



Call for proposals

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 [Cooperation Programme] operates within the 2014-2020 European Union [EU] financial frameworks as the part of the 3rd objective of EU Cohesion Policy. Interreg programmes have 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 the first round of a two-round selection procedure launched in the frame of the third priority axis – Promoting sustainable and quality employment and supporting labour mobility. The amount of the financial allocation for the PA3 and the present call is 34 608 080 EUR. The Monitoring Committee [MC] reserves the right to award different amount of the available funds. The call is open from 8th of September until 30th of November 2017.

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

Applications approved in the first round of the selection procedure by the Monitoring Committee will be requested to submit project proposals for the second round of selection procedure. In the second round Applicants have to elaborate the approved project proposals in detail until the given deadline. The Call for proposals for the second round is expected to be launched in February of 2018. Rules and conditions of the second round will be published on the Programme's website in prior time before the deadline for the submission.

During the Call for proposals is open Info days will be held on 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].

Basic principles

Priorities and objectives

Mobility of cross-border labour force is mostly determined by the level of the unemployment rate, language shortages of the labour force and lack of infrastructural conditions. According to the analyses of the Programme document employment and labour force mobility can be improved by the:

- utilization of endogenous potentials;
- implementation of local initiatives and local employment strategies;
- better match between labour demand and supply;
- increasing of the cooperation level between small and medium sized enterprises and the
- qualification level of the labour force.

The third priority axis [PA3] of the Programme – **Promoting sustainable and quality employment and supporting labour mobility** – focuses on the development of key conditions for improving labour mobility and puts emphasis on the integration of the cross-border labour market. PA3 fosters creation of employment opportunities based on *endogenous potentials* and improves the accessibility to job opportunities.

Similar to economic activity, unemployment rate and long term unemployment rate shows significant regional differences along the Programme area. The specific objective of the priority axis is to ***decrease employment inequalities among the regions with a view to improving the level of employment within the programming region***. According to this, applications creating working places or supporting labour mobility on less developed areas will be preferred during the selection procedure. As a result of the call employment level of the less developed regions of the programming area is expected to grow, and the conditions of the cross-border commuting and accessibility to employment will be improved.

Territorial action plan for employment

The complexity of the Specific objective determines comprehensive development plans which induce integrated projects including infrastructural elements and soft activities. **Since expected results require complex interventions, applicants - as a first step - are obliged to create a complex development plans called Territorial action plan for employment [TAPE].**

First, each TAPE has to appoint its target area. The target area has to be geographically continuous and has to include territories of both member states. Applicants shall clearly identify territorial needs on the appointed area and answer these needs by proposing interrelated group of projects with an overall view to create new jobs and enhancing cross-border labour mobility. Each TAPE has to contain minimum three maximum eight project proposals that are in synergic or complementary relation. Projects proposals within the TAPE shall be designed in line with the list of eligible actions. Each project within the TAPE has to be absolutely necessary for the overall success of the TAPE.

List of eligible actions

Each project proposal within the TAPE has to be designed in line with the list of eligible actions serving as guidelines for defining objectives and activities of the submitted project proposals. **Each TAPE has to include minimum 3 up to 8 project proposals. Project proposals which have no remarkable synergic or complementary relationship with other projects within the TAPE or which are not indispensable part of the TAPE will not be supported.** Each project proposal has to be developed in line with key or supplementary action. The TAPE can include different projects developed in line with the same action.

Key actions

Each TAPE has to include at least one project proposal **[Key action project]** that is developed in line with one of the following key actions:

1) Development of local products and services creating new working places:

- development of local products¹ and services² built on endogenous potentials;
- improvement of public services on the field of education, health and social services providing better access to urban functions.

2) Improving cross-border labour mobility³:

- construction of cross-border roads, bridges and infrastructure for ferries⁴;
- development transport services supporting labour mobility⁵;
- development of accommodation facilities for commuting workers (e.g. hostels).

Supplementary actions

The TAPE can also include projects that are developed in line with supplementary actions **[Supplementary projects]**. **Supplementary projects shall ensure or exceed the effectivity of key action projects.** TAPE can include projects reflecting on the following supplementary actions:

1) Modernization and structural transformation of specific areas⁶

In the frame of the action renovation and modernization of specific areas contributing to structural transformation ensuring new ways of utilisation and sustainable development are supported.

