



Applicant's manual

in the frame of the

INTERREG V-A SLOVAKIA-HUNGARY COOPERATION PROGRAMME

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Introduction

The Interreg V-A Slovakia-Hungary Cooperation Programme [Programme] operates within the 2014-2020 European Union [EU] financial frameworks as the part of EU Cohesion Policy. Interreg¹ has the objective of promoting good neighbourly relations, of fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonic, balanced and sustainable development.

The Interreg V-A Slovakia-Hungary Cooperation Programme document was approved by EC Decision C(2015) 6805 on 30 September 2015. The overall European Regional and Development Fund [ERDF] support for the implementation of the Cooperation Programme is 146 460 448 EUR. The Programme's specific aim is to make the Slovak-Hungarian border region more cohesive, environmentally friendly and competitive by sustainable use of natural and cultural heritage, improving accessibility, improving employment opportunities and supporting institutional and people to people cooperation. These themes are translated into four priority axes [PA].

The present Call is launched in the frame of the Priority Axis 1 – Nature and culture. The amount of the available financial allocation from the ERDF within the present Call is 10 000 000 EUR. The Monitoring Committee [MC] reserves the right to award different amount of the available funds. The Call for proposals is ongoing, open-ended and will be suspended once 125% of the Call's financial allocation was reached by submitted applications. Therefore, the submitted Applications will be continuously assessed (on "first-submitted-first-assessed" basis) and the projects submitted within each four weeks will be discussed at one time by the Monitoring Committee. The Managing Authority is entitled to lift the suspension in case of remaining amount after evaluation and selection process.

The binding document concerning the Programme rules and conditions of the Call is the Applicant's manual. The present version of this Manual is only relevant in connection to the Call for proposals 1801 and only for Priority Axis 1.

The Managing Authority [MA] may modify the terms of the Call by amendment at any time during the validity period of the Call. The amendments may not affect the eligibility and the evaluation criteria. If Applicants submitted the application before publishing an amendment, Applicants cannot suffer disadvantage due to the modified terms of the conditions. The MA after consultation with the National Authority [NA] may decide to cancel the Call for proposals procedure at any stage, but particularly

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

If the Call for proposals is cancelled information on cancellation will be published on the www.skhu.eu website. Any potential losses from cancellation are not entitled for compensation. During the Call for proposals is open, Info days will be held in the Programme area. For further information or personal consultation please visit the Programme website or contact directly the Joint Secretariat [JS] or the nearest Info Point [IP].

¹ European cross-border, transnational and interregional co-operation programmes

1. Basic principles

1.1. Application package

Before getting started, Applicants shall learn all supporting materials available on Programme website. The application package published for the present call contains the following documents:

- Call for proposals [CFP]
- Applicant's manual [Manual]
- Guide on eligible expenditures [GOEE]
- Visibility guide for projects
- Guide on indicators
- User's Manual of the IMIS 2014-2020 application module
- Formal and eligibility assessment grid
- Territorial assessment grid
- Sectoral assessment grid
- Template of the Application form
- Templates of the Annexes to the Application form
 - Annex I.A – Declaration of the Slovak Lead Beneficiaries
 - Annex I.B – Declaration of the Hungarian Lead Beneficiaries
 - Annex I.C – Declaration of the Slovak SME Beneficiary
 - Annex I.D – Declaration of the Hungarian SME Beneficiary
 - Annex II. – Declaration on partnership
 - Annex III. – Declaration on State aid

1.2. Guides and manuals

The **Call for proposals** contains basic information about the call. **Applicant's manual** provides detailed description of Programme rules, conditions of the Call and practical information about the SMEs or project development. Due to the complexity of the project budget, Applicants shall use detailed description of eligible expenditures available in the **Guide on eligible expenditures** document. Applicants shall plan their communication expenditures in line with further communication tasks and mandatory visibility elements which are described in **Visibility guide for projects**. The **Assessment grids** allow applicants to improve their application through learning the assessment criteria before the submission of their proposal.

After reading this document and familiarized with the rules and conditions you may start filling the Application form [AF]. In order to fill the AF properly, it is highly recommended to carefully read and follow the **User's Manual of the IMIS 2014-2020 application module** and filling instructions placed in the Application form in IMIS 2014-2020. The AF must be filled in English and it is a binding document as the Subsidy contract.

Before submitting the Application, please check whether all the relevant Annexes are attached to the Application form. Please see chapter 11 for Mandatory documents. Applicants are allowed to submit further **supporting documents** (*in electronic format*) which – according to their opinion – help the correct interpretation of the proposal (*e.g. map of the target area, summary of the preparation meetings, studies, photo documentations, description of new products etc.*).

2. Project development

2.1. Priorities and objectives

The Hungarian-Slovak border region has a rich biodiversity, well-preserved ecosystems, protected areas and areas deserving protection, significant drinking water reservoirs, rivers and lakes crossing the border, villages and cities rich in historic past and built heritage. This unique natural and cultural heritage offers a huge potential for developing local economies, but also raises the importance of conservation and in that respect the liability of local population and stakeholders in different sectors. It is therefore important on the priority level to support such actions and operations, which enable joint protection, development and touristic utilization of the border regions common natural and cultural heritage including joint water management and disaster avoidance and creating conditions for the renewal of the cultural and architectural heritage and the development of cross-border tourism products and services.

The specific objective of the Priority axis 1 is to increase the attractiveness of the border area. Based on the analyses of the Programme document the Priority Axes is seeking for the following results:

- Better utilization of the regions endogenous natural and cultural potential in supporting the sustainable development of local economies;
- Increase in social, economic and territorial cohesion by supporting joint cultural activities and activities concerning to nature preserving and protection;
- Improving social, economic and territorial cohesion by supporting joint cultural and nature conservation activities;
- Increase in the number of visitors in the programme area.
- Support of the vertical and horizontal integration of the border region.

As a result of the projects implemented within the PA, new, integrated tourist areas with own products and brand will be developed. The interventions will be carried out in an environmentally sound way with a view to guaranteeing the higher attention toward the natural and cultural values of the common region. It is expected that the number of visitors coming from the neighbouring country will significantly grow on each side of the border and long-term, strategic cooperation starts in many small regions for protecting natural and cultural heritage.



The Programme supports only projects that are consistent with the relevant Specific objectives and contributes to achievement of its expected results. If the project objectives fall outside the scope of the Specific objective, the project cannot be financed by the Programme.

All projects must have clear cross-border aspect. Projects must demonstrate the additional character of the cross-border approach compared to regional, national, interregional or transnational approaches. In case of soft projects they should demonstrably draw on the results of cross-border cooperation. Projects must be in line with existing territorial strategies (e.g. Programs of economic and

social development in Slovakia, and in Hungary, other regional strategies, etc.) and foster the fulfilment of the objectives thereof.

Target groups

In order to ensure the durability of the project results it is essential to include or engage with target groups and other stakeholders. The main target groups related to PA 1 are the following:

- population of the eligible region
- local communities
- entrepreneurs
- tourists
- non-profit organizations

2.2. List of eligible core actions

Each project proposal has to contribute to the Specific objective of the Priority Axis. In general, Beneficiaries have to demonstrate how the Project objectives are logically linked to the relevant Programme specific objective. The Specific objectives can be reached through supported actions which serve as a guideline for project generation.

- **Cooperation and development of cultural heritage sites** through combination of cultural heritage institutions and service providers, the mixed utilisation of the heritage sites (business investments facilitating the financial maintenance of these sites) and the integration of different functions (diversification of functions of cultural heritage sites);
- **Renovation of smaller cultural heritage sites** with a purpose of developing creative industry and/or tourism (e.g. creative industrial hubs used by different firms like movie makers, designers, event companies, craftsmen, restoration studios, etc.; or event, pilgrimage or health tourism agencies; involving local producers, etc.) and the networking thereof;
- **Creation and operation of forest schools with a cross-border approach;** cross-border network of outdoor training sites (e.g. for team building activities); small-scale recreational tourist investments and initiatives and smaller leisure parks;
- **Development of cross-border tourist products** and the integration of tourism actors along thematic routes; in addition, joint cross-border media cooperation, the shooting of short movies and image films; and in a wider sense, the cooperation of cross-border destinations and the service providers are also be supported;
- **Development of small scale quality tourism linked to local environmental or cultural features for SMEs** thereof (product and service innovation, applying innovative solutions and ICT uptake, developing high value added tourism in niche markets - cultural and environmentally friendly tourism, gastronomy tourism, sports tourism, pilgrimage, geotourism, extreme tourism, wellness, health and beauty tourism, event and business tourism, etc.);
- **Joint development of environmentally friendly tourism products and offers and development of cross-border infrastructure for eco-tourism** (e.g. support for building safe and sustainable small vessel cross-border water trails and infrastructure like watercourse

access and egress facilities, parking, and craft loading and unloading spaces, route and hazard signage on the watercourse);

- **Development of cross-border tourist services and supporting facilities for active tourism** (e.g. bicycle, water, hiking routes/trails);
- **Planning and building safe and sustainable cross-border shared “green ways” and infrastructure**, trail service facilities like car parking, toilets, showers, bike wash, shelters, etc.



