of irregularities, declaration of irregularities and handling of irregularities.



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• *Control Bodies (Számvevő Társulat) in Hungary with its territorial offices in Szeged and Pécs and within the Ministry of Finance of the Republic of Serbia, the Control Bodies are responsible for validating expenditures at the national level in accordance with Community and national rules.*

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

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

The level of detail required will depend on the nature and scale of the project, and the implementation modalities. During the planning stage of activity specification it is usually inappropriate to try and specify too much detail in order to make them sufficiently simple to be organised and managed. The main skill is in getting the level of detail right. **The breakdown should stop** as soon as the planner has sufficient detail to estimate the time and resources required. Once the activities have been scheduled, the resources necessary to undertake the activities must be specified.

**Applicant:** Under the present Call the term refers to **both** the Lead Beneficiary and the Project Partner(s) applying in partnership for subsidy from the Programme's funds fulfilling the same eligibility criteria (please refer to detailed description of eligibility criteria in Chapter 2 of the present Guidelines for Applicants).

**Application: set of documents comprised of Application Form (with Annexes) and required Supporting documents.**

**Application Form: Document published under the present Call for Proposals to be filled in and submitted by the Applicant. The Application Form is published in the Excel file format and has two Annexes (Declaration by the Applicant and Partnership Statement).**

**Application Package:** Documents containing all provisions and relevant information to the present Call for Proposals available for download on the Programme's official web site: [www.hu-srb-ipa.com](http://www.hu-srb-ipa.com). The Application Package is comprised of the following documents: Call for Proposals, Guidelines for Applicants with its Annexes, Application Form with its Annexes

**Lead Beneficiary:** the organisation assuming the leading role in the partnership as defined in Article 96 of the IPA Implementing Regulation establishing the "Lead Beneficiary principle". In accordance with this, all partnerships have to designate one



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Project Partner and is then to act as the Lead Beneficiary who will submit the Application on behalf of the entire partnership and will be content-wise responsible for the overall project towards the programme management structures. Nevertheless, the Lead Beneficiary also acts as a Project Partner in connection to its own project part. To learn more about the role of the Lead Beneficiary, please refer to Section 2.2.1 of the present Guidelines for Applicants.

**Project Partner:** an organisation actively participating in the implementation of a project with responsibility for the proper implementation of its project part in particular. With regard to the geographic location, the Project Partner can:

- be located in the Participating Country other than the Lead Beneficiary's (Cross-border Project Partner),
- be operating in the same country as the Lead Beneficiary (Domestic Project Partner) and
- can come from the so-called adjacent regions (Project Partner from Adjacent Region). Please consult Section 2.2.1 of the present Guidelines for more information on the types of Project Partners under the Programme.

**Members of the partnership:** Projects have to be implemented in partnership, whereby the members shall be:

- **Lead Beneficiary (LB) - obligatory**
- **Project Partner(s) (PPs)**
  - Cross-border Project Partner(s) - **obligatory**
  - Domestic Project Partner(s)
  - Project Partner(s) from Adjacent Regions

**Partnership:** Projects have to be implemented in partnership (following the "Lead Beneficiary principle") including a Lead Beneficiary and Project Partner(s), where at least one Project Partner is a cross-border Project Partner.

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

**Project part:** a group of activities within the project as a whole, implemented by a defined actor, i.e. one of the Applicants (Lead Beneficiary or Project Partner) in a defined timeframe (indicated in the Application Form) and matched by the corresponding budget (see separate budget tables for each Project Partner in the Application Form). The implementation of specific project parts is the responsibility of the designated Project Partner (the Lead Beneficiary acts as a Project Partner in this respect), both from a professional and a financial point of view and with regard to procurement procedures. Moreover, each Project Partner is responsible for any irregularities in the

For further information on how project parts and projects as a whole are connected, please refer to the rules defining the Lead Beneficiary principle, the organizations participating in the partnership, the eligibility of costs and project implementation (Sections 2.1, 2.2, 2.4, 4.2 and 5 of the Guidelines, respectively).

## 2. ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, related to:

- Applicant(s) which may request IPA support (2.1), and the partnerships formed by the Applicants (2.2);
- Activities for which IPA support may be awarded (2.3);
- The types of costs which are eligible in setting the amount of the subsidy (2.4).

### 2.1 Eligibility of Applicants

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

**Each Lead Beneficiary and Project Partner** has to fulfil all of the following criteria:

- be legal persons and
- be non-profit making<sup>1</sup> and
- be directly responsible for the preparation and management of the proposed project activities both from a professional and financial point of view and may not act as intermediaries and
- be specific types of organisations such as:
  1. **Public authorities**<sup>2</sup>, meaning legal entities established and governed by public law, assigned with special competencies and performing tasks in public interest; **or**

<sup>1</sup> According to §29(1) of Law. No. 1/1988 on road transport, the constructor of national roads in Hungary – with the exception of roads realised by involvement of private capital – is the National Infrastructure Developing Ltd. (Nemzeti Infrastruktúra Fejlesztő Zrt.), which is a 100% state-owned company responsible for the development and building of the national public road network. § 29(2) of the above-mentioned Law, defines the tasks to be undertaken by the constructor including the preparation of necessary plans and studies, obtaining permits, provision of land, public procurement, contracting, supervisory engineering, etc. Therefore the National Infrastructure Developing Ltd. (through its branch offices located in the Programme's eligible NUTS III territories of Hungary) shall be eligible to apply for community funding under Actions 1.1.1 and 1.1.2.”



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- established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character,
- having legal personality, and
- being either financed, for the most part, by the state, regional or local authorities or by other bodies governed by public law; or being subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the state, regional or local authorities or by other bodies governed by public law; **or**

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

**NOTE: In the Application Form, the public (1+2) or private (3) status of an organisation has to be defined by the LB/PP in line with the statute of the organisation and interpreted according to national law of the given country.**

- Applicants have to prove at least one year of operation, counted back from the day of the submission of the Application to the JTS<sup>4</sup>;
- have their headquarters or a registered regional/local branch in the eligible area (in case of the **Lead Beneficiary**, see Section 1.4.1 of the present Guidelines), or in the *eligible area/adjacent regions* (in case of **Project Partners**, see Section 1.4.1 and 1.4.2 of the present Guidelines):
  - a) If the regional/local branch **is a legal entity**, it shall be the Applicant, in case its headquarters is not registered in the Programme area;
  - b) If the regional/local branch **is not a legal entity**, the headquarters (a national/regional organisation) – registered in one of the Participating

<sup>2</sup> In Hungary, **Mayor's Offices are excluded from the list of eligible Applicants** as they cannot make legal commitments in terms of financial obligations and developments (which is the competency of the local government). (Legal background: Based on Act LXV. of 1990 (Ötv.) as well as on Act XX. of 1991, all disposal of property rights behave the Assembly and the Mayor, therefore the Mayor's Office has exclusively preparation and implementation-related role with regard to the Local Government's tasks. (The Local Government is entitled to make legal commitments (e.g. included in the Declaration of the Applicant) regarding an Application.)

<sup>3</sup> In line with Directive No. (EC) 18/2004

<sup>4</sup> Cases of legal succession can be accepted when proving the necessary operational background, provided that the predecessor and the successor organisation together can cover at least one year of continuous operation.

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- **At least one year of operation** of a local organisational unit in the Programme area must be proved **and**
  - The leader of the branch office must be an authorised representative of the legal person to act in connection to the implementation of the relevant project part **and**
  - project activities have to be implemented in the eligible programme area through involvement of local staff in the project management
- possess relevant previous experience and must prove their financial and administrative capacity to manage the relevant project parts;
  - possess proper project management experience matching the scale of funding they are requesting in the present CfP.

**Summary table:**



Please note that the following summary table is for information purposes only and potential Applicants should use it to self-check the eligibility criteria of their organisations. **Each Applicant must fulfil all eligibility criteria listed below:**

Minimum Eligibility Criteria of Applicants	Yes /No
Be a legal person	<input type="checkbox"/>
Be non-profit making	<input type="checkbox"/>
Be one of the following: <ul style="list-style-type: none"> <li>- Public authority</li> <li>- Bodies governed by public law</li> <li>- Non-profit organisation governed by private law</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Proven operation of at least one year, counted back from the day of the submission of the project proposal	<input type="checkbox"/>
Have direct responsibility for the project (not intermediary)	<input type="checkbox"/>
Lead Beneficiary's headquarters / regional branch is in the eligible area	<input type="checkbox"/>
Project Partner's headquarters / regional branch is in the programme area	<input type="checkbox"/>
Have relevant previous experience	<input type="checkbox"/>
Have proper project management experience	<input type="checkbox"/>

**Grounds for exclusion**

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



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activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

- b) they have been convicted of an offence concerning professional conduct by a judgment which has the force of *res judicata* (i.e., against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which the Managing/National Authority can justify;
- d) they have not fulfilled obligations related to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the National Authorities or those of the country where the contract is to be performed;
- e) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- f) they have been declared to be in serious breach of contract for failure to comply with their contractual obligations in connection to a procurement procedure or other grant award procedure financed from the Community budget;
- g) they are subject to a conflict of interests connected to their participation in the present Calls for Proposals<sup>5</sup>;
- h) they are guilty of misrepresentation in supplying the information required by the Managing/National Authority as a condition of participation in the Call for Proposals or fail to supply this information;
- i) they have attempted to obtain confidential information from decision-making and management bodies or influence any stage of the assessment/project selection process of current or previous Calls for Proposals;
- j) they are currently subject to an administrative penalty due to one of the situations referred to in points (f) and (h).

The exclusion applies as long as the Applicant is in one of the situations referred to in points (a) and (d). In the cases referred to in points (c) and, (f) above, the exclusion applies for a period of two years from the time when the infringement was established. In the cases referred to in points (b) and (e), the exclusion applies for a period of four years from the date of notification of the judgement.

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<sup>5</sup> For Hungarian Applicants provisions of Act CLXXXI of 2007 (on transparency of support from public funds) must also be respected;

### 2.2.1 Members of the Partnership

Projects have to be implemented in partnership (following the “Lead Beneficiary principle”) including a Lead Beneficiary and Project Partner(s), where at least one Project Partner is a cross-border Project Partner.

The members of the partnership – according to their responsibilities in the project – may be classified as follows:

- **Lead Beneficiary (LB)**
- **Project Partner(s) (PP)**
  - Cross-border Project Partner(s)
  - Domestic Project Partner(s)
  - Project Partner(s) from Adjacent Regions

**In the present Guidelines, the term “Applicants” refers to the potential Lead Beneficiary AND the Project Partners applying for subsidy from the Programme’s funds (see also the definition in Section 1.6 of the present Guidelines).**

Applicants are required to submit a **Partnership Statement** at the stage of Application naming the Lead Beneficiary and the members of the partnership. In case the submitted Application is selected for financing, a **Partnership Agreement** has to be signed by the Lead Beneficiary and each member of the partnership and submitted to the JTS before contracting. The model Partnership Agreement is available as part of the Application Package on the website of the Programme. However, members of the partnership may modify this sample according to the specificities of the partnership, keeping in mind that the modification must not be in conflict with principles, objectives and rules of the present Call for Proposals.

#### Lead Beneficiary

According to the Lead Beneficiary principle set out in Article 96 of the IPA Implementing Regulation, the Applicants have to nominate a Lead Beneficiary (LB) for their project and that particular organization will be responsible for representing and mediating the whole project towards the Programme management bodies. In all cases the Lead Beneficiary has to have the necessary financial and human resources in order to coordinate the management of the project. The LB will ensure smooth cooperation and communication within the partnership as well as oversee the fulfilment of the activities of each Project Partner, in particular:

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



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- The LB shall ensure that the Project Partners lay down the arrangements for its relations with them, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the project, including the arrangements for recovering amounts unduly paid;
- The LB will bear the responsibility to ensure the full implementation of the project, (however each Project Partner bears full responsibility for the regularity of its own project part, according to IPA Implementing Regulation),
- The LB shall ensure, that the expenditure presented by the Project Partners has been incurred for the purpose of implementing the project and corresponds to the activities agreed between the Project Partners and to those listed in the Subsidy Contract for Community Funding;
- The LB shall verify that the expenditure presented by the Project Partners has been validated by the respective Control Body;
- The LB will be accountable for project reporting and administrative actions
- The LB will have to transfer the IPA support to the Project Partner(s).

The responsibilities of the LB are set out in the Subsidy Contract for Community Funding (a model is enclosed as **Annex III** of the present Guidelines).



Due to the specific role of the Lead Beneficiaries in projects under the Programme, **organisations outside the eligible area cannot be designated as Lead Beneficiaries, unless they have a regional/local branch in the eligible area (see Section 2.1 of the present Guidelines).**

In accordance with the above, the Lead Beneficiary has **to fill in and sign the Declaration by the Applicant (see Annex I of the Application Form).**

#### Project Partner(s)

The partnerships must have eligible partners from both sides of the border, both satisfying the eligibility criteria for Applicants. **The minimum setup is that the Lead Beneficiary has at least one cross-border Project Partner.** Further cross-border and/or domestic Project Partner(s) can be involved in the implementation of the project, provided the content of the project justifies so. **The number of Project Partners (in addition to the Lead Beneficiary) is maximum 5 (no more than 3 per Participating Country).**

**NOTE: The Lead Beneficiary must have at least one cross-border Project Partner. Applications not fulfilling this criterion will be automatically rejected!**

The role of the Project Partner(s) is as important in the implementation of joint projects as that of the Lead Beneficiary. Based on the Lead Beneficiary principle and Article 96 (4) of IPA Implementing Regulation, each Project Partner is responsible for irregularities in the expenditure which it has declared.

Project Partners are also required to have the necessary financial and human resources and capacities in order to implement their own project part.

Project Partners **from Adjacent Regions** are members of the partnership with the same rights and responsibilities as attributed to other Project Partners, except that a Project Partner from an Adjacent Region – not having a regional/local branch in the eligible area – **cannot assume the role of the Lead Beneficiary**. The amount of IPA contribution awarded to all Project Partners from Adjacent Regions can amount **to a maximum of 20% of the total IPA contribution of the respective project** (see also Sections 1.4.2 and 2.4.2 of the present Guidelines for Applicants).

In accordance with the above, the Project Partners will be required **to fill in and sign individual Declaration(s) by the Applicants (Annex I of the Application Form)**.

**NOTE: There can be maximum 5 Project Partners in addition to the Lead Beneficiary. In order to have balanced cross-border projects, the maximum number of Applicants (Lead Beneficiary and Project Partners together) is limited to 3 from each Participating Country.**

### **2.2.2 Joint criteria for the Partnership**

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

The following joint criterion of Partnership must be fulfilled in the framework of the present Call for Proposals:

- **Joint financing** – at least one Serbian and one Hungarian partner incurs expenditures eligible for financing from a core activity of the project (excluding project management activities) that are included in the project budget. The distribution of financial resources shall be - as much as possible - balanced between the project partners and it should reflect tasks and responsibilities of the partners. **Please note that each partner's separate budget must reach at least 10% of the total eligible cost of the project.**

In addition to the abovementioned obligatory eligibility criterion of Partnership, at least one of the following three criteria must be fulfilled:

- **Joint development** – the Lead Beneficiary and the Project Partners are actively participating in the generation of the project idea, setting of activities and development of project application from the beginning; this criterion refers to the



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The evidence of cooperation should be demonstrated in the form of invitations to preparatory meetings and attendance sheets, minutes from the preparatory meetings. Furthermore, the identification and involvement of suitable partners and creation of the partnership is a crucial aspect of the preparatory phase. The Partnership Statement (Annex II of the Application Form) must be submitted as part of the Application.

