

# GUIDE FOR APPLICANTS FOR FLAGSHIP PROJECTS

## INTERREG V-A ROMANIA-HUNGARY PROGRAMME

Ip 6/c Conserving, protecting, promoting and developing natural and cultural heritage  
Ip 7/c Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility  
Ip 8/b Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources



## RESTRICTED CALL FOR PROPOSALS

***“Partnership for a better future”***

[www.interreg-rohu.eu](http://www.interreg-rohu.eu)

**Draft**

**July 2017<sup>1</sup>**

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<sup>1</sup> Please, be noted that the draft document is still under the consultation between the MSs.

*Dear Applicant!*

*As indicated in the title, this document provides information and guidance regarding the rules and procedures to be observed by applicants when planning their projects and stresses out the main elements the applicants shall be aware of when dealing with a cross-border project. However, it does not replace other documents. Applicants are invited to carefully read the documents listed in the application package, in order to be able to prepare their applications in compliance with the rules governing this Programme, including relevant community and national legislation.*

*Please note that clarifications, errata, amendments/corrigenda may be published on the Programme's website: [www.interreg-rohu.eu](http://www.interreg-rohu.eu).*

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## CHAPTER 1. General information

*The current guide applies to the preparation of project proposals for Flagship Projects to be submitted under the Interreg V-A Romania-Hungary Programme, within a restricted Call for proposals, further detailed, in Chapter 2.*

*It is intended to help the applicants to prepare the content of the project proposal.*

It is the most practical level of documentation needed for the successful submission of a project under this programme. This guide provides information on how to fill in the application, budget and related forms, the application procedure, the project selection criteria, the decision procedure and other practical advices.

**Please bear in mind at all stages that this is a different Programme from the previous Hungary-Romania Cross Border Cooperation Programme 2007-2013.**

**Consequently, please be aware that rules of this Call for proposals are different from those launched within the afore-mentioned programme.**

**Therefore, please read carefully this Guide in order to avoid confusion!**

**Also, please bear in mind that this Call for proposals only concerns the following Priority Axes (PA): PA1 (solely Investment priority 6/c), PA2 (solely Investment priority 7/c), and PA3 (Investment priority 8/c).**

### 1.1 Overview of the programme

This programme is financed by the European Union through the European Regional Development Fund and co-financed by Romania and Hungary through contributions from state budget and from project beneficiaries.

The programming document (hereinafter referred to as the Cooperation Programme) drafted jointly by the two countries through a wide partnership with national, regional and local stakeholders, was approved by the European Commission on 9<sup>th</sup> of December 2015. It sets out the general framework of intervention of ERDF in the Romania – Hungary cross-border area.

The programme's eligible area includes 4 counties from Romania (Satu Mare, Bihor, Arad and Timiș) and 4 counties from Hungary (Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád).

**The Cooperation Programme document and its annexes are available on**

[www.interreg-rohu.eu](http://www.interreg-rohu.eu), [www.mdrap.ro](http://www.mdrap.ro),.

## 1.2 Programme strategy

In compliance with the EU regulatory requirements, a set of 6 Thematic Objectives (TO) were selected by the planning and programming bodies:

1. TO6 – Preserving and protecting the environment and promoting resource efficiency
2. TO7 – Promoting sustainable transport and removing bottlenecks in key network infrastructures
3. TO8 – Promoting sustainable and quality employment and supporting labour mobility
4. TO9 – Promoting social inclusion, combating poverty and any discrimination
5. TO5 - Promoting climate change adaptation, risk prevention and management
6. TO11-Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

and the **focus of the Programme** has also been identified: TO6, TO7, TO8 and TO9.

For further details on the Programme' strategy, please refer to the Cooperation Programme' document (including annexes).

### 1.2.1 Priority Axes, Investment Priorities, and their Specific Objectives

Priority Axes (PA) are afferent to each Thematic Objective selected for financing during the programming phase.

**Relevant for the present Call are PA1 (Ip6/c), PA2 (Ip7/c) and PA3(Ip8/b).**

For each PA, Investment priorities (Ip) were selected, each having its Specific Objective (SO) to attain, as reflected by the table below, highlighting the ones relevant for the present Call:

Priority axis	Investment Priority	Specific Objective
PA1 - Joint	6/b Investing in the water sector to meet the	Improved quality

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<b>Priority axis</b>	<b>Investment Priority</b>	<b>Specific Objective</b>
protection and efficient use of common values and resources (Cooperating on common values and resources)	requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements.	management of cross-border rivers and ground water bodies
	6/c Conserving, protecting, promoting and developing natural and cultural heritage	Sustainable use of natural, historic, and cultural heritage within the eligible area
PA2 - Improve sustainable cross-border mobility and remove bottlenecks (Cooperating on accessibility)	7/b Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes	Improved cross-border accessibility through connecting secondary and tertiary nodes to TEN-T infrastructure
	7/c Developing and improving environment-friendly (including low-noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	Increased proportion of passengers using sustainable – low carbon, low noise – forms of cross-border transport
PA3 - Improve employment and promote cross-border labour mobility (Cooperating on employment)	8/b Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources	Increased employment within the eligible area
PA4 - Improving health-care services (Cooperating on health-care and prevention)	9/a Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and transition from institutional to community-based services	Improved preventive and curative health-care services across the eligible area
PA5 - Improve risk-prevention and disaster management (Cooperating on risk prevention and disaster management)	5/b Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Improved cross-border disasters and risk management
PA6 - Promoting	11/b Enhancing institutional capacity of public	Intensify sustainable cross-

Priority axis	Investment Priority	Specific Objective
cross-border cooperation between institutions and citizens (Cooperation of institutions and communities)	authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions	border cooperation of institutions and communities

For further details please refer to the 'Cooperation Programme' document (including annexes).

### 1.2.2 Programme indicators

Programme level indicators are set per *specific objective*, thus, are directly linked to the *Investment priority*. For each SO, a *result indicator* has been set, and then, one or two *output indicators*, conducive to the expected result.

The indicator matrix at programme level, highlighting the ones relevant for this Call, reads as follows:

Investment priority	Result indicator	Output indicator
Ip 6/b	Water quality (ecological condition) of cross-border rivers at the measurement points in the eligible area	Number of measurement points positively affected by the interventions (after the completion of the project)
Ip 6/c	Tourist overnight stays in the eligible programme area	<b>Increase in expected number of visits to supported sites of cultural and natural heritage and attractions</b>
		<b>Surface area of habitats supported to attain a better conservation status</b>
Ip 7/b	Cross-border population served by modernized infrastructure leading to TEN-T	Total length of newly built roads
		Total length of reconstructed or upgraded roads
Ip 7/c	Ratio of people to motorized road vehicles crossing the border	<b>Number of cross-border public transport services developed / improved</b>
		Total length of newly built bicycle road
Ip 8/b	Employment rate in the eligible	<b>Number of participants in joint local employment initiatives and</b>

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Investment priority	Result indicator	Output indicator
	area as a percentage of the working age population	joint training
Ip 9/a	Average service level in health care institutions in the eligible area	Population having access to improved health services
		Number of health-care departments affected by modernized equipment
Ip 5/b	Quality of the joint risk management	Population safeguarded by improved emergency response services
Ip 11/b	Intensity of cross-border cooperation	Number of institutions directly involved in cross-border cooperation initiatives
		Number of people participating in cross-border cooperation initiatives

**Please bear in mind that for the present Call only Ip 6/c, 7/c, and 8/b are relevant, and applications can solely be submitted under these Ips.**

**Please refer to the relevant FACT SHEET in Annex I of the present Guide for detailed information on the Programme' indicators per each Investment Priority that are relevant for this Call.**

Nevertheless, the focus in the 2014-2020 programming period is on the results. The Programme results are measured by indicators. The **performance framework** is one of the tools to achieve a result-orientation of the ESI Funds. It is a table in which a set of milestones and targets is defined for each priority in the programme.

The achievement of milestones will be assessed by the European Commission in 2019 and in case of failure, it could lead to the suspension of payments. The achievements of final targets will be assessed in 2024 and might form the basis of financial corrections.

**Indicators measure whether the project has achieved its objectives or not. In this respect, each project must contribute to the achievement of the Programme indicators (both output and result indicators). The choice of appropriate indicators and the way your project contributes to the Programme results is important for the project and its selection by the Monitoring Committee.**

**Therefore, result oriented projects, with tangible results, coordinated with the national/regional/local strategies and with high impact on the eligible area shall be selected.**

In addition, the **environmental indicators** set during the Strategic Environmental Assessment procedure for the Programme are to be taken into account.