¹ Activities concerning products of the soil and of stock farming produced by primary agricultural production sector are not supported. Activities concerning processing of agricultural products are supported in case the final product is not considered as agricultural. The list of agricultural products is set by the Annex I. of the Treaty.

² Activities concerning hotel and accommodation services, restaurant and catering services, direct trade and commercial services are not supported.

³ Cross-border labour mobility projects are supported in case of direct link between the project results and filling possible job vacancies.

⁴ Construction of cross-border roads, bridges and infrastructure for ferries with TEN-T relevance are not supported in Priority axis 3.

⁵ Public transport companies are not supported in PA3.

⁶ Specific areas are rust belts and declining industrial zones, poorly maintained or unused industrial or agricultural facilities, local entrepreneurial incentive spaces and facilities.

2) Launching integrated cross-border employment initiatives:

- concluding cross-border employment pacts;
- facilitating employment of permanently unemployed persons;
- harmonization of labour demand and supply;
- promoting cross-border employment possibilities and labour-market cooperation initiatives;
- implementing of innovative employment projects;

3) Business services promoting employment:

- providing background employment services reducing administrative burdens;
- initiatives facilitating cross-border spread of business information;
- development of joint IT systems, networks to support cross-border employment;

4) Joint education and training programmes:

- exploration and preparation of training needs, with the aim of determining the training directions necessary for the labour market;
- awareness raising among employers (*business associations, enterprises, in particular SMEs*) in the area of preventing and combating discrimination;
- common use of expert and consultancy services:
 - legal counselling for people experiencing discrimination in the labour market,
 - monitoring and fighting against discrimination on the labour market,
 - incentives for employers.

Applicants are allowed to create project proposals that are not reflecting directly on proposed supplementary actions in case the objectives of the proposed projects are well founded and necessary to fulfil the specific objectives of the TAPE.

Partnership requirements

Consortium

The TAPE requires broad partnership of local actors from many sectors coming from both member states. This partnership – called *Consortium*⁷ – may include maximum 24 beneficiaries and 8 associated partners. 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. Each Consortium has to include minimum one enterprise as Beneficiary of a specific project proposal. Beneficiaries and associated partners shall be experienced and their professional profile shall be in line with the role and activities described in the TAPE.

Project partnership

Members involved into the *Consortium* have to create individual *Project partnerships* which must fulfil the Programme's cross-border criteria one by one. The minimum requirement for *Project partnerships* is to have at least one Slovak and one Hungarian Beneficiary. This requirement is automatically fulfilled by the organisations operated in the form of European Groupings of Territorial Cooperation type of legal bodies. The maximum amount of partners involved into one project proposal

⁷ The Consortium is a targeted association of all Beneficiaries and Associated partners to implement the TAPE. The Consortium does not have to be registered or founded legally.

is 6 beneficiaries and 4 associated partners. Any Beneficiary or Associated partner can be involved into more project proposals.

Eligible Applicants

Location criteria

All project proposals planned in the TAPE shall be implemented within the eligible area of the Programme. The Programme area covers 13 NUTS III level regions along the Slovak-Hungarian border 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

Eligible applicants by type

Beneficiaries of the Consortium are local actors representing many sectors coming from both member states. In the first round applicants shall identify themselves in the following indicative list of eligible applicants:

- public institutions;
- state owned companies;
- universities and colleges;
- county or regional municipalities;
- municipalities,
- European groupings of territorial cooperation [EGTC];
- chambers;
- development agencies,
- local action groups;
- social partners;
- non-governmental organisations;
- private institutions serving public interests;
- social enterprises;
- micro⁸, small and medium sized enterprises.

⁸ Individual entrepreneurs are eligible as micro enterprises. Primary agricultural producers are not eligible.

Project development

The TAPE is realized through interrelated group of projects. **The TAPE must contain Coordination and communication project and one Key action project mandatory. Other projects can be Key action or Supplementary projects as well. All together the TAPE has to include minimum 3 project proposals up to 8.**

To ensure the successful implementation of the TAPE, members of the Consortium shall choose Beneficiaries responsible for the overall coordination and communication. This task shall be accomplished in separate project called Coordination and communication project [CCP]. The optimal composition of partners for the CCP is one Slovak and one Hungarian beneficiary. In case the CCP project is implemented by Beneficiaries who are not involved into any other Key action or Supplementary action project the eligible applicants are the followings:

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

In case the CCP project is implemented by Beneficiaries who implement also Key action or Supplementary action project any type of the eligible applicants can take the responsibility for the implementation of the Coordination and communication project. It is highly recommended for the Lead Beneficiary of the CCP [LB-CCP] to have relevant project management experience possibly with Interreg projects.