It is important to note that the core actions are responsibility and eligible activities solely of the SME Beneficiaries.

Non eligible activities

The following activities are not eligible in the frame of the present call:

- Development of new or investments into already existing cultural houses
- Development of new or investments into already existing visitors centres
- Construction of new or investments into already existing sightseeing towers
- Development of new or investments into already existing hotel and restaurant services and accommodation facilities
- Preparation of studies
- Primary production, processing and marketing of agricultural products listed in Annex I to the Treaty,
- Fisheries and aquaculture,
- Road transport sector;

2.3. Project activities

Once the project objectives are clearly adjusted to the relevant Specific objective, project generation may continue with the planning of project activities required to produce project main outputs. Project activities are the basic elements of the projects that include a group of related tasks usually resulting in a deliverable or an outcome.

Project partners shall develop details of activities and outcomes sufficiently to make a realistic estimation of time and budget, while still leaving some flexibility to allow the changes that may occur during project implementation. Partners need to describe what will be done (tasks), who will do it (responsible partners), when it will be done (time schedule) and how much it will cost (separate budget sheet with the indication of the relevant activity).



Beneficiaries shall avoid breaking down their project into too many activities. It is time consuming and will be difficult to monitor during the implementation. On the other hand they shall avoid statements that are too vague as well. Insufficient description will prevent the partners from having a clear understanding of what is expected from them and the Programme bodies from understanding what Beneficiaries would like to do. (e.g. complex construction activities completed by a Beneficiary shall be not aggregated into one single activity but divided and described in details).

Project activities are required to be implemented within the eligible area of the Programme. Planned activities beyond the programme area are eligible with limitation and it shall be proven, that the activities are necessary, serve the Programme's objectives and have a positive impact on the eligible area.

Predefined activities

Each project contains predefined **Management** (coordination) and project level **Communication activity** (in order to fulfil the obligatory requirements set in the Visibility guide and Guide on eligible expenditures) to be carried out **solely by the Lead Beneficiary**. Project partners have to add at least one core activity to be carried out by the SME Beneficiary/ies. All together the project has to include minimum 3 project activities.



The Management (coordination) and project level Communication activities aimed on fulfilment of the obligatory requirements set in the Visibility Guide and Guide on eligible expenditures are responsibility and eligible activities solely of the Lead Beneficiaries.

Maximum budget proportion for the Management (coordination) and Communication activity of the projects is 10% of the SME Beneficiaries' total project budget.

Management (coordination) activity

The objective of this activity is to set up and operate supportive management function for the implementation of the whole project. In the submission phase the Lead Beneficiaries are responsible for:

- coordination of the project partners;
- preparation of the projects in cooperation with other Beneficiary/ies;
- providing support for project development;
- ensuring the overall consistency of the project;
- submission of the Application;

During the implementation and follow-up period the Lead Beneficiaries are responsible for:

- coordination of the project;
- ensuring the synergic and timely implementation of the projects;
- organizing individual project meetings ensuring the smooth implementation of the project;
- providing support for Beneficiaries during the reporting and implementation of the projects;
- providing risk and crisis management in case of implementation delay, project or partner withdrawal or indicator failure;
- submission of the follow-up reports.

Communication activity

The second objective of the Lead Beneficiaries is to set up the appropriate team for the communication tasks. The projects must constantly communicate throughout the project life-cycle by using appropriate communication tools. Projects may use various forms and means of communication in order to disseminate/communicate the aims, outcomes and results of the projects to stakeholders, key decision-makers and the public in general.

The Lead Beneficiaries shall create the communication plan for the whole project. Projects can use different kinds of information and publicity measures such as publications, photographs and audio-visual productions, promotional materials, adverts (paid articles or any kind of advertisements), whose costs must be planned previously. In order to ensure the publicity for projects the Programme introduced minimum requirements in means of communication. The minimum requirements in case of each project are the followings:

Temporary poster or billboard

Preparation of a poster or billboard for each Project partner during project implementation of the project is a must, as well as placing it at the entrance area of the Partners' headquarters/branch office or at each investments scene, where it is readily visible to the public.

Permanent plaque or billboard

Preparation of a permanent plaque or billboard for each Project partner at the end of the project placing it at the entrance area of the Partners' headquarters/branch office or at each investments scene, where it is readily visible to the public is must.

Website

Providing detailed description to the public about the project on each Partner's website in any form described in the Visibility guide for projects, where such website exists is expected.

Public project event

Organization of at least one public project event is a must during the project implementation. Applicants must take into consideration the bilingual characteristic of the Programme and plan the cost of interpretation and technical equipment apart from the usual event costs.

Press conference and press release

Organization of one press conference at the beginning of the project and issuing at least two press releases within the project in three languages (Slovak, Hungarian and English) at the beginning and the end of the project (preferably connected with the opening and closing conferences).

For further information please consult the *Visibility guide for projects*.



All communication activities regarding the overall project level communication leading to fulfilment of the obligatory publicity requirements set in the Visibility guide and Guide on eligible expenditures have to be integrated into the responsibility of the Lead Beneficiaries. This means also that all project level communication expenditures related to the communication requirements based on the Visibility guide and Guide on eligible expenditures shall be arranged into the budget of the Lead Beneficiary².

2.4. Project duration

The time schedule of the project activities must be planned carefully. The activities of the project shall be planned and organised in chronological order. The partners shall have a clear idea about how each implementation step is built upon the other. They shall estimate the necessary amount of time to carry out each step smoothly, but still keep the project as short as possible.



Careful planning is highly important as the possibility for the prolongation of the project duration is limited. Furthermore, if projects fail to keep their own time schedule set in the Subsidy contract, thus the spending forecast is significantly jeopardized, the delay may influence the N+3 spending obligation of the Programme, and de-commitment may take place. In case of failing to meet the requirements of the N+3 regulation, the MA is entitled to de-commit the projects by reducing the original project budget and the corresponding ERDF contribution.

The maximum project duration for applications submitted in the present call is set for 16 months. The start date of the project set in the Application form is indicative. As a general rule the partners may plan the project start date approximately five months after the submission of the project proposal. After the Lead Beneficiary submitted the Application form, Project partners may start the implementation of the project without a valid Subsidy contract on their own risk. The start date of the project shall be adjusted to current circumstances during the contracting procedure.

Beneficiaries must bear the responsibility of maintenance of the built and/or developed infrastructure and all investments for at least 3 years after the completion of the project.

² Marketing activities related to the professional content and/or objective of the core actions are eligible for SMEs.

3. Partnership requirements

Emphasising the cross-border aspect of the projects, eligible beneficiaries have to act in partnership. Partners shall develop of balanced partnerships with a rational and efficient task division, responsibilities undertaken. The partnership shall aggregate partners with common needs and objectives to be operable and effective. It shall ensure specific knowledge and expertise, Beneficiaries shall be able to commit themselves and establish good cooperation and collaboration relations. The partners shall be aware of the activities, deadlines, responsibilities and risk factors occurring in case of not performing according to the Subsidy contract and approved project application.

3.1. Partnership principle



Minimum requirement for the partnership is to have at least one Slovak partner and at least one Hungarian partner. The Lead Beneficiary shall meet the requirements specified in Chapter 4.2 of this Manual. **Furthermore each project partnership has to include minimum one enterprise (SME) as Beneficiary. The maximum amount of partners involved in one project proposal is 4 beneficiaries including the Lead Beneficiary and 3 SMEs.**

Even though the Lead Beneficiary carries the responsibility for the project, all Beneficiaries shall consider themselves to be fully responsible for implementing their elements of the project in accordance with the Application form and Subsidy contract.

All beneficiaries have to take direct responsibility for the preparation and management of the proposed project activities both from professional and financial point of view and may not act as intermediaries. Beneficiaries shall be experienced and their professional profile shall be in line with the role and activities described in the project proposal.