Relevant for this Call are the followings:

Environmental issue	Monitoring indicators (that result from the relevant environmental objective)
<b>Biodiversity, flora, fauna, NATURA 2000</b>	<i>Surface area of habitats supported in order to attain a better conservation status</i>
	<b>I1: Number of actions which have impact on habitats in the eligible area</b>
	<b>I2: Number of actions which have impact on NATURA 2000 sites in the eligible area</b>
<b>Water (surface waters, ground waters); Air and fighting climate change</b>	<b>Water quality (ecological condition) of cross- border rivers at the measurement points in the eligible area</b>
	<i>Number of measurement points positively affected by the interventions (after the completion of the project)</i>
	<i>Quality of the joint risk management</i>
	<i>Population safeguarded by improved emergency response services (after the completion of projects)</i>
<b>Water (surface waters, ground waters)</b>	<b>I3: Number of actions impacting the elimination of pollution sources in the eligible area</b>
<b>Soil and land use</b>	<b>I4: Number of actions having an impact on landscape and soil in the eligible area</b>
<b>Air and fighting climate change</b>	<i>Number of cross-border public transport services developed/improved</i>
	<b>I5: Number of sustainable routes in the eligible area</b>
<b>Landscape</b>	<b>I6: Number of actions contributing to the rehabilitated land in the eligible area</b>
<b>Population and human health</b>	<i>Population having access to improved health services</i>
<b>Material assets, cultural heritage including architectural and archaeological heritage</b>	<b>I7: Number of restored historical, natural and cultural heritage sites</b>

\* The programme's specific output indicators are marked with italic. The additional SEA environmental indicators are marked with bold type letters.

**Please refer to Annex II of the present Guide for the Performance Framework and Environmental Indicators for the Programme.**

For further details on programme indicators and performance framework please refer to the Cooperation Programme' document (including annexes).

### 1.2.3 Horizontal Principles

**Horizontal principles** refer to priorities agreed by the Member States of the European Union, which are embedded in various forms in all the EU policies. The horizontal principles are referring mainly to sustainable development and energy efficiency, equal opportunities and non-discrimination, including equality between men and women.

The following horizontal principles shall be observed by all applicants in the development and implementation of their projects:

1. **Sustainable development** – development process that meets the needs of the present without compromising the ability of future generations to meet their own needs. The environmental protection is an integrated part of the development process. In designing and implementing the project, the applicants should aim at a balanced use of resources, appropriate choice of logistics and raising public awareness on sustainable development issues (e.g. by inserting messages on printed materials or in the e-mails).

In addition, challenges brought by the **climate change** shall be duly taken into account. Climate change - a great concern at global and EU level – should be another key element of which the applicants should be aware of. The main factors contributing to climate change are greenhouse gases deployed in the atmosphere from energy and non-energy sources. Projects should at least avoid making use of such sources, and additionally support the fight against climate change.

Special attention on the above is needed under **PA1, PA2** and PA5.

In order to ensure sustainable development, the followings will be used as general guiding principles:

- Due attention will be paid to the environmental protection requirements, climate change mitigation and adaptation.
- In case of transport development, the aspect of smart regional mobility should be promoted.
- In case of road constructions silent road surface for road constructions in populated areas can be requested.
- In case of purchasing vehicles for the improvement of the transport conditions, silent modes shall be taken into account when selecting.

- In case of investments negatively affecting nature, fauna and flora, and biodiversity, only those projects should be selected, where investments are accompanied by compensatory measures and damage mitigation.
  - In addition, wherever relevant, in the case of investment projects the following requirements will be considered:
    - for projects involving purchasing products, those products should comply with the energy efficiency requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) for products subject to public procurement;
    - if a project involves building, construction and renovation, requirement to prove cost-optimal levels of energy performance according to Directive 2010/31/EU.
2. **Equal opportunities and non-discrimination** - a fundamental right, ensuring the access of every person, on free and equal basis, in the areas of public life such as in the workplace, in education, or in accessing goods and services. Especially projects under **PA3**, PA4 and PA6 need to deal with this aspect.
3. Equal opportunities refer to preventing any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation or on any other similar criterion. This also includes Equality between men and women, specified below. **Equality between men and women** – special attention on this aspect is to be paid for projects under **PA3** and PA6.

The projects will have to apply the gender mainstreaming and promote the fundamental rights, non-discrimination and equal opportunities in their activities. The projects shall promote equal opportunities for all in order to tackle the barriers faced by minorities, the disabled, and other vulnerable groups.

In order to ensure equal opportunities and non-discrimination, at least the followings will be taken into account:

- Only those projects could be selected, which are non-discriminatory and transparent and take into account gender equality and non-discrimination principles.
- In projects, where it is feasible, preference may be given on the social inclusion of people living in deep poverty.

**During the design of the details of the project, the principles of transparency, equal treatment, non-discrimination, national integrity and sustainable development will be met.**

Therefore, in development of your projects, please have in view the followings:

- The inclusion of relevant features related to the profile of persons involved in the projects, e.g. on gender, ethnic origin, age, occupation and education level, disabilities etc.;
- The evaluation of actions for the involvement of potentially discriminated groups in project implementation e.g. related to flexible working arrangements, representation arrangements, provisions for persons with disabilities etc.;
- Consideration of the different needs and intended and unintended impact of the project on different groups, e.g. vulnerable population with disabilities, returning and internal migrants etc.;
- Consideration of equal opportunities and non-discrimination in project implementation, e.g. concerning the establishment of an Equal Opportunities Action Plan, definition of equal opportunity targets, provision of equal opportunities training or diversity management courses, provision of supporting services;
- Provisions for an equal access to the project's outputs and benefits for all members of the society;
- Consideration of the different starting positions of the target groups based on gender (existence and extent of differences between women and men and the implications of these differences for the specific policy area etc.) and intended and unintended impact of the operation of the project on those groups in the project concept;
- Consideration of equality between men and women in project implementation, e.g. through inclusion of gender mainstreaming provisions, concerning the special needs and circumstances of men and women employees, introducing flexible, individual arrangements for female employees including childcare, information about these provisions in advertisements for job opportunities.

**Please be informed that the observance of the horizontal principles shall be taken into account during projects assessment. Projects which propose explicit measures with positive impact on one or more of them, even in terms of raising public awareness, may be awarded additional points.**

However, accomplishing the minimum requirements of law in the fields of promotion of

equal opportunities and non-discrimination, equality between men and women and sustainable development is mandatory and will not be extra scored.

For further information please refer to the Cooperation Programme document.

### 1.3 Programme implementation structure

According to the EU Regulations, the two partner states in the programme - Romania and Hungary - have established a number of bodies forming the implementation and monitoring mechanism of the programme. The most relevant bodies for the potential beneficiaries are:

**Managing Authority (MA)** – the Romanian Ministry of Regional Development, Public Administration and European Funds - is responsible for managing and implementing the operational programme in accordance with EC Regulations and the principles of sound financial management. The Managing Authority signs the ERDF subsidy contracts with the Lead Beneficiaries as well as the co-financing contracts with the Romanian project beneficiaries (for the co-financing granted from the Romanian state budget). The Managing Authority took over the role of certifying the expenditures (role of Certifying Authority).

**National Authority (NA)** - the Prime Minister's Office from Hungary – is the counterpart of the Managing Authority and will sign the co-financing contracts with the Hungarian project beneficiaries (for the co-financing granted from the Hungarian state budget).

**Monitoring Committee (MC)** is formed of representatives at national, regional and local level from both countries, supervises the programme and selects the projects.

**Joint Secretariat (JS)** is based within the Cross Border Cooperation Regional Office Oradea for Romania-Hungary Border - BRECO, situated in Oradea (Romania). It assists the Managing Authority and the Monitoring Committee in carrying out their respective duties and is the main contact point between the programme and the potential/project beneficiaries.

**Info Points (IPs)** are established in Hungary, in each of the HU 4 eligible counties, and develop information and monitoring related activities, having as main role to serve as local contact point for potential/project beneficiaries (tasks related to information and monitoring).

For further details on programme implementation structure please refer to the Cooperation Programme.

## 1.4 Financial Allocation for the Call for Proposals

The total budget of the programme for the entire 7-year programming period is of EUR 231,861,763.00, of which EUR 189,138,672.00 is represented by EU contribution through the European Regional Development Fund. The remaining EUR 42,723,091.00 are national contributions from state budgets and project beneficiaries.

In line with the requirements provided for in the Commission' "Aide Memoire on the strategy, management, financial & control arrangements"<sup>2</sup> for ETC programmes, a maximum of 50% ERDF allocation may be made available for Flagship projects.

Following the territorial analysis and consultations with the stakeholders and potential beneficiaries, when drafting the programming document, it has been decided that the share of ERDF resources dedicated to the Flagship (strategic) projects is within 50% of the ERDF funds allocated to the Programme.