- **Joint implementation** – the Lead Beneficiary and the Project Partners from both sides of the border are jointly involved in the overall project implementation based on the distributed tasks in accordance with their competencies and experiences. To fulfil this criterion at least one core activity (excluding project management activities) has to be carried out jointly by the partners on both sides of the border with each Project Partner having clearly defined tasks and responsibilities described in the Application.
- **Joint staffing** – the Lead Beneficiary and the Project Partners share their responsibilities for day-to-day management and operation of the project by involving at least one employee from each side of the border;

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

**Summary table:**



Please note that the following summary table is for information purposes only and potential Applicants should use it to self-check the eligibility criteria of Partnership. **Each Partnership must fulfil all eligibility criteria listed below:**

Minimum Eligibility Criteria for Partnership	Yes / No
One Lead Beneficiary	<input type="checkbox"/>
At least one Cross-border Project Partner (cross-border to the LB)	<input type="checkbox"/>
Maximum 5 Project Partners in addition to the LB in one Partnership	<input type="checkbox"/>
Maximum 3 Project Partners (including LB) from one Participating Country	<input type="checkbox"/>
Joint financing: each partner’s separate budget must reach at least 10% of the total eligible cost of the project	<input type="checkbox"/>
At least 1 out of 3 Joint Criteria for Partnership must be fulfilled:	
- Joint development	<input type="checkbox"/>
- Joint implementation	<input type="checkbox"/>
- Joint staffing	<input type="checkbox"/>

The eligibility of project activities relates to the duration and the location of projects, as well as the ways in which project activities correspond to the objectives of the specific Actions described in the Operational Programme. Additionally, projects must fall between the minimum-maximum limits of IPA support per project and fulfil criteria related to indicators, as described in the following sections of the present Guidelines for Applicants.

### 2.3.1 Project duration



The planned implementation period of a project **must not be less than 6 months** and **must not exceed 18 months in duration**.

The period of implementation of a project **must not start before the submission of the Project Application to the JTS**. After the submission of the Application the Lead Beneficiary and Project Partners can start implementing their project, keeping in mind that the approved project activities might differ from the ones planned in the Application, as the JMSC has the right to select a project for funding with reductions of the budget and/or with certain conditions to be fulfilled. These conditions shall be detailed in the Notification Letter sent to the Applicants. Only those expenditures which are clearly connected to project activities and included in the Subsidy Contract for Community Funding can be reimbursed.

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

**NOTE: Project implementation has to start within one year from the date of submission of the Application at the latest!**

### 2.3.2 Location of projects

As a general rule, project activities shall be located in the eligible area and, in special cases, in the adjacent regions of the Programme as described in Sections 1.4.1 and 1.4.2 of the present Guidelines.

This section defines the minimum-maximum amount of IPA subsidy that can be requested and awarded to projects under specific Actions, describes each Action as defined in the Operational Programme and provides an indicative list of eligible activities under the respective Action.

**NOTE: The amount of IPA subsidy requested in each project must fall between the minimum/maximum amounts defined for the respective Action!**

Please note that the list of eligible activities under each Action is by no means exhaustive! Each Application shall, however, be in accordance with the description of the Actions defined in the Operational Programme. Please also note that the minimum and maximum amount of IPA subsidy is different for each Action.



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on 1.1.1. Border crossing infrastructure, construction, reconstruction of lead up roads

**Minimum and maximum amount of the IPA subsidy per project:**

**500 000 - 1 500 000 EUR**

**Description of the Action in the Operational Programme:**

Border crossing infrastructure, construction, reconstruction of lead up roads. Minor improvements in heavy infrastructure of border crossings and smaller lead up roads in order to increase the capacity for transfer of persons and goods at smaller border stations. (Developments here are those that are not supported by the Schengen Facility.) The Programme supports the construction or reconstruction only of small lead up roads that directly connect to local small border crossing points. This activity assumes close co-operation between the CBC Programme and the border control administrations of the two countries.

**Indicative list of eligible activities:**

- Construction, rehabilitation, widening and strengthening of roads leading to and crossing the border.
- Rehabilitation, widening and strengthening of roads connecting settlements with the main road/highway that leads to the border.
- Construction, rehabilitation of bicycle routes leading to and crossing the border.
- Construction, rehabilitation of bicycle routes connecting settlements with roads leading to the border.
- Elaboration of feasibility studies, engineering and planning documents, architectural plans and environmental impact assessments related to further or larger infrastructure developments of high cross-border impact, not implemented within the project.
- Complementary infrastructural investments of border crossing points facilitating and accelerating cross-border traffic flow (establishing new traffic lines, parking space, building or reconstructing attendant buildings and examining rooms, environmental improvements, landscaping, etc).
- Small scale infrastructural investments related to cross-border water traffic (development of ports, related floating and land edifices, control tower, customs area, cross-border point, etc.).

***If the planned investment is going to be implemented on a property of the Hungarian, State the Lead Beneficiary must consult the responsible organisation (Coordination Center for Transport Development (Közlekedésfejlesztési Koordinációs Központ) in the preparation phase. Written consent of the organisation representing the Hungarian State has to be attached to the application. In the document, the Coordination Center for Transport Development must express that it agrees with the implementation of the project and with the continuation of operation 5 years from the closure of the project***



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on 1.1.2. Planning transport lines, harmonisation of public transport schedules

**Minimum and maximum amount of the IPA subsidy per project:**

**100 000 - 400 000 EUR**

**Description of the Action in the Operational Programme:**

Planning of connecting local transport lines in the border area micro-regions and harmonisation of public transport (bus and train) facilities across the border (networking and transition costs, minor developments in long distance public transport) can be supported. These activities will contribute to shortening the accessibility time for inhabitants of the region towards border crossings by planning connecting roads, bicycle routes from areas where accessibility is particularly difficult towards border stations, major urban centres or major transport arteries. As a general rule, partnership with environmental authorities and associations, and participatory approach are preferable.

**Indicative list of eligible activities:**

- Planning of connecting local transport lines in the border area.
- Harmonisation of public transport services (railway, bus and water travel) on both sides of the border (preparation of studies and implementation).
- Developing systems for providing information about cross-border transport facilities (railway, bus, water travel), elaboration of multilingual, user friendly, on-line booking and information systems.
- Launching regular cross-border public transport lines and services.
- Improving access to public transport means (railway, bus, water travel) and to stations and stops where cross-border transport is available. Minor infrastructural investments to foster the quality and safety of cross-border public transport:
  - Building, reconstructing roads, car parks, bus turnings and improving traffic safety in the proximity of stations and stops.
  - Building, reconstructing pedestrian crossings, islands, underground pedestrian crossings and passageways and foot-bridges, developing pedestrian safety in the proximity of stations and stops.
  - Building, reconstructing bicycle routes, crossings, establishing bicycle containers and improving cyclist safety in the proximity of stations and stops.
- Elaboration of feasibility studies, engineering and planning documents, architectural plans and environmental impact assessments related to road and railway development and cross-border public transport (preparing further or larger investments, not implemented within the project).



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on 1.2.1. Minor actions in the field of water management

**Minimum and maximum amount of the IPA subsidy per project:**

**400 000 - 1 000 000 EUR**

**Description of the Action in the Operational Programme:**

Minor actions in the field of water management aiming at prevention of floods and inland inundations in the common border area. Projects aimed at planning and related to research activities; at developing a joint monitoring system (including equipment and necessary surveys); as well as at minor actions on a local scale for preventing inland inundation and floods (maintenance of local canals, local flood prevention measures) will be supported. As general rule, partnership with environmental authorities and associations and with participatory approach is preferable.

**Indicative list of eligible activities:**

- Creation and/ or harmonisation of flood forecast systems, establishment of joint monitoring systems.
- Local scale actions for preventing inland inundation and floods in the border area (maintenance of local canals, local flood prevention measures).
- Joint actions to improve the quality of water flows and subsurface waters in the border area.
- The elaboration of joint programmes, strategies, studies, plans in the field of water management.
- Studies with the objective to identify the fields of activities for joint approach and to examine the need of joint projects in water management.
- Harmonisation of relevant regulations, preparation and implementation of joint/correlated water management plans.
- Exchange of good practices between institutions, authorities and promoting best available technologies.
- Organising joint conferences and vocational trainings, workshops in the field of water management, flood protection and prevention. Introducing mutual organisational systems and rules of procedures.



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**Minimum and maximum amount of the IPA subsidy per project:**

**100 000 - 400 000 EUR**

**Description of the Action in the Operational Programme:**

Animal health monitoring, minor actions for improving the quality of the environment. Co-operation in the field of animal health to eliminate epidemic diseases of wild and domestic animals. (Animal health measures include ongoing monitoring of animals, regular surveillance, building data bases, reporting to the other country. They do not include local quarantine, culling or border control measures). Supported projects also include joint planning, minor environmental actions outside the built up areas with relevance to the border area ecosystem (e. g. local cleaning of waterways, forests and meadows, elimination of illegal rubbish dumps, landscape management actions for a more sustainable, healthy and attractive environment, cutting of allergen plants e.g. ragweed, protection and reconstruction of habitats with cross-border relevance). The supported activities have to be integrated into joint projects and implemented on several sites with involvement of numerous local governments and communities on both sides of the border.

**Indicative list of eligible activities:**

- Harmonisation of animal health monitoring inspections. Development of special IT networks and secure IT communication systems between cross-border public institutions that co-operate in animal health and epidemic monitoring.
- Building, rehabilitation of chilled examining edifices at border stations, where refrigerated cargo can be supervised.
- Establishment of new and reconstruction of existing epidemic disease centres, development of technical and logistical background.
- Establishment, enlargement and reconstruction of animal waste collection yards in settlements along the border in order to reduce the risk of cross-border epidemic diseases, and the infection of groundwater.
- Elimination of illegal dumps, rehabilitation of contaminated sites.
- Infrastructure developments serving the protection of nature and natural values: revitalization of water courses, ecological restoration of natural sites, construction/reconstruction of protective structures, etc.
- Minor infrastructural development of protected areas to develop basic infrastructure for eco-tourism, and to diminish negative impact of tourism.
- Establishment of joint monitoring systems, and development of related ICT infrastructure, serving the protection of nature, natural values, tracing pollution or allergen agents, etc.



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*Preparation of studies, plans to improve the environment*

- The elaboration of joint programmes, studies, plans, strategies.
- Studies with the objective to identify the fields of activities for joint approach and to examine the need of projects in environmental protection and animal health monitoring.
- Exploration of cross-border environmental contaminations, environmental damages. Elaboration of plans for joint handling, and implementation of actions.
- Elaboration of joint biodiversity action plans with the aim of protecting nature and biodiversity.
- Examination of negative impacts along the border, measuring noise-, air pollution, vibration and environmental contamination. Elaboration of plans which will reduce or abolish these negative impacts.

***Fostering cross-border cooperation between institutions***

- Harmonization of relevant regulations, preparation and implementation of joint/correlated management plans.
- Exchange of good practices between institutions, authorities and promoting best available technologies.
- Organising joint conferences and vocational trainings, workshops, introducing mutual organisational systems and rules of procedures.
- Organising cross-border simulations of animal health epidemic diseases. Harmonizing stand-by plans and action plans with the involvement of all concerned authorities and the participants in the communication channel.
- Definition of new protected areas with harmonized management, as well as assuring the connectivity of protected natural sites (e.g. Natura 2000 sites, national/nature parks, etc.) in the cross-border cooperation area.

***Activities promoting common responsibility for the environment***

- Developing bilingual curricula and implementing courses focusing on environmental protection.
- Promotion of environmental friendly land exploitation, farming and sharing best practices.
- Organising joint events to promote the protection of environment: joint conferences, workshops, exhibitions, etc.
- Making (multilingual) short films presenting natural values of the border region. Organising awareness raising actions which will focus on exposing environmental threats in the border region.

### Action 2.1.1. Trainings and partner finding facilitation for businesses

#### Minimum and maximum amount of the IPA subsidy per project:

**50 000 - 200 000 EUR**

#### Description of the Action in the Operational Programme:

Facilitating the establishment of business contacts, exchange of experiences and development of co-operation skills through trainings in order to boost co-operation between companies and institutions from both sides of the border. Support is provided for business partner finding projects (through business fairs, databases, business promotion agencies etc.). Support is also provided for sector- or area-focused cross-border trainings for SME-s and institutions in order to boost their co-operation, internationalisation and management skills.

#### Indicative list of eligible activities:

- Organization of business events facilitating the meeting of SMEs from the target area like: trade fairs, exhibitions, collective study tours, business meetings, supplier fairs, websites, joint seminars and conferences.
- Enhancing cooperation of enterprises; and counselling actors involved in cross border business activities.
- Establishment of cross-border organisational structures and development of cross border networks.
- Support for cross-border business cooperation including common market research, common training projects, marketing activities etc.
- Strengthening the common business activities across the border.
- Establishment and development of thematic business database.
- Establishment / creation of electronic business market-places and investor databases.
- Establishment of institutions enhancing information-flow and coordination.
- Establishment of common institutional background enhancing entrepreneurial cooperation.
- Implementation of joint trainings and field-works for SME-s and institutions.
- Organisation of joint events, workshops, conferences, business fairs.
- Development of common curricula, and training facilities for SME-s and institutions.
- Reconstruction, modernisation and enlargement of buildings for training / partner finding activities (offices, lecture rooms etc.)



***In case of projects within this Action, Investments / Works costs cannot exceed 70% of the total eligible budget of the respective Project Partner.***

on 2.1.2. Development of thematic routes of cultural heritage

**Minimum and maximum amount of the IPA subsidy per project:**

**100 000 - 300 000 EUR**

**Description of the Action in the Operational Programme:**

Support for networked projects in the field of heritage management, including common marketing, the creation of thematic routes, as well as related small scale reconstruction and modernisation to boost attractiveness of the border area.

In this Action, one project should involve at least three settlements.

**Indicative list of eligible activities:**

- Elaboration of cross-border researches, studies and strategies related to cultural heritage and tourism.
- Planning and establishing forest pathways, horse-riding paths, hiking and bicycle routes, etc. related to cultural heritage and tourism (active- and/or eco-tourism).
- Enhancing the cooperation between existing cultural and/or tourism organisations and the stakeholders.
- Development of thematic routes.
- Organising and implementing joint cultural and tourist events, joint exhibitions.
- Transplanting experience and best practices in tourism development to the border region.
- Development, prevention and conservation of common historical and cultural heritage, common archaeological works, joint exhibition, etc.
- Small scale infrastructural improvement related to thematic routes.
- Small scale reconstruction and modernisation of cultural heritage. Establishment of information centres/houses, open-air schools related to the protection of nature and natural values. The reconstruction of existing buildings by adapting its function is preferred.
- Infrastructural development of protected areas to improve services for visitors: car parks, establishing resting places, forest pathways, horse-riding paths, hiking and bicycle routes, etc.



***One project should involve at least three settlements.***

***In case of projects within this Action, Investments/works costs cannot exceed 70% of the total eligible budget of the respective Project Partner.***



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on 2.1.3. Coordinated studies for territorial and sectoral development of the region

**Minimum and maximum amount of the IPA subsidy per project:**

**50 000 - 100 000 EUR**

**Description of the Action in the Operational Programme:**

Support for projects in the fields of spatial planning, infrastructure, education and other sectoral issues, preparation of industrial zones, environment protection (e.g. climate change, biodiversity) of the border area. Does not include joint studies supported elsewhere in this Programme, such as those in the field of environment, flood and water management and cross-border local road infrastructure.