3.2. Categories of the partners

Lead Beneficiary

Partners involved in the partnership shall appoint one organization among themselves to act as Lead Beneficiary. The Lead Beneficiary shall meet the following requirements:

- lay down the arrangements with other partners in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
- assume responsibility for ensuring implementation of the entire operation;
- ensure that expenditure presented by all Beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the Beneficiaries, and is in accordance with the document provided by the Managing Authority pursuant to Article 12(5).

The Lead Beneficiary has to be nominated for each project and that particular organization will bear the responsibilities to represent and to mediate the whole project towards the Managing Authority, Joint Secretariat, Certifying Authority, Audit Authority etc. Rather than signing individual agreements

with all the Project partners, the Managing Authority shall sign a Subsidy contract with the Lead Beneficiary setting out the conditions for support for the entire project.



As a result the Lead Beneficiary is considered to be the organization that is legally responsible for the delivery of the project. The general duties which fall onto the Lead Beneficiary include:

- submission of the Application form;
 - compiling the financial claims and collecting the partners claims verified by the relevant body (First Level Control - FLC);
 - submission of the Project reports;
 - submission of the project's financial claims;
 - receiving payment of the ERDF support, and distributing it amongst the partners;
 - recovering amounts paid in error to other partners in the project;
 - ensuring the delivery of outputs stipulated in the approved Application form and in the Subsidy contract;
 - ensuring that all Beneficiaries are carrying out activities in line with the approved budget;
 - ensuring that all activities are carried out in line with the time plan stipulated in the Subsidy contract;
 - submission of Follow up reports after the closure of the project.
-

Beneficiaries

The partnerships must have eligible partners from both countries of the programme area. Eligible beneficiaries other than the Lead Beneficiary relevant for this Call are micro, small and medium sized enterprises from both sides of the borders which are responsible for the core activities implemented within the project.

3.3. Cooperation criteria

The partnership shall be composed of Beneficiaries that may be linked professionally to the project and may have major contribution and impact within the partnership. The strength of the partnership can be described via the following cooperation criteria that are present in good territorial cooperation projects³:

Joint development

The project idea is jointly developed and planned by the Project partners.

In order to fulfil the criteria all Beneficiaries should contribute to the development of the project, including joint development of objectives and outputs, budget, timing and responsibilities for activities to achieve the objectives.

³Article 12(4) of Regulation (EU) No 1299/2013

Joint implementation

The activities, outputs and results are jointly carried out by the Project partners.

Each Project partner shall be responsible for coordinating at least one activity, ensures that planned activities are carried out, milestones are met and unexpected challenges to implementation are dealt with.

Joint staffing

All Project partners provide staff to support the project activities.

In order to fulfil the criteria all Beneficiaries have a defined role and allocate internal staff to fulfil this role. Staff members coordinate their activities with others involved in the activity and exchange information regularly. Each Beneficiary shall allocate staff according to their responsibilities within the project. It is essential that the Lead Beneficiary is allocates sufficient resources for the overall project management.

Joint financing

At least 5% of project budget is invested at each Beneficiary.

The project has a joint budget with funding allocated to Project partners according to the activities they are carrying out. In order to fulfil the criteria each Beneficiary should have disposal of at least 5% of the project's total budget.



Project partners are required to cooperate at least in three of these criteria. The Joint development and Joint implementation are obligatory for all projects; the third can be either cooperation in the staffing or in the financing of the project. Beneficiaries are of course free to cooperate in all four areas.

4. Eligible Beneficiaries

Eligible Beneficiaries have to fulfil eligibility criteria concerning their geographical location and their legal status. At the same time, they must not be subject to any of the exclusion criteria.



All Beneficiaries have to take direct responsibility 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. Beneficiaries shall be experienced and their professional profile shall be in line with the role and activities described in the Application form.

4.1. Location criteria

Beneficiaries shall have their seats or a regional/local branch office registered in the Programme eligible area. Organisations having their headquarters outside of the Programme area but have registered branch office within are also eligible in case the substantive part of project implementation will be carried out on the Programme area. In this case the registered local branch office is acting in the partnership. The Programme area covers 13 NUTS III level eligible regions adjacent to the Slovak-Hungarian border. Two regions have no direct connection with the state border. Their interests are based on territorial proximity and border effect influences experienced. In Slovakia 5 self-governing regions and in Hungary 8 NUTS III level regions are eligible as set out in the following table:

Slovakia	Hungary
Bratislavský samosprávny kraj	Győr-Moson-Sopron megye
Trnavský samosprávny kraj	Komárom-Esztergom megye
Nitriansky samosprávny kraj	Pest megye
Banskobystrický samosprávny kraj	Budapest főváros
Košický samosprávny kraj	Nógrád megye
	Heves megye
	Borsod-Abaúj-Zemplén megye
	Szabolcs-Szatmár-Bereg megye

4.2. Eligible Lead Beneficiaries

Lead Beneficiaries of the project proposal can be public bodies owned by the state at least in majority or development agency or the Regional and Local Tourism Organisation⁴ meeting the following conditions:

- having the scope – according to the founding document - in SME development and/or cultural heritage and/or regional/strategic development
- having at least 3 years of experience on the field of SME development and/or cultural heritage⁵
- having at least 3 years of activities in the eligible area of the Programme⁶

⁴ Mandatory annexes (e.g. templates) to prove the eligibility of the Lead Beneficiary are specified in Chapter 11 of this Manual

⁵ can be also fulfilled by legal succession

⁶ can be also fulfilled by legal succession

- Having experience in an INTERREG project(s) or having experience in project management of SME development/cultural heritage project(s) worth 1 million EUR.

4.3. Eligible SME Beneficiaries

Eligible SME Beneficiaries of the project are micro⁷, small and medium sized enterprises coming from both member states. An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form and the way in which they are financed (e.g. municipality, NGO etc.).

This includes, in particular, self-employed persons and family businesses engaged in craft or other activities and partnerships or associations regularly engaged in an economic activity. Enterprises must fall into category of small and medium-sized enterprises (SMEs) stipulated in 651/2014/EU Regulation, Annex 1. The main factors determining whether an enterprise is an SME are the staff headcount and either turnover or balance sheet total.

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m



These ceilings apply to the figures for individual enterprises only. In case of an enterprise having partner or linked enterprises the data should be aggregated according to Article 6 of Annex I of the 651/2014/EU regulation. Owner collusion is excluded from among the eligible enterprises. This means that enterprises cooperating under a single project as beneficiaries should be autonomous enterprises from each other, stipulated under 651/2014/EU Regulation, Annex 1. Article 3. Partner or related enterprises cannot be granted under a single project.

Requirements for professional and financial background

In the present Call only those enterprises are eligible which have closed minimum 1 financial year until the submission date of the project proposal. Enterprises (SMEs) can be supported only if the following requirements are fulfilled:

- Enterprises must prove at least one closed financial year of operation;
- Enterprises must have positive or zero balance sheet result for the last financial year;
- Enterprises must take direct responsibility for the preparation and management of their project part both in professional and financial point of view and shall not act as intermediaries,

⁷ Individual entrepreneurs are eligible as micro enterprises. Primary agricultural producers are not eligible.

- Enterprises must be experienced and able to demonstrate their capacity to manage their share of activities in the project;
- Enterprises must prove their financial and administrative capacity to manage their share of project (ensuring pre-financing an own contribution);
- Enterprises have no public dues (SK enterprises are to provide a certificate regarding the tax debts and HU enterprises are required to be included in the database of “Taxpayers free of public debts”);
- Enterprises must be transparent;
- Enterprises must respect *de minimis* rule and provide a self-declaration concerning appliance of *de minimis*;
- Enterprises must have at least 1 employee.

Special exclusion criteria for enterprises

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

- they are in difficult situation (according to Regulation 800/2008/EK);
- their activities have been suspended;
- they are under bankruptcy proceeding, liquidation, final settlement;
- they are involved in court cases in respect of their own operations;
- they are under sanction concerning national or EU support;
- they have business activities in the following sectors:
 - primary production, processing and marketing of agricultural products listed in Annex I to the Treaty, or
 - fisheries and aquaculture, or
 - road transport sector;
- they have not fulfilled their obligation relating to the payment of social security contributions or the payment of taxes in accordance with the national legal provisions;
- they have been the subject of judgement which has the force of ‘res iudicata’ for fraud, for corruption, for severe breach of contract in connection to obligations stemming from public procurement rules or rules governing the use of Community funding or national subsidies, for involvement in a criminal organization or for any other illegal activity detrimental to the Community’s financial interests;
- they are subject to a conflict of interests connected to their participation in the present Call.

