

INFORMATION DAY

of the Hungary-Croatia IPA CBC Programme

December 2011



Topics for today (1)

1. Overview of the Call for Proposals
2. General overview of the Application Form
3. Budget tables of the Application Form
4. Indicators, horizontal policies, CBC criteria
5. Eligibility of a) organisations, b) activities and c) costs

Topics for today (2)

6. Content of the application package
7. Submission of project proposals, assessment
8. State aid rules for projects
9. Communication requirements towards projects



1. Overview of the Call for Proposals (CfP)



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Priority / Area of intervention / Action	Available Community funding (in EUR)
Priority 1 – Sustainable Environment and Tourism	19.021.277,00
1.1 Sustainable and Attractive Environment	
1.1.1 Development of landscapes in the Mura-Drava-Danube area and its natural and rural surroundings	1.000.000,00
1.1.2 Environmental planning activities and minor public actions to improve the quality of the environment in the natural areas	366.187,00
1.2 Sustainable Tourism in the Mura-Drava-Danube River Area	
1.2.2 Development of infrastructure for active and ecotourism: visitor centres, forest schools, water sport infrastructure, bicycle routes, trekking-hiking paths, rentals	
1.2.2 – Component 1: Bicycle paths	8.458.748,00
1.2.2 – Component 2: Development of infrastructure for active and ecotourism in the river border area	6.364.959,00
1.2.3 Thematic routes of cultural heritage	1.572.991,00
1.2.4 Promotion of the river area as a single tourism product	629.196,00
1.2.5 Private investment attraction	629.196,00

Priority / Area of intervention / Action	Available Community funding (in EUR)
Priority 2 – Cooperative Economy and Intercommunity Human Resource Development	2.015.458,00
2.1 Co-operative Economy	
2.1.2 Cross-border labour market mobility promotion	300.000,00
2.1.3 Joint research, development and innovation	500.000,00
2.1.4 Joint local planning, strategies, programmes	415.458,00
2.2 Intercommunity Human Resources Development	
2.2.1 Cross-border education, training and exchange projects	500.000,00
2.2.3 Bilingualism actions	300.000,00
Total:	21.036.735,00

Financial set-up of the CfP

- Community funding available to be applied for: **21.036.735,00 EUR.**
- Matching state contribution depending on Participating Country and type of institution.
- **Own contribution:**
 - **HU: 5%** for each Project Partner,
 - **HR: 15%** for public entities – **private entities do not have to ensure own contribution.**



Single set of rules for implementation

- Contracting: **one Subsidy Contract** for the Community funding for the whole project.
- Single set of rules for validation of expenditure (control of invoices) for **Control Bodies** in both countries.
- Single set of rules for **project implementation**: reporting periods, eligible expenditure, information and publicity, public procurement.



The Lead Beneficiary principle (1)

One Lead Beneficiary (LB) represents the project and bears overall responsibility in the frame of one Partnership Agreement for all Project Partners (PP).

1. Signing **Partnership Agreement** for relations with partners in the project.
2. Ensuring **project development, submission** of project proposal to JTS and project implementation.

The Lead Beneficiary principle (2)

3. Ensuring that **expenditure** presented by PP-s is corresponding to the activities and has been validated by the Control Bodies.
4. Collecting declarations of validation of expenditure from PP-s, **submitting project progress report and application for reimbursement** to JTS.
5. Upon receipt of Community funding, **transferring funding** to PP-s.



Reporting procedure (1)

- **4-month reporting periods** – post-financing system
- **3-month submission period** for Project Progress report and Application for Reimbursement:
 1. Each PP submits a **partner report** to the respective (Hungarian or Croatian) Control Body.
 2. The Control Body checks the partner report and issues a **declaration on validation of expenditure**, based on the invoices. (On-the-spot checks are carried out if needed.)



Reporting procedure (2)

3. The LB collects the declaration on validation of expenditure from each PP and prepares the **application for reimbursement** for the entire project.
4. The LB prepares the **project progress report** for the whole project and hands it in with the application for reimbursement to the JTS.



Payment procedure

1. JTS-MA-CA: **approval of application for reimbursement** and transfer of Community funding to VÁTI Nonprofit Kft.
2. A functionally independent unit of VÁTI Nonprofit Kft. transfers **Community funding to the LB.**
3. The LB **forwards Community funding** to the PP-S.