**Indicative list of eligible activities:**

- The elaboration of feasibility studies, business plans, engineering design documents, architectural plans, environmental impact assessments, preparing business infrastructure projects.
- Elaboration of cross-border researches, studies, documents and strategies related to regional development.
- Strengthen cross border joint planning practices in the field of sectoral/territorial development.
- Organisation and implementation of joint events, conferences, meetings in the field of territorial and sectoral development.
- Development of sectoral and territorial cross-border co-operation strategies.



***Projects in the field of transport, education, R&D, animal health and environment protection cannot be supported in this action!***



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Action 2.1.4. Product oriented research, development and innovation

**Minimum and maximum amount of the IPA subsidy per project:**

**100 000 - 400 000 EUR**

**Description of the Action in the Operational Programme:**

Support is intended for joint efforts of university and non-university institutions, optionally in partnership with SME-s in order to increase the joint RDI capacity of the border region. There should be a bias in favour of sustainable, environmentally friendly technologies.

**Indicative list of eligible activities:**

- Enhancing the planning, organising and implementing of joint framework research programmes (especially in the field of sustainable, environmentally friendly technologies).
- Enhancing indirectly the innovative capacity of SMEs.
- Enhancing cooperation and knowledge transfer between scientific institutions and economy actors
- Exploring and development of new methods and forums for knowledge transfer between scientific institutions and the private sector.
- Establishment and development of cross-border innovation networks
- Improve the co-operation between innovation service institutions
- Development of infrastructural and equipment capacities in the field of research in order to implement and/or participate in larger joint R&D programmes.
- Improvement of the infrastructure providing access to R&D services on both sides of the border



***In case of projects within this Action, Investments/Works costs cannot exceed 70% of the total eligible budget of the respective Project Partner.***

**Minimum and maximum amount of the IPA subsidy per project:**

**100 000 - 400 000 EUR**

**Description of the Action in the Operational Programme:**

Joint cross-border education and training partnerships between educational and other relevant institutions in order to strengthen cooperation in the education and vocational training sectors and to develop the local, regional institutional capacities of the border area. The activities include common training programmes, staff and student exchange projects as well as the modernization and harmonization of curricula, recognition of degrees or study periods and any joint measure contributing to the principles of the Bologna process in the field of higher education.

**Indicative list of eligible activities:**

- Support to the establishment of cross-border networks of public education institutions
- Promotion of the exchange and joint development of Hungarian and Serbian educational and training models, best practices and multilingual curricula, the joint training and scholarship programmes, study tours.
- Elaboration of common training programmes, staff and student exchange.
- Development of educational programmes in networks.
- Development of common curricula, and training facilities.
- The elaboration and the delivery of specialised joint training programmes in vocational schools (especially in sectors where a lack of particular skills was identified).
- Follow-up (tracing) of alumni.
- Accreditation of adult training institutions and programmes (by countries).
- Joint student exchange programmes between primary or secondary schools.
- Exchange programmes for high school / university teachers and/or students to continue their professional education.
- Construction, reconstruction or enlargement of multifunctional buildings that can be used for educational purposes.

***In case of projects within this Action, Investments/works costs cannot exceed 70% of the total eligible project budget.***



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2.2.2. People to people co-operations

**Minimum and maximum amount of the IPA subsidy per project:**

**50 000 - 100 000 EUR**

**Description of the Action in the Operational Programme:**

People to people co-operations, organised by municipalities and civic organisations, in order to facilitate interaction between citizens and in order to strengthen the common identity of the border region. Projects must last longer than a single event and have to involve a large number of organisations and participants (especially local governments and communities). Cultural, sports, and tourist events, gastronomic festivals etc. are envisaged here. Projects promoting sustainable lifestyle and consumption are not supported.

**Indicative list of eligible activities:**

- The organisation of joint innovative events in the fields of culture, arts, and tourism (festivals, performances, theatrical tours, concerts, exhibitions, art workshops, charity events).
- Organising joint sport events, cross-border championships and tournaments especially for children. Joint use of sport facilities (recreational and top sport as well).
- Support for activities sustaining identity and traditions of local communities.
- Fostering and developing cultural identity, traditions, art and ethnic values. Promotion of common and mutual values and traditions within the border region and on international level as well.
- The protection of cultural, art and ethnic values targeting marginalized ethnic groups.
- Construction, reconstruction or enlargement of auxiliary/service space to people-to-people actions (e.g.: dressing rooms, toilets, mobile stages, storages, offices).

***Projects must last longer than a single event and have to involve a large number of organisations and participants.***



***In case of projects within this Action, Investments/Works costs cannot exceed 70% of the total eligible budget of the respective Project Partner.***

Lead Beneficiaries can submit (and Project Partners can participate in) more than one Application and can be awarded support for more than one project; however, the number of projects per Applicants can be limited by the decision of the JMSC.

**Please note, that one Application can target only one Action!**

### 2.3.5 Indicators

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

- **Output indicators** relate to activities completed (e.g. number of jointly organised events held in connection with the action, number of newly elaborated/harmonised documents etc.).
- **Result indicators** refer to the effects and (often long-term) consequences of the achievement of project activities on the target groups. They provide information about changes to the capacity or performance of the beneficiaries and in the socio-economic or natural environment (e.g. number of organisations participating in the network, number of settlements influenced by the project etc.)

For each project in the Programme, the following set of indicators has been established:

**Programme-level general indicators:** These are general indicators which derive from the Operational Programme and are listed in Chapter 9 of the Application Form.



**All general indicators defined for a given Action indicated in the Application Form have to be filled in (i.e. given a value) by the Applicant. In case a given project does not contribute to a given programme indicator, zero value must be indicated by the Applicant.**

**Programme-level horizontal indicators:** Horizontal indicators measure the compliance with the horizontal principles of the EU and the horizontal objectives of the Programme, as defined in Section 2.3.6 of the present Guidelines for Applicants.

Compulsory horizontal indicators must be applied irrespective of the content of the project, and evaluated as well as monitored throughout the project life cycle.



**All horizontal indicators have to be filled in by the Applicants. In case a given project does not contribute to a given horizontal indicator, zero value must be indicated by the Applicant.**

**Action specific indicators:** These indicators are tailored to each Action and listed in the Application Form to give a wide range of potential outputs and results relevant for the specific Action.

**Project specific indicators defined by the Applicants:** Applicants must create customized output and result indicators that quantify the targeted aims of their projects. Once defined by the Applicant, these indicators will also serve as the base for monitoring of project results.



**Minimum 3 project specific indicators must be defined for a project.**

**NOTE:**

- Selection of indicators will be evaluated during the quality assessment (see assessment grid in Section 4.1.2 of the present Guidelines), thus Applicants should select them carefully.
- Each indicator specified in the Application will be monitored during project implementation through reporting and monitoring visits, therefore they should be planned realistically.

### ***2.3.6 Horizontal principles and objectives to be respected by all Applicants***

- 1. For the 2007-2013 financial period the EU introduced two main horizontal principles: the achievement and safeguarding of equal opportunities and the observation of sustainable development.***

#### **A. Equal opportunities**

In the field of equal opportunities, besides gender equality, the projects shall address the needs of those facing multiple disadvantages, e.g., people with disabilities, those from ethnic minority communities, etc. Preference should be given to projects that aim to improve access to education, business development training and employment opportunities for women, people with disabilities and ethnic minorities – especially the Roma – and to increase the understanding and the development of best practice to overcome stereotyping.

The relations between the small communities of other minorities (German, Croatian on the Hungarian side, Hungarians, Slovaks and Rusins on the Serbian side) living in the border region and the use of their native languages and culture also has to be strengthened in order to ensure equal opportunities in organising cultural and community life. **Preference will be given to projects that are implemented in the most underdeveloped areas.**

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Sustainable development must be focused on improving the quality of life and to this end the protection of the *environment* and achieving *social cohesion* regarding the engines of innovation, growth, and job creation.

**Projects shall preferably use safe and environmentally friendly technologies**, whenever construction is involved. The Programme shall support projects which improve the quality of living environment and which diminish the contamination of nature. The Programme is supporting projects which prefer sustainable, efficient and secure land use (such as brown-fields) and show responsibility for the value of landscape.

In order to contribute to sustainable development, the projects have to be in line with the following recommendations:

- Local resources and environmental capabilities have to be used primarily.
- During the planning, building, renovation and operation of infrastructural elements, objects etc. the specification of sustainable construction technology, energy effective operation methods are prioritised.
- The use of renewable energy sources, preservation and improvement of the status of the conditionally renewable environmental elements and systems are to be supported and increased, while the amount of emitted greenhouse gases has to be reduced locally.
- Developments should shift from high energy consumption technologies and products to less intensive ones.
- During implementation of the programme and its monitoring, special attention has to be given to region-specific issues of climate change such as, aridification, wind erosion, changes of green areas, extremities in surface and subsurface water level, emission of greenhouse gases (by transport, industries, etc.)

**Social sustainability is to be guaranteed by job creation** by putting an emphasis on business co-operation, tourism and sustainability of common cultural values of the eligible border area for future generations.

***II. Besides the horizontal principles of the EU, the Programme has identified specific horizontal objectives, which are the following:***

### C. Contribution to the EU Danube Region Strategy

Since the endorsement of the Programme by the EC on 25 March 2008, substantial advances have been made regarding the Danube Region Strategy. Higher score shall be given if the project contributes to the objectives of the Danube Region Strategy (up to 2 points) under “Relevance” during the quality assessment. For more information on the Danube Region Strategy, please visit the following website:

[http://ec.europa.eu/regional\\_policy/cooperate/danube/index\\_en.cfm](http://ec.europa.eu/regional_policy/cooperate/danube/index_en.cfm)



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The projects have to incorporate **partners from both the Hungarian and the Serbian side of the border region**. Additionally, project should aim at reaching and benefiting to the population from both sides of the Hungarian-Serbian border region in a balanced manner.

The geographical scope of a project should not necessarily encompass the whole Hungarian-Serbian border region, but it always has to cover or at least **significantly influence areas on both sides of the border**.

The geographic area of development shall target locations from both sides of the border or at least the development has to be utilised or supported by resources from both sides.

In order to promote the territorial impact and the regional importance of interventions, integrated, **complex projects should be preferred which include numerous regionally coordinated activities; involve several actors; are preferably elaborated by a consortium with several members and which have wider geographic scope** (implemented on more locations).

#### E. Strengthening Hungarian-Serbian bilingualism in the eligible area during Programme implementation:

Bilingualism greatly contributes to easier and more efficient communication between the actors living in the cross-border area. Hungary and Serbia implement bilingual policies on their territory, incorporating them into the Constitutional Rights of the Citizens of different ethnic groups (including bilingual education, signs and posts, electronic media and press bilingualism). Moreover, bilingualism is considered as a cultural value on its own. Consequently, one of the horizontal objectives of the Programme and key aspects of the cross-border co-operation is strengthening Hungarian and Serbian language skills. **Outputs of cross-border projects shall preferably be made available to the public at least in Serbian and in Hungarian languages. Efforts to use other minority and world languages are also encouraged.**



**Please note that at least one promotional material is required as obligatory in both languages.**

## 2.4 Eligibility of costs

### **Costs are generally eligible if:**

- they have been actually incurred and paid by the Lead Beneficiary or its Project Partners, and they can be verified on the basis of original invoices or other accounting documents of equivalent nature;
- they are directly related to the project, necessary for the development, preparation, start and/or implementation of the project, and they are included in the approved project budget (to be annexed to the Subsidy Contract for Community Funding);



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- they are compliant with the principles of efficiency, economy and expediency;
- they have been incurred in the Programme area (eligible area and adjacent regions);
- they are compliant with national and EU rules, in particular with regard to the provisions of the Practical Guide to contract procedures for EC external actions (PraG) with its standard documents and templates in the annexes to it.



**NOTE: The share of each partner's separate budget must be at least 10% of the total project budget!**

**NOTE: The budget must be realistic and in line with market prices. In case of unrealistic budget amounts, the JMSC may decide to reduce the budget proposed in the Application Form!**

#### **2.4.1 Eligibility period of expenditures**

The precondition of the eligibility of expenditure is that the project has been approved by the JMSC and that the expenditures of the project are eligible according to Article 34 and to Article 89 of the IPA Implementing Regulation, and according to the eligibility criteria of the CfP. At the project level, the expenditure is eligible as follows:

**Hungarian Applicants:** Expenditure which has been incurred after 25<sup>th</sup> March 2008 and before the end of the project implementation period, specified in the Subsidy Contract for Community Funding.

**Serbian Applicants:** Expenditure which has been incurred after 27<sup>th</sup> March 2009 and before the end of the project implementation period, specified in the Subsidy Contract for Community Funding.

**Please note that based on the current procedures applied in the Republic of Serbia, Project Partners from Serbia are not exempted from paying VAT, in case the expenditure is incurred prior to signing the Subsidy Contract for Community Funding (e.g. preparation costs). Please plan the project budget accordingly.**

In line with the above costs related to project preparation and project implementation have to be planned as follows:

- **Preparation costs** are eligible from 25<sup>th</sup> March 2008 (Hungarian Applicants) and from 27<sup>th</sup> March 2009 (Serbian Applicants) until the date and time of submission of the Application to the JTS, and if they are paid before the end date of the first reporting period.

- **Implementation costs** are eligible from the start date until the end date of the project implementation period, defined in the Subsidy Contract for Community Funding.



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However, the members of the partnership can start implementing their projects right after the submission of the Application to the JTS – start date to be indicated accordingly in the Application Form – keeping in mind that the approved project activities might differ from the ones proposed in the Application, as the JMSC has the right to select a project for funding with modifications of the proposed budget and/or certain conditions to be fulfilled. These conditions will be detailed in the letter of award of subsidy and only those expenditures can be reimbursed which are included in the Subsidy Contract for Community Funding.



**Project implementation must not start before the date of the submission of the Application to the JTS; otherwise the project is not eligible for financing. Expenditures incurred before the submission of the Application are eligible only if they are directly related to the preparation of the project, in which case these costs are regarded as preparation costs.**



**Eligible preparation costs (if relevant) – approved by the JMSC – can be reimbursed upon approval of a Start-up Project Progress Report or the 1<sup>st</sup> Project Progress Report after concluding the Subsidy Contract for Community Funding.**

#### **2.4.2 Geographical eligibility of expenditures**

As a general rule, eligible costs shall be incurred in the **eligible area and the adjacent regions** (see Sections 1.4.1 and 1.4.2 of the present Guidelines) **of the Programme. On project level maximum 20% of the IPA contribution can be assigned to Project Partners from Adjacent Regions in total**, in line with the 20% flexibility rule (Article 97 of IPA Implementing Regulation).

Costs incurred outside the eligible area and/or adjacent regions are not eligible, except if it is proven that the activities covered by these expenditures are absolutely necessary to achieve the objectives of the project, serve the Programme's objectives and have a clear and direct positive impact on the Programme area.

#### **2.4.3 Eligibility of cost by budget headings**

Project costs can be included in the project budget under the following budget headings:

##### **1. Preparation costs**

Preparation costs represent a **special category of eligible expenditure** that may be incurred in the preparation/development phase of the project.