General exclusion criteria

Beneficiaries are eligible only if the following conditions are met:

- their legal personality is in accordance with the legislation of Slovakia and Hungary and are exclusively legal entities;
- they have fulfilled their obligations relating to the payment of social security contributions and/or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Managing Authority or those of the country where the contract is to be performed;
- they are not bankrupt or being wound up, are not having their affairs administered by the courts, have not entered into an agreement with creditors,

- have not suspended business activities, are not the subject of proceedings concerning those matters, or are not in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - they have not been convicted of an offence concerning their professional conduct by a judgement which has the force of 'res iudicata';
 - they have not been guilty of grave professional misconduct proven by any means which the Managing Authority or the National Authority can justify;
 - they have not been the subject of a judgement which has the force of 'res iudicata' for fraud, corruption, involvement in a criminal organisation or for any other illegal activity detrimental to the Community's financial interests;
 - they are not subject to a conflict of interests connected to their participation in the present Call;
 - they are not guilty of misrepresentation in supplying the information required by the MA/NA as a condition of participation in the Call or in failing to supply information;
- they have not attempted to obtain confidential information or to influence the Monitoring Committee or the MA/NA/JS during the assessment process of the current or a previous Call.

5. State aid rules

State aid is any public resource given selectively to undertakings engaged in economic activity that could potentially affect competition and trade between Member States. State aid can distort the market, which can result in lower competitiveness for businesses, less innovation or higher prices for consumers. The overall aim of the State aid rules is therefore to maintain a level playing field for free and fair competition in the market. Project is falling under state aid rule if

1. the relevant **Beneficiary is an undertaking** engaged in an economic activity, regardless of his legal status and the way in which they are financed;
2. the recipient of the aid exercises any activity of economic nature consisting in offering goods and/or services on a market and which could - at least in principle - be carried out by a **private operator for remuneration**;
3. the implemented project activity is **financed by public sources** (European, national, regional, local, other) and the measure is imputable to the state;
4. the aid constitutes a selectively applied **economic advantage** that the undertaking would not have received in the normal course of business. The selectivity criterion is also satisfied if the scheme applies to only part of the territory of a Member State (this is the case for all regional and sectorial aid schemes).
5. competition is or may be distorted as the public grant gives financial advantage to an undertaking.

State aid can be given by complying approved EU mechanisms for state aid according to COMMISSION REGULATION (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (hereinafter referred to De Minimis Regulation).

Regarding the fact that the Interreg V-A Slovakia-Hungary Programme managed by the Prime Minister's Office in Hungary, 44/2016. (III. 10.) Government Regulation in relation with state aid rules related to the funds provided by the European Territorial Cooperation Programmes for the 2014-2020 programme period applies.⁸

Within the provisions of this Call only de minimis aid is to be applied for projects falling under the state aid rules.

5.1. De minimis aid

The *De minimis* mechanism is based on the Commission's view that small amounts of aid are unlikely to distort competition. The *De Minimis Regulation* allows small amounts of aid – up to 200.000 over any period of three financial years – to be given to an undertaking for a wide range of purposes. Each Beneficiary may be awarded up to EUR 200.000 of de minimis aid in any period of three financial years per each Member State. That means that if a Beneficiary for example gets EUR 200.000 of de minimis aid from the Programme, it will reduce each of the Hungarian and the Slovakian de minimis

⁸ The 44/2016. (III.10.) Government Regulation in relation with state aid rules related to the funds provided by the European Territorial Cooperation Programmes for the 2014-2020 programme period available in English translation as a part of the Application package.

maximum of the Beneficiary by EUR 100.000. Beneficiaries may find out more about to learn the detailed conditions of de minimis aid on the website of the relevant authorities⁹.

⁹ <http://tvi.kormany.hu/de-minimis>; <http://www.finance.gov.sk/Default.aspx?CatID=4458>

6. Financial allocation and budget size

The overall European Regional and Development Fund [ERDF] support for the projects approved within the Call is **10 000 000 EUR**. The Monitoring Committee reserves the right not to award all available funds.

The maximum total budget of the project is set based on the number of enterprises (SMEs) participating in the project. Beneficiaries shall note that planned expenditures must be directly related to project activities that are necessary for the fulfilment of project objectives.

The expected value of the Common output indicator - CO02 – Productive investment: Number of enterprises receiving grants – is in close relation with the amount of the total project budget. Each project proposal shall contribute to the fulfilment of the CO02 as follows:

Number of SMEs (CO02) included in project partnership	Maximum total budget of the project
1	220.000 €
2	440.000 €
3	660.000 €



Maximum budget proportion for the Management (coordination) and Communication activity of the Lead Beneficiary is 10% of the SME Beneficiaries' total project budget.

For the detailed rules to be met when planning the project budget please consult the Guide on eligible expenditures published as part of the Applicant's package.

7. Sources of financing

Each Beneficiary can receive maximum 85% of European Regional and Development Fund [ERDF] contribution. After the Beneficiary identifies his project regarding state aid rules, each Beneficiary has to choose the proper intensity of public resources according to the location and type of organisation¹⁰.



Only Lead Beneficiaries are eligible to receive the national co-financing according to the sector they belong to. The ratio between the national co-financing and own contribution is set based on the legal form of the Lead Beneficiaries and the sector (public or private) they belong to, moreover according to the relevant national legislation.

The contribution from public resources provided to all Beneficiaries is non-repayable grant. Funding will take the form of reimbursement to all Beneficiaries.

In Hungary the ERDF contribution of the contracted ERDF allocation of the respective project part might be entitled for advance payment from national resources according to *Government Decree 126/2016. (VI.7.) on the implementation of programmes financed by the European Regional Development Fund and the Instrument for Pre-accession funds in connection with the European territorial co-operation in the 2014-2020 programming period*¹¹.

The amount of the national co-financing for Lead Beneficiaries registered in Hungary is available as advance payment according to the *Government Decree 126/2016. (VI.7.) on the implementation of programmes financed by the European Regional Development Fund and the Instrument for Pre-accession funds in connection with the European territorial co-operation in the 2014-2020 programming period*.

Since the Subsidy contract and National co-financing contracts are concluded in EUR, regardless of whether the cost are generated in HUF, the Hungarian Project partners have to submit the incurred costs in the partner reports indicated in EUR.

The Hungarian Lead Beneficiaries have to apply the following conversion method for costs not incurred in EUR: according to the Article 28 (b) of the Regulation (EU) No 1299/2013 expenditure incurred in a currency other than the EUR shall be converted into EUR by the Lead Beneficiaries using the monthly accounting exchange rate of the Commission (<http://ec.europa.eu/budget/inforeuro>) in the month during which that expenditure was submitted for verification to the controllers.

Lead Beneficiaries registered in Slovakia are not entitled for the advanced payment.

¹⁰ The intensity of the public contribution for Beneficiaries implementing state aid activities will be precisely set during the selection procedure of the project according to the State Aid assessment provided by the Managing Authority.

¹¹ 126/2016. (VI.7.) Kormányrendelet a 2014–2020 programozási időszakban az Európai Regionális Fejlesztési Alap és az Előcsatlakozási Támogatási Eszköz egyes, határon átnyúló együttműködési programjainak végrehajtásáról.

Beneficiaries are requested to demonstrate the availability of own contribution by own declaration. If own contribution or a part thereof are secured from the budget of a municipality, city or county a resolution of the respective council must be attached to the application. The resolution must state the name of the project and the amount of allocated commitments.