The estimated **total amount allocated for this Call for proposals**, including national public and private funding is of **EUR 48,170,588.23<sup>3</sup>**, broken down as follows:

Investment Priorities	Community Funding ERDF	National counterpart*	Total estimated funding
	(a)	(b)	(a)+(b)
Ip 6/c	22,977,417.00	4,054,838.30	27,032,255.30
Ip 7/c	8,360,918.00	1,475,456.12	9,836,374.12
Ip 8/b	8,360,918.00	1,475,456.12	9,836,374.12
<b>Total</b>	<b>39,699,253.00</b>	<b>7,005,750.24</b>	<b>46,705,003.54</b>

\*Includes the contributions from Romanian and Hungarian state budgets, and local/private budgets from both countries, respectively, expected own contribution, as estimated during the programming period; this represents the minimum total *national counterpart*, which may be increased by higher own contributions of the project partners.

**The total ERDF amount may not be exceeded, under any circumstances.  
Any amounts not contracted under the present Call shall be automatically**

<sup>2</sup>

[http://admin.interact-eu.net/downloads/8525/Aide\\_Memoire\\_on\\_the\\_strategy\\_and\\_managment\\_financial\\_and\\_control\\_arrangements.pdf](http://admin.interact-eu.net/downloads/8525/Aide_Memoire_on_the_strategy_and_managment_financial_and_control_arrangements.pdf)

<sup>3</sup> Estimated based on the financing plan of the Cooperation Programme.

**transferred to *Open call(s) or as decided<sup>4</sup> by the Monitoring Committee.***

The above allocation is based on the followings:

- ✓ The rate of ERDF financing within a project is maximum 85% of the total eligible project budget.
- ✓ The rate of national state budget co-financing is maximum 13%<sup>5</sup> of the total eligible budget for Romanian beneficiaries, other than Central Public Authorities that are financed through the Romanian state budget, and maximum 10%<sup>6</sup> for Hungarian beneficiaries, except bodies that are financed from the Hungarian state budget, where the maximum rate of national co-financing is 15% of their total eligible project budget.
- ✓ Each Beneficiary has to bring an own contribution to the project, that shall be minimum 2 % in case of Romanian Beneficiaries, other than Central Public Authorities for which the contribution is fully ensured by the Romanian state budget, and 5 % in case of Hungarian Beneficiaries other than Central Budgetary Organs in Hungary who do not need to provide own contribution.

**Each Project Beneficiary has to ensure the financial resources necessary for the implementation of the project until the reimbursement of ERDF funds.**

The following table reflects an allocation scenario at project potential beneficiary level, based on financing sources:

Financing sources	Romanian Central Public Authorities	Romanian Beneficiaries other than Central Public Authorities	Hungarian Central Budgetary Organs as Beneficiaries	Hungarian Beneficiaries other than Central Budgetary Organs
ERDF	Max. 85%	Max. 85%	Max. 85%	Max. 85%
	<b>But not more than:</b> <b>€ 11,815,000.00 / project, in case of Ip 6/c</b> <b>€ 8,360,918.00 / project, in case of Ip 7/c and Ip 8/b</b>			
State contribution	Min. 15%	Max. 13%	Max. 15%	Max. 10%
	-	But not more than	But not more than	But not more than

<sup>4</sup> If the case, at a later stage, to be in line with allocations for PA/Ip from CP.

<sup>5</sup> This rate is depended on the granted ERDF, and may vary accordingly. Whereas the rate of ERDF decreases, the national co-financing drawn from the state budget is proportionally decreased as well.

<sup>6</sup> Idem no.4, above.

		15.2941% from ERDF	17.6470% from ERDF	11.7647% from ERDF
Own contribution		Min. 2%	Min. 0%	Min.5%

Major projects, as defined by Regulation (EU) No 1303/2013, article 100, are not supported under this Call. Thus, even there is no limitation regarding the own contribution, the maximum **total project budget (ERDF + State Contribution + Own Contribution) for one flagship project cannot exceed € 50,000,000.00.**

## 1.5 Revenue Generating Projects

Revenue generating projects may be financed under the present Call for proposals.

However, it must be kept in mind that the goals of Interreg V-A Romania – Hungary Programme relate to general public interests and well-being, thus envisaging and strongly encouraging *not for-profit* activities.

The EU Regulations applicable to 2014-2020 period do not provide for a definition of "revenue" as only "**net revenue**" needs to be taken into account for the calculation of eligible expenditure.

### Net-revenues are not eligible.

According to Article 61 CPR (EU Regulation No. 1303/2013) "**net revenue** means **cash in-flows directly paid by users for the goods and services provided by the operation**, such as charges borne directly by the users for the use of infrastructure, sale or rent of land or buildings, or payments for services **less any operating costs and replacement costs of short-life equipment** incurred during the corresponding period."

This means that operating costs and replacement costs of short-life equipment (as referred to in Article 17 of Commission Delegated Regulation (EU) No 480/2014) decrease the net revenue in case the revenue remains unchanged.

In addition, operating cost-savings generated by the project shall be treated as net revenue (except where the operation cost-savings are the only source of revenue for the operation). The eligible expenditure of the operation shall be reduced taking into account the expected net revenue by applying one of the methods set out in Article 61(3) (or alternatively Article 61(5)) of CPR, as complemented by Articles 15 and 16 of the above-mentioned CDR.



**Eligible expenditure on revenue-generating projects shall not exceed the current value of the investment cost less the current value of the net revenue from the investment over a specific reference period for:**

**(a) investments in infrastructure; or**

**(b) other projects where it is possible to objectively estimate the revenues in advance.**

The net revenue generated during implementation of the project, resulting from sources of revenue not taken into account in determining the potential net revenue of the project, shall be deducted from the eligible expenditure of the project, no later than in the final payment claim submitted by the beneficiary.

Where it is objectively not possible to determine the revenue in advance, the net revenue generated within three years of the completion of a project, or by the deadline for the submission of documents for programme closure, whichever is earlier, shall be refunded to the MA and/or to NA according to the ERDF and national state budget contributions.

The implementation of the provisions mentioned above is done by the following measures:

- In the Application Form for the second phase (FA), the applicants shall mention if their project is revenue generating.

**Whereas the project's budget annexed to the Application Form shall not include the net revenue, net revenue shall be mentioned however, as potential, in the Application Form. The budget template provided in e-MS allows the applicants to fill in such information.**

- In the implementation phase, a monitoring of the generated revenues shall be done throughout the implementation period of the project or for the next 3 years following the completion of the project.

## **1.6 State Aid**

### **1.6.1. Definitions**

**As defined in Art. 107 para. (1) of the Treaty on the Functioning of European Union, a measure is considered State aid if it meets, on cumulative bases, *all* of the following criteria:**

- 1. the beneficiary is an undertaking (is engaged in economic activity)**
- 2. the measure is financed from the State budget or is imputable to the state**

3. the measure confers an advantage to the beneficiary
4. the measure is selective
5. the measure affects the trade and competition between the Member States – within the Union.

**Undertaking** - any entity, regardless of its legal status, which is engaged in economic (commercial/competitive) activity and where there is a market in comparable goods or services.

**Economic activity** – offering goods and/or services on a given market and which could, at least in principle, be carried out by another operator.

**State resources** - State resources include all resources of the public sector, including resources of intra-State entities (decentralised, federated, regional or other) and, under certain circumstances, resources of private bodies.

**Economic advantage:** The project support is an economic advantage that the undertaking would not have received in the normal course of business. Such an economic advantage can be assumed if the undertaking does not provide for any market-driven consideration (e.g. it promises to create jobs in return for state funds received or it buys land from the state for a price lower than the market price).

**Selectivity** – the measures grant an advantage in a selective way to certain undertakings or categories of undertakings or to certain economic sectors.

**Effect on competition and trade:** This criterion is already fulfilled if an aid has potential effect on competition and trade between Member States. It is sufficient if it can be shown that the beneficiary is involved in an economic activity and that it operates in a market in which there is trade between Member States. As a general rule, no effects on competition and trade are to be expected in case of purely local activities or **legal** monopolies.

***Some activities under the Investment Priorities 6/c, 7/c and 8/b do not constitute State aid as at least one of the above-mentioned criteria is not met.***

Also, in the COMMUNICATION FROM THE COMMISSION on the notion of State aid pursuant to Article 107(1) TFEU, the paragraph 18 of the respective document states that:

- a) activities that intrinsically form part of the prerogatives of official authority and are performed by the State do not constitute economic activities.
- b) it follows from the case-law that Article 107 TFEU does not apply where the State acts “by exercising public power” or where public entities act “in their capacity as public authorities”. An entity may be deemed to act by exercising public powers where the activity in question is a task that forms part of the essential functions of the State or is connected with those functions by its nature, its aim and the rules to which it is subject.

In addition, the paragraphs 115 and 116 of the same document stipulate:

115. An advantage can be conferred on undertakings other than those to which State resources are directly transferred (indirect advantage). A measure can also constitute both a direct advantage to the recipient undertaking and an indirect advantage to other undertakings, for instance, undertakings operating at subsequent levels of activity. The direct recipient of the advantage can be either an undertaking or an entity (natural or legal person) not engaged in any economic activity.