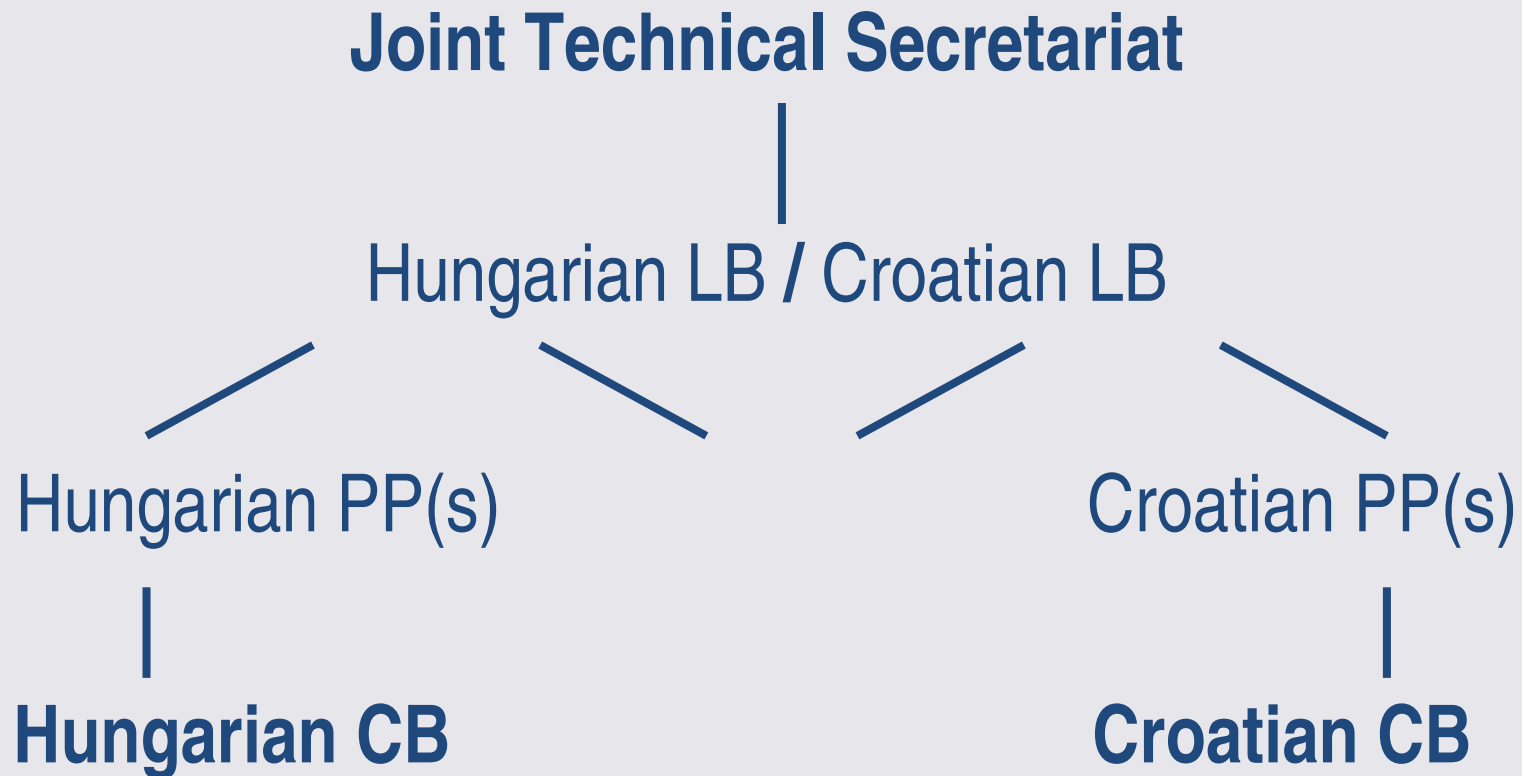


Use of the Euro

- **The budget of the project** has to be planned in EUR.
- **Project Progress Reports** are submitted using the Euro.
- The Community funding is **reimbursed to the Lead Beneficiary** in EUR.
- Eventual **exchange rate risks are borne by the LB/PP concerned** (see draft Subsidy Contract, Article 4, Point 12).



Organisational setup of implementation



Lead Beneficiary – Project Partner (1)

	Lead Beneficiary	Project Partner
Programme implementing body to contact	JTS	<ul style="list-style-type: none"> • For HR PP: Control Body in Croatia (MRDFWM) • For HU PP: Control Body in Hungary (VÁTI Nonprofit Kft.)
Contract type for the awarded subsidy	Subsidy Contract for Community funding with MA	<ul style="list-style-type: none"> • For HR PP: if relevant, state contribution contract concluded with MRDFWM • For HU PP: state contribution contract concluded with VÁTI Nonprofit Kft. on behalf of the NDA

Lead Beneficiary – Project Partner (2)

	Lead Beneficiary	Project Partner
Contractual liability	Between MA and LB: Subsidy Contract	Between LB and PP-s: Partnership Agreement
Responsibility	Whole project	Given project part
Report type	Project progress report to JTS	Partner report to Control Body
Financial documentation	Application for reimbursement – JTS	Declaration on verification of expenditure – Control Body

2. General overview of the Application Form

(Presentation of the AF)



3. Budget tables of the Application Form

(Presentation of the AF)



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

4. Indicators, horizontal policies and CBC criteria



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Indicators, horizontal policies, CBC

Indicators: to be provided in the AF – see Guidelines for filling in the AF.

Horizontal policies: to be addressed in the AF – see Guidelines for Filling in the AF.

CBC criteria: to be proven in the AF – see Chapter 4.3 of the GfA.



5.a) Eligibility of organisations



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Eligibility criteria (GfA 3.1)

- **Eligibility criteria** are related to:
 - Legal status
 - Geographical location
 - Professional and financial background
- **Exclusion criteria**
- Criteria connected to the **project partnership**

Nature of eligible organisations

Important note:

In line with Point 1.1 of the Programme Document (and Chapter 3.1.1 of the Guidelines for Applicants) **only non-profit legal persons** are eligible to apply for funding as LB-s / PP-s under the cross-border Programme.



Legal status

In general, the following organisations are eligible to apply for the Community funding:

- Public authorities,
- Bodies governed by public law (in line with Directive (EC) 18/2004),
- Non-profit organisations governed by private law.



Public authorities

- They are constituted based upon an act of **public law**.
- They exercise **authority**: they are empowered by law to make and enforce decisions in the field of their specified tasks.
- They are directly part of the system of **public/state administration**.



Bodies governed by public law

- They meet **needs in general interest** and do not have an industrial or commercial character.
- They have **legal personality**.
- They are **financed**, for the most part, by the state, regional or local authorities or other BGPL-s; or are subject to **management supervision** by such bodies; or have a **board** more than half of which is appointed by the state, regional or local authorities or other BGPL-s.



JMC Decision No. 7/2010 (06.05)

- The JMC approved the **extended interpretation** of the circle of eligible LB-s and PP-s with public programme service providers in media, furthermore with organisations providing public services in the field of tourism, economy or infrastructure development.



Non-profit private law organisations

- They are founded and operating according the rules of **private law**.
- They, too, meet **needs in general interest** and do not have an industrial or commercial character. (This implies the non-profit nature of the organisation.)
- They, too, have **legal personality**.