Generally, preparation costs are considered eligible if they comply with the following provisions:



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- Preparation costs have been incurred in the eligible period as defined in Section 4.1 of the present Guidelines;
- Preparation costs incurred must be linked to activities implemented in the eligible area and/or the adjacent regions;
- Preparation costs have been incurred respecting the relevant legislation in force, in particular with regard to the provisions of the Practical Guide to contract procedures for EC external actions (PraG) and its annexes (**see also section 5.2. of the present Guidelines**);
- Preparation costs must be verifiable on the basis of original invoices and / or other accounting documents of equivalent probative value (receipts, vouchers etc.) proving direct links with the project.

**NOTE: The amount of the preparation costs shall not exceed 10 per cent of the total cost of each project part (incurred by each of the respective applicants), and the preparation costs should be proportionate to the complexity of the project.**

Exclusively the following costs can be reimbursed as project preparation costs:

- 1.1 Technical plans including costs of authorisation;
- 1.2 Studies, statistics, databases and researches – preparation of feasibility studies, environmental impact assessments, cost-benefit analyses, preliminary assessment of demands, target group analysis, market research, needs assessment, etc.;
- 1.3 Costs of permits – costs incurred in relation to permits required by national legislation;
- 1.4 Project meetings and travel costs – travel costs of employees of Applicants, including accommodation connected to project preparation, e.g. to the organisation of partnership meetings; costs connected to the organisation of meetings between the members of the partnership;
- 1.5 Translation and interpretation costs – from and into English, Hungarian and Serbian languages.

## 2 Staff cost

The costs of staff are expenditures incurred connected to the personnel involved in the implementation of the project on behalf of the Lead Beneficiary or Project Partner(s). **The staff must be directly employed by the Lead Beneficiary or Project Partner organisation(s) with a valid work contract** (full-time or part-time for the project).

In instances where the given organization does not have the adequate professional capacity to perform the tasks related to the project, it can employ professionals or contract external experts for these tasks. However, costs of external experts are only eligible for financing in case the tasks of the employees of the respective Lead Beneficiary / Project Partner do not overlap with the tasks of the external experts. In



## 2.1 Salary of staff (direct project management)

Direct project management costs are expenditures incurred by the project staff directly involved in the administrative and daily implementation of the project activities. These costs include the wages of the project manager, the financial manager, the project assistant etc. but do not refer to experts necessary for the professional implementation of the project, for example to technical supervisors or other experts employed by the Lead Beneficiary or the Project Partner(s);

## 2.2 Salary of staff (team members)

Costs budgeted for team members are expertise-type expenditures that are directly related to the project activities and incurred by the employees of the Lead Beneficiary or Project Partner(s). These costs include, among others, the cost of personnel in charge of the professional implementation of the project (e.g. the preparation of a study or conducting research work, etc.).

**NOTE: All personnel involved in the implementation of the project (i.e. project management staff as well as team members) employed by the Lead Beneficiary and the Project Partners must be named and their respective role and remuneration provided in Chapter 14 of the Application Form. CVs of each person budgeted under point 2 of Chapter 10 must be submitted in the given format (please refer to section 3.4 of the present Guidelines for information on supporting documents).**

Expenditures accountable as staff cost are the following:

- Gross salaries and related contributions (according to the national legislation) of persons employed by the Lead Beneficiary or Project Partner(s);
- Proportional wages (parts of wages) are eligible in case of employees working part-time on project activities;
- Allowances in case they are due on the basis of the employment contract.

Personnel costs are eligible under the following conditions:

- The cost of personnel must be proportional to the qualification of the human resources involved, to the amount of work dedicated and shall correspond to market prices in the respective Participating Country and those usual at the organisation;
- They must be documented and traceable;
- They must have a legal basis.

The remuneration of civil servants is eligible, exclusively if it is related to the project activities and not related to their usual day-to-day management tasks and statutory responsibilities.



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### 3 Travel and accommodation

Travel expenses – including fares, accommodation and per diems – are eligible costs if they are incurred by the staff involved in the implementation of the project, being employed by the Lead Beneficiary or Project Partner(s), performing tasks directly related to the project activities. Travel costs are eligible according to the relevant national legislation of Hungary and Serbia, respectively.

As a general rule for travelling, the most economic way of transportation has to be used.

In general, the following travel and accommodation costs are eligible, provided they are clearly connected to project implementation:

#### 3.1 Travel cost of project staff – can include the following means of transportation:

- Travelling by car – it is allowed to use a private or company car only if it is the most economic way of transportation and it is proven to be a time-saving solution;
- Travelling by rail/bus/ship/plane – as a general rule the most economical and efficient way of transport should be used (business class is not acceptable);
- Local travel fares (bus, tram, taxi etc.) and insurance fees – to cover the costs of insurance for the whole trip – are eligible costs.

#### 3.2 Accommodation costs – Accommodation together with subsistence costs can be reimbursed if they are in a reasonable price (maximum three star hotels) and the per diem does not cover them.

#### 3.3 Per diems of the project staff

**a) The per diems abroad** shall be defined by the employer – respecting the national legislation – however, they must not exceed the rate set by the European Commission on the following web page:

[http://ec.europa.eu/europeaid/work/procedures/implementation/per diems/index en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm)

Per diems can be paid to project staff travelling abroad for the purpose of the project. They cover meal, accommodation and local travel expenses.

**NOTE: The sum of per diem, accommodation, meal and local travel costs for a person per overnight stay cannot exceed the per diem rate set by the EC for the respective country.**

**b) Local per diems** are eligible according to the relevant national legislation of Hungary and Serbia, respectively.

Travel costs of the external experts / participants of conferences shall be included in relevant service contracts and should be budgeted under the '4. Service' budget heading.

External service costs are incurred by using the services of a third party contracted by the Lead Beneficiary or the Project Partner(s) for the implementation of a project activity of the relevant project part. Subcontracted services directly related to the project are eligible under the following conditions:

- The work of external experts/service providers is essential to the implementation of the project and tasks contracted to them do not overlap with the delegated tasks of the employees of the respective Project Partner (in this respect the Lead Beneficiary is also regarded as a Project Partner);
- Rates/fees charged by the expert / service provider are reasonable and are in accordance with the level of experience and expertise, as well as to the quality of the service offered;
- The selection of the experts/service providers is in compliance with the public procurement rules and regulations in force (see also section 5.2 of the present Guidelines);
- The external expertise is not provided by the Lead Beneficiary or by a Project Partner.

The following categories can be taken into account:

- 4.1 Elaboration of technical plans;
- 4.2 Preparation of studies, statistics, databases and researches, etc.
- 4.3 Conferences, seminars (lecturers / performers / trainers / experts). The budget line can include the fees of lecturers / performers / trainers / experts, as well as costs related to the organisation of the conference/seminar, i.e. rental costs, catering costs, travel and accommodation of the lecturers / performers / trainers / experts, translation/interpretation costs, etc.
- 4.4 Conferences, seminars, trainings (participants) – expenditure related to the participation of people on events organised by the project (e.g. travel costs and accommodation of members of the target group);
- 4.5 Project events/meetings (for project team members and partners) – e.g. rental of venue. Catering expenses for internal project management meetings are only eligible if minimum two partner organisations are represented in person on the meeting.
- 4.6 Services related to project management – In case the Lead Beneficiary or the Project Partner(s) do not have the required qualified personnel/staff necessary for the direct management of the project, they have the possibility to outsource direct project management activities.



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- 4.8 Costs of supervisor of engineering;
- 4.10 Costs related to publicity, promotion and communication – costs related to all aspects of promotion, visibility and publicity activities of the project, based on applicable visibility rules (see Section 5.1 of the present Guidelines).
- 4.11 Other services – the type of expenditure must be defined in the Project Application and has to be directly related to the project.

**Please note, that budget line ‘4.9 Auditing costs’ is not eligible in framework of the present Call for Proposals.**

## 5. Equipment/Supply

Purchase of equipment is eligible only if it is essential and directly related to project implementation and if pieces of equipment are listed in the approved project budget. All equipment shall be necessary and shall exclusively be used for project implementation, having a clear contribution to the achievement of the project’s objectives. Supplies should be selected with regard to the relevant public procurement rules (see also section 5.2 of the present Guidelines).

Exclusively the

- 5.1 Purchase of new equipment, as well as the
- 5.2 Rent of equipment

can be included under the budget line. Costs related to second-hand equipment are not eligible according to Article 34 (3) (f) of IPA Implementing Regulation.

The following costs are eligible:

- Equipment necessary and directly related to the professional implementation of the project;
- Office equipment (purchase of computers, office furniture etc.) shall be eligible in duly justified cases, if related to the project management and if necessary for the implementation of the project.

## 6. Investment / Works

- 6.1 Construction of buildings, and infrastructure – these costs comprise expenditure related to construction activities.
- 6.2 Reconstruction, renovation of buildings, and infrastructure – these costs comprise expenditure related to works needed for the alteration, reconstruction, expansion of an already existing building.



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Construction shall be in accordance with all legislative provisions including all documentation and certifications needed for utilisation. **Legally binding building permits are preconditions for contracting.**

The contractors for works (construction, reconstruction, renovation of buildings and infrastructure) shall be selected according to the applicable regulations related to public procurement (see also section 5.2 of the present Guidelines).

**NOTE: In case of Actions 2.1.1, 2.1.2, 2.1.4, 2.2.1 and 2.2.2 Investment/Works costs are only eligible as part of a project and can represent maximum 70% of the total eligible budget of each partner.**

## 7. Administrative costs

Administrative costs shall not exceed 10 per cent of the total eligible budget of each partner. The following costs are eligible administrative expenditures in the frame of the cross-border Programme:

- 7.1 Legal costs – includes legal consultancy fees and notary fees if they are directly related to and are necessary for project implementation;
- 7.2 Costs of project bank account – charges for trans-national financial transactions, bank service charges (account fee, bank statement) of the separate EUR project bank account of the Lead Beneficiary and – if deemed necessary for the project implementation – the Project Partner(s) as well;
- 7.3 Real costs – costs of stationery (like paper, pencils), equipment and other supplies of small value (toner), costs of copying are eligible as real cost. Telephone, fax, postage costs are also eligible as real cost;
- 7.4 Office rental – exclusively related to the period of co-financing of the operation, may be considered eligible on a case-by-case basis;
- 7.5 Overheads – costs which usually cannot be proved by separate invoices; however there must be a method of calculation identified to plan the amount of overheads attributable to the project implementation.

Expenditures such as heating, electricity, lighting, service charges, etc. can be considered as overheads.

The Lead Beneficiary and the Project Partner(s) will be required to justify the proportion of the overhead costs they are reporting within the project, providing a method of calculation on a yearly basis. The basis for the calculation can be the total overhead costs of the respective organisation.

Accounting documents regarding the payment, the method of calculation and the proportion rate applied by the Lead Beneficiary and the Project Partner(s) will be subject to control.

**NOTE: Administrative costs shall not exceed 10 per cent of the total cost of each partner.**



**In order to plan your project budget carefully, please also consult Chapter 5 of the present Guidelines which contains useful information on the key aspects of project implementation that might have an implication on your project budget!**

**NOTE: All costs must be calculated and expressed in EUR.**

#### **2.4.4 Non-eligible expenditures**

The following expenditures are **not eligible** under the Programme according to Article 34(3) and Article 89 of IPA Implementing Regulation:

a) taxes, including value added taxes

**except** for value added taxes, if the following conditions are fulfilled:

- they are not recoverable by any means,
- they are born by the Lead Beneficiary / Project Partner,
- they are clearly identified in the Application;

b) customs and import duties, or any other charges;

c) purchase, rent or leasing of land and existing buildings;

d) fines, financial penalties and expenses of litigation;

e) second hand equipment;

f) bank charges, unless a separate bank account is opened for the project;

g) costs of guarantees and similar charges, unless that the guarantees are required by national or Community legislation;

h) conversion costs, charges and exchange losses, as well as other purely financial expenses, except for charges for transnational financial transactions;

i) contributions in kind (e.g. free use of room, equipment or other facilities, unpaid voluntary work, generally any contribution without money flow);

j) interest on debt.

Furthermore, the following expenditures are not eligible:



- l) Commissions and dividend, profit payment,
- m) Purchase of business share and stock exchange share,
- n) Unjustified lump sum payments;
- o) Expenses of private consumption,
- p) Cost of subcontracted activities increasing the cost of the operation without adding proportionate value to it;
- q) Cost of subcontracted activities to the Lead Beneficiary/Project Partner(s);
- r) Cost of subcontracts in which the payment is defined as a percentage of the total cost of the operation unless such payment is justified by the LB or its partners with reference to the actual value of the work or services provided (e.g. success fee);
- s) Cost of any services, purchase of goods, construction works or movable assets, not directly related to the project;
- t) Any expenditures not directly associated with the Lead Beneficiary/Project Partner(s);
- u) Any form of double financing: expenditure which is already supported by a Community, or other international or national grant.

#### **2.4.5 Sources of funding**

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

**NOTE:**

**On behalf of the Partnership, only Lead Beneficiaries will sign the contract for the IPA subsidy of the project.**

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

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

In case the Project Partner (LB or PP) is a central state owned budgetary organization, the own contribution will be covered by the Hungarian State, meaning that 15% of the total eligible costs will be provided from the Hungarian state budget. **For details, please consult Appendix 'C'!**



**NOTE:**

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



Please note that the calculation of the sources of funding will not be according to the rules of mathematics. More specifically, the Community funding part is rounded down to whole cents (two decimals), and the own contribution is rounded up to whole cents (two decimals).

**IMPORTANT NOTE FOR HUNGARIAN APPLICANTS:**

The final applicable sources of funding of the respective project part will depend on the classification of applicants determined by the National Authority!

The ratio of the state contribution as well as the own contribution of the respective Applicant depends on the type of organisation applying for the Programme and also on the applicable State aid rules (on the latter please consult Section 2.4.7 and Annex II. of the present Guidelines).

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

The conclusion of the Subsidy Contract for the Community funding is a prerequisite to the stipulation of the Subsidy Contracts for the state contribution.

**2.4.6 Revenue generating projects**

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

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

**NOTE: During project implementation revenues generated by the project have to be reported regularly by the Project Partners and they have to be verified by the designated controllers. They have to be reported to the JTS by the Lead Beneficiary in the progress reports and in the final report.**



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

#### 2.4.7. State aid rules

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

**NOTE: State aid rules are exclusively applicable to Member States; therefore Serbian Applicants do not have to comply with state aid rules for the present Call for Proposals!**

**Hungarian Applicants** have to respect the State Aid rules relevant for any project activity, detailed in **Annex II** of the present Guidelines.



All Hungarian Applicants need to fill in **point 17. of the Declaration by the Applicant** (*Annex I of the Application Form*) stating whether or not their organization received *de minimis* aid during the previous two fiscal years and the current fiscal year and indicating the amount. Also, Applicants have to declare that the services provided in the frame of the project are available **free of charge to anybody under equal conditions**.

Please note that during the selection of projects the status of each project part implemented by Hungarian Applicants will be checked according to the State Aid discipline.

**NOTE: Hungarian Applicants are required to assess whether State aid rules are to be applied for their respective project activities and plan their budgets accordingly!**

Furthermore, Hungarian Applicants must be familiar with the Community and national level legislation applicable to State aid on the basis which reduction of the total project budget might have to be applied. Therefore, in case of a project falls under the State aid rules, **resulting in a lower subsidy rate**, the Subsidy Contract will only be signed **if the relevant Applicants are willing and able to cover the required funds from their own resources!**

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In line with the above mentioned state aid rules all Hungarian applicants shall take into consideration the following implications with regard to aid intensities.

Each eligible activity can only be supported by the intensity rate of the respective state aid category under which the activity is listed in ANNEX II.