116. Such indirect advantages should be distinguished from mere secondary economic effects that are inherent in almost all State aid measures (for example through an increase of output). For this purpose, the foreseeable effects of the measure should be examined from an ex ante point of view. An indirect advantage is present if the measure is designed in such a way as to channel its secondary effects towards identifiable undertakings or groups of undertakings. This is the case, for example, if the direct aid is, de facto or de jure, made conditional on the purchase of goods or services produced by certain undertakings only (for example only undertakings established in certain areas<sup>7</sup>).

### **Indirect aid (aid to third beneficiaries)**

It may also be that project beneficiaries grant State aid to third parties outside the project partnership. This is because other undertakings (i.e. entities engaged in economic activities) not included as project beneficiaries in the project partnership (e.g. associated organisations, target groups, etc.) could receive an advantage through the project's activities that they would not have received under normal market conditions. And this implies that they could be recipient of State aid.

It is worth mentioning, that even though the project beneficiary does not perform State aid relevant activities in the project thus at its level it does not mean State aid but its activities could mean an advantage for third parties outside the project partnership.

Therefore, when preparing the Full Application Form, each applicant must also consider whether its activities will give rise to State aid to third parties.

**Where a beneficiary provides State aid to end users, it will be necessary for the project beneficiary providing the advantage to calculate the value of the supportive activities.**

Then, consideration should be given to eliminating any State aid element, for instance, by charging a market price for that particular item.

**The requirement regarding an open procedure should not be confused with the open tendering procedure according to the law on public procurement. In this case, this principle should be interpreted as opening up towards the competition**

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<sup>7</sup> 2016/C 262/01- Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union

through an appropriate degree of publicity so that all stakeholders can participate in the tender.

For particularly complex projects "competitive dialogue" may apply, where the public authority is objectively unable to define the technical means best suited to its needs, or the legal and financial shape of the project.

Under this Call for Proposal, the following options are available:

**1.6.2. In relation to Ip 6/c** – Conserving, protecting, promoting and developing natural and cultural heritage:

**A. Activities that are State aid free** (e.g.: *Preparation of studies, strategies, plans, etc. in the field of preservation, development and utilization of cultural/natural heritage*).

**B. Activities that are State aid free subject to complying with GfA provisions** regarding **general eligibility criteria** and **specific eligibility criteria for eligible costs /expenditure**, in case of activities such as: *Training, exchange of good practices and awareness-raising campaigns regarding the protection, promotion and development of natural and cultural heritage; Setting up new cross-border platforms, groupings and networks focusing on safeguarding and developing the joint natural and cultural heritage; Creation of thematic routes; Improving the accessibility of natural and cultural heritages (construction, upgrading/ modernization of roads and ensuring accessibility by bicycle)*.

**C. Activities that are State aid free subject to complying with GfA provisions** regarding **general eligibility criteria** and **specific eligibility criteria for eligible costs /expenditure AND falling under one of the following situations**<sup>8</sup>:

**a)** the cultural activities for which the infrastructure is used are organized in a **non-commercial way** (e.g.: the main activity of the cultural infrastructure is non-economic, and the economic activity represents maximum 20% of the overall activity) or are objectively **non substitutable**, thus excluding the existence of a genuine market; therefore such activities are not economic in nature<sup>9</sup> and thus the funding of such infrastructure will not be considered as State aid;

**b)** there is no potential effect on trade between Member States, due to **local impact**<sup>10</sup> (e.g.: in case the cultural infrastructure is unlikely to attract users or visitors from similar offers in other Member States, thus not affecting the trade between Member States, the incidence of State aid is eliminated).

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<sup>8</sup>for detailed information, please visit ([http://ec.europa.eu/competition/state\\_aid/modernisation/grid\\_culture\\_en.pdf](http://ec.europa.eu/competition/state_aid/modernisation/grid_culture_en.pdf) )

<sup>9</sup> See paragraphs 33, 34 and 36 of **Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union** (2016/C 262/01); [http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52016XC0719\(05\)](http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52016XC0719(05))

<sup>10</sup> See paragraphs 196 of **Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union** (2016/C 262/01); [http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52016XC0719\(05\)](http://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52016XC0719(05))

The above mentioned situations might occur in case of activities such as: *Improving the conservation of monuments and buildings that are part of cultural and natural heritage of the area (e.g.: churches, castles, museums, theatres, natural parks, nature protection areas); Preservation, promotion and development of intangible cultural heritage; Digitization and bringing online cultural heritage, reusing the digitized cultural heritage for educational content, documentaries, tourism applications, games, etc. to foster creative industries; Development, reconstruction and promotion of cultural facilities that protect the cultural heritage of the area eligible; The promotion and utilization of cultural/natural heritage potential by investments in sustainable touristic infrastructure.*

IMPORTANT: The non-incidence of State aid, according to the above mentioned situations, shall be assessed based on the relevant data included in the Application. Also, relevant supporting documents, such as local impact study, will be provided, if applicable.

Please provide any useful information concerning the above mentioned aspects. The information provided should be supported by statistical data (facts and figures) coming from reliable official sources.

**D. Activities that are financed under the State aid GBER scheme elaborated according to Commission Regulation No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (GBER scheme, please see Annex X.5 and Annex X.6).** Such activities may be: *Improving the conservation of monuments and buildings that are part of cultural and natural heritage of the area (e.g.: churches, castles, museums, theatres, natural parks, nature protection areas); Preservation, promotion and development of intangible cultural heritage; Digitization and bringing online cultural heritage, reusing the digitized cultural heritage for educational content, documentaries, tourism applications, games, etc. to foster creative industries; Development, reconstruction and promotion of cultural facilities that protect the cultural heritage of the area eligible; The promotion and utilization of cultural/natural heritage potential by investments in sustainable touristic infrastructure.*

According to Article 53 paragraph 1 of the Regulation, “aid for culture and heritage conservation shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided the conditions laid down in this Article and in Chapter I are fulfilled”.

**Aid scheme** means “any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount”<sup>11</sup>.

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<sup>11</sup> Regulation No 651/2014, Article 2, paragraph (15)

The activities within Ip 6/c supported under the scheme contribute to the achievement and implementation of a common vision within the eligible cross border area regarding the cultural and natural heritage.

In case the GBER scheme applies, the applicants, in case being also the beneficiary of State aid, shall provide with the Application form, a declaration on own responsibility regarding their financial situation, underlining that they are not in difficulty (justifying financial documents included). The Programme shall provide template of such declaration.

**E. Activities that are financed under the *de minimis* aid scheme elaborated according to Commission Regulation No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (please see Annex X.4 and Annex X.6).** Such activities may be: *Improving the conservation of monuments and buildings that are part of cultural and natural heritage of the area (e.g.: churches, castles, museums, theatres, natural parks, nature protection areas); Preservation, promotion and development of intangible cultural heritage; Digitization and bringing online cultural heritage, reusing the digitized cultural heritage for educational content, documentaries, tourism applications, games, etc. to foster creative industries; Development, reconstruction and promotion of cultural facilities that protect the cultural heritage of the area eligible; Creation of thematic routes; The promotion and utilization of cultural/natural heritage potential by investments in sustainable touristic infrastructure.*

***De minimis aid*** is "an aid granted to a single undertaking over a given period of time that does not exceed a certain fixed amount. The ceiling of the amount of *de minimis* aid is EUR 200 000 that a single undertaking may receive per Member State over any period of three years. This ceiling remains necessary to ensure that any measure falling under the abovementioned Regulation can be deemed not to have any effect on trade between Member States and not to distort or threaten to distort competition"<sup>12</sup>.

In case of projects' activities financed under the *de minimis* scheme, the beneficiary / final beneficiary of the aid shall provide a Declaration on own responsibility regarding the previous ***de minimis aid***. The Programme shall provide template of such declaration.