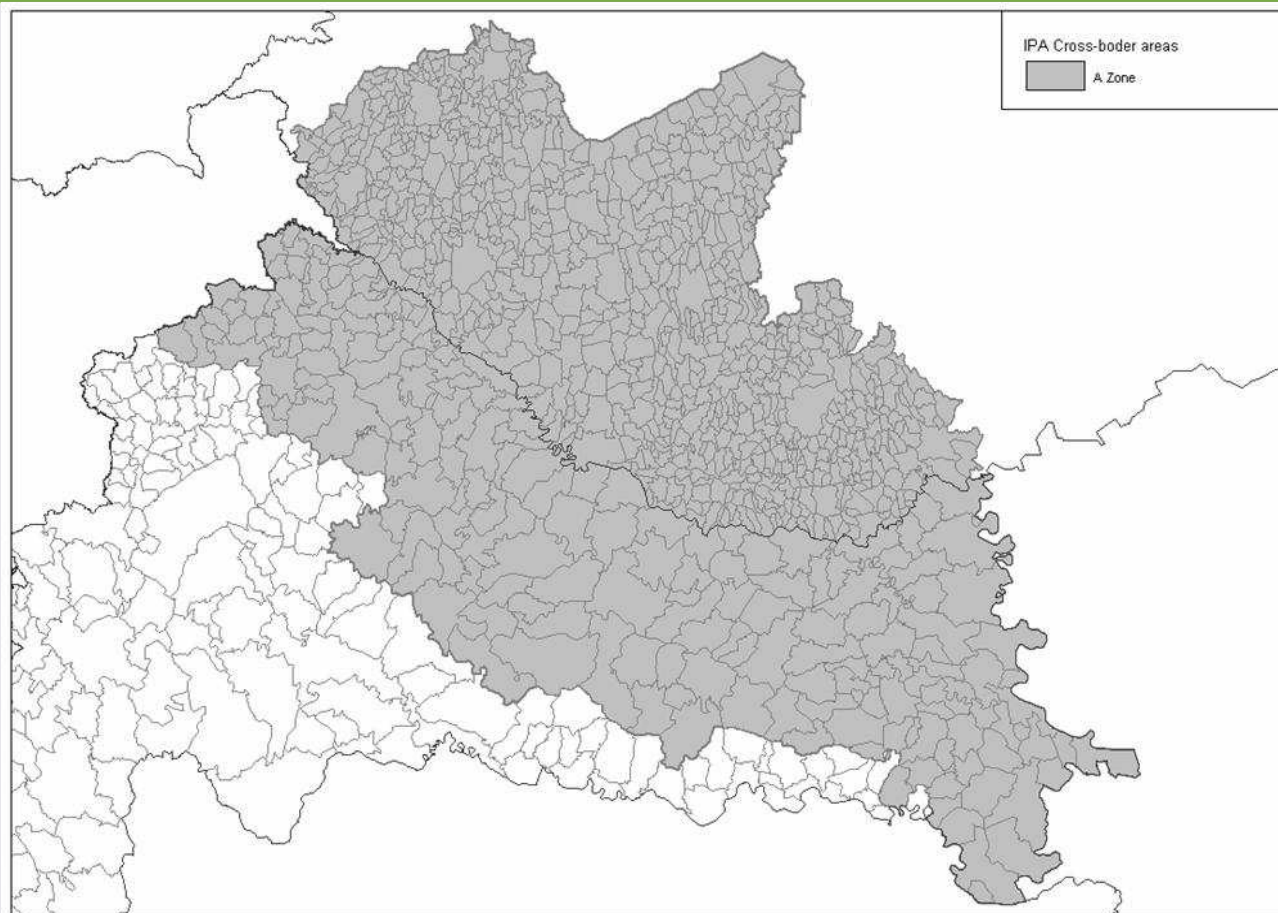


Geographical location

- **Eligible area in Hungary:**
Zala, Somogy and Baranya counties.
- **Eligible area in Croatia:**
Međimurska, Koprivničko-križevačka, Virovitičko-podravska, Osječko-baranjska.
‘Adjacent Regions’:
Varaždinska, Bjelovarsko-bilogorska, Požeško-slavonska, Vukovarsko-srijemska.



Map of the eligible Programme area



Headquarters not in eligible area (1)

- **Basic rule:** the headquarters of the organisation has to be in the eligible Programme area.
- If the headquarters of the organisation is **not** registered in the eligible area, the existence of a **local/regional branch office** can justify the participation.
- **If the local/regional branch office has legal personality** then it should be the PP and in case of contracting it can be an LB.



Headquarters not in eligible area (2)

If the headquarters of the organisation is **not** registered in the eligible area **and the local/regional branch office is not a legal person** then the national/regional organisation has to be the PP.

Conditions:

- the branch office, too, has to prove at least one year of operation,
- the leader of the branch office has to be authorised,
- management staff and activities have to be local.



Professional-financial background

- Direct professional and financial responsibility of LB-s / PP-s for project preparation and management (**cannot be intermediaries**).
- Proper administrative and financial capacity, including the capability of **pre-financing** costs and of providing **own contribution** (where relevant).
- **Project management experience**, matching the scale of the requested funding.
- Operation of **at least one year**.



Exclusion criteria (1)

- Bankruptcy, winding-up, suspended activities.
- Conviction with 'res iudicata' force for an offence connected to professional conduct, grave professional misconduct.
- Not fulfilled obligations related to the payment of social security contributions or taxes.
- Conviction with 'res iudicata' force for fraud, corruption, severe breach of contract, criminal activities.



Exclusion criteria (2)

- Serious breach of contract following a procurement procedure financed by the Community budget.
- Conflict of interests in connection to the present Call for Proposals.
- Misrepresentation or failure in supplying information required by the MA or the NA.
- Attempt to obtain confidential information or to influence the JMC or the MA.