The **main characteristic of the project is authoritative** with regard to the classification of an activity into one of the state aid categories<sup>6</sup> listed in ANNEX II.

If only one partner implements an activity affected by state aid in the project then the partner concerned must take into consideration the relevant state aid category and the corresponding intensity rate listed in the ANNEX II, and plan the budget accordingly.

If a single partner implements several state aid relevant activities within the project then the partner concerned must take into consideration **the state aid category with the lowest intensity rate** listed in the ANNEX II, and plan the budget accordingly.

If several partners implement the same activity affected by state aid then all partners must take into consideration the relevant state aid category and the same corresponding intensity rate, and plan their budgets accordingly.

If several partners implement several different state aid relevant activities within the project then each partner must take into consideration **the state aid category with the lowest intensity rate applicable among the activities** listed in the ANNEX II, and each partner must plan the budget respectively.

As a result the intensity rate for all activities to be implemented **by a given Project Partner will be the same (the lowest one) for each and every activity**; on the other hand, the intensity rates can vary between the different Project Partners deriving from the task division and according to the different state aid categories.

**NOTE:**

**Declaration of gratuity shall be signed by all Hungarian Project Partners (as part of the Declaration by the Applicant.**

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

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<sup>6</sup> To make the classification easier, please take into consideration Annex II of the present Guidelines as well as Commission Regulation (EC) 800/2008 and (EC) 1998/2006 and Commission Decision No 2012/21/EU as well as the Ministerial Decree of the Minister for National Development and Economy No 5/2009 (III. 18.).

### 3.1 Project development assistance

Cooperation among the partners within the project is an essential component of projects financed by the Programme (please see Section 2.2.2 of the present Guidelines on joint criteria). Cooperation between cross-border partners will not only be important during the implementation phase, but also in the phase of joint planning of project activities. **The amount and the quality of cooperation between partners is one of the key criteria for selecting Applications.**

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

- Joint interests and objectives,
- Type of project you are developing,
- Partner's eligibility,
- Partner's financial and organisational capability to implement their respective project parts,
- Professional qualifications of partners regarding the project activities.

During the application period of the CfP, the JTS will support project development efforts through several activities.

**An On-line Partner Search Database** is available on the Programme's website to help you find interested project partners.

**Information days** at locations within the eligible area will also be held during the application period aiming to provide potential Applicants with practical information on how to develop their project ideas and how to prepare their Applications. **The exact dates of the Information days will be published on the Programme's website.**

### 3.2 Further information related to the Call for Proposals

The complete Application Package and all relevant information to the present Call for Proposals are available on the Programme's official web site: [www.hu-srb-ipa.com](http://www.hu-srb-ipa.com).

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



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**Tuesday and Thursday** (9.00 – 12.00 and 13.30-16.00)

We can accept phone calls:

**Monday to Thursday** (9.00 -16.00)

Contact persons:

Ms Andrea Szeti-Furka (in Budapest) tel: +36 1 457 55 69

Mr Viktor Tunić (in Budapest) tel: +36 1 457 55 56

Mr Péter Rácz (in Szeged) tel: +36 62 549 375

**INFORMATION POINT IN SERBIA**

Institution: Information Point of the Hungary-Serbia IPA Cross-border Co-operation Programme

Address: Trg Cara Jovana Nenada 15, 24 000 Subotica

Phone: +381 (0) 24 553 003

Fax: +381 (0) 24 553 003

Contact persons:

Mr Relja Burzan e-mail: [rburzan@seio.gov.rs](mailto:rburzan@seio.gov.rs)

Mr Dejan Vujinović e-mail: [dvujinovic@seio.gov.rs](mailto:dvujinovic@seio.gov.rs)

NOTE: Questions may be asked over the phone, however if you prefer to receive a written answer, questions should be put in writing (e-mail). Please also note that, with respect to equal treatment of applicants, it will not be possible to ask content-related questions (or by any means contact the JTS) **after 23 May 2012.**

In order to ensure transparency and equal treatment, the answers provided to one Applicant on questions which may be of interest to other Applicants will be made available in the form of **Frequently Asked Questions (FAQ)** to be published on the Programme's website.

The Project Partners and the Lead Beneficiary, by submitting the Application to the present Call for Proposals, duly consent to the fact that the Data Manager (Hungarian National Development Agency) and the Technical Data Processor (VÁTI Nonprofit Ltd.) will manage all the personal data included in the Application and provided in the contracting or project implementation phase, in particular with regard to the data managed in the Monitoring and Information System of the Programme (IMIS 2007-2013). Hungarian Act CXII of 2011 on the Right to information privacy and freedom of information shall apply to the protection of personal data and to the disclosure of information of public interest. **The data is managed upon the voluntary consent of the Project Partner / Lead Beneficiary**, according to Letter a) of Paragraph (1) of Article 5 of the above-mentioned Act.

### 3.4 List of documents to be submitted

**NOTE:** Some of the supporting documents must be **originals** meaning they have to be **issued by the respective authority** or certified by **a notary public/court**, while others must be copies 'certified' by the **legally authorised representative of the respective Lead Beneficiary or Project Partner** meaning they have to be signed and dated by the person(s) authorised in the establishing document and/or in the specimen of signature to sign in the name of the applicant organisation!

**The following documents shall be submitted by the Lead Beneficiary (in one original and two identical copies):**



The following documents shall be submitted by the Lead Beneficiary (in one original and two identical copies):

Name of document	Description	Compulsory / if relevant	Language	To be submitted in original / in copy
<b>Application Form and annexes</b>				
<b>Application Form</b>	Full, completed Application Form (in the given format) together with a dated, signed and stamped Certificate. The complete Application must be printed, bound, page numbered, and must be divided into chapters supported by a <b>table of contents</b> at the beginning.	Compulsory	English	<b>Original:</b> (Certificate must be dated, signed and stamped by the legally authorised representative of the Lead Beneficiary)
<b>Declaration by the Applicant (Annex I of the AF)</b>	Separate Declarations filled in properly by all Applicants (Lead Beneficiary and by each Project Partner). (The Applicants must fill in the data about their organization, but the content and provisions of the Declaration by the Applicant cannot be altered in any way.)	Compulsory	English	<b>Original</b> certified (i.e. dated, signed and stamped by the legally authorized representative of the respective Applicant
<b>Partnership Statement (Annex II of the AF)</b>	All original signatures of each and every Applicant (Lead Beneficiary and each Project Partner) have to be provided <b>in the same document</b> . The signature panel shall be copied to match the number of Project Partners.	Compulsory	English	<b>Original</b> certified by the legal authorized representatives of the Lead Beneficiary / Project Partners
<b>Basic supporting documents (NOTE: Supporting documents must be submitted in the sequence as listed below)</b>				
<b>1. Extract from register (or equivalent document) of all Applicants</b>	Extract from register (or equivalent document) for all Applicants (Lead Beneficiary and each Project Partner) issued by the relevant registering authority – <b>not older than 90 days</b> at the time of submission!	Compulsory	In the original language; the Project <u>Acronym</u> has to be indicated on the document	<b>Original</b> issued by the respective authority OR copy certified by a notary public/court (NOTE: in case of certified copy, the original which is copied shall not be older than 90 days)


  
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Name of document	Description	Compulsory / if relevant	Language	To be submitted in original / in copy
<b>2. Specimen of signature<sup>7</sup> of the legally authorised representative(s) of the Lead Beneficiary / Project Partners</b>	Original specimen of signature of <i>all</i> persons (signing e.g. the Declarations by the Applicant and the Partnership Statements) as legally authorised representatives of the respective organisation.	Compulsory	In the original language the <u>Project Acronym</u> has to be indicated on the document	Original issued by the respective authority OR copy certified by a notary public/court
<b>3. Curriculum Vitae (CV) of staff and project team members</b>	CVs (according to the CV format provided in Annex III of the AF) of <b>all personnel</b> involved in the implementation (i.e. project management staff as well as team members) <b>employed by the Lead Beneficiary and the Project Partners</b> indicating their position in the project. These persons <b>also have to be budgeted under budget lines 2.1 and 2.2 and listed in Chapter 14 of the AF.</b>	Compulsory	English	Original signed by the respective team member
<b>4. Documents proving the joint development of the project</b>	Invitations, attendance sheets and minutes of preparatory meetings, etc. held between Project Partners before submitting the Application to the JTS.	If relevant (see section 2.2.2 of the present Guidelines)	English	Original certified by the legal authorized representative of the Lead Beneficiary
<b>5. Declaration of support of the competent National Park Directorate</b>	In case of nature conservation projects concerning NATURA 2000 sites and protected areas if the National Park Directorate (or relevant management organisation in Serbia) itself is not included in the partnership.	If relevant, in case of Action 1.2.2.	In the original language; the <u>Project Acronym</u> has to be indicated	Original issued by the respective authority OR copy certified by a notary public/court
<b>6. Declaration of support of the competent Environmental and Water Directorate</b>	In case of water management projects concerning NATURA 2000 sites and protected areas where the Environmental and Water Directorate (or relevant management organisation in Serbia) is not included in the partnership.	If relevant, in case of Action 1.2.1	In the original language; the <u>Project Acronym</u> has to be indicated	Original issued by the respective authority OR copy certified by a notary public/court

<sup>7</sup> The legal representative of the Applicant i.e. the person(s) with the right of representation and signature is determined by the establishing document of every organisation, and the **specimen of their signature** is kept in a legally prescribed way, depending on the legal status of the organisation. This document – or a copy certified by a public notary – must be submitted alongside with the application form.

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



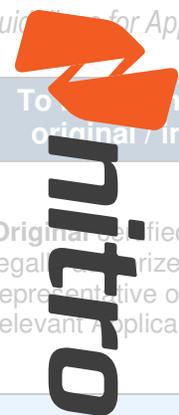
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Name of document	Description	Compulsory / if relevant	Language	To be submitted in original / in copy
<b>7. Content summary (Terms of Reference /ToR/) of the study / Research plan / Course outline</b>	<p><b>In case the project contains activities concerning elaboration of studies</b>, the scope or specific content summary or ToR of the study has to be attached. <b>The same applies for research projects.</b></p> <p>In case of <b>trainings and lectures</b> syllabus (course outline) must be submitted.</p>	If relevant	English	Original certified by the legal authorized representative of the relevant Applicant
<b>Supporting documents in case of projects with works components/activities</b>				
<b>8. Feasibility study including cost-benefit analysis</b>	<p><b>Only in case of works activities exceeding the value of 400.000 EUR included in the budget of the respective project part!</b></p> <p>Note that methodological guidelines (Information on Feasibility Study) and the minimum requirements for conducting the feasibility study are available on the Programme website.</p>	If relevant	English	Original certified by the legal authorized representative of the relevant Applicant (the organisation implementing the investment)
<b>9. Land or building registration certificates / Documents proving the ownership rights or rights of use of real estates affected by the works</b>	<p>Copies of land or building registration certificates (of all sites affected by the works activities) issued by the respective institution (which issues land or building registration certificates) <b>not older than 30 days</b> at the time of the submission.</p> <p>Furthermore (if applicable), copy of the relevant contract, agreement, declaration concerning the quality of ownership and any other rights – according to the stipulations of <b>Appendix B</b> of the present Guidelines – of the Lead Beneficiary / Project Partners.</p>	Compulsory	In the original language;  the <u>Project Acronym</u> has to be indicated on the document	Original or copy certified by the legally authorized representative of the respective Applicant ( <b>NOT</b> : in case of certified copy, the original document – which is copied – shall not be older than 30 days)
<b>10. Detailed cost estimation of works</b>	<p>Detailed cost estimation/price quotation by type of work <b>issued by a designer</b> indicating unit prices and the costs of materials and works / Detailed price quotation issued by a contractor, indicating unit prices and the costs of materials and works.</p>	Compulsory	In the original language;  the <u>Project Acronym</u> has to be indicated on the document	Copy certified by the legal authorized representative of the respective Applicant (implementing the works activities)



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Name of document	Description	Compulsory / if relevant	Language	To be submitted in original / in copy
<b>11. Construction plans (engineering plans, descriptions)</b>	Construction plans (engineering plans, descriptions): Construction plan and technical description submitted for the building permit.  <b>If the planned works activity does not require a building permit:</b> technical description and diagrammatical plan and the general plan of each building site – one copy per plan.	Compulsory	In the original language; the <u>Project Acronym</u> has to be indicated on the document	Copy certified by the legal authorized representative of the respective Applicant.
<b>12. Building permit / Documents certifying the exemption of the construction from building permit</b>	<b>Building permit</b> (if already obtained), <b>OR notification of the procedure initiated for obtaining the building permit</b>  <b>OR Declaration certifying the exemption</b> of the construction from building permit issued by the designer or the respective authority.	Compulsory	In the original language; the <u>Project Acronym</u> has to be indicated on the document	Original issued by the respective authority / designer OR copy certified by a notary public/court
<b>13. Environmental permits and environmental impact assessment / Documents certifying the exemption from environmental assessment / attainment of environmental permit</b>	Environmental permits, <b>or</b> a Certification of the relevant authority conducting the environmental impact assessment <b>that the Applicant has initiated</b> the assessment process / that request for environmental permit has been submitted  <b>OR</b> a Declaration of the relevant authority that conducting an environmental assessment or the attainment of environmental permit <b>is not relevant</b> for the project <sup>8</sup>	Compulsory	In the original language;  the <u>Project Acronym</u> has to be indicated on the document	Original issued by the respective authority OR copy certified by a notary public/court
<b>14. Photo documentation</b>	Taken from the scene of the works activities ( <b>from all corners for each item for which land or building registration certificates are submitted</b> ) in its current state (paper version)	Compulsory	n/a	Paper printed


  
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<sup>8</sup> According to the Govt. Decree No. 314/2005 (XII. 25) on environmental assessment and the single environmental permission procedure (in Hungary) / Govt. Regulation on the list of Projects where Environmental Impact Assessment is obligatory and on the list of Projects where Environmental Impact Assessment may be requested In accordance with Article 4 chapter 1 and 3 – Law on Environmental Impact Assessment, “Official Gazette” RS, number 135/04 (in Serbia).

Name of document	Description	Compulsory	Language
<b>Basic documents</b>			
<b>1. Application Form</b>	<b>One Excel file</b> , identical to the AF submitted in hard copy!	Compulsory	English
<b>2. Curriculum Vitae (CV) of staff and project team members</b>	CVs identical to the ones submitted in hard copy of <b>all personnel</b> involved in the implementation (i.e. project management staff as well as team members) <b>employed by the Lead Beneficiary and the Project Partners</b> indicating their position in the project. Word file or Scanned PDF file for each CV.	Compulsory	English
<b>Supporting documents in case of projects with works activities</b>			
<b>3. Photo documentation</b>	Photos taken from the scene of the works activities ( <b>taken from all corners for each item for which land or building registration certificates are submitted</b> ) in its current state – in separate folders in JPG or other widely known image format.	Compulsory	n/a

**NOTE: the electronic data device must be labelled indicating the name of the Lead Beneficiary and the project Acronym)! In case of differences between the paper and the electronic version, the paper version shall prevail.**

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The complete Application must be printed, bound, page numbered; and must be divided into chapters supported by a table of contents at the beginning.