**IMPORTANT: Other project activities eligible under Ip 6/c that are not listed in the GfA and/or in the Factsheet afferent to Ip 6/c will be assessed and accordingly categorised by the external State aid assessor under one of the above-mentioned situations (A., B., C., D. or E.), as the case may be.**

**Moreover, during the State aid assessment process, supplementary information and/or completion might be requested.**

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<sup>12</sup> Commission Regulation No 1407/2013, Article 3

**1.6.3. In relation to Ip 7/c** – Developing and improving environment-friendly (including low noise), and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility:

**A. Activities that are State aid free subject to complying with GfA provisions regarding general eligibility criteria and specific eligibility criteria for eligible costs /expenditure**, in case of activities such as: *Preparation of particular investments: elaboration of studies, analyses, concepts, technical / design documentation, elaboration of recommendations concerning legal administrative bottlenecks hampering cross-border mobility; Sharing best practices as part of complex projects contributing to specific objective; Construction, upgrading / modernization of roads, bicycle roads, path or lane, also by using existing infrastructure elements, where appropriate (e.g. dams, agricultural roads, etc.).*

**IMPORTANT: Please note that construction, upgrading / modernization of bicycle roads does not fall under State aid incidence.**

**Also, sharing of best practices between partners does not constitute State aid, as not implying an economic activity.**

**B. Activities that are financed under the *de minimis* aid scheme elaborated according to Commission Regulation No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (please see Annex X.4 and Annex X.6).** Such activities may be: *Development of cross-border intelligent transport system, passenger information system, on-line schedule, e-ticketing, mobile apps, common tariff systems; Development and integration of cross-border public transport services; Innovative solutions to improve cross-border public transport and reducing transport-related emission.*

***De minimis* aid** is "an aid granted to a single undertaking over a given period of time that does not exceed a certain fixed amount. The ceiling of the amount of *de minimis* aid is EUR 200 000 that a single undertaking may receive per Member State over any period of three years. This ceiling remains necessary to ensure that any measure falling under the abovementioned Regulation can be deemed not to have any effect on trade between Member States and not to distort or threaten to distort competition"<sup>13</sup>. In case of projects' activities financed under the *de minimis* scheme, the beneficiary / final beneficiary of the aid shall provide a Declaration on own responsibility regarding the previous **de minimis aid**. The Programme shall provide template of such declaration.

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<sup>13</sup> Commission Regulation No 1407/2013, Article 3



**C. Projects including activities that are declared Services for General Economic Interest (SGEI)- without State aid incidence subject to fulfilling all Altmark criteria.**

Such activity may be: *Investment into public transport related infrastructure (e.g. low emission vehicles, bus);*

**- with State aid incidence, based on Regulation No 1370/2007<sup>14</sup>.** Such activities may be: *Development of cross-border intelligent transport system, passenger information system, on-line schedule, e-ticketing, mobile apps, common tariff systems; Development and integration of cross-border public transport services; Investment into public transport related infrastructure (e.g. low emission vehicles, bus); Innovative solutions to improve cross-border public transport and reducing transport-related emission.*

The concept of SGEI appears in Articles 14 and 106(2) TFEU and in Protocol No 26 to the TFEU, but it is not defined in the TFEU or in secondary legislation. The Commission has clarified in its Quality Framework that SGEIs<sup>15</sup> are economic activities which deliver outcomes in the overall public good that would not be supplied (or would be supplied under different conditions in terms of objective quality, safety, affordability, equal treatment or universal access) by the market without public intervention.

According to the provisions of Commission Decision of 20.12.2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, there are the following requirements to be considered when entrusting a SGEI:

First, the recipient undertaking must actually have public service obligations to discharge, and the obligations must be clearly defined. In the main proceedings, the national court will therefore have to examine whether the public service obligations which were imposed on Altmark Trans are clear from the national legislation and/or the licences at issue in the main proceedings.

Second, the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner, to avoid it conferring an economic advantage which may favour the recipient undertaking over competing undertakings. Payment by a Member State of compensation for the loss incurred by an undertaking without the parameters of such compensation having been established beforehand, where it turns out after the event that the operation of certain services in connection with the discharge of public service obligations was not

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<sup>14</sup> REGULATION (EC) No 1370/2007 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70

<sup>15</sup> Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest; Commission Decision of 20 December on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest; Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011).



economically viable, therefore constitutes a financial measure which falls within the concept of State aid within the meaning of Article [107 (1)] of the Treaty.

Third, the compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of public service obligations, taking into account the relevant receipts and a reasonable profit for discharging those obligations. Compliance with such a condition is essential to ensure that the recipient undertaking is not given any advantage which distorts or threatens to distort competition by strengthening that undertaking's competitive position.

Fourth, where the undertaking which is to discharge public service obligations, in a specific case, is not chosen pursuant to a public procurement procedure which would allow for the selection of the tenderer capable of providing those services at the least cost to the community, the level of compensation needed must be determined on the basis of an analysis of the costs which a typical undertaking, well run and adequately provided with means of transport so as to be able to meet the necessary public service requirements, would have incurred in discharging those obligations, taking into account the relevant receipts and a reasonable profit for discharging the obligations.

Therefore, in practical terms, the SGEI in order to be entrusted shall entail the following steps to be undertaken:

1. The service has to be defined through means of a normative act, endorsed by the competent authority (law, ordinance, emergency ordinance, Government Decision, Decision of the local authority) and shall include, according to Article 4 of the Commission Decision of 20.12.2011, in particular:
  - (a) the content and duration of the public service obligations;
  - (b) the undertaking and, where applicable, the territory concerned;
  - (c) the nature of any exclusive or special rights assigned to the undertaking by the granting authority;
  - (d) a description of the compensation mechanism and the parameters for calculating, controlling and reviewing the compensation;
  - (e) the arrangements for avoiding and recovering any overcompensation; and (f) a reference to the Commission Decision of 20.12.2011.
2. The European Commission only checks SGEI definition against manifest error.<sup>16</sup> However, in order to avoid the SGEI nature being challenged, a technical and economic study in order to estimate the revenues and costs for the operation of the service and determining the parameters on the basis of which the compensation will be calculated.

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<sup>16</sup> Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest, para. 46

3. The compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of the public service obligations, taking into account the relevant receipts and a reasonable profit;
4. Where the undertaking which is to discharge public service obligations is not chosen pursuant to a public procurement procedure which would allow for the selection of the tenderer capable of providing those services at the least cost to the community, the level of compensation needed must be determined based on an analysis of the costs of a typical well-run company.

**Important:** All the activities related to transport are pursued in keeping with EC Regulation no. 1370/2007. In case the 4 Altmark criteria are all observed (including the public tender), there is SGEI without State aid. In case only the first 3 criteria are met, and not the tender, then there is SGEI with State aid incidence. Note that all tender related activities and contracts must be pursued in keeping with EC Regulation no. 1370. Publication in EU Official Journal is required, one year in advance of entrusting the SGEI.

In case of project's activities implying **SGEI without State aid**, the applicant shall provide, when submitting the Application, the following documents, as the case may be:

- The entrustment act, endorsed by the relevant authority, in case already finalised and relevant justifying documents proving the procedure of entrusting the SGEI, if applicable;

**OR**

- Competent authority decision regarding the intent on declaring the SGEI;
- Declaration on own responsibility regarding the commitment to submit the entrustment act, endorsed by relevant authority, until the first reimbursement claim for the project is submitted to JS (Annex V.11);
- Declaration on own responsibility regarding the observance of all 4 Altmark criteria (Annex V.12).

In case of project's activities implying a **SGEI with State aid** under EC Regulation 1370/2007<sup>17</sup> the applicant shall provide, when submitting the Application, the following documents, as the case may be:

- The entrustment act, endorsed by the relevant authority, in case already finalised;
- OR

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<sup>17</sup> See provisions of articles 3,4 and 5 of EC Regulation 1370/2007

- Declaration on own responsibility regarding the commitment to obtain the entrustment act endorsed by the relevant authority until the first reimbursement claim for the project is submitted to JS /
- Competent authority decision regarding the intent on declaring the SGEI;
- Declaration on commitment to observe the parameters calculated and to avoid over-compensation, based on the methods stipulated in Regulation no. 1370/2007 and on commitment to observe the SGEI Regulation no. 1370/2007 for the time period of entrustment (Annex V.16), if applicable
- 1year prior announcement regarding the intention to declare the SGEI, published in the OJEU according to Regulation (EC) No. 1370/2007, if applicable.

**IMPORTANT: In case not already finalized when submitting the Application, the Entrustment act, endorsed by the relevant authority, has to be obtained until the first Reimbursement Claim for the project is submitted to the JS.**

**IMPORTANT: Other project activities eligible under Ip 7/c that are not listed in the GfA and/or in the Factsheet afferent to Ip 7/c will be assessed and accordingly categorised by the external State aid assessor under one of the above-mentioned situations (A., B., or C.), as the case may be.**

**Moreover, during the State aid assessment process, supplementary information and/or completion might be requested.**

**1.6.4. In relation to Ip 8/b** - Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources:

**A. Activities that are State aid free subject to complying with GfA provisions regarding general eligibility criteria and specific eligibility criteria for eligible costs /expenditure**, in case of activities such as: *Preparation of integrated development strategy and action plans of specific territories to introduce the coherence among the planned actions; Establishment of joint networks, exchange of good practices, having a demonstrable effect on reaching the set objective under this Ip; Improving cross-border accessibility to employment related facilities in the eligible counties through the construction, upgrading / modernization of roads with cross-border impact.*

**IMPORTANT: Please note that exchange of good practices between partners does not constitute State aid, as not implying an economic activity.**

**B. Activities that are financed under the State aid scheme for local infrastructure elaborated according to Commission Regulation No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (GBER scheme, please see Annex X.5 and Annex X.6).** Such

activities may be: *Implementation of cross-border employment initiatives, cross-border cooperation between relevant stakeholders of labour market (e.g. employment centres, training institutions, social partners, enterprises and NGOs); Targeted actions facilitating the creation of local products/services and related infrastructures based on the local potential; Increase employment by improving business environment through integrated development measures; Support for climate change and mitigation through the development of green skills and green employment opportunities in sectors based on the local potential.*

**Please note that job fairs do not fall under State aid incidence, as not implying an economic activity.**

According to article 56, Section 13 - 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, *"aid for local infrastructures shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempt from the notification requirement of Article 108(3) of the Treaty, provided that the conditions laid down in Article 56 and in Chapter I are fulfilled"*.