Project partnership

- Basic requirement for a cross-border project: **at least one** organisation from Hungary **and at least one** from Croatia.
- Possible **roles** in a project:
 - Lead Beneficiary,
 - Project Partner (Cross-border, Domestic or from Adjacent Region),
 - Associated Partner.

The Lead Beneficiary (GfA 3.1.4.1)

- **One LB per project.**
- Represents and mediates the whole project towards the programme implementing structures.
- **Concludes the Subsidy Contract** for the Community funding with the MA.
- **Transfers the Community funding** to the PP-s.
- Professional and financial **responsibility for the overall implementation** of the project.



The Project Partner (GfA 3.1.4.2)

- Can be Cross-border, Domestic or from Adjacent Region.
- They all **receive Community funding** from the project (through the LB).
- They are individually **responsible for irregularities** in the expenditure they declare.
- They are **responsible for the proper implementation of their project part.**



The Associated Partner (GfA 3.1.4.4)

- **Does not receive Community funding** from the project.
- They are **stakeholders** influenced by and/or interested in the project (e.g. professional associations, administrative bodies, policy-makers and end users).
- Has to fulfil the **eligibility criterion of legal status** (has to be a public authority, a BGPL or a non-profit private law organisation).



Important notes to the partnership (1)

- **The number of PP-s should be limited**, it should be corresponding to the professional and/or financial needs of the project.
- **LB-s, PP-s and AP-s cannot be external experts or providers of other services in the project (they cannot be subcontractors and cannot issue invoices to the LB or to the other PP-s).**



Important notes to the partnership (2)

- Role of the LB
- Number of PP-s
- Reliability of PP-s
- Administrative capacities of PP-s



Financial considerations

- **Financial liquidity** of PP-s necessary due to the timeframe needed for the reimbursement of costs.
- **Advance payment only in Hungary** for the amount of state contribution per PP.
- Differences in minimum amount of **own contribution**:
 - HU: 5% for each PP,
 - HR: 15% for public entities; private entities do not have to ensure own contribution.
- Subsidy Contracts will be stipulated in **EUR**.



Human resources considerations

- **Project management** tasks (day-to-day activities plus reporting obligations).
- **Financial management** tasks.
- Elaboration of a **Partnership Agreement**.
- **Managing procurements** according to the PraG.



5.a) in HR: Eligibility of applicants in Croatia



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Geographical location in HR (1)



On the Croatian part of the eligible area - **Cross-border counties** (NUTS 3 equivalent regions located along the border) and **adjacent counties** (NUTS 3 equivalent regions adjacent to the cross-border counties in Croatia).

Geographical location in HR (2)



Cross-border counties:
LB-s and/or PP-s.

Adjacent counties: **only PP-s.** Reimbursement for them: **maximum 20%** of the total Community funding allocated to the project.

Bodies governed by public law in HR

- As long as it is not a Member State, Directive (EC) 18/2004 does not contain a list of BGPL-s **for Croatia.**
- The following document is to orient organisations in Croatia: **Popis tijela javne vlasti za 2010. godinu** (NN 19/2010) - There has been no update for 2011.
- From this list, only those organisations can be eligible which are of **non-profit** nature.



Non-profit private law organisations in HR

Neproračunski korisnici – to be registered in one of the following registers:

- **Registar udruga** (in the Ministry of Administration of Croatia),
- **Registar zaklada** (in the Ministry of Administration of Croatia),
- **Registar udruga – knjige udruga više razine**
(in the Ministry of Economy, Labour and Entrepreneurship).

Private entities in Croatia are exempt from providing own contribution, the Republic of Croatia will provide 15 per cent of state contribution of the total eligible costs of the project part.

APPENDIX 2B for HR (1)

1. Public non-profit

Type of organisation	Est. document 1. (Establishing legal act)	Est. document 2. (Statute)	Registering authority	Name of extract
<i>Tijela državne uprave Ministarstva, Središnji državni uredi, Državne upravne organizacije</i>	Have to submit the reference, certified by the legally authorised representative of the organisation, to the number of the Official Gazette (<i>Narodne novine</i>) and to the legal act on which basis they have been established: <i>Zakon o izmjenama i dopunama Zakona o ustrojstvu i djelokrugu središnjih tijela državne uprave</i>	Not relevant	Not relevant	Not relevant



APPENDIX 2B for HR (2)

Type of organisation	Est. document 1. (Establishing legal act)	Est. document 2. (Statute)	Registering authority	Name of extract
<i>Županija, grad, općina</i>	The decision about establishing relevant county, town and municipality has to be part of the following legal act in Croatia: <i>Zakon o područjima županija, gradova i općina u Republici Hrvatskoj (OG 86/2006); te svi Zakoni o izmjenama i dopunama Zakona (OG 145/2010)</i>	<i>Statut</i> and Copy of the official announcement of the results on the elections for county prefects / mayors of the Election Committee (<i>Županijsko / gradsko / općinsko izborno povjerenstvo</i>), certified by the legally authorised representative of the organisation	Not relevant	Not relevant
<i>Turistička zajednica (županije, grada, općine)</i>	Establishing legal act on constituting the county, town or municipality tourist board	<i>Statut</i>	<i>Ministarstvo turizma</i>	<i>Izvod iz upisnika turističkih zajednica</i>
<i>Hrvatska gospodarska</i>	Establishing legal acts	<i>Statut</i>	Not relevant	Not relevant



APPENDIX 2B for HR (3)

Type of organisation	Est. document 1. (Establishing legal act)	Est. document 2. (Statute)	Registering authority	Name of extract
<i>komora</i> <i>Hrvatska obrtnička komora</i>	on constituting Croatian chamber of commerce and county regional chambers Establishing legal acts on constituting Croatian chamber of trades and crafts and regional chambers			
<i>Razvojne agencije</i> ²³ <i>Poduzetnički centri</i> ²⁴ <i>Regionalne energetske agencija</i>	Establishing legal act, in accordance with the respective national level legislation setting up the rules of establishing the	<i>Statut</i>	<i>Sudski registar trgovačkih društava u Republici Hrvatskoj</i> https://sudreg.pravosudje.hr/Sudreg/	<i>Izvod iz sudskog registra</i>

²³ **Important note: Development agencies** (*razvojne agencije*) in Croatia are eligible if they are in compliance with Article 20 of the Law on Regional Development of the Republic of Croatia (Zakon o regionalnom razvoju Republike Hrvatske, NN 153/2009), i.e. they are in the 100 per cent of ownership of a county (or several counties) or/and of a town/municipality (*grad/općina*) – this fact has to be proven with the documents cited in the above table.