**NOTE: The language of Applications is English. Applications in languages other than English will be rejected!**

Please remember to check the printing layout once the Application Form is filled in completely, allowing a clear displaying of the pages. Try to keep the predefined page setup and change it only if necessary. Having put together the Application, **please number the pages continuously and then indicate the relevant page numbers on the table of contents as well!**

When compiling the Application for submission, please **insert cover pages** between the annexes and other supporting documents of the Application indicating the content (if a supporting document is not relevant for a specific partner, indicate it on the cover page)! **Always arrange documents by type and each type of document should have a cover page and within every type, each partner should also have a separate cover! Supporting documents must be submitted in the sequence as listed above on the previous pages!**



**Please consult the Guidelines for filling in the Application Form (Annex I of the present Guidelines)**

### **3.5 Place and deadline for the submission of Applications**

The Applications **must be sent in a sealed envelope** by registered mail or by courier or handed in personally by a delegated/accredited representative (a signed and dated certificate of receipt will be given to the deliverer).

The envelope must contain the following:

- The **address** to which the Application is submitted;
- The **full name and address of the Lead Beneficiary**;
- The **reference number** of the Call for Proposals (**HUSRB/1203**);
- The **reference number of the relevant Action** applied for;
- **The acronym of the Application** (as indicated in the Application Form);
- And the wording: » **Project Application – Not to be opened before the Opening Session: Hungary-Serbia IPA Cross-border Co-operation Programme** «.



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Applications must be sent to the following address by **30 May 2012 as evidenced by the date on the postal stamp:**

**Joint Technical Secretariat  
of the Hungary-Serbia IPA Cross-border Co-operation Programme**  
VÁTI Hungarian Nonprofit Limited Liability Company for Regional Development and  
Town Planning  
**H-1016 Budapest, Gellérthegy u. 30-32.**  
HUNGARY

**b) Submission by personal delivery or courier service**

Applications must be **submitted personally or by courier service** to the following address by **30 May 2012, 4:00 PM local time:**

**Joint Technical Secretariat  
of the Hungary-Serbia IPA Cross-border Co-operation Programme**  
VÁTI Hungarian Nonprofit Limited Liability Company for Regional Development and  
Town Planning  
H-1016 Budapest, **Krisztina krt. 99. Room 516.**  
HUNGARY

Applications sent **by any other means** (e.g. by fax or by e-mail) or delivered at **other addresses will be rejected**. Any Application submitted after the deadline will automatically be rejected.

**NOTE:**

- **It is advised to submit the Application well before the deadline, in order to avoid late submission!**
- **Personal deliveries (including courier service) are not accepted after 30 May 2012, 4:00 PM local time!**



**The Application along with all necessary annexes and supporting documents must be submitted in **one (1) original and two (2) identical copies in A4 size, each bound.****

**In case the Applicant submits several different Project Applications, each one has to be packed and sent separately.**

The Lead Beneficiary **must sign the Certification** (Chapter 16 of the Application Form). Incomplete Applications may be rejected (**please see section 4.1.1**).

Following the Opening Session of Applications, the Joint Technical Secretariat will send an acknowledgement of receipt to all Lead Beneficiaries, indicating whether or not their Application was received prior to the deadline and informing them of the reference number they have been allocated.

## 4.1 Evaluation process, evaluation grids

The Applications will be evaluated by the JTS with the possible assistance of external assessors. The decision on selected projects will be made by the JMSC.

The selection process consists of the following main stages:

- Formal assessment
- Quality assessment
- Decision
- Verification of eligibility and notification of the Applicants

During the formal assessment it will be checked whether the deadline for submission has been respected.



**If the submission deadline has not been respected, the Application will automatically be rejected.**

### 4.1.1. Formal assessment

During formal assessment, the following criteria will be checked:

- Submission criteria
- Formal completeness criteria
- Basic eligibility criteria
- Supporting documents

All Applications will be evaluated against the following **formal assessment grid**:



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Formal assessment of the Application

Call for Proposal ID:	HUSRB/1203		
Title of Call for Proposal:	3rd Call for Proposals of the Hungary-Serbia IPA Cross-border co-operation Programme		
<b>General data of the Application</b>			
Registry number (Application ID):	HUSRB/1203/		
Project Acronym:			
Name of the Lead Beneficiary:			
Priority:			
Area of intervention:			
Action:			
Requested IPA support:			
<b>Assessor's data</b>			
Assessor 1.	Name:		Signature:
	Organization:		Date:
Assessor 2.	Name:		Signature:
	Organization:		Date:
<b>1. Submission criteria (After the submission completion is not possible!)</b>		<b>YES</b>	<b>NO</b>
The Application is submitted to the JTS <b>by</b> the deadline declared in the GfA.			
The Application (Application Form and required supporting documents in printed version) is submitted in <b>1 original and 2 identical copies</b> .			
The Application Form is stamped, signed and dated by the legally authorised representative of the Lead Beneficiary.			
<b>2. Formal completeness criteria (After the submission completion is not possible!)</b>		<b>YES</b>	<b>NO</b>
The Application Form is complete, typed and in the English language.			
The Application Form does not differ from the template published in the present CFP.			
The budget is in EUR.			
The LB and each PP submitted the original, signed and stamped 'Declaration by the Applicant'.			
The original 'Partnership Statement' signed and stamped by the LB and each PP is submitted.			
<b>3.1. Eligibility criteria (After the submission completion is not possible!)</b>		<b>YES</b>	<b>NO</b>
There is at least one cross-border PP to the LB.			
The number of PPs (in addition to the LB) is max. 5; max. 3 partners (including LB) per Participating Country.			
The project implementation period is within the minimum-maximum period defined in the GfA.			
The requested IPA amount is between the minimum-maximum amounts defined in the GfA.			
The rate of each partner's separate budget is at least 10 % of the total project budget.			
The rate of own contribution is in line with the country of origin of the LB and each PP as requested in the GfA.			
<b>3.2. Eligibility criteria</b>		<b>YES / NO</b>	<b>Completed / Clarified (Y/N)</b>
The project implementation has not been started before submission to the JTS (the start date is after the date of submission).			
The project implementation will be started within one year from the date of submission.			
The LB and each PP is a legal person.			
The LB and each PP is a non-profit organisation according to 2.1 of the GfA.			
The LB has its headquarters or a registered regional/local branch in the eligible area.			
Each PP have their headquarters or a regional/local branch in the programme area (eligible area or adjacent regions).			
The LB and the PPs are not subject to the grounds for exclusion listed in the GfA			
The planned project activities are implemented in the programme area (eligible area and adjacent regions).			
In case of Action 2.1.2 at least 3 settlements are involved.			



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	Submitted (Y/N)	Completed / Clarified (Y/N)
The Application is submitted on electronic data device (identical to the printed version and contains the required documents as defined in chapter 3.4 of the GfA)		
Extract from register of the Lead Beneficiary and each Project Partner (as defined in chapter 3.4 of the GfA)		
Specimen of signature of the legally authorized representative(s) of the Lead Beneficiary and each Project Partner (as defined in chapter 3.4 of the GfA)		
CVs of project management staff and team members, i.e. all personnel involved in the implementation of the project employed by the Lead Beneficiary and Project Partner(s), (as defined in chapter 3.4 of the GfA)		
Documents proving the joint project development of the project (as defined in chapter 3.4 of the GfA)		
Declaration of support of the competent National Park Directorate (as defined in chapter 3.4 of the GfA)		
Declaration of support of the competent Environmental and Water Directorate (as defined in chapter 3.4 of the GfA)		
Content summary (ToR) of the study / Research plan / Course outline (as defined in chapter 3.4 of the GfA)		
<b>4.2 Supporting documents in case of investments/works activities</b>	<b>Submitted (Y/N)</b>	<b>Completed / Clarified (Y/N)</b>
Feasibility study including cost-benefit analysis (as defined in chapter 3.4 of the GfA)		
Land or building registration certificates / Documents proving the ownership rights or rights of use of real estates affected by the works (as defined in chapter 3.4 of the GfA)		
Detailed cost estimation of works (as defined in chapter 3.4 of the GfA)		
Construction plans (engineering plans, description; as defined in chapter 3.4 of the GfA)		
Building permit OR Documents certifying the exemption of the construction from building permit (as defined in chapter 3.4 of the GfA)		
Environmental permits and environmental impact assessment OR Documents certifying the exemption from environmental assessment / attainment of environmental permit (as defined in chapter 3.4 of the GfA)		
Photo documentation of the scene of the works activities in its current state (as defined in chapter 3.4 of the GfA)		
<b>The Assessor's proposal:</b>		
The submitted Application fulfils the formal assessment criteria, therefore it is <b>ACCEPTED</b> for further evaluation.		
The submitted Application <b>needs COMPLETION/CLARIFICATION</b> .		
The submitted Application does not fulfil the formal assessment criteria, therefore it is <b>NOT recommended for further evaluation</b> .		
<b>Justification/Comments:</b>		



**Please note that in case of any deficiency of the Application against the first three formal evaluation criteria (1. submission, 2. formal completeness and 3.1. eligibility criteria) the Application will automatically be rejected and will not be further evaluated!**

In case of any deficiency of the Application against all other criteria of the formal evaluation grid (i.e. 3.2 eligibility criteria and criteria under 4.1 and 4.2 set against supporting documents and supporting documents in case of investments/works activities), the Lead Beneficiaries will be invited to submit a completion of missing documents / clarification within the deadline fixed by the JTS. **Completion/clarification**



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As a result of the formal assessment process (following the completion/clarification), the following decisions can be made:

- If the Application meets all the criteria included in the formal assessment grid, it will be recommended for further evaluation.
- In case of any formal deficiency of the Application against the formal assessment grid (completion/clarification was unsuccessful); the Application will not be recommended for further evaluation.

**Please note that rejected Applications will not be returned to the applicants.**

The Applications that fulfil the conditions of the administrative and the eligibility check will proceed to quality assessment.

#### 4.1.2 Quality assessment

The quality assessment will be carried out based on the quality assessment grid containing evaluation criteria classified as selection and award criteria:

- The **selection criteria** are used to assess the Applicant's financial and operational capacity to complete the proposed action: Applicants must have stable and sufficient sources of funding for the implementation of the project. Applicants must also have the necessary professional competencies and qualifications to complete the proposed action.
- The **award criteria** are used to assess the quality of Applications against the set objectives and priorities, so that funds are awarded to projects which maximise the overall effectiveness of the Call for Proposals. They should enable the JMCS to select Applications which will comply with the objectives and priorities and guarantee the visibility of the Community financing. The award criteria relate, in particular, to the relevance of the action and its compatibility with the objectives of the Programme, to the quality, expected impact and sustainability of the action, and to its cost-effectiveness.

During the quality assessment special attention will be paid to the evaluation of the budget of the Application based on the following criteria:



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Quality assessment of the Budget

<b>Call for Proposal ID:</b>	HUSRB/1203		
<b>Title of Call for Proposal:</b>	3rd Call for Proposals of the Hungary-Serbia IPA Cross-border co-operation Programme		
<b>1. General data of the Application</b>			
Registry number (application ID):	HUSRB/1203		
Project Acronym:			
Name of the Lead Beneficiary:			
Priority:			
Area of intervention:			
Action:			
Requested IPA support:			
<b>2. Assessor's data</b>			
Assessor 1.	Name:		Signature:
	Organization:		Date:
<b>3. Assessment Grid</b>		<b>Submitted (Y / N)</b>	<b>Clarified (Y / N)</b>
The project activities and the related costs are eligible			
The budget was planned respecting the VAT status of the Project Partners / Lead Beneficiary as indicated in their respective Declarations			
All budget tables (Chapter 10 of the AF) have been properly filled in			
The financial table is free of calculation errors			
Investment / works costs are maximum 70% of the total budget of a respective project partner in case of Actions 2.1.1, 2.1.2, 2.1.4, 2.2.1 and 2.2.2			
Preparation costs are maximum 10 % of the total budget of a respective project partner			
Administrative costs are maximum 10 % of the total budget of a respective project partner			
The adjacent rule for Project Partners from Adjacent Regions is respected			
Per diems do not exceed the rates set by the European Commission			
The budget numbers are in line with the cost estimates indicated in the supporting documents			
Each budget line is properly detailed and reasoned			

Besides, the whole Application will be evaluated according to the wide range of criteria as listed in the following **quality assessment grid**:



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Quality assessment of the Application

Call for Proposal ID:	HUSRB/1203
Title of Call for Proposal:	3rd Call for Proposals of the Hungary-Serbia IPA Cross-border co-operation Programme

**1. General data of the Application**

Registry number (application ID):	HUSRB/1203
Project Acronym:	
Name of the Lead Beneficiary:	
Priority:	
Area of intervention:	
Action:	
Requested IPA support:	

**2. Assessor's data**

**3. Assessment Grid**

Aspect of evaluation	Criteria	Maximum score	Obtained score	Source in the submitted documents
<b>I. Financial and operational capacity</b>		<b>15</b>		
1.	Do the project partners have sufficient <b>experience of project management</b> ?	5		AF Chapters 4., 8.
2.	Do the project partners have sufficient <b>operational capacity: management capacity, professional competencies / qualifications and technical capacity for implementing the proposed project?</b> (staff, equipment, real estate)	5		AF Chapters 2., 4., 7, 8., CV-s
3.	Do the project partners have <b>stable and sufficient sources of finance</b> ?	5		AF Chapter 2., 4., 12., Declaration by the applicant
<b>II. Relevance</b>		<b>30</b>		
4.	How relevant is the project to the <b>Programme strategy and its horizontal objectives</b> ?	3		AF Chapters 3., 4.
5.	How relevant is the project to the Danube Region Strategy?	2		
6.	How relevant is the project to the <b>objectives of the specific Area of Intervention and Action</b> (to what extent does the project contribute to the programme level indicators of the respective Area of Intervention and Action defined in the Operational Programme)?	5		AF Chapters 3., 4., 5.
7.	How relevant is the project regarding <b>joint structures and cross-border impact</b> ? <b>At least 2 of the following 4 joint criteria have to be fulfilled, otherwise automatic rejection!</b>	10		AF Chapters 4., 7., (in general)
	- Joint development (0-2 points) - <b>if no proof attached, 0 point</b>	2		AF Chapter 7., Documents proving the joint development
	- Joint implementation (0-2 points)	2		AF Chapters 3., 4., 7.
	- Joint staffing (0-2 points)	2		AF Chapter 14, CV-s
	- Joint financing (0-2 points) - <b>10% of the total budget is allocated to each PP (0 points); more than 10% (1 point); more balanced division of budget (2 points)</b>	2		AF Chapter 5., 10.
	- Relevant cross-border benefit / impact (0-2 points)	2		AF Chapter 3., 4., 5., 9.