**Aid scheme** means *"any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount"*<sup>18</sup>.

The activities within Ip 8/b supported under the scheme contribute to the strengthening of common institutional capacity of providing better services.

In case the GBER scheme applies, the applicants, in case being also the beneficiary of State aid, shall provide with the Application form, a declaration on own responsibility regarding their financial situation, underlining that they are not in difficulty (justifying financial documents included). The Programme shall provide templates of such declaration.

**C. Activities that are financed under the *de minimis* aid scheme elaborated according to Commission Regulation No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (please see Annex X.4 and Annex X.6).** Such activities may be: *Implementation of cross-border employment initiatives, cross-border cooperation between relevant stakeholders of labour market (e.g. employment centres, training institutions, social partners, enterprises and NGOs); Targeted actions facilitating the creation of local products/services and related infrastructures based on the local potential; Increase employment by improving business environment through integrated development measures; Support for climate change and*

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<sup>18</sup> Regulation No 651/2014, Article 2, paragraph (15)

*mitigation through the development of green skills and green employment opportunities in sectors based on the local potential.*

**Please note that job fairs do not fall under State aid incidence, as not implying an economic activity.**

***De minimis aid*** is “an aid granted to a single undertaking over a given period of time that does not exceed a certain fixed amount. The ceiling of the amount of *de minimis aid* is EUR 200 000 that a single undertaking may receive per Member State over any period of three years. This ceiling remains necessary to ensure that any measure falling under the abovementioned Regulation can be deemed not to have any effect on trade between Member States and not to distort or threaten to distort competition”<sup>19</sup>.

In case of projects' activities financed under the *de minimis* scheme, the beneficiary / final beneficiary of the aid shall provide a Declaration on own responsibility regarding the previous ***de minimis aid***. The Programme shall provide template of such declaration.

**IMPORTANT: Other project activities eligible under Ip 8/b that are not listed in the GfA and/or in the Factsheet afferent to Ip 8/b will be assessed and accordingly categorised by the external State aid assessor under one of the above-mentioned situations (A., B., or C.), as the case may be.**

Moreover, during the State aid assessment process, supplementary information and/or completion might be requested.

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<sup>19</sup> Commission Regulation No 1407/2013, Article 3

## CHAPTER 2. RULES OF THE CALL FOR PROPOSALS

### 2.1 Description of the Call

The present Call for proposals is a targeted restricted call, aiming at implementing flagship projects, with significant impact on the eligible area.

The financing under the Interreg V-A Romania – Hungary Programme shall be made available to potential beneficiaries through a transparent and competitive process.

The present Call is designed based on the following **main features**:

1. The application for flagship projects is designed as a **two-phase process: I. - the Concept Note – development, and II. - the Full Application - implementation**, as it follows:

**Concept Note (CN)** – the best Concept Notes will be selected in order to be supported for developing full applications; therefore, subsidy contracts will be signed, focusing only on activities related to the elaboration of the full application and related supporting documentation (such as feasibility studies, , consultancy services, translation services, etc.)

**Full Application (FA)** – full project proposals will be assessed and in case of compliance with the requirements of the FA, will be finally selected in order to be implemented; therefore, dedicated subsidy contracts will be signed with the Lead Beneficiaries of the selected projects.

**Each phase will be followed-up by a specific subsidy contract.**

2. The **minimum threshold** for the **total project budget of a flagship project will be € 6,470,600.00.**

The maximum **total project budget (ERDF + State Contribution + Own Contribution) for one flagship project cannot exceed € 50,000,000.00**. The maximum limits for ERDF and the State Contribution are presented in chapter 1.4. Financial Allocation for the Call for Proposals. There is no limitation regarding the own contribution.

**Thus the amount of the ERDF contribution to a project will not be less than € 5,500,000.00 and cannot exceed € 11,815,000.00 (for Ip 6/c) and 8,360,918.00 (for Ip 7/c and Ip 8/c), for both phases (CN and FA).**

Out of the total project budget, a **maximum of € 350,000.00** (maximum € 297,500.00 from ERDF) **per project may be allocated for the first phase – Concept Note** – dedicated to the development of the full applications.

**For the Romanian Beneficiaries:**

Please note that an **advance payment**, in accordance with the national legislation, of the Romanian national co-financing may be granted to Romanian beneficiaries for their part of Concept Note budget, while the reimbursement of the rest of the funds will be conditioned by the approval and contracting of the Full Application. The same percentage for the advance payment will be applied for the implementation of the Full Application.

**For the Hungarian Beneficiaries:**

Please note that an **advance payment** of maximum 100% of the Hungarian national co-financing may be granted to Hungarian beneficiaries for their part of Concept Note budget, while the reimbursement of the rest of the funds will be conditioned by the approval and contracting of the Full Application. The same percentage for the advance payment will be applied for the implementation of the Full Application.

On the other hand, **in case of failure, the advance payment that might have been granted would have to be refunded.**

This means that, in case of failure to enter into implementation under the Full Application specific subsidy contract, the Concept Note contract(s) shall be terminated and the advance granted under CN shall need to be refunded.

3. In line with Article 3 of the ERDF regulation (Regulation No 1301/2013)<sup>20</sup> support for **investments in cultural and tourism infrastructure is limited to *small-scale* type only**. The Commission considers an investment in built infrastructure as being a *small-scale* one if its total cost is below or equal to EUR 5 mil.; this ceiling is raised to EUR 10 mil. in the case of infrastructure considered as world cultural heritage in the sense of Article 1 of the 1972 Convention concerning the protection of the world cultural and natural heritage listed by UNESCO.

Therefore, in terms of quantum of support, if projects submitted under PA1, Ip 6/c and PA3, Ip 8/b include **built infrastructure objectives** for **investments in culture and tourism**, each infrastructure objective shall have a **maximum total costs** of EUR 5,000,000.00, or EUR 10,000,000.00 in the specific case indicated above<sup>21</sup>.

**Please note that the maximum threshold of € 5 mil. / € 10 mil. shall include**

<sup>20</sup> Please see also Commission's position on small-scale infrastructure (Ref. Ares(2015) 481089 - 05/02/2015)

<sup>21</sup> Please note that it is not allowed to artificially split such projects/investment objectives into smaller investment component to avoid the ceiling. Also, it is essential that the impact on growth and jobs to be clearly demonstrated in case of such investments.

**the ERDF + national (state budget) co-financing + own contribution. These costs must cover all expenditures according to the estimation of necessary costs for the investment / construction works.**

**For Ip 8/b the reference is exclusively referring to investments related to culture and tourism infrastructure, as part of the supported projects.**

4. **Regarding the project implementation period**, all flagship projects must have the total project duration (development Phase + implementation Phase) **between 24 - 42 months<sup>22</sup>**, on condition that the final reimbursement claim for the implementation phase is submitted according to the Subsidy Contract. **Out of the minimum / maximum implementation period**, a period of **maximum 6 months** is dedicated to the development of the Full Application, respectively to the **CN**.
5. As stated within the approved CP, the procedure shall ensure the **balanced allocation** of funds available for flagship projects among the 8 eligible counties, **considering all the Calls for proposals for FSP**. Nonetheless, the financing under the Interreg V-A Romania-Hungary Programme shall be made available to potential beneficiaries through a transparent and competitive process.
6. The Programme is launching the present Call for proposals with **deadline** for submitting **Concept Notes** until **dd.mm.2017**. The **Full Applications** may be submitted any time after the implementation of the CN phase, but not later than **1 month after the end of the implementation period of the Concept Note**.
7. Having in mind the total ERDF allocation available for this Call that may not be exceeded, and considering the provisions of the Cooperation Programme document and its annexes, both in terms of funding available and targeted indicators,
8. the maximum number of projects that may be supported, pending on the total budgets and amounts available is 6, split per Ip.s as follows:

<b>Investment priority</b>	<b>Maximum no. of projects</b>
Ip 6/c	4
Ip 7/c	1
Ip 8/b	1

The following scheme is a chronological demonstration of the main milestones.