²⁴ **Important note: Business centres** (*poduzetnički centri*), **Regional Energy Agencies** (*regionalne energetske agencije*) and **Technology-Innovation Centres** (*tehnološko-inovacijski centri*) in Croatia are eligible if they are in the 100 per cent of ownership of a county (or several counties) or/and of a town/municipality (*grad/općina*), or any other non-profit institution(s) satisfying the eligibility criteria for LB-s and PP-s in the Hungary-Croatia IPA CBC Programme – this fact has to be proven with the documents cited in the above table. It should be clear from their establishing document and extract from register that they are exclusively non-profit and are established for the specific purpose of meeting needs in the general interest and are not having an industrial or commercial character.



APPENDIX 2B for HR (4)

Type of organisation	Est. document 1. (Establishing legal act)	Est. document 2. (Statute)	Registering authority	Name of extract
<i>Tehnološko-inovacijski centri</i> <i>Sveučilišta, veleučilišta</i> <i>Instituti</i> <i>Škole</i> <i>Pučka otvorena učilišta</i> <i>Hrvatski zavod za zapošljavanje</i>	organisation in question		index.jsp	
<i>Ustanove za upravljanje vodama</i> <i>Ustanove za upravljanje šumama</i> <i>Parkovi prirode</i> <i>Županijske javne ustanove za upravljanje zaštićenim dijelovima prirode</i>	Establishing legal act, in accordance with the respective national level legislation setting up the rules of establishing the organisation in question	<i>Statut</i>	<i>Sudski registar trgovačkih društava u Republici Hrvatskoj</i> https://sudreg.pravosudje.hr/Sudreg/index.jsp	<i>Izvod iz sudskog registra</i>



APPENDIX 2B for HR (5)

2. Private non-profit

Type of organisation	Est. document 1. (Establishing legal act)	Est. document 2. (Statute)	Registering authority	Name of extract
<i>Sindikati</i> ¹ <i>Hrvatska udruga poslodavaca</i>	See under 'Name of extract'	<i>Statut</i>	<i>Ministarstvo gospodarstva, rada i poduzetništva</i>	<i>Izvod iz Registra udruga (knjige udruga više razine)</i>
<i>Udruge</i> or <i>Zaklade</i>	See under 'Name of extract'	<i>Statut</i> including the written confirmation of the responsible office of state administration (ured državne uprave) that the given statute is in compliance with the respective law	<i>Ministarstvo uprave</i> http://www.uprava.hr/RegistarUdruga or http://www.uprava.hr/RegistarZaklada	<i>Izvod iz Registra udruga Republike Hrvatske</i> or <i>Izvod iz Registra zaklada Republike Hrvatske</i>



5.b) Eligibility of activities



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Eligible activities (1)

- The Programme has a structure of 3 Priorities, **4 Areas of intervention and several Actions** within these.
- Almost all Actions are opened by the Call, **except for Actions 2.1.1 and 2.2.2.**
- **Different** minimum and maximum sizes of subsidy, different project durations, different projects (soft / investment-type) **per Actions.**



Eligible activities (2)

- The Guidelines for Applicants describes the **Actions in separate tables**, see Chapter 3.2 of the GfA.
- **The lists of activities are indicative only, yet** the activities of the LB-s / PP-s have to fit into these pre-defined, indicative categories.
- A given project can either finance the elaboration of construction plans **or** the implementation of the construction activities.



Eligible activities (3)

- **The tourism development Actions** of the CfP are described in detail in the **'Handbook to Tourism Projects'** (see Chapter 4), also part of the application package.
- The lists in the table for Action 1.2.2, 1.2.3, 1.2.4 and 1.2.5 are also indicative, **additional ideas** can be drawn from the analysis provided in **Chapter 3**.



Area of intervention 1.1 (GfA 3.2.1)

- **1.1.1** Development of landscapes in the Mura-Drava-Danube area and surroundings (**investment-type projects possible, Community funding per project: 200.000 to 1.000.000 EUR**).
- **1.1.2** Environmental planning activities and minor public actions to improve the quality of the environment (**mainly soft projects, Community funding per project: 50.000 to 300.000 EUR**).



Area of intervention 1.2 (Handbook, 4.)

- **1.2.2** Development of infrastructure for active and ecotourism – **focus on investment-type projects.**
- Component 1, Bicycle paths – Community funding per project: **100.000 to 2.000.000 EUR.**
- Component 2, Development of infrastructure for active and eco-tourism – Community funding per project: **100.000 to 1.000.000 EUR.**



Area of intervention 1.2 (Handbook, 4.)

- **1.2.3** Thematic routes of cultural heritage (investment-type projects possible, Community funding: **50.000 to 400.000 EUR**).
- **1.2.4** Promotion of the river area as a single tourism product (**only 'soft projects'** possible, Community funding: **50.000 to 200.000 EUR**).
- **1.2.5** Private investment attraction (**'soft projects' only**, Community funding: **50.000 to 200.000 EUR**).