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9.	How relevant is the project to the particular <b>needs and constraints of the target groups</b> ? (including synergy with other EC initiatives and avoidance of duplication) How relevant is the project to the particular <b>needs and constraints of the target groups</b> ? Have their needs been clearly defined and does the project address them appropriately?	5		AF Chapters 3., 4., 5.
<b>III. Methodology</b>		<b>25</b>		
10.	How <b>coherent is the overall design of the project</b> ? (in particular, does it reflect the analysis of the background/potential problems, take into account external risk factors and anticipate an evaluation?)	5		AF Chapters 3., 4., 5.
11.	Are the proposed <b>activities</b> appropriate, practical, and consistent with the objectives and expected results? Is the planned <b>communication</b> method effective?	5		AF Chapters 5., 6., 9.
12.	Is the planned <b>implementation schedule clear, feasible and coherent</b> with the estimated payment forecast?	5		AF Chapters 1., 5., 12., Feasibility study (if relevant)
13.	Are the expected outputs and results of the project supported with <b>adequate indicators</b> ?	10		AF Chapters 5., 9.
	- General programme indicators (0-2)	2		
	- Horizontal programme indicators (0-2)	2		
	- Action specific indicators (0-2)	2		
	- Project specific indicators defined by the applicant (0-2)	2		
	- Are the above indicators coherent with the expected outputs and results of the project? (0-2)	2		AF Chapters 4., 5., 9., Feasibility study (if relevant)
<b>IV. Sustainability</b>		<b>15</b>		
14.	Is the project likely to have a tangible <b>impact</b> on its target groups?	5		AF Chapters 4., 5., 9.
15.	Is the project likely to have <b>multiplier effects</b> ? (including innovative character, best practice for replication and extension of the outcome of the action and dissemination of information.)	5		AF Chapters 3., 4.
16.	Are the expected <b>results of the project sustainable</b> : - financially (how will the activities be financed after the funding ends?) - institutionally (will structures allowing the activities to continue be in place at the end of the action? Will there be local "ownership" of the results?) - at policy level (if applicable) (what will be the structural impact of the action, e.g. will it lead to improved legislation, codes of conduct, methods, etc.?) - environmentally (if applicable) (will the action have a positive environmental impact?)	5		AF Chapters 3., 4., Feasibility study (if relevant)
<b>V. Budget and cost effectiveness</b>		<b>15</b>		
17.	Is the proposed expenditure <b>necessary</b> for the implementation of the action?	5		AF Chapters 10., 11., 13., Feasibility study (if relevant), Cost estimation (if relevant)
18.	Is the proposed budget <b>realistic</b> ? (Does it contain overestimated or underestimated amounts?)	5		AF Chapters 10., 11., 13., Feasibility study (if relevant), Cost estimation (if relevant)
19.	Is the ratio between the estimated costs and the expected results satisfactory?	5		AF Chapters 10., 11., 13., Feasibility study (if relevant), Cost estimation (if relevant)
<b>Total score</b>		<b>100</b>		



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5. Summary of the assessment results based on obtained scores

Main assessment criteria	Maximum score	Obtained score
I. Financial and operational capacity	15	
II. Relevance	30	
III. Methodology	25	
IV. Sustainability	15	
V. Budget and cost effectiveness	15	
<b>Total:</b>	<b>100</b>	

6. Threshold grid for Assessor's proposal

Assessor's proposal	Threshold table for Main assessment criteria					Threshold table for obtained scores in total
	I.	II.	III.	IV.	V.	
To be supported	8-15	15-30	13-25	8-15	8-15	52-100
NOT recommended for support	0-7	0-14	0-12	0-7	0-7	0-51

7. The Assessor's proposal

The Application is <b>recommended for financing</b> .	
The Application is <b>recommended for financing with conditions</b> .	
The Application is <b>NOT recommended for financing</b> .	

8. Conditions for financing / Overall justification (if applicable):

--

In some cases when the Application cannot be properly assessed according to specific criterion, the Lead Beneficiaries will be invited to submit a clarification within the deadline fixed by the JTS. **Clarification will be requested only once during the quality assessment process.**

Specific assessment criteria are grouped into five Main Assessment Criteria:

- I. Financial and operational capacity
- II. Relevance
- III. Methodology
- IV. Sustainability
- V. Budget and cost effectiveness

The maximum total score per Application is 100 points. As a general rule, Assessors cannot assign a half point score during the assessment.

During the quality assessment, the Application will be evaluated according to specific criteria grouped in each of the five Main Assessment Criteria which has predefined minimum points. **The Applications must reach the pre-defined minimum scores in order to be recommended for support**, i.e. at least 50% of the maximum points in each of the Main Assessment Criteria.



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Additionally, Applications need to obtain **at least 52 points in total in order to be recommended for support!**

**NOTE: During the Quality assessment, Applications must fulfil *both* criteria as described above!**

In parallel to the Quality assessment a State aid assessment is run to analyse the state aid status of the Project Partners *from Hungary* to screen the aid intensity for project activities which fall under the State aid rules. The State aid assessment might lead to a condition for support.

When the assessors conclude the quality assessment, the JTS prepares the list of projects recommended for financing ranked by their average points and a separate list of projects not recommended for financing. On the basis of the ranking list of projects the JMSC makes the final decision.

#### 4.1.3 Decision on selected projects

The JMSC will select Applications for support according to the ranking list up to the available allocation of the Call for each action. In addition, the JMSC is entitled to finance further applications which had been recommended for support by *overcommitting funds* for specific actions (within the respective Priority) or by establishing a *reserve list* of applications. These reserves can be used in case some Applications recommended for financing withdraw from contracting due to loss of interest, non-compliance at eligibility verification, non-acceptance of conditions of financing, etc. The JMSC also reserves the right not to allocate all funds available to projects in each action.

In line with the above, the JMSC decides on projects to be recommended for financing, recommended for financing with conditions and which are not recommended for financing. The JMSC may decide to recommend Applications for support with certain conditions (budget modification, budget decrease, compliance with EU or national regulations, horizontal principles, etc). These conditions will be communicated to the Lead Beneficiary in the notification letter.



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**Please note that the decision-making of the Joint Monitoring and Steering Committee on the selection of projects to be supported from the present Call for Proposals is subject to the adoption of the Commission Decision on the modification of the Operational Programme concerning the new financial allocations for the years 2012 and 2013 and the proportional allocation of funds between priorities.**

Once the decision is made, the MA sends a notification letter to the Lead Beneficiaries, stating whether their project has been recommended for support (with or without conditions) according to the decision of the JMSC, and invite those whose projects have been recommended for support to submit the required supporting documents for the verification of eligibility and the preparation of Subsidy Contracts for Community Funding.

In case of rejected project proposals, the possibility to survey the results of the evaluation at the premises of the Joint Technical Secretariat will be provided for in the notification letter. Applicants believing that they have been harmed by an error or irregularity during the award process may file a complaint to the JTS, which is to be investigated within 30 days of receipt<sup>9</sup> in general.

#### 4.1.4 Verification of eligibility

The verification of eligibility is carried out by the JTS to check

- whether the Declaration by the Applicant is in conformity with the supporting documents requested. Any missing supporting document or any inconsistency between the Declaration and the supporting documents will lead to the rejection of the Application on that sole basis,
- whether the Lead Beneficiary and its partners are eligible applicants.

Selected projects, which have not met the eligibility criteria by the given deadline, will be rejected. The verification of eligibility is carried out in parallel with the preparation of the Subsidy Contracts for Community Funding (see Section 4.2 Contracting)

## 4.2 Contracting

The MA will notify the Lead Beneficiaries selected for support on the approved amount of subsidy and on the conditions for approval of the Application (if any). At the same time, the Lead Beneficiaries will be requested to submit – on behalf of the partnership –

<sup>9</sup> In line with the provisions of the Hungarian Act No. 29 / 2004, Article 141-142



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documents necessary for the verification of the eligibility and the preparation of the Study Contract for Community Funding, among others (Please note that the below list of documents is indicative and serves information purposes only):

- **Establishing documents/Statutes**, in case the eligibility of any of the Partners is questionable based on the documents submitted in the Application, the establishing documents will be requested to double-check eligibility before contracting.
- **Original signed Partnership Agreement**, based on the Model Partnership Agreement (Annex IV of the present Guidelines) signed between the Lead Beneficiary and all Project Partners. The Model Partnership Agreement contains the compulsory minimum; however the members of the partnership may add further provisions to the Model Partnership Agreement keeping in mind that the modification must not be in conflict with principles, objectives and rules of the present Call for Proposals.
- In case of national/regional organisations not established in the Programme area, but having a branch office (which is not a legal entity) in the Programme area, the **proof of at least one year of operation of the branch office in the Programme area**.
- **Detailed spending forecast** for the 4-month periods of project implementation per each partner receiving funding from the project budget according to the final budget approved for financing.
- **Bank statement proving the establishment of a separate EUR bank account** (or sub-account) by the Lead Beneficiary for the purposes of the project.
- **Certifications on the payment of contributions and taxes**. These are issued by the respective authorities (social security contributions, taxes and customs) and are to certify that the Lead Beneficiary and the Project Partners fulfilled obligations relating to the payment of social security contributions and taxes. Documents shall not be older than 30 days at the time of submission. Project Partners have to submit originals or copies certified by a public notary.
- If relevant, **any additional documents** requested by the JMSC relating to the conditions of approval of the project.

In case the project includes works activities, further documents will be required:

- **Only in case of any change since the submission of the Application, originals of land or building registration certificates** (originals issued by the respective institution or copies certified by a public notary will have to be submitted). They cannot be older than 30 days and must be in the original language. Copies of the relevant contract, agreement, declaration concerning the



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- **Original legally binding building permit** in case they were not submitted together with the Application;
- **Original, legally binding environmental permit** in case they were not submitted together with the original Application.

For concluding the Subsidy Contract for Community funding, the LB has to submit all required documents and fulfil all conditions stipulated in the letter of award of subsidy within the deadline defined in the Notification letter. Lack of completion or fulfilment of conditions after the expiration of the deadline might result in the withdrawal of the awarded subsidy by the MA.

One of the most important of the above documents is the signed *Partnership Agreement* between the Lead Beneficiary and the Project Partner(s) that will replace the previously adopted *Partnership Statement*. A Model Partnership Agreement is available as part of the Application Package on the Programme website.

The Partnership Agreement has to cover all aspects of co-operation within the partnership, including a clear distribution and allocation of respective financial amounts – including the advance payment – reflecting the assigned tasks and responsibilities of the partners as well as the rights and obligations of the parties (reporting, financial flows between the partners, liabilities, etc.).

#### 4.2.1 Contracting of IPA subsidy

Once the documents necessary for the Subsidy Contract for Community Funding have been submitted by the Lead Beneficiary on behalf of all its partners, the JTS prepares the Subsidy Contract for Community Funding, following the template annexed to the present Guidelines (Annex III). Note that the Model Subsidy Contract for Community Funding is for information purposes only and the MA reserves the right to change it before signature.

Before the conclusion of the Subsidy Contract for Community Funding, Programme Managers from the JTS may perform a site visit at the premises of the Lead Beneficiary, and/or the Project Partner(s), especially in the case of investment projects.

The Subsidy Contract for Community Funding is signed between the Head of the MA (or the Head of the JTS on behalf of the MA) on one side, and the Lead Beneficiary (on behalf of the partnership) on the other side.



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National state co-financing – available only for Hungarian Applicants based on Article 19(1) of Hungarian Government Decree No 160/2009 – is handled and contracted by VÁTI Nonprofit Ltd separately from the IPA support. Thus, separate **partner level contracts** on the state co-financing will be signed with the respective Hungarian Project Partners. These contracts are solely under national responsibilities, thus they reflect national specificities (such as the rate of national state co-financing and other related national requirements).

#### 4.2.3 Publication of the contracted projects on the internet

In line with Article 62 (2) of IPA Implementing Regulation, the list of the members of the Partnership, the title and the summary of the projects as well as the amount of funding allocated to projects will be published by the JTS on the Programme’s official website following the period of contacting.

#### 4.3 Indicative timetable

	DATE	TIME (CET)
<b>Deadline for request for information from the JTS</b>	23 May 2012	-
<b>Deadline for submission of Applications in person (including courier service)</b>	30 May 2012	4 PM
<b>Deadline for submission of Applications (by post)</b>	30 May 2012	-
<b>Information to LB on the results of the formal assessment</b>	June-July 2012*	-
<b>Notification to LB on the result of the evaluation and request for documents necessary for contracting</b>	September 2012*	-
<b>Signature of the Subsidy Contract for Community Funding</b>	December 2012*	-

\*Provisional dates

The contracted projects will be implemented according to the stipulations of the Subsidy Contract for Community Funding, the IPA regulations, the Project Implementation Handbook, the Guidelines for Implementing Information and Publicity Requirements for the Projects, the Control Guidelines and respective national regulations. The list of the most important regulations can be found in **Appendix A** of the present Guidelines. Below you will find the key aspects of project implementation.

## 5.1 Information and publicity measures

Articles 62 and 63 of IPA Implementing Regulation define the visibility and communication requirements which Lead Beneficiary and the Project Partners must fulfil. **The Lead Beneficiaries and Project Partners are required to:**

- ensure that those taking part in the operation have been informed of the funding under an operational Programme co-financed by the IPA
- specify in every notice or publication concerning the project - including those given at a conference or seminar - that the project has received EU funding.

**Among communication tools, Lead Beneficiaries and Project Partners are required to:**

- produce at least one piece of bilingual (in Hungarian and Serbian) promotional material about the project
- ensure at least one article in the newspapers/public internet site (other than its own website) and one reportage on the radio/TV during the implementation period
- organize at least one visibility/communication event
- ensure that the Programme logo, EU logo with obligatory phrase (and where applicable slogan and disclaimer) are visible at the events and clearly displayed on each piece of promotional material.

Information on and detailed description of the compulsory and recommended communication elements for projects co-financed within this Programme is presented in the 'HUSRB/1002 Guidelines for Implementing Information and Publicity Requirements for the Projects in the Hungary-Serbia IPA Cross-border Co-operation Programme' available on the Programme's website (on the Downloads subsection).

**The Lead Beneficiary is responsible at project level for informing the public about the support awarded from the EU funds.**



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Projects which include infrastructure or construction works have specific obligatory requirements. Please note that if the total Community contribution of the operation exceeds EUR 500.000 Lead Beneficiaries / Project Partners implementing projects consisting of infrastructure or construction activities are obliged to ensure that a billboard as well as a permanent explanatory plaque is put up on the site of the activity.

**Communication is an essential part of the project** and should be implemented continuously during the project lifecycle. Communication activities should support the projects by bringing its results and benefits into awareness of the target groups.

When planning project related communication activities, all Project Partners should ask themselves the following questions:

- What my project would like to communicate and disseminate and what is the message?
- What communication tools I will use to achieve this?
- Which are the target groups I should communicate to in order to get highest dissemination results?
- How the communication tasks will be divided (planned in advance) between Lead Beneficiary and Project Partners?
- What is the indicative budget that I need for the communication activities?

The Managing Authority and relevant control bodies will ensure the control of the implementation of communication measures including the examination of the content as well as the technical characteristics of the activities.

## 5.2 Public procurements



According to IPA Implementing Regulation and other regulations relevant to the Programme<sup>10</sup>, each project contracted under the Programme has to manage **procurements of services, supplies and works in accordance with external aid rules**, i.e. the provisions of Commission Decision C (2007) 2034 'Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries' using the appropriate templates provided by the PraG (Practical Guide to contract procedures for EC external actions):

<sup>10</sup> Procurement procedures in the whole area of the cross-border Programme, both on Hungarian and Serbian territory, shall follow the provisions of Part 2, Title IV, Chapter 3 of Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and Part 2, Title III, Chapter 3 of Regulation (EC, Euratom) No 2342/2002, as well as Commission Decision C (2007) 2034 'Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries', with the exclusion of its Section II.8.2.



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The public procurements have to be carried out independently by the Lead Beneficiary and the Project Partners, however the procedures will be subject to verification process and costs are only eligible for financing after validation of the procurement procedure. The procedures to be applied in case of irregularities revealed in public procurements in the present IPA Programme are those established for the Structural Funds Programmes set out in the following guidelines:

[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/guidelines/financial\\_correction/correction\\_2007\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/guidelines/financial_correction/correction_2007_en.pdf)

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

1. The Lead Beneficiary and the Project Partner(s) shall ensure necessary expertise to carry out the public procurement procedures.