In case of Key action and Supplementary projects applicants have to describe the main parameters of each project proposal including the necessary financial, human and time resources and introduce responsible stakeholders for the implementation. First, the Applicant shall describe the main challenges that the project is responding to, specify the project objectives, target groups, expected results, project activities and plan the sustainability of these results.

Timeframe

Applicants shall set the necessary timeframe to implement each project. The maximum duration of the implementation of the Key action and supplementary projects is dependent on the selected actions:

<i>Key action projects</i>	<i>Maximum project duration</i>
Development of products and services	24 months
Improving cross-border labour mobility	24 months ⁹
<i>Supplementary projects</i>	<i>Maximum project duration</i>
Modernization and structural transformation	24 months
Integrated cross-border employment initiatives	16 months
Business services promoting employment	
Joint education and training programmes	
Other	

After the set of the duration for each Key action and supplementary project Applicants shall plan the schedule of the projects to ensure the smooth but also agile implementation of the TAPE. Starting the individual project implementation is possible right after the submission of the project proposals for the second round of selection process at own risk. Implementations of the approved projects have to finish until 31/12/2022 the latest. Project implementations can start parallel or sequentially.

The Consortium has to plan the duration of the TAPE as short as it possible but also carefully as the possibility for the prolongation of the TAPE is very limited. Duration of the Coordination and communication project shall be set according to the schedule of the proposed projects. The implementation of the CCP shall start parallel with the first project to be implemented and shall be ended when the last project is closed. The maximum duration of the TAPE (*and the CCP*) is 48 months.

⁹ In case the project proposal include investment on cross-border roads, bridges and ferries the maximum duration can increased to 36 months.

Financial allocation

The maximum amount of the financial support for the TAPE is not specified. Applicants shall note that planned expenditures must be directly related to project activities that are necessary for the fulfilment of project objectives. The maximum contribution in case of the project proposals depends on eligible actions and the type of beneficiary:

Key actions projects	Applicable state aid ¹⁰	Total project size
Development of products and services		
<i>Development of local products and services</i>	<i>De minimis aid Regional aid – Article 14 of GBER Investment aid to SMEs – Article 17 of GBER</i>	Not specified
<i>Improvement of public services on the field of education, health and social services providing better access to urban functions</i>	<i>Not relevant</i>	200.000 – 500.000 €
Improving cross-border labour mobility		
<i>Construction of cross-border roads, bridges and ferries</i>	<i>Not relevant</i>	Not specified ¹¹
<i>Development cross-border transport services</i>	<i>De minimis aid Regional aid – Article 14 of GBER Investment aid to SMEs – Article 17 of GBER</i>	Up to 1.000.000 €
<i>Development of accommodation facilities for commuting workers</i>	<i>Regional aid – Article 14 of GBER Investment aid to SMEs – Article 17 of GBER</i>	400.000 – 1.000.000 €
Supplementary projects	Applicable state aid	Total project size
Modernization and structural transformation of specific areas	<i>Aid for local infrastructures – Article 56 of GBER</i>	400.000 – 2.500.000 €
Integrated cross-border employment initiatives Business services promoting employment Joint education and training programmes Other	<i>De minimis aid (if relevant)</i>	100.000 - 200.000 €
Communication and coordination project	<i>De minimis aid (if relevant)</i>	Up to 6% of the total budget of the TAPE but not more than 75.000 €/year

¹⁰ 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) and REGULATIONS COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter referred to GBER)

¹¹ Approximate cost for building 1 km of road is 1.400.000 € taking into account the big differences (geomorphological characteristics, presence of bridges, etc.) in the technical parameters of potential projects.

Source of finance

Each Beneficiary can receive maximum of 85% European Regional and Development Fund [ERDF] contribution. The ratio between the national co-financing and own contribution is set based on the legal form of the partner and the sector (public or private) they belong to. 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 organisations.

The contribution from public resources provided to all Beneficiaries is non-repayable grant. Funding will take the form of reimbursement to all Project partners. For Beneficiaries registered in Hungary the ERDF contribution of the contracted ERDF allocation of their project part and the national co-financing might be entitled for advance payment from national resources.