Area of intervention 2.1 (GfA 3.2.3)

- **2.1.2** Cross-border labour market mobility promotion (investment-type projects possible, Community funding: **50.000 to 200.000 EUR**).
- **2.1.3** Joint research, development, innovation (investment-type projects possible, Community funding: **50.000 to 500.000 EUR**).
- **2.1.4** Joint local planning, strategies, programmes ('soft projects' only, Community funding: **50.000 to 300.000 EUR**).



Area of intervention 2.2 (GfA 3.2.3)

- **2.2.1** Cross-border education, training and exchange projects (**investment-type projects possible, Community funding: 100.000 to 200.000 EUR**).
- **2.2.3** Bilingualism actions (**investment-type projects possible, Community funding: 10.000 to 100.000 EUR**).
- **Note:** Throughout Area of intervention 2, potential **works components** in the projects' budgets have limitations in percentage (or are entirely ruled out).



5.c) Eligibility of costs



Eligibility period (GfA 3.3.1.1)

The eligibility of costs can be divided on a **timeline**:

- Costs incurred concerning **preparatory activities** (until the starting date of the project),
- Costs emerged **during the ‘regular’ implementation** period of the project (i.e. after the starting date as fixed in the Subsidy Contract).



Preparation costs vs. costs of project implementation

Preparation costs:

- Only limited cost types possible:
 - Technical plans and costs of permits,
 - Studies, statistics, databases and researches,
 - Conditional public procurement,
 - Project meetings and travel costs,
 - Translation and interpretation.



Eligible costs (GfA 3.3.2)

- Incurred and paid by PP-s, **verified by appropriate documents.**
- Directly related to the project, **necessary, planned** in the budget.
- Incurred and paid within the **eligible period.**
- Efficient, **economic**, expedient.
- Incurred in the **eligible programme area.**
- Compliant with **national and EU rules / legislation.**



Ineligible costs (GfA 3.3.3), examples

- **Taxes** (except VAT in HU, if not recoverable),
- **Customs**, import duties or other charges,
- Rent or leasing of land and **existing buildings**,
- **Operating costs**,
- **Second hand equipment**,
- Conversion costs, charges, **exchange losses**,
- **All contributions in kind** (without money flow),
- Subcontracted activities to LB-s, PP-s and AP-s.



Thresholds in the budget

- **Preparation costs** (10% per total LB/PP budget),
- **Project management: staff + service together** (10% per total LB/PP budget),
- **Purchase of land** (10% of the total project budget),
- **Administrative costs** (10% per total LB/PP budget),
- **Overhead costs** (5% per total LB/PP budget and 25% of staff costs in the LB/PP budget).



5.c) in HR: Eligibility of costs in Croatia



VAT in HR (1)

Control Body in Croatia: Ministry of Regional Development, Forestry and Water Management:

- verification of the expenditures at partner level in Croatia (VAT / PDV (*Porez na dodanu vrijednost*) expenditures / exemptions occurred during the programming period in the Republic of Croatia),
- according to the present legislation and procedures in Croatia, VAT is considered as non-eligible cost (*Pravilnik o porezu na dodanu vrijednost NN 149 /2009*).



VAT in HR (2)

Lead Beneficiaries and Project Partners from the Republic of Croatia will only indicate **net amounts** in the budget table(s), without the VAT.



Bank account opening in HR

Note in the GfA for Croatia, page 69:



Note that the Lead Beneficiary has to open a separate EUR bank account and all Project Partners are advised to open a separate bank account or sub-account for the purposes of the project. The Community funding will be reimbursed to the LB to the project bank account, and so will be the state contribution to the PP-s (where relevant).

*Please note that Croatian LB-s and PP-s have to take into consideration the national legislation related to the payment procedures (platni promet) **inside** the Croatian territory but the consequences of the national level payment procedures (e.g. exchange rate risks) cannot be covered from the administrative costs.*



Partner Level Guidelines in HR

The GfA sets the framework related to the eligibility of costs within the Programme. More detailed rules for Croatian LB-s and PP-s are defined in the following document:

Upute za hrvatske projektne partnere IPA prekograničnog programa Mađarska-Hrvatska (Partner Level Guidelines for Croatian PP-s), available on the web:

<http://www.hu-hr-ipa.com/en/download/partner-level-guidelines-hungary-and-croatia>

Please take those rules in consideration when planning your project proposal.



Partner Level Guidelines in HU

The GfA sets the framework related to the eligibility of costs within the Programme. More detailed rules for Hungarian LB-s and PP-s are defined in the following document:

Az első szintű ellenőrzés irányelvei magyar projekt partnerek számára (Partner Level Guidelines for Hungarian PP-s), available on the web:

<http://www.hu-hr-ipa.com/en/download/partner-level-guidelines-hungary-and-croatia>

Please take those rules in consideration when planning your project proposal.



6. Procurement procedures of projects



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Procurement rules (1) (GfA 6.2.2)

Article 121 of the IPA Implementing Regulation: **one single set of procurement rules applies across the whole eligible programme area**, both on the Member State's side (Hungary) and on the Beneficiary Country's side (Croatia), and it is **Community external aid rules**.



Procurement rules (2)

The Practical Guide to Contract procedures for EC external actions (PraG) explains the contracting procedures applying to all EC external aid contracts – the document can be downloaded from the following website:

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm



Procurement rules (3)

Eligibility criteria

The rule of nationality and origin

Participation in the procurement procedures is normally open among others **on equal terms to all natural and legal persons from:**

- Member State of the European Union (EU 27),
- Member State of the European Economic Area (Iceland, Lichtenstein, Norway),



Procurement rules (4)

- Official candidate country / a country that is a Beneficiary of the Instrument for Pre- Accession Assistance (candidate countries: Croatia, FYR Macedonia, Iceland, Turkey; potential candidate countries: Albania, Bosnia and Herzegovina, Montenegro, Serbia incl. Kosovo),
- An international organisation.

Experts engaged by tenderers may be of any nationality.