#### 2. The rule of nationality and origin

Supplies and service providers must originate from the following countries:

- a) Member States of the European Community (Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom);
- b) Member States of the European Economic Area (Iceland, Liechtenstein, Norway);
- c) Any country that is a beneficiary of the IPA (Croatia, The Former Yugoslav Republic of Macedonia, Turkey, Albania, Bosnia, Montenegro, Serbia, including Kosovo);
- d) Any country that is a beneficiary of the European Neighbourhood and Partnership Instrument (ENPI): Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia, Ukraine;
- e) Other countries defined under section 2.3.1 of the PraG.

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



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



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

SERVICES	≤ € 10 000	> € 10 000 < € 200 000		≥ € 200 000
	Single tender	1. Framework contracts 2. Competitive negotiated		International restricted
SUPPLIES	≤ € 10 000	> € 10 000 < € 60 000	≥ € 60 000 < € 150 000	≥ € 150 000
	Single tender	Competitive negotiated	Local open	International open
WORKS	≤ € 10 000	> € 10 000 < € 300 000	≥ € 300 000 < € 5 000 000	≥ € 5 000 000
	Single tender	Competitive negotiated	Local open	1. International open 2. International restricted

The indicative estimated timeframe of the above procedures:

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

### 5.3 Contract modifications

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

The procedure of contract amendments may be the following:

**1. Only the JMSC can decide** on essential modifications, such as substantial changes in the overall project objectives or the change of the Project Partners.

**2. The JTS in consultation with the MA can decide** on shifts between the budget headings (exceeding 20% rate of the given budget heading), change of activities (either introducing new or replacing the old ones), change of outputs and result indicators (exceeding 20% rate) and modification of the project duration.



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3. If the modification request does not fall under any of the abovementioned categories, it will be considered as "Other project change" which does not require the modification of the Subsidy Contract for Community Funding, and the JTS can approve it if the request is duly justified. These types of changes can be e.g. changes in project team, change of outputs and result indicators not exceeding 20%, budget reallocation between budget headings not exceeding 20%, etc.

Some amendments, like the change of addresses, bank account, etc. may simply be modified by notifying the JTS in writing.

However, the following three **categories of modification are not allowed**:

- Modifications of the Subsidy Contract which affect the basic purpose of the Project as approved by the JMSC,
- Budget reallocations between Project Partners,
- Reallocation to budget lines which did not contain allocated amounts in the approved budget or to those which were decreased according to the decision of the JMSC.

The rules of contract amendments are detailed in the Subsidy Contract for Community Funding.

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

## 5.4 Project advance

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

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

The Lead Beneficiary is responsible for transferring the respective amounts of advance specified in the Subsidy Contract for Community Funding to the Project Partners within the timeframe agreed in the Partnership Agreement.

Offsetting of the advance: All the submitted and approved Applications for Reimbursement will be paid in full until the expenditures have reached 60% of the total IPA contribution for the respective project part (i.e. of the budget of the respective



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Having 6% of the IPA contribution reimbursed, the amount of the advance –  
received at the start of the project – will be offset against the next Application for  
Reimbursement until the total amount of the advance has been settled. Then, the  
reimbursement of the IPA contribution will restart.

To follow the efficient use of advance during project implementation is the responsibility of the designated controllers and the JTS. If the project partner concerned cannot settle the total advance transferred to him/her according to the Applications for Reimbursement by the submission of the last progress report, the unsettled advance will have to be recovered together with interest chargeable from the relevant Project Partner.

## 5.5 Reporting and payments

Each Project Partner (in this respect the Lead Beneficiary is also regarded as a Project Partner) have to submit their reports and invoices or accounting documents of equivalent probative value to the Control Bodies **within 15 calendar days following the end of the reporting period**, at which stage the delivery of the products and services to be co-financed, the soundness of the expenditure declared, and the compliance of such expenditure and related (parts) of the project with Community rules, Programme rules and relevant national rules are verified. For each Project Partner, a **Declaration on validation of expenditure** shall be issued by the respective Control Body in Hungary or in Serbia **within 45 calendar days** (including completion of missing documents, if applicable). Each Declaration on validation of expenditure will indicate the amount of validated eligible expenditure and the amount of validated IPA financing for the respective reporting period. Project Partners shall send the Declaration on validation of expenditure to the Lead Beneficiary.

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

**The Lead Beneficiary has to submit the Project Progress Report and the Application for Reimbursement for each four-month reporting period from the project starting date.** The Lead Beneficiary may submit a Start-up Project Progress Report within 90 calendar days from the signature of the Subsidy Contract for Community Funding in case the Project was approved including preparation costs or if the starting date of the Project precedes the signature date of the Subsidy Contract for Community Funding. In all cases Progress reports have to be **prepared in EUR** using the monthly accounting exchange rate of the European Commission in force (available

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The applicable format of the Project Progress Report, Application for Reimbursement and the Declarations on validation of expenditure are defined for the Programme and are obligatory to use. The Lead Beneficiary **has to complete and submit the Project Progress Report and the Application for Reimbursement online through the Front Office surface of the IMIS 2007-2013** (the Monitoring and Information System of the Programme).

**Please note, that the project implementation may start upon the submission (in case of submission by post, the date of postal stamp) of the Application**, however, only the projects selected for support will be reimbursed for costs that arose before the signature of the Subsidy Contract for Community Funding.

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

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

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

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

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

The national state contribution will be transferred as an advance in full, within 30 days following the signature of the national state co-financing contract.

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



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

The Lead Beneficiary and Project Partners shall provide all documents required for the audit, as well as all necessary information and give access to their business premises. The Lead Beneficiary and Project Partners are obliged to retain for audit purposes all files, documents and data about the Project for at least three years following the closure of the Programme by the European Commission.

The ownership of the results of the project shall be maintained by the Lead Beneficiary and the Project Partners at least for five years after the end date of the project.



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The Annexes to the Guidelines for Applicants are available on the Programme website ([www.hu-srb-ipa.com](http://www.hu-srb-ipa.com)) as follows:

- Annex I: Guidelines for filling in the Application Form
- Annex II: State Aid rules applicable to Hungarian Lead Beneficiaries and Project Partners
- Annex III: Model Subsidy Contract for Community Funding
- Annex IV: Model Partnership Agreement

## APPENDIX A: LIST OF RELEVANT REGULATIONS

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

### **Community legislative provisions:**

- COUNCIL REGULATION (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA);
- COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund;
- COUNCIL REGULATION (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;
- COMMISSION REGULATION (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002;
- COMMISSION REGULATION (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid;
- COMMISSION REGULATION (EC) No 800/2008 of 6 August 2008 on declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation);
- COMMISSION DECISION C(2007)2034 of 24 May 2007 on the 'Rules and procedures for services, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries'. (However, section II. 8.2. does not apply to public administration bodies of Hungary.);
- COMMISSION DECISION C(2008)1075 of 25 March 2008 on the approval of the Hungary-Serbia IPA Cross-border Co-operation Programme under the IPA Cross-border component;
- COMMISSION DECISION No 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of

## National legislative provisions:

### SERBIA:

- Law on ratification of Framework agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the rules for co-operation concerning EC-financial assistance to the Republic of Serbia in the framework of the implementation of the assistance under instrument for pre-accession assistance (IPA), Official Gazette – International Agreements No 124/2007 (26.12.2007);
- Financing Agreement between the Republic of Serbia and the Commission of the European Communities concerning the Hungary-Serbia IPA Cross-border Cooperation Programme under the Instrument for Pre-Accession Assistance, signed on 27<sup>th</sup> March 2009;
- Financing Agreement between the Republic of Serbia and the Commission of the European Communities concerning the Hungary-Serbia IPA Cross-border Cooperation Programme under the Instrument for Pre-Accession Assistance covering the period 2007-2011, signed on 21<sup>st</sup> April 2011
- Law on the Budget System, Official Gazette RS 54/09, 73/10, 101/10 and 101/11
- Law on the Value Added Tax, Official Gazette RS No 84/04, 86/04, 61/05 and 61/07
- Law on Public Procurement, Official Gazette RS No 116-08 of 22<sup>nd</sup> December 2008,( Article 7, point 2a)
- Law on the Ministries, Official Gazette RS 16/11from 11<sup>th</sup> March 2011
- Law on the Foreign Exchange Operations, Official Gazette RS 62/06 and 31/11
- Conclusion of the Government on the appointment of the NIPAC, No 05/119-51/2012, 12<sup>th</sup> January 2012
- Conclusion of the Government on the appointment of the CAO, No 05/119-3192/2008, 21<sup>st</sup> August 2008
- Conclusion of the Government on the appointment of the NAO, No 05/119-416/2008, 29<sup>th</sup> January 2009
- Conclusion of the Government on the appointment of the PAO, No 05/119-1166/2008, 26<sup>th</sup> February 2009
- Conclusion of the Government on Amendment of the Decision on the establishment of the European Integration Office 05/110-4435/2010-1,17<sup>th</sup> June 2010
- Conclusion of the Government on the Changes in the Regulation on the establishment of the European Integration Office 05/110-5014/2010-1,15<sup>th</sup> July 2010



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## HUNGARY:

- Government Decree No 49/2007. (III. 26.) on the national institutions involved in the implementation of certain programmes related to territorial co-operation funded by European Regional Development Fund, the Instrument for Pre-accession Assistance and the European Neighbourhood and Partnership Instrument in the 2007-2013 programming period;
- Government Decree No. 160/2009. (VIII. 3.) on the implementation of certain programmes related to territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession Assistance in the 2007-2013 programming period;
- Ministerial Decree of the Minister for local governments and regional development No 34/2007. (XI. 17.) on the designation of a Hungarian intermediate body for the implementation of territorial cooperation programmes under the ERDF, IPA and ENPI funds within Hungary;
- Government Decree 37/2011. (III. 22.) on procedures relating to State aid measures under Article 107(1) of the Treaty on the Functioning of the European Union (TFEU) and the regional aid map;
- Ministerial Decree of the Minister for National Development and Economy No 5/2009 (III. 18.) on the use of state aid under certain programmes related to territorial cooperation, funded by the European Regional Development Fund and the Instrument for Pre-Accession in the 2007-2013 programming period.

In case of projects having investment/works activities, the Lead Beneficiary and the Project Partners(s) must prove the quality of ownership or usage rights of the land and/or building involved in the works component.

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



- the **purchase, rent of land and existing buildings** is not eligible expenditure;
- investment/works activities can exclusively be implemented on the land or to a building which is **the property of the Applicant** (Lead Beneficiary and or Project Partners(s)) **or owned by the State or a county/local government**;
- In all cases a land or building **registration certificate** from the relevant public register must be submitted together with the Application.

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

The following cases can be distinguished:

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

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

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



In accordance with Paragraph (3) of Article 34 of the IPA Implementing Regulation **the purchase, rent of land or existing buildings is not eligible expenditure**, therefore related project costs cannot be reimbursed from the project budget and must be covered from the Project Partner's / Lead Beneficiary's separate resources outside the project.

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



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

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

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

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

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

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

## Az önrész mértéke

A magyarországi projekt partnereknek a projektrészükre megítélt összesített közösségi és nemzeti társfinanszírozást 100%-ra kiegészítő saját forrással kell rendelkezniük **a szervezet jelen útmutatóban meghatározott intézményi besorolása alapján (ld. alább)**. A saját forrás **tényleges mértékét az állami támogatási szabályok szerinti egyes támogatási jogcímek figyelembe vételével kell biztosítani.**

Felhívjuk a Pályázók figyelmét, hogy valamennyi, a projekt megvalósításában részt vevő és támogatásban részesülő partnernek nyilatkoznia kell a „Pályázó nyilatkozata” („Declaration by the Applicant”) benyújtásával a saját hozzájárulás összegének rendelkezésre állásáról, kivéve a központi költségvetési szerveket. Az aláírással ellátott Pályázó nyilatkozatát a Pályázati adatlap I. számú mellékleteként kell csatolni.

## Támogatási arányok

Az IPA közösségi támogatás és a nemzeti hozzájárulás (kormányzati költségvetési hozzájárulás és önrész együttesen) mértéke a projekt elszámolható összköltségének arányában maximum **85%** (IPA) és minimum **15%** (nemzeti) lehet.

A kormányzati költségvetési hozzájárulást Magyarországon a Nemzeti Fejlesztési Ügynökség (NFÜ) nyújtja.

**Maximális támogatási arányok a partnerek intézményi besorolása alapján** a következők:

1. Az államháztartás költségvetéséből finanszírozott központi költségvetési szervek (311-es vagy 312-es gazdálkodási forma kód) esetén az általuk elszámolható összköltség arányában:

- az IPA közösségi hozzájárulás maximális aránya: **85%**
- a kormányzati hozzájárulás maximális aránya: **15%**
- a saját hozzájárulás minimálisan elvárt aránya: **0%**

Az államháztartás költségvetéséből finanszírozott központi költségvetési szervek:

- a) Minisztériumok és felügyeletük alatt működő költségvetési szervek;
- b) Központi költségvetésben fejezettel rendelkező szervek és felügyeletük alatt működő költségvetési szervek;
- c) Más, külön jogszabályban meghatározott fejezeti jogosítványokkal rendelkező szervek és felügyeletük alatt működő költségvetési szervek;

A magyarországi ún. „egyéb, **az ESA'95 szerinti államháztartási körbe tartozó kedvezményezettek**” a megkövetelt minimális önerő szempontjából az „államháztartás költségvetéséből finanszírozott központi költségvetési szervek” kategóriájába tartoznak.

2. Az államháztartás költségvetéséből finanszírozott, **nem központi költségvetési szervek** esetén az általuk elszámolható összköltség arányában:



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- a kormányzati hozzájárulás maximális aránya: **10%**
- a saját hozzájárulás minimálisan elvárt aránya: **5%**

Az államháztartás költségvetéséből finanszírozott, nem központi költségvetési szervek:

- a) Megyei önkormányzatok, fejlesztési tanácsok munkaszervezetei;
- b) Helyi, települési illetve területi kisebbségi önkormányzat végrehajtó szerve;
- c) A b) pont alá nem tartozó költségvetési szervek, beleértve a jogi személyiséggel rendelkező társulásokat; többcélú kistérségi társulási tanács munkaszervezete;
- d) Egyéb, a fentiek alá nem tartozó költségvetési szervek (Társadalombiztosítási költségvetési szerv igazgatási szervei; Köztisztviselői költségvetési szervek nem gazdasági formában működtetett szervei; Országos kisebbségi önkormányzati költségvetési szervek).

**Közcélu, a közjog által alapított és működtetett szervezetek**, valamint **közcélu, magánjog által alapított és működtetett szervezetek** (pl. non-profit), esetén az általuk elszámolható összköltség arányában:

- az IPA közösségi hozzájárulás maximális aránya: **85%**
- a kormányzati hozzájárulás maximális aránya: **10%**
- a saját hozzájárulás minimálisan elvárt aránya: **5%**

APPENDIX D: LIST OF ABBREVIATIONS

AA	Audit Authority
AF	Application Form
CA	Certifying Authority
CfP	Call for Proposals
EC	European Commission
GfA	Guidelines for Applicants
IMIS 2007-2013	IMIS 2007-2013 – The Monitoring and Information System of the Programme
IPA	Instrument for Pre-accession Assistance
JMSC	Joint Monitoring and Steering Committee
JTS	Joint Technical Secretariat
LB	Lead Beneficiary
MA	Managing Authority
NA	National Authorities
PP	Project Partner
PraG	Practical guide to contract procedures for EC external actions
RDI, R&D	Research and Development
SME	Small and medium sized enterprises
ToR	Terms of Reference
TS	Technical Specifications
VÁTI	VÁTI Hungarian Nonprofit Limited Liability Company for Regional Development and Town Planning