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<sup>22</sup> As the applicants planned and stated in the Application form



GUIDE for APPLICANTS  
INTERREG V-A ROMANIA – HUNGARY

Phase	Estimated Duration/Date	Explanation
<b>Launching the Call for Proposals</b>	3 months	Restricted competitive call dedicated to Flagship Projects, designed in two phases (Concept Note and Full Application)
<b>Deadline for submitting Concept Notes</b>	dd.mm. 2017	Concept Notes will be submitted via the electronic system eMS, by the Lead Applicant.
<b>Assessment and selection of Concept Notes</b>	5-6 months	Concept Notes will be assessed and the best ones selected for further implementation. Notifications on approval of Concept Notes are sent out to the Lead Applicants.
<b>Contracting the implementation of Concept Note (the FA development phase)</b>	1-2 month(s)	The implementation of the CN can start on the date of the Notification for approval, while concluding the subsidy contracts will still be running, on the beneficiaries' responsibility.
<b>Implementation of the CN</b>	Maximum 6 months	This phase is strictly dedicated to the development of Full Application.
<b>Submission of Full Applications</b>	no later than 1 month after the end of the implementation period of CN	FA will be submitted via the electronic system eMS, by the Lead Applicant.
<b>Assessment and selection of Full Applications</b>	3 months	Full Applications will be assessed and in case of compliance with the requirements of the FA, will be selected for implementation. Notifications on approval of Full Applications are sent out to the Lead Applicants.
<b>Contracting the implementation of Full Applications (the project implementation phase)</b>	1- 2 month(s)	The implementation of the project can start on the date of the Notification for approval, while concluding the subsidy contracts will be still running.
<b>Contracting under conditions of Full Applications (e.g. in case</b>	Maximum 3 months after the notification of	The applicants will have to prove compliance with the formulated conditions in maximum 3 months

Phase	Estimated Duration/Date	Explanation
of expropriation)	approval for FA	after the notification of approval for FA, or otherwise be excluded
<b>Implementation of the full project</b>	24-42 months (including the duration of the CN implementation)	The implementation of the FA can start on the date of the Notification for approval, while concluding the subsidy contracts will still be running, on the beneficiaries' responsibility.

**The achievement of the output indicators, as established for each of the priority axes must be fulfilled through the supported projects, proving proportionality between the estimated necessary costs and the targeted values of indicators!**



**Please see further details in the dedicated FACT SHEET, attached in Annex I. to the present Guide.**

Please keep in mind that all necessary information regarding the priority axes, investment priorities and the related specific objectives, as well as the output indicators and the estimated ERDF allocation of funds on each category of intervention is available also in the Cooperation Program (CP).

The final version of the document can be accessed at the following links:

[www.interreg-rohu.eu](http://www.interreg-rohu.eu),

[www.mdrap.ro](http://www.mdrap.ro),

[www.brecoradea.ro](http://www.brecoradea.ro),

## 2.2 Conditions and criteria for selection of projects

### 2.2.1 General eligibility criteria

The submission of projects is open to all potential beneficiaries and projects that meet the eligibility criteria set-out below. These eligibility criteria shall apply for the entire programme duration.

**Due to management and financial capacity needs, one applicant will be selected as Lead Beneficiary in max 3 projects and in total in 6 projects, in the context of Interreg V-A Romania-Hungary Programme.**

The restriction applies only for an Applicant submitting a project proposal in its own name, and not, if it is the case, for subordinated institutions, according to Romanian legislation. E.g. Romanian County Councils could apply for county hospitals, Municipalities could apply for schools, etc. as they are responsible for their administration. Also, the restriction does not apply for Romanian universities applying for the subordinated faculties, under the condition that each faculty has its own Project Implementation Unit.

**Important! When setting up partnership, due care shall be taken in order to comply with Cooperation Programme document in terms of obligation to have legal competences in the field of intervention and also in terms of indicators.**

Each project may have Project Applicants and Associated Partners; their role is explained below. One of the Project Applicants shall be designated as the Lead Applicant responsible with submission of the project proposal and the relation with MA on behalf of the entire partnership. The Lead Applicant shall be established in one of the two participating countries to the programme. The specificities and detailed criteria for the selection of projects will be presented further on, and in the dedicated FACT SHEET/annexes; nevertheless, there are a number of important general principles that need to be reflected in the selection criteria under all Ips. These include:

- ✓ respecting the principle of sustainability, justified demand for the new capacities created;
- ✓ cost-efficiency of the supported actions;
- ✓ clearly justified contribution to the SO of the relevant Ip;
- ✓ preventing programme level double-financing of projects / operations (examples may include institutional development, road development, water management);
- ✓ creating added value;
- ✓ clear cross-border impact, synergies of the interventions;

- ✓ respecting the horizontal principles, i.e. sustainable development, non-discriminations and equal opportunities, where relevant.

The eligibility criteria, with regard to the selection and implementation of flagship projects are related to the *potential applicants, actions (activities / operations)* and *costs*. General eligibility criteria, mandatory for all projects regardless the priority axis they are submitted under, are the following:

#### 2.2.1.1 Eligibility of applicants

In the framework of the present programme only legal entities, as identified below, can apply for financing and become Lead Beneficiaries or Beneficiaries, who are established based on the relevant national public or private law and act in the purpose of public benefit. **Natural persons cannot apply for funding.**

**Political parties/organisations are not eligible! Private bodies, with exception of NGOs are not eligible!**



**Important!!!**

- 1. All projects must have at least one Project Applicant on the other side of the border<sup>23</sup>, which must fulfil the same eligibility criteria.**
- 2. The maximum number of Project Applicants in one project is 8 (eight). Not complying with this provision will lead to the rejection of applications.**

In specific cases and based on sound justification, in addition to the Lead Applicant and Project Partners, Associated Partners can also be involved to support the implementation of the project, if their experience or field of competence constitutes an important input of added value for the project. Associated Partners must prove their field of competence is relevant for the project. The maximum number of Associated Partners in one project is 4 (2 in Romania and 2 in Hungary).

Associated Partners shall not receive financing and will not bear direct responsibility for the preparation and management of the project activities, but may contribute to its professional implementation.

The Associated Partner will not be involved in contractual relationship with Managing or National Authorities and will not be fully involved in the implementation of the activities of the project nor financially.

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<sup>23</sup> For EGTC, please see item 8, below.

- 3. It is expected that when a partnership is designed, only partners who can make an important and real contribution in achieving the proposed indicators will be invited in the partnership.**
- 4. The (Lead) Applicant must have legal competencies in the project relevant field.** For all projects, it is compulsory that the applicant has among its attributions, according with its statute or according to the national legislation, the implementation of the proposed activities or it must prove that it has a partnership agreement with the institutions competent to implement such activities, according with its statute or according to the national legislation.
- 5. The applicants must prove stable and sufficient sources of finance to ensure the continuity of their organization throughout the project and to play part in financing it.**
- 6. The applicants must demonstrate that they have not received financing support from public funds in the past 5 years before the deadline for submitting the applications under this Call for proposals for the same operation / project in terms of objectives, activities and results.**
- 7. All applicants involved in the project have to prove their professional, operational/administrative and financial capacity to manage their share of activities in the field of action they are applying for and must have direct responsibility for the preparation and management of the proposed actions both from a professional and from a financial point of view, not acting as intermediaries.**
- 8. The Project Applicants and Associated Partners<sup>24</sup>, if it is the case, have to be entities falling into one of the following categories:**
  - a. Public bodies, and
  - b. Public equivalent bodies, governed by public law<sup>25</sup>.

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<sup>24</sup> In case an Associated Partner fails to comply with the eligibility rules of the present Call for proposals, the project can be approved by the Monitoring Committee under the condition that the respective associated partner is eliminated as such.

<sup>25</sup> The definition of this particular category of possible applicants (in terms of cumulative conditions to be met) is according to the text of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (and according to Annex 1 and 2 of the Bulletin 9001/2002 (SK 3.) of the Central Statistical Office as well, for HU Applicants)

A body governed by public law means a body:

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

- c. State-owned companies<sup>26</sup>
- d. Non-profit bodies: non-profit legal body established under the private or public law, acting in the general public interest.
- e. European Groupings for Territorial Cooperation (EGTCs) introduced by Regulation (EC) 1082/2006, as further amended and complemented by EC Regulation 1302/2013, and established according to the national legislation of Romania<sup>27</sup> and Hungary<sup>28</sup> are considered eligible in case they satisfy the eligibility criteria applicable for each applicant, excluding the necessity to have a cross border partner.

EGTCs have to meet the following criteria:

- ✓ To be established by legal persons governed by public or private law having their seat on the territory of Romania or Hungary;
- ✓ To have its seat located in the eligible Programme area;
- ✓ To have incorporated in its statute as objective and field of activity the contribution to the development of the Romania - Hungary cross-border programme area, and references to the field to be addressed by the proposed project.

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<sup>26</sup> In case of RO Applicants: The legal context is provided by the Government Emergency Ordinance no. 109/2011 concerning the corporate governance of state-owned enterprises. Eligible applicants can be also other state-owned companies based on matching the criteria defined for bodies governed by public law.

In case of HU Applicants: State owned companies are listed in Annex II of Act CXCVI of 2011 on National Assets or if not other state owned companies can be also eligible based on matching the criteria defined for bodies governed by public law.