Procurement rules (5)

Exceptions (derogations) to the rule on nationality and origin:

- unavailability of products and services in the markets of the countries concerned,
- duly justified reasons of extreme urgency,
- eligibility rules would make the realisation of a project or an action impossible or exceedingly difficult.



Procurement rules (6)

IMPORTANT NOTE

The case that a **product of ineligible origin is cheaper** than the Community or local product **does not alone constitute grounds for awarding derogation!**



Procurement rules (7)

Grounds for exclusion

Tenderers must be excluded from participation in procurement procedures if they are:

- bankrupt,
- convicted of an offence concerning their professional conduct,
- the subject of a judgement which has the force of 'res iudicata' for fraud or for corruption or any other illegal activity detrimental to the Communities' financial interests,
- they have not fulfilled their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the national legal provisions.



Procurement rules (8)

Other essential points

- **Conflict of interest:** Any firm or expert participating in the preparation of a project must be excluded from participating in tenders based on this preparatory work.
- **Awarding principles:** All contract awards, partially or totally financed by the Community Budget, must respect the principles of transparency, proportionality, equal treatment and non-discrimination.

Procurement rules (9)

Other essential points

- **No retroactive awards:** Contracts are considered to take effect from the date of signature of the last signatory.
- **Use of standard documents:** Standard contracts and document formats (templates) must be used.

Procurement rules (10)

Table 3: Tendering procedures and financial thresholds

SERVICES	≤ € 10.000,00	> € 10.000,00 < € 200.000,00		≥ € 200.000,00
	Single tender	1. Competitive negotiated 2. Framework contracts		International restricted
SUPPLIES	≤ € 10.000,00	> € 10.000,00 < € 60.000,00	≥ € 60.000,00 < € 150.000,00	≥ € 150.000,00
	Single tender	Competitive negotiated	Local open	International open
WORKS	≤ € 10.000,00	> € 10.000,00 < € 300.000,00	≥ € 300.000,00 < € 5.000.000,00	≥ € 5.000.000,00
	Single tender	Competitive negotiated	Local open	1. International open 2. International restricted



Procurement rules (11)

Estimated timeframe of the procedures:

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



Procurement rules (12)

- On the level of the Project Partners, **advice related to procurement issues is available** both on the Hungarian and the Croatian side.
- The contacts can be found on **the national language versions** of the Programme website's 'Contacts' section.



7. Content of the application package



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

The application package (1) (GfA 4.1.1)

- Call for Proposals
- Guidelines for Applicants
- Handbook to Tourism Projects
- Guidelines for Filling in the Application Form
- Application Form
- Declarations
- Checklist
- Assessment grid templates



The application package (2)

- Assessment Summary template
- State aid rules per Activities
- Draft Subsidy Contract (for information purposes only)
- Model Partnership Agreement (for information purposes only)



8. Submission of project proposals, assessment



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Submission of project proposals

Deadline for submission:

12 March 2012 by 17.00 p.m.

Reference number of the Call:

HUHR/1101

The Programme's website:

www.hu-hr-ipa.com



Project development assistance (1)

JTS Contact persons and telephones:

- Mr. Tvrtko Čelan +36-1-224-3206
- Mr. János Rakonczi +36-1-224-3100,
extension number 4245
- Mr. Márton Szűcs +36-72-513-455
- Mrs. Marian Zelei +36-1-224-3201

We can accept phone calls:
Monday to Thursday, 13.30 – 16.00

Project development assistance (2)

Hungary-Croatia Joint Technical Secretariat
(at VÁTI Nonprofit Kft.)
H-1016 Budapest, Gellérthegy u. 30-32.
Fax: +36-1-224-3291

E-mail: info@hu-hr-jts.com

Office hours for personal consultation **only at pre-arranged appointments:**
Wednesday and Thursday, 9.00-12.00 and 13.30-16.00

No more questions possible 3 working days prior to the submission deadline.

Project development assistance (3)

JTS Information Point:

Ms. Antonija Bedeniković

+385-31-221-848

31000 Osijek, Stjepana Radića 4.

The JTS IP can accept phone calls:
Monday to Thursday, 13.30 – 16.00



Project development assistance (4)

The **FAQ** is published (and is being updated) on the Programme's website:

www.hu-hr-ipa.com.



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

The project proposal (1) (GfA 4.1)

The LB bears the responsibility for the completeness and content of the project proposal.

Read the Guidelines carefully and use the checklist! On the checklist you should tick the fulfilled submission criteria and all supporting documents submitted (printed and electronic).

Content of the application pack – printed documentation + electronic device:



The project proposal (2) (GfA 4.1)

- Application Form (printed + electronic),
- Checklist (printed + electronic),
- Declarations (printed, signed, stamped),
- Documents to be submitted (printed, some of them in electronic form as well)

One package, the envelope sealed and properly marked.



Automatic rejection if not fulfilled (1)

- The project proposal has been submitted **in due time**.
- The project proposal contains **the certified AF and the following essential supporting documents**: (i) LB declaration; (ii) PP declaration(s); (iii) Partnership Statement.
- **The AF published for the present CfP has been used.**
- **The AF has been filled in on a computer and not by handwriting.**



Automatic rejection if not fulfilled (2)

- The AF has been filled in **in English** (technical terms in national languages are acceptable).
- **The budget has been prepared in the format** presented in the AF and has been calculated **in EUR**.
- **The structure of financing** of the project proposal is in line with Chapter 2.2 of the GfA.
- **The period of implementation** of the project is the same or above the minimum- and does not exceed the (Action-dependant) maximum length set out in the CfP.



Automatic rejection if not fulfilled (3)

- The project proposal **was submitted to the appropriate Action.**
- Next to the LB **at least one cross-border PP eligible** for funding participates in the project.
- The project fulfils **minimum two criteria of a joint project** (see Chapter 4.3 of the GfA).
- **Concerning Action 1.2.3**, the destination(s) / thematic route(s) of **minimum three settlements are involved** in the project. (Interpretation help available in the FAQ.)