Projects not affected by state aid rule

HUNGARY

Type of beneficiary	Public resources (ERDF+SCF)	Community contribution (ERDF)	State co-financing (SCF)	Own contribution
Organizations according to national legislation ¹²	100%	85%	15%	0%
Other organizations	95%	85%	10%	5%

SLOVAKIA

Type of beneficiary	Public resources (ERDF+SCF)	Community contribution (ERDF)	State co-financing (SCF)	Own contribution
State administration organizations	100%	85%	15%	0%
Other public administration organizations	95%	85%	10%	5%
NGOs/NPOs	95%	85%	5%	10%
Private sector out of state aid schemes	90%	85%	5%	10%

¹² Please, consult Hungarian Government Decree No. 126/2016 (VI.7.) on the implementation of certain cross-border co-operation programmes financed under the European Regional Development Fund and the Instrument for Pre-accession Assistance in the 2014-2020 programming period

Projects affected by state aid rule (De minimis)

HUNGARY

Type of beneficiary	Public resources (ERDF+SCF)	Community contribution (ERDF)	State co-financing (SCF)	Own contribution
Organizations according to national legislation ¹³	100%	85%	15%	0%
Other organizations	95%	85%	10%	5%
Micro and small sized enterprises	85%	85%	0%	15%
Medium sized enterprises	85%	85%	0%	15%

SLOVAKIA

Type of beneficiary	Public resources (ERDF+SCF)	Community contribution (ERDF)	State co-financing (SCF)	Own contribution
State administration organizations	100%	85%	15%	0%
Other public administration organizations	95%	85%	10%	5%
NGOs/NPOs	95%	85%	5%	10%
Micro and small sized enterprises	85%	85%	0%	15%
Medium sized enterprises	85%	85%	0%	15%

¹³ Please, consult Hungarian Government Decree No. 126/2016 (VI.7.) on the implementation of certain cross-border co-operation programmes financed under the European Regional Development Fund and the Instrument for Pre-accession Assistance in the 2014-2020 programming period

8. Indicators

Indicators are quantitative values developed on Programme and project level in order to measure the Programme and project results and outputs. The indicators match the objectives of the Programme and measure its achievement. Only project proposals which contribute to result and output indicators of the Programme can be supported.

At the evaluation phase, indicators provide the basis for which the evaluators will assess the project impact. During scoring of the indicators the assessors will check not only the number of selected obligatory and optional indicators but also the quality, target values of them. For more information please see the Guide on indicators available as a part of the Application package.

Result indicators

The result indicator is a measure of the impact the Programme has on its programme area. It is designed to measure the change which the Specific objective is aimed to bring about in the programme area. The result indicators allow also monitoring of progress of the programme throughout implementation and warn the stakeholders of the need for corrective action.

Each project must serve the objective to increase the attractiveness of the border area and contribute to PA1 result indicator – “Total number of visitors in the region”. Result indicators have to be fulfilled during sustainability period (3 years duration after the end date of the project) and are measured at the Programme level by the Managing Authority.

Common and Programme Specific Output Indicator

Besides fulfilling the result indicator, each project has to choose and contribute to at least one Common and Programme Specific Output Indicator that is the most relevant for the project:

CO01	<p>Number of enterprises receiving support (pcs)</p> <p>Number of enterprises receiving support in any form from ERDF (whether the support represents state aid or not). Enterprise: Organization producing products or services to satisfy market needs in order to reach profit. The legal form of enterprise may be various (self-employed persons, partnerships, etc.). Forms of the support contains the following subsets:</p> <ul style="list-style-type: none"> • number of enterprises receiving grants (non-refundable direct financial support); • number of enterprises receiving financial support other than grants (non-grant type financial support); • number of enterprises receiving non-financial support (guidance, consultancy, enterprise incubators, etc.)
CO02	<p>Number of enterprises receiving grants (pcs) – OBLIGATORY for every project</p> <p>Number of enterprises receiving support in forms of non-refundable direct financial support conditional only to completion of project (grants). Subset of 'Number of enterprises receiving support'</p>
CO09	<p>Sustainable tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions</p> <p>The ex-ante estimated increase in number of visits to a site in the year following project</p>

	completion. Valid for site improvements that aim to attract and accept visitors for sustainable tourism. Includes sites with or without previous tourism activity (e.g. nature parks or buildings converted to museum). One visitor can make multiple visits; a group of visitors count as many visits as many members the group has.
CO23	<p>Nature and biodiversity: Surface area of habitats supported in order to attain a better conservation status</p> <p>Surface of restored or created areas aimed to improve the conservation status of threatened species. The operations can be carried out both in or outside of Natura 2000 areas, capable of improving the conservation status of targeted species, habitats or ecosystems for biodiversity and the provisioning of ecosystem-services. Areas that receive support repeatedly should be counted only once.</p>
O11	<p>Length of reconstructed and newly built 'green ways'</p> <p>A greenway is a linear open space established along either a natural corridor, such as a river front, stream valley, or ridgeline, or over land along a railroad right-of-way converted to recreational use, a canal, scenic road, or other route. It is any natural or landscaped course for pedestrians, equestrian or bicycle passage; or open space connector linking parks, natural reserves, wildlife habitat corridor, cultural features, or historic sites with each other and with populated areas or a certain strip of linear park designated as parkway or greenbelt.</p>



Each project proposal must contribute to fulfilment of the Common output indicator - CO02 – Productive investment: Number of enterprises receiving grants. The indicator is fulfilled if the project partnership involves at least one enterprise (SME).

Project specific output indicators

Project specific output indicators are numerical measures developed by the Joint Secretariat in order to monitor the projects' outputs in a more sophisticated way. Each beneficiary shall choose all relevant Project specific output indicators. In case the project can contribute to more Project specific output indicators, Beneficiaries shall quantify all relevant indicators.

ID	Indicator name	Measurement unit
PS01	Developed surface/capacity affected by investment	m ²
PS02	Developed natural surface affected by investment	ha
PS03	Number of developed documents (strategies, curricula, action plans, methodologies etc.)	pc
PS04	Length of bicycle paths	km

ID	Indicator name	Measurement unit
PS05	Number of women participating in project activities, events	person
PS06	Number of new working places	pc
PS07	Number of sustained working places	pc
PS09	Number of newly implemented infrastructure	pc
PS10	Number of developed systems and services (monitoring, transport, etc.)	pc
PS12	Number of organized professional events (conference, workshop, seminar, study tour, exchange programme, etc...excluding project management meetings)	pc
PS13	Number of institutions/organizations involved in professional events	pc
PS14	Number of new webpages	pc
PS15	Number of cross-border thematic articles, media appearances	pc
PS16	Number of developed documents related to the investment (studies, analyses, feasibility studies, technical plans etc.)	pc

9. Horizontal principles

The Programme and each project have to act in respect of Horizontal principles [HP] regardless of the Specific objective addressed. The three principles are the Sustainable development, Equal opportunities and non-discrimination and Equality between men and women. Each principle is supported by measures, some of which shall be applied by Beneficiaries.

9.1. Obligatory requirements



According to the Programme document three measures concerning the HP are mandatory for all projects. These requirements have to be respected in each project that contains activities concerned. Beneficiaries shall declare that these were respected in the Application form. In case these requirements are not respected, the project will be rejected without any possibility for further completion.

Obligatory requirements– relating to HPs – are the following:

1. Investments negatively affecting nature, fauna and flora, and biodiversity, have to be accompanied by compensatory measures and damage mitigation.
2. Projects including construction and/or renovation works have to choose climate-friendly architectural solutions and cost-optimal levels of energy performance according to the Directive 2010/31/EU.
3. In case of investments to inland waterways and/or infrastructure, projects have to be implemented in accordance with Art. 4 of the Directive 2000/60/EC and the river basin management have to be respected.

9.2. Programme specific measures

The Programme and Project specific measures shall ensure that Beneficiaries not only respect the Horizontal principles during the implementation; but they shall find concrete actions in order to increase awareness of these principles and foster a behavioural change.



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

Sustainable development

Basic pillars of the Sustainable development are the environmental, economic and social sustainability. The main purpose of the sustainable development is to ensure the environmental, social, and economic sustainability with special emphasis on protection and improvement of the

environment. During the Programme implementation the Polluter pays principle¹⁴ have to be applied and the selected projects must contribute to the requirements of environmental protection, resource efficiency, reduction climate change mitigation and adaptation to this change, resistant towards disasters, at the same time enables shift towards the quality prevention of environmental resources.

Programme specific measures regarding Sustainable development are the following:

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

Equal opportunities and non-discrimination

Projects shall contribute to prevention from any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation. In particular, projects shall take into account the accessibility of the results for persons with disabilities.

Programme specific measures regarding Equal opportunities and non-discrimination are the following:

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

Equality between men and women

The project shall ensure that equality between men and women and the integration of gender perspective should be taken into account and promoted throughout the preparation and implementation as well. The main objective of the principle is to decrease the horizontal and vertical gender segregation in every sector of the economy.

Programme specific measures regarding Equality between men and women are the following:

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

¹⁴ The party responsible for producing pollution is responsible for paying for the damage done to the natural environment.