Expected results

As a result of the implemented TAPes employment level of the less developed regions of the programming area is expected to grow and conditions of the cross-border commuting and the accessibility to employment shall be improved. Each TAPE must serve the establishment of new working places and contribute to PA3 result indicator – “Increase in the employment rate”. Each key action and supplementary project have to choose at least one Common and Programme Specific Output Indicator that is most relevant for the project. Projects not contributing to any predefined output indicator cannot be supported. Each project proposal has to contribute to at least one of the following Common and programme specific output indicators:

CO01	Number of enterprises receiving support (pcs)
CO02	Number of enterprises receiving grants (pcs)
CO08	Employment increase in supported enterprises (full time equivalent)
CO13	Total length of newly built roads (km)
CO39	Public or commercial buildings built or renovated in urban areas (m2)
CO44	Number of participants in joint local employment initiatives and joint training (persons)
O312	Number of women in joint local employment initiatives and joint trainings (persons)
O313	Number of participants from groups at risk of discrimination, including Roma in joint local employment initiatives and joint trainings (persons)
O314	Number of new business services promoting employment and consultancy services (pcs)

Each TAPE has to include minimum one project proposal that contributes to common output indicator - CO08 - Employment increase in supported enterprises. The indicator is fulfilled if the average value of the registered number of workplaces¹² undertaken by the relevant project - *compared to the amount of the existing staff 12 months before the start date of the relevant project* - is reached. New workplaces have to be created and sustained on the target area of the TAPE. The expected value of the Common output indicator - CO08 – is in close relation with the amount of the TAPE’s total budget. Each TAPE shall contribute to the fulfilment of the CO08 as follows:

¹² Saving existing workplaces are not considered as newly created working places.

Total budget of the TAPE	The <u>minimum</u> amount of new workplaces (CO08) created by TAPE
under 1.000.000 €	2
1.000.001 € - 2.000.000 €	4
2.000.001 € - 3.000.000 €	6
3.000.001 € - 4.000.000 €	8
4.000.001 € - 5.000.000 €	10
5.000.001 € - 6.000.000 €	12
6.000.001 € - 7.000.000 €	14
7.000.001 € - 8.000.000 €	16
8.000.000 € - 9.000.000 €	18
above 9.000.000 €	20

Submission procedure

Applicants must use the predefined application form templates available as a part of the Application package. The Lead Beneficiary of the CCP has to submit the following mandatory documents:

- Territorial action plan for employment – Part I.
- Territorial action plan for employment – Part II.
- Letters of intent

Both parts of the application form have to be filled in English and have to be signed (and stamped) by the statutory representative of the Lead Beneficiary of the CCP. Any further supporting documents can be submitted (*preferably in electronic format*) which according to the opinion of the Lead Beneficiary help the correct interpretation of the proposal (map of the target area, letter of intents of associated partners, studies, photo documentations etc.). Application shall be submitted in paper form in three originals and electronically on one pen-drive. The pen-drive shall contain the following documents:

- Territorial action plan for employment – Part I. in *.docx* file
- Signed Territorial action plan for employment – Part I. in *.pdf* file
- Territorial action plan for employment – Part II. In *.xlsx* file
- Signed Territorial action plan for employment – Part II. in *.pdf* file
- Signed Letters of intent in *.pdf* file

After the submission Applicants are not able to complete any part of the Application. The submitted Application will not be the subject of any completion or amendment procedure. The Application shall be submitted by postal or courier service. Evidence of the timely submission will be constituted by the date of dispatch, the postmark or the date of the deposit slip. Personal delivery is not possible. Applications shall be submitted to the following address:

Interreg V-A Slovakia-Hungary Joint Secretariat

Széchenyi Programme Office Nonprofit Ltd.

1053 Budapest, Szép u. 2., IV. emelet, Hungary

The envelope containing the application is to be sealed and properly marked in such a way that includes all of the following information:

- full name and address of the Lead Beneficiary of the CCP,
- Identification code of call: SKHU/1703,
- Text: “Application form - Interreg V-A SKHU Cooperation Programme”.

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 applicants according to Paragraph (1) of Article 5 of the above-mentioned Act.

Comprehensive conditions of the present call can be found in the Applicant’s manual published as a part of the Application package.