Project selection (GfA 5.1)

- **Submission**
- **Formal and eligibility** assessment: JTS
- **Quality** assessment: external experts with co-operation from the JTS
- Decision: **Joint Monitoring Committee**
- **Informing** the LB-s: MA with co-operation from the JTS



Common mistakes – technical information

- Registry number,
- OIB / tax number,
- Date/stamp on the Certification of the AF,
- Declaration on the eligible VAT amount,
- No stamp on the LB and/or PP declaration,
- No date/place on the Partnership Statement,
- Empty CD,
- Position of the contact person in the project,
- Last closed budgetary year balance sheet total amount,
- Last closed budgetary year balance sheet total.



Common mistakes – documents (1)

- Original specimen of signature not certified by the public notary,
- Original extract from the judiciary registry plus translation to English,
- Extract of establishing documents in English,
- Certificate of legal status plus English extract,
- Društveni ugovor (Ugovor o osnivanju, Odluka o osnivanju),
- Authorisation of representative in English,



Common mistakes – documents (2)

- Certification proving that the head of the branch office of the Lead beneficiary is authorised representative (in original language).
- Partnership Statement not signed by the LB and all PP-s,
- PP declarations,
- Feasibility study (format and language),
- Joint survey on demand,
- Declarations of support,



Common mistakes – documents (3)

- Declarations certifying the exemption of the construction from building/environmental permit,
- Notification on the procedure initiated for obtaining the building/environmental permit,
- Signed CV-s (EU format), electronic version,
- Statement on cultural heritage.



Common mistakes – descriptions

- Declaration on the availability of the own contribution: the amount of EUR differs from the one indicated on the AF,
- Croatian LB-s and PP-s often calculate VAT in their budget tables,
- Description/indication on photos,
- Detailed description of the indicated costs,
- Description of the costs within budget lines (language).



9. State aid rules for projects



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

State aid rules (1) (GfA 4.5)

State aid rules apply to measures satisfying all 5 criteria (see Article 107 of the Treaty on the Functioning of the European Union):

- State resources,
- Undertaking,
- Economic advantage,
- Selectivity,
- Effect on competition and trade.



State aid rules (2)

- **National responsibility.**
- Applicable rules in **Chapter 4.5 of the GfA.**
- **State aid declaration** (new addition to the application package)
- **State aid check** during assessment and contracting.
- Practical hints.



10. Communication requirements towards projects



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Communication requirements (1)

The IPA Implementing Regulation and Commission Regulation (EC) No 1828/2006 define the communication requirements of LB-s and PP-s.

Taking into account the cited regulations, **the LB and the PP-s have to fulfil certain requirements** related to the communication activities.



Communication requirements (2)

Basic requirements:

- ensure informing of the funding from the present Programme,
- provide clear notice to the effect that the project being implemented has been selected under the Hungary-Croatia IPA Cross-border Co-operation Programme.



Communication requirements (3)

Obligatory communication tools:

- a) **Promotional material about the project** (e.g. leaflets, brochures, accessories).
- b) **Events** – at least one (e.g. project opening or closing event, press conference).

Recommendable communication tools:

Project website (!), media coverage of the project activities.



Communication requirements (4)

At least one means of communication used by the project should be in line with bilingualism as one of the horizontal objectives of the Programme.

The LB bears the responsibility on the project level for informing the public about the funding obtained from the European Union.



Communication requirements (5)

For projects that finance infrastructure or construction:
specific obligations, see '*Project Communication Guidelines*'

IMPORTANT NOTE:

All LB-s implementing projects consisting of infrastructure or construction activities – if the total public contribution of the project exceeds EUR 500.000:

- have to ensure that a **billboard** is put up on the site of the activity;
- are obliged to put up a **permanent explanatory plaque** no later than six months after the completion of the project.



Billboard HU



Magyarország-Horvátország
IPA Határon Átnyúló Együttműködési Program

Ahol a folyók összekötnek

A projekt címe:	[A projekt címe]
Vezető kedvezményezett:	[Vezető kedvezményezett]
Közösségi támogatás összege:	[Közösségi támogatás összege]
A projekt kezdete:	[A projekt kezdete]
A projekt zárása:	[A projekt zárása]



A projekt a Magyarország-Horvátország IPA Határon Átnyúló Együttműködési Programban, az Európai Unió társfinanszírozásával valósul meg.

Billboard HR



IPA prekogranični program
Mađarska-Hrvatska

Gdje rijeke spajaju

Naziv projekta:	[Naziv projekta]
Glavni korisnik:	[Glavni korisnik]
Iznos sredstava Europske unije:	[Iznos sredstava Europske unije]
Početak projekta:	[Početak projekta]
Kraj projekta:	[Kraj projekta]



Projekt sufinancira Europska unija u sklopu IPA prekograničnog programa Mađarska – Hrvatska



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union

Communication requirements (6)

Please remember that **communication is an essential part of the project and should be implemented continuously during the project lifecycle!**



Communication requirements (7)

All communication requirements are defined in the **following document:**

Guidelines for Implementing Information and Publicity Requirements for the Projects in the Hungary-Croatia IPA Cross-border Co-operation Programme (***Project Communication Guidelines***).

<http://www.hu-hr-ipa.com/en/download>

Programme logo for tourism Actions - special attention



Tourism logo of Programme – to be obligatory used **ONLY** for the projects financed from the actions within the Area of intervention 1.2: Sustainable Tourism in the Mura-Drava-Danube River Area – usage instead of standard Programme logo.



Standard Programme logo – to be used for the projects financed from all the actions other than tourism development.

Project Communication Guidelines – page 13.

Thank you for your attention!

*The Joint Technical Secretariat
of the Hungary-Croatia
IPA CBC Programme*



Hungary-Croatia
IPA Cross-border Co-operation Programme

December 2011



The Programme is co-financed by the
European Union