9.3. PA specific measures

The Programme introduced specific measures which are applicable only in the frame of the selected Priority axis. Beneficiaries are obliged to choose **at least two PA specific measures** regarding the PA 1 and describe the project's contribution to its fulfilment. Beneficiaries may add other Project specific measures if they are relevant in terms of the project. Project specific measures are listed as follows.

- Project shall build environmental and cultural awareness and respect and provide positive experiences for both visitors and hosts.
- Project provides direct benefits for conservation and generates benefits for both local people and local economy.
- Project shall design, construct and operate low energy demand or nearly zero-energy buildings.

10. Submission rules

This Call is open-ended, therefore, the submitted Applications will be continuously assessed (on “first-submitted-first-assessed” basis). The start of assessment rounds will be on the four-weeks principle from the date of launching the Call.

The Call was launched on **6 April 2018**, therefore the following submission deadlines apply:

1. **4 May, 2018**
2. **1 June, 2018**
3. **29 June 2018**
4. **27 July 2018**
5. **24 August, 2018**
6. **etc. on the four-weeks submission principle**

The Call will be suspended once 125% of the Call’s financial allocation was reached by submitted applications. The Managing Authority is entitled to lift the suspension in case of remaining amount after evaluation and selection process.

Applications are to be submitted electronically **through the Application Module of IMIS 2014-2020 Monitoring and Information System (hereinafter IMIS 2014 – 2020)** together with the obligatory annexes and other relevant documents. When start filling in the Application Form, please consult the Users’ Manual of the IMIS 2014-2020 Application Module available as part of the Applicant’s package.

Obligatory annexes to the Application form and any other relevant supporting documents have to be scanned and uploaded to the IMIS 2014-2020 system. The original documents have to be retained by the Lead Beneficiary/Beneficiary at its premises. The documents might be a subject of a monitoring visit, or on-the-spot checks performed by any of the responsible bodies of the Programme.



The Application form has to be filled in English and submitted through IMIS 2014-2020. Applications submitted in another language will be considered ineligible. Supporting documents issued by relevant national authorities and technical documentation shall be submitted in Slovak or Hungarian.

If relevant, Beneficiaries must use predefined templates available as a part of the Application package. In case Mandatory annexes are missing, the Lead Beneficiary will be requested to submit the missing documents.

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

In case the formal and eligibility compliance of a project proposal cannot be judged properly or if deficiencies are identified, the JS summons the LB via e-mail or registered postal letter to submit a

completion of documents or any clarification requested from the JS within a given deadline. Completions can be made only one time during the formal and eligibility assessment process.



As a last step before the electronical submission of the Application a Certification will be automatically generated by IMIS 2014-2020. **This certification shall be printed, signed (and stamped) by the legal representative/s of the Lead Beneficiary and uploaded back to the IMIS for final submission of Application.** It is an obligatory requirement to upload the signed (and stamped) Certification to IMIS 2014-2020 before submitting the Application.

For detailed information please visit the Programme website or contact directly the Joint Secretariat or Info Points. Contact or queries can be made via the Programme's website (www.skhu.eu).

The Joint Secretariat publishes answers to frequently asked questions ([FAQ](#)) through the aforementioned website. Throughout the duration of the Call, Information days for Applicants will be concluded. More information will be posted on the Programme's website.

The applicants, by submitting the project proposal to the present Call, duly consent to the fact that the Data Manager (Prime Minister's Office of Hungary) and the Technical Data Processor (Széchenyi Programme Office Nonprofit LLC) will manage all the personal data included in the application package and provided in the contracting or project implementation phase, in particular with regard to the data managed in the monitoring and information system. Hungarian Act CXII of 2011 on the Right to informational self-determination and on the freedom of information shall apply to the protection of personal data and to the disclosure of information of public interest. The data are managed upon the voluntary consent of the Lead Beneficiary / Beneficiary, according to Paragraph (1) of Article 5 of the above-mentioned Act.

11. Mandatory annexes

The Application form has to be submitted with all its Annexes. Lead Beneficiary has to upload all relevant annexes into predefined folders introduced in IMIS 2014-2020. Lead Beneficiary is obliged to upload the electronic versions of Annexes for each Beneficiary involved in the project partnership. Any further supporting documents can be submitted which according to the opinion of the Lead Beneficiary and SME Beneficiaries help the correct interpretation of the project proposal (clarification of the ownership, letter of intents of the target groups, etc.).

ANNEX I. – Declaration of Beneficiaries

Declarations of the Lead Beneficiaries

Declaration of the Lead Beneficiary is a declaration on honour filled in, signed (and stamped) by legal representative/s each Lead Beneficiary in native language. Lead Beneficiaries are requested to demonstrate the availability of own contribution by filling in the relevant part of this declaration. Please note that there are more templates available in the Application package depending on the registered location (country) of the Lead Beneficiary. Please use one of the templates that are parts of the Application package:

- Annex I.A – Declaration of the Slovak Lead Beneficiary
Čestné vyhlásenie Vedúceho prijímateľa projektu
- Annex I.B – Declaration of the Hungarian Lead Beneficiary
Projektvezetőpartneri nyilatkozat

Declarations of the SME Beneficiaries

Declaration of the SME Beneficiary is a declaration on honour filled in, signed (and stamped) by legal representative/s of each SME Beneficiary in native language. SME Beneficiaries are requested to demonstrate the availability of own contribution by filling in the relevant part of this declaration. Please note that there are more different templates available in the Application package depending on the registered location (country) of the SME Beneficiary. Please use one of the templates that are parts of the Application package:

- Annex I.C – Declaration of the Slovak SME Beneficiary
Čestné vyhlásenie MSP prijímateľa projektu
- Annex I.D – Declaration of the Hungarian SME Beneficiary
KKV Projektpartneri nyilatkozat

Lead Beneficiary has to upload declaration of Lead Beneficiary and declaration of each SME Beneficiary into the folder Annex I - Declarations of Beneficiaries.

ANNEX II. - Declarations on partnership

Declarations on partnership prove that the project was prepared jointly and the Project partners wish to implement the project in partnership. The declaration is texted in English and has to be signed by the Lead Beneficiary and each Beneficiary (on a separate piece of paper). Please use the template Annex II. – Declaration on partnership.

Lead Beneficiary has to upload declarations on partnership of the Lead Beneficiary and each SME Beneficiary into the folder Annex II - Declarations of partnership.

ANNEX III. - Declarations on State aid

Project activities will be assessed in line with the State aid rules applicable according to the EU legislation. Each partner is requested to fill in and submit Declaration on State aid. The template contains the guide on filling in the declaration as well. Each Project partner is obliged to fill in, sign (and stamp) the Declaration on State aid in English. Please use the guide and the template Annex III. – Declaration on State aid.

Lead Beneficiary has to upload Declarations on State aid of the Lead Beneficiary and each SME Beneficiary into the folder Annex III - Declarations on State aid.

ANNEX IV. - Letter(s) of foundation / certificate of incorporation

Each project partner is obliged to attach the copy of the Letter of foundation of the organization or certificate of incorporation (in case of SMEs) issued in national language.

Lead Beneficiary has to upload foundations letters or certificates of incorporation of its own organization as well as of each SME Beneficiary into the folder ANNEX IV. - Letter(s) of foundation / Certificate(s) of incorporation.

ANNEX V. - Financial statement(s)

Each SME Beneficiary is obliged to submit documents proving the management and financial status of the Beneficiary for the last closed financial year in accordance to the national law in force.

Hungarian SME Beneficiaries in case of corporations are obliged to submit the copy of the annual report, simplified annual report or consolidated annual report approved by the general assembly, assembly of the members or the owners for the last closed financial (business) year in accordance to the national law in force.

In case of private entrepreneurs Hungarian SME Beneficiaries are obliged to submit the copy of the submitted personal income tax declaration for the for the last year in accordance to the national law in force.

Slovak SME Beneficiaries in case of enterprises are obligated to submit the financial statement for the last closed financial year in accordance with the national law in force.

Slovak SME Beneficiaries in case of enterprises which have a partner enterprise or related enterprises are obligated to submit the financial statement or consolidated financial statements of the enterprise, if available, or consolidated financial statements in which the enterprise was involved within consolidation.

Slovak SME Beneficiaries in case of private entrepreneurs or self-employed persons are obliged to submit the copy of the submitted tax declaration for the last year in accordance to the national law in force.

Lead Beneficiary has to upload financial statements for each SME Beneficiary into the folder of Annex V - Financial Statements.

Annex V is not relevant for the Lead Beneficiaries.

ANNEX VI. - Minutes of joint preparatory meetings

In order to fulfil the Cooperation criteria – Joint development - Beneficiaries are obliged to attach at least one Minutes from the preparatory meetings to the Application form. Minutes shall include the name and signature of the participants, title of the organizations they are representing, short description of the subjected topics and the place and date of the meeting was held on. The language of the minutes can be any national language of the Programme area or in English.

Lead Beneficiary has to upload the minutes of the preparatory meeting(s) into the folder Annex VI – Preparatory meetings.

ANNEX VII. - Resolution(s) about the own contribution

In case of the own contribution or a part thereof is secured from the budget of a municipality, city or county, a resolution of the decision-making body must be attached to the application in national language. The resolution must state the name of the project and the amount of allocated own commitments.

Lead Beneficiary has to upload Resolution(s) about the own contribution for own organization and for each relevant SME Beneficiary into the folder of Annex VII - Resolutions about the own contribution.

In case the Annex is not relevant, Lead Beneficiary has to upload a separate declaration stating that the Annex VII is not relevant for the specific Beneficiary.

ANNEX VIII. - Property ownership conditions

Each SME Beneficiary having construction/reconstruction works is obliged to prove that property ownership conditions are sorted out. Beneficiaries shall prove that the conditions are sorted out with the following documents:

Copy of the property deed

In case the Beneficiary is the owner of the land and/or buildings where construction/reconstruction works will be carried out, the Beneficiary shall prove the ownership with copy of the property deed not older than 90 days when submitting the Application form. The property deed does not have to be authenticated.

Long term permission to use or operate

In case the Beneficiary is not the owner of the land and/or buildings where construction/reconstruction works will be carried out, the Beneficiary shall submit permission to use or operate of the property for at least 10 years from the date of the launch of the present Call for proposals and the copy of the property deed not older than 90 days when submitting the Application form. The property deed does not have to be authenticated.

Letter of intent and Appraisal report

In case of land or building purchase in the frame of the project¹⁵, the Beneficiary shall submit a letter of intent of the current owner on selling of the property along with an appraisal report of independent property appraiser in order to justify the market price. The report cannot be older than 90 days at the time of the submission of the Application form.

Lead Beneficiary has to upload the above mentioned documents behalf of each SME Beneficiary having construction/reconstruction works into the folder Annex VIII – Property ownership conditions. Names of the documents have to include the identification code of the SME Beneficiary (B1, B2, etc.)

In case of the SME Beneficiaries where the Annex is not relevant, Lead Beneficiary has to upload a separate declaration stating that the specific Annex VIII is not relevant for the specific SME Beneficiary.

ANNEX IX. - Technical plans

Each SME Beneficiary having construction/reconstruction works is obliged to submit the Technical plans to the Application form.

Simplified building documentation

In case of construction/reconstruction works that does not require building permission and technical plans, the Beneficiaries shall submit simplified building documentation including short textual description of the planned construction/reconstruction works in English, simplified drawings if available, photo documentation of the current situation and budget estimation as well.

Technical plans

In case of construction/reconstruction works require building permission technical plans must meet all criteria set in the relevant national regulations. Furthermore, the technical plans shall include a short textual description of the planned construction/reconstruction works in English, photo documentation of the current situation and preliminary cost calculation as well.

Lead Beneficiary has to upload the above mentioned documents behalf of each SME Beneficiary having construction/reconstruction works into the folder Annex IX – Technical plans. Names of the documents have to include the identification code of the SME Beneficiary (B1, B2, etc.)

In case of SME Beneficiaries where the Annex is not relevant, Lead Beneficiary has to upload a separate declaration stating that the Annex IX is not relevant for the specific SME Beneficiary.

ANNEX X. - Building permission

Each SME Beneficiary having construction/reconstruction activity is obliged to prove that building permissions are sorted out. Beneficiaries shall prove the conditions are sorted out with the following documents:

¹⁵ The purchase of land not built on and land built on is eligible if the price of the purchase does not exceed 10% of the total eligible expenditure for the project concerned.

Declaration of registered architect

In case the Beneficiary introduced construction/reconstruction activity that does not require building permission, the Beneficiary is obliged to submit declaration issued by architect registered at engineering chamber/chamber of architects stating that the planned construction/reconstruction works does not require building permission.

Announcement of small scale construction works

In case the Beneficiary introduced construction/reconstruction activity that require Announcement of small scale construction works, the Beneficiary is obliged to submit the Announcement of small scale construction works and the official statement issued by the relevant building authority on it.

Building permit

In case the Beneficiary introduced construction/reconstruction activity that requires building permit, the Beneficiary is obliged to submit building permit issued by relevant building authority. In case the building permission is not available at the time of submission of the Application, the Beneficiary shall submit the proof of the request for building permits. Beneficiary shall submit the building permissions not later than three month after the receipt of the notifying letter on approval of the project from the Managing Authority.

Lead Beneficiary has to upload the above mentioned documents behalf of each SME Beneficiary into the folder Annex X – Building permits. Names of the documents have to include the identification code of the SME Beneficiary (B1, B2, etc.)

In case of SME Beneficiaries where the Annex is not relevant, Lead Beneficiary has to upload a separate declaration stating that Annex X is not relevant for the specific SME Beneficiary.

12. Selection process

The aim of the selection process is to select projects which contribute most to the achievement of programme objectives. The selection process begins with the receiving of project application and finishes with the contracting of selected project. There are four phases within selection process:

1. Call for Proposals with received project proposals;
2. Assessment process divided in the following steps;
 - a) formal and eligibility assessment,
 - b) quality assessment (territorial and sectoral),
3. Decision of the Monitoring Committee;
4. Contracting of selected projects.

The selection process takes approximately 5 months. Contracting procedures are described in detail in the Beneficiary Manual.

Assessment steps

Assessing projects is an important step in the selection process as it assures transparency and accountability of EU funds spending. The assessment process begins every four weeks, the deadlines are indicated in the Call for Proposal. First, the JS checks the fulfilment of the formal and eligibility requirements of submitted projects and only then will the quality assessment start. The project assessment steps comprises of the following phases:

- 1) Formal and eligibility assessment – this assessment steps consists of assessment of the admissibility, completeness and eligibility criteria
- 2) Quality assessment – this assessment step is divided into two parts - territorial assessment and sectoral assessment - according to the competency of different stakeholders.

The assessment criteria for each step of assessment process are specified in the assessment grids approved by the MC. The assessment grids are available as Annexes to the Call for Proposal or Applicant`s Manual within the Applicant`s package of each respective Call for proposals. The Lead Beneficiary is notified about the results of the assessment steps as follows:

- The decision about the result of formal and eligibility assessment signed by the JS is distributed to the Lead Beneficiary after the administrative and eligibility assessment has been closed for all submitted applications.
- The decision about the results of the quality assessment signed by the MA is distributed to the Lead Beneficiary after the respective MC on which the decision has been adopted.

12.1. Formal and eligibility assessment

The formal and eligibility assessment includes check of admissibility, completeness and eligibility criteria and is carried out by the JS on the basis of 4-eye principle. At each stage, the MA may carry out sample checks to satisfy itself about the correctness of the assessments.

The step of formal and eligibility assessment has no quality ranking – no scoring. Only applications fulfilling the formal and eligibility assessment criteria are forwarded to the next step of assessment process which is quality assessment.

Admissibility criteria

The first key condition that must be met by Lead Beneficiaries upon submitting their applications is that the application has to be submitted online via the Application Module of IMIS 2014-2020 Monitoring and Information System before the closing time (except for continuously open Call) defined in the Call for proposals. Other admissibility criteria may be set by the Call for proposal approved by the Monitoring Committee.

In case the submitted application does not meet the admissibility criteria, there is no possibility to complement or any later resubmit (except when the Call is continuous) the application under the same Call for Proposals; therefore the application is automatically rejected under the given Call.

The fulfilment of the admissibility criteria of submitted application will be checked in maximum 15 calendar days from the respective submission deadline. In the cases when the fulfilment of the admissibility criteria is not obvious, the JS can ask for decision of the MA. If needed, the National Authority can also be involved. Only applications fulfilling the admissibility criteria are assessed against the set of the completeness criteria.

Completeness criteria

The assessment of the completeness criteria aims on checking whether the application is accompanied with all required annexes. Apart from the above admissibility criteria, this part of the assessment process allows the Lead Beneficiaries to **complement missing mandatory annexes** within a given deadline. The option for complementing required documents/making corrections **can be used only once**.

Proposals are checked in the shortest possible timeframe. In case the submitted application does not meet the requirements for mandatory documents, the Lead Beneficiary is requested by the JS via e-mail or postal letter to submit the missing mandatory annexes. **The deadline for completing the application form with missing mandatory annexes is 14 calendar days from the day of delivery/receipt of the completion request of JS by Lead Beneficiary** (if the completion request is sent by e-mail the 'Request a read receipt' option is to be activated).

In case missing documents are not submitted to the JS within the stated deadline, or if the application does not meet the criteria, the assessment procedure for the concerned application will be stopped and the project proposal will be rejected. Only applications fulfilling the completeness criteria are assessed against the eligibility criteria.

12.2. Eligibility assessment

The aim of the eligibility assessment is to check if the submitted applications fulfil the eligibility criteria which consist of following parts:

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

The eligibility assessment shall ensure that only eligible project applications are considered for the further project selection procedure.

Cross-border cooperation criteria

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

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

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

General eligibility criteria

The eligibility criteria will assess the legal as well as territorial eligibility of beneficiaries involved in the project partnership, eligibility of proposed timeframe, objectives and financial resources, etc. Other admissibility criteria may be set by the Call for proposal approved by the Monitoring Committee.

12.3. Quality assessment

Those applications that succeeded in the above steps of the assessment process will be further evaluated in terms of their quality. The quality is divided into two parts according to the competency of different stakeholders and each application is assessed against a set of criteria laid down in the assessment grids approved by the MC and published as part of the Applicant's Package of each respective Call for proposal.

Territorial assessment

The first part of the quality assessment is performed by territorial experts delegated by counties and higher territorial units forming the programme area. Territorial experts are examining territorial relevance, coherence with the local development plans and integration of the projects with local sectorial initiatives. Projects are assessed by those territorial experts who are relevant according to the project's target area. The maximum points given by the territorial experts are 14 points.

Sectoral assessment

The second part of the quality assessment is performed by the sectoral assessors selected in the Call for assessors. Each application is evaluated by two sectoral assessors. The maximum points given by sectoral assessors are 86 points.

The sectoral assessment criteria are grouped into following two main categories:

Strategic assessment

Strategic assessment is aimed on assessment of the:

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

Operational assessment

Operational assessment assesses:

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

Summary of quality assessment

Altogether in both parts of the quality assessment each application can receive maximum of 100 points from which 65 points threshold have to be gained by the project proposal in order to be proposed for approval. The achievement of minimum 65 points threshold doesn't automatically mean co-financing for the project, co-financing depends on the funds available.

In case of continuously open Calls, the assessment of the applications are continuous according to the order of the receipt of the application forms. Projects reaching the threshold of 65 points are selected to be co-financed according to the availability of funds and according the decision of the MC. Projects reaching score below 65 points threshold will be rejected.

Special attention will be given to following assessment criteria:

- Being in line with priorities of the EUSDR;
- Ensuring 50 % in number of women or disadvantaged persons participating in joint education and training activities, events;
- Emphasizing social inclusion of people living in deep poverty and Roma in case of the employment initiatives;
- Continuation of already implemented project in order to capitalize existing results.

Distinguishing criteria

In case the applications receive same total score and the availability of funds is not sufficient, the total scoring of the following sectoral assessment criteria will be used to distinguish between applications:

- relevance and
- cross-border cooperation criteria.

Rejection criteria

In case during the quality assessment the application receives negative decision from external assessors for any of the rejection criteria, the application is excluded from any further quality assessment and must be rejected. Rejection criteria may vary by priority axis.

12.4. Decision of the Monitoring Committee

On the basis of the quality assessment results and thresholds achieved by project proposals, the JS prepares a ranking list of projects grouped into the following categories based on which the MC makes its decision:

- a) projects proposed for approval (threshold above 65 points)
- b) projects proposed for approval with condition (condition set by the assessors and/or JS and confirmed by MC)
- c) projects proposed for rejection (threshold below 65 points)

- d) a reserve list

The MC members will be provided with the results of the assessment process and assessment grids in due time prior to the MC meeting. The ranking list compiled by the JS based on the preceding steps of assessment is the basis for the debate and the decision of the MC on the funding of project proposals.

12.5. Complaint procedure

According to Article 74(3) EU Regulation No. 1303/2013 the Beneficiaries may submit complaint. Within the Programme terminology, the term “complaint” refers to three different cases:

- Complaints against a decision of the MA/JS during the project implementation are based on the Subsidy Contract concluded between the MA and the Lead Beneficiary and follow the rules laid down in the Subsidy Contract;
- Complaints related to FLC have to be addressed to the responsible National authority (Ministry of Agriculture and Rural Development of SR and Prime Minister’s Office in Hungary) or administrative body according to the setup of the management, financial and control system and applicable national rules.
- Complaints may be raised against the project assessment process and the correctness thereof. The procedure regarding this type of complaint is described below.

Handling of the complaint

The rules set in this section are providing transparent complaint procedure against decisions taken by Programme bodies during the project assessment and selection process. The Lead Beneficiary is the only one entitled to file a complaint. The right to complain against a decision regarding the project selection applies to the Lead Beneficiary whose project application was not selected for co-financing during the project assessment and selection process.

The complaint is to be lodged against the communication issued by the Managing Authority/Joint Secretariat as the MA/JS’ communication is the only legally binding act towards the Lead Beneficiary during the project assessment and selection process.

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

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

The relevant documentation shall be provided for the sole purpose of supporting the complaint. No other grounds for the complaint than eligibility assessment will be taken into account during the complaint procedure.

A complaint will be rejected without further examination if submitted after the set deadline or if the formal requirements set above are not observed. In case the complaint is rejected on these reasons, the MA/JS conveys this information within 10 working days to the Lead Beneficiary. After the receipt of the complaint the MA assisted by the Joint Secretariat, examines the complaint and prepares its technical examination regarding the merit of the complaint.

The complaint will then be examined on the basis of the information brought forward by the Lead Beneficiary in the complaint and the technical examination prepared by the MA by the Complaint Board.

The Complaint Board is the only body entitled to review a complaint against a decision regarding assessment and selection of projects co-financed by the Programme. The Complaint Board comprises of three members; MA, NA and JS. Impartiality of members of the Complaint Board towards the case under review has to be ensured. If this cannot be provided, the distinct member shall refrain from the distinct case's review and be replaced by another impartial member.

The Complaint Board will have 30 calendar days to provide a binding decision. This can be extended once with an additional 30 calendar days in case further information is needed. The decision - if the complaint is justified or to be rejected - is taken by the Complaint Board by consensus. In case it is justified, the project will be forwarded to next step in assessment process.

The decision of the Complaint Board is communicated by the MA/JS in writing to the Lead Beneficiary within 7 calendar days from the receipt of the Complaint Board decision.

The decision of the Complaint Board is final, binding to all parties and not subject of any further complaint proceedings within the Programme based on the same grounds.

Proposals rejected after the quality assessment will receive official communication from MA/JS with the reasons for rejection. Further details on the reasons for rejection can be requested on demand from JS and the Lead Beneficiary can have an insight in the assessment grids within 7 calendar days after the receipt of the notification letter on the rejection.

12.6. Contracting procedure

Contracting procedure starts after the projects are selected for granting by the Monitoring Committee. After the Lead Beneficiaries get the notifying letter on approval from the Managing Authority, they are obliged to send mandatory documents for contracting described in the letter.



Lead Beneficiaries will conclude Subsidy contract with the Managing Authority only for the ERDF funding of the project. In Slovakia only Lead Beneficiaries eligible for receiving the national co-financing will conclude the National co-financing Contract with the Ministry of Agriculture and Rural Development on the Slovak Republic as the National Authority in Slovakia.

Hungarian Lead Beneficiaries conclude a related National co-financing contract with the Prime Minister's Office in Hungary or with the relevant institutions to which this task is delegated. The conclusion of the Subsidy contract for ERDF funding is a prerequisite to signing the National co-financing contract. The national co-financing is provided from the Hungarian State budget automatically after the signing of the Subsidy contract.

No national co-financing contribution is provided to the SME Beneficiaries.

In case when the project proposal is selected Declaration on partnership will be replaced by a Partnership agreement which has to be signed by each partner receiving support. The Partnership agreement shall govern the internal management of the project by setting out the responsibilities of the project partners towards one another, including how they will ensure the sound financial management within the project.

Contracting procedures will be described in details in the Beneficiary's manual.