<sup>27</sup> Government Emergency Ordinance No. 127/2007 regarding EGTCs

<sup>28</sup> Act LXXV of 2014 on EGTCs



**It is mandatory for the Lead Applicant to be a public body!**

In order to be eligible, in terms of location, the Applicants / Associated Partners must have their seats or a regional/local branch registered in the eligible programme area, i.e.: Satu Mare, Bihor, Arad and Timis counties in Romania, Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád counties in Hungary.

In case the entity's headquarter is registered outside the eligible programme area, but there is a regional/local branch office **with a legal entity** in the eligible programme area, then the regional/local branch shall apply for financing and in case of contracting, it shall be the beneficiary. The regional / local branch office needs to prove its existence and the relation with the headquarter.

Exceptions are also possible – in the case of **public entities** not having their legal seat in the eligible area, **but having legal competencies for implementing operations in the programme area.**

Two situations are identified:

1) In case the public entity's headquarter is registered outside the eligible programme area and its branch office is not a legal entity, the respective public entity may apply and, in case of contracting, it shall be the beneficiary. In this special case, the public entity shall also meet the following criteria:

- ✓ The regional/local branch office needs to prove its existence and the relation with the headquarter.
- ✓ The legal representative of the main entity shall nominate the person responsible for acting in the scope of the project implementation.

2) In case the public entity's headquarter is registered outside the eligible programme area without a branch office in the eligible area, the respective public entity may apply<sup>29</sup>.

**Partnerships not involving strong commitment and contributions (observing all four criteria: joint development, joint implementation, joint staffing and joint financing) from all applicants shall be rejected!**

**Please be aware that partnership may not change between the Concept Note and the Full Application phases.** Only modifications generated by legislative changes, where the powers, prerogatives and liabilities of the beneficiary concerned are taken

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<sup>29</sup> Central authorities with competencies in the eligible area are eligible applicants and may implement projects in the Programme area.

over by the legal successor (i.e. reorganisation/restructuring etc.), may be accepted.

**Also, partnerships having more than one applicant with previous average weighted financial execution rates (taking into consideration the value of their budgets) of less than 50% for all projects financed under HURO Programme 2007-2013 will not be accepted for financing!**

**Additionally, such an applicant cannot be the leader of the partnership!**

This is an example for calculation the average weighted financial execution rates for an applicant that was beneficiary in 3 HURO projects:

Project number	Contracted total funding	Total amount validated	Percentage	Financial execution rates
Project 1	1,237,723.00	781,765.63	63.16	61,04 %
Project 2	20,000.00	0	0	
Project 3	187,325.00	100,258.76	53.52	

$$\text{Financial execution rates} = \frac{781,765.63 + 0 + 100,258.76}{1,237,723.0 + 20,000.0 + 187,325.0} \times 100 = 61.04 \%$$

**Only one subsidy contract per phase can be granted to a Lead Applicant. This means that in case a certain entity submits two Concept Notes, only the one with the highest score will be selected for developing and submitting the Full Application. However, the same entity can be Partner Applicant in other applications.**

**Potential applicants shall be excluded from participation in the present Call for proposals if:**

- ✓ they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- ✓ they, or persons having powers of representation, decision making or control over them, have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;



- ✓ they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify, including by decisions of the European Investment Bank and international organizations;
- ✓ they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- ✓ they, or persons having powers of representation, decision making or control over them, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;
- ✓ they are subject to an administrative penalty referred to in Article 1 (13) of the Regulation (EU, EURATOM) 1929/2015, amending Regulation 966/2012 on the financial rules applicable to the general budget of the Union;

**Applicants are also excluded from participation in the present Call for proposals or the award of financial support if, at the time of the call for proposals, they:**

- ✓ are subject to a conflict of interests; the conflict of interests represents any circumstances that may affect the assessment or implementation process, in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections;
- ✓ are guilty of misrepresentation in supplying the information required by the Managing Authority/Joint Secretariat as a condition of participation in the call for proposals or fail to supply this information which might have led to a different decision of the evaluators/ Managing Authority during the assessment process;
- ✓ have attempted to obtain confidential information or influence the assessment bodies or the Managing Authority during the assessment process of current or previous calls for proposals.

In the cases referred above, the exclusion applies for a maximum period of ten years, from the time when the infringement is established or from the date of notification of the judgment.

In the signed "Project (Lead) Applicant Declaration" / Associated Partners Declaration included in the application pack, applicants / associated partners must declare that they do not fall into any of the above categories.

**The Managing Authority or the Joint Secretariat may request, during the assessment of project proposals or in the phase of contracting additional documentary evidence and argumentations regarding the eligibility of applicants!**

### **2.2.1.2 Eligibility of actions (operations)**

This is a restricted call, seeking to support projects with a strong strategic character, proving a significant impact on the eligible area and addressing large-scale target groups. In this sense, these projects will have to demonstrate:

1. The project will ensure a relevant contribution to the Programme objectives, addressing the key needs and development challenges identified in the eligible area. Therefore, it is mandatory that strategic projects address common territorial challenges and opportunities in the programme area. Moreover, studies, statistics or other relevant documents must show that there is a real demand for the project, or at least that it is a priority in terms of development plans.

The project idea should be acknowledged and/or supported by the relevant authorities on national / regional / county level, key professionals and the targeted local communities! Maximum score will only be given to strongly supported projects.

2. Strategic projects must clearly contribute to a wider strategy on one or more policy levels (EU / national / regional / county) contingency; to be in synergy with other key interventions;

The Concept Notes shall be accompanied by Compliance letters from relevant authorities / bodies at national / regional / county level (ministries and other units, acting under their subordination, coordination or under their authority, public authorities on regional / county level). It is mandatory to provide at least one letter from Romanian authorities (county, regional OR national level) and one from Hungarian County Councils, as required by the national legislation. The letter will include proper justification of the projects (non) compliance. Please find the compliance letter template attached as Annex V.2.

Applications for Concept Note shall be accompanied by extracts of relevant strategies and/or other relevant development strategic documents, proving the project's compliance from this point of view!

3. A project can assume a strategic value when it is based on a strong and balanced partnership on the two sides of the border, extended to a substantial part of the eligible territory and demonstrate significant impact on large target groups.
4. A strategic project should produce a long lasting effect, creating permanent structures and services, producing permanent shifts in the local markets, capable to ensure a long term growth. The projects must provide added-value on activities already finished in the field or represents the beginning of activities that will be undertaken on a long term.
5. Strategic projects must be best-practices in their key areas of intervention; capitalising previous successes should be a strong characteristic of all flagship projects. Therefore, projects should make use of available knowledge and build on existing results and practices.
6. Strategic projects should make a positive contribution to the programme horizontal principles: equal opportunities and non-discrimination, equality between men and women, sustainable development, access for disabled persons.
7. All projects should demonstrate their contribution of planned interventions towards macro-regional strategies, subject to the needs of the programme area as identified by the Member States and taking into account, where applicable, strategically important projects identified in those strategies. In this context, additional points will be granted to projects that contribute to the objectives of the EUSDR<sup>30</sup> strategy.
8. The importance of the cross-border approach to the topic addressed should be clearly demonstrated. In this matter, all 4 cooperation criteria shall be fulfilled: joint development, joint implementation, joint staffing and joint financing. Minimum 2 joint criteria must be fulfilled in case of Associated Partners.
9. The quality of the project proposals, as reflected in their compliance with the selection criteria, is very important in order to ensure that the Programme delivers concrete and visible outputs and results that tackle, in a cross-border and integrated manner, the challenges and needs affecting the programme area.  
**Projects focusing solely on research (with no applicable output), or exclusively on exchange of experience, or projects not indicating the concrete and sustainable follow-up of “soft” activities (studies, surveys, action plans etc.) will not be supported by the Programme.**

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<sup>30</sup> The EUSDR is a macro-regional strategy adopted by the EC on 08 December 2010 and endorsed by the European Council on 24 June 2011. The Strategy was developed by the Commission together with the Danube Region countries and stakeholders in order to address common challenges.

10. The project must be in line with the priority axes, results sought and specific objectives, as stipulated in the Interreg V-A Romania - Hungary Programme (CP).

When developing the project proposal, for both CN and FA, the applicants should keep in mind the Performance framework of the respective PA. The key implementation steps defined by the targets set for the 2018 milestone are also relevant. The applicants demonstrating contribution<sup>31</sup> to the achievement of indicators or the key implementation steps set for 2018 will get higher score in the quality assessment for CN. The CN application will refer to indicators or key implementation steps targeted for FA.

**Also, please be informed that the applications demonstrating a level of proportionality lower than 40% between the output indicators and the estimated costs of the project shall not be recommended for support.**

11. In case of projects that involve the production of studies or analyses, it is important that beneficiaries take stock of the knowledge already available and results from other projects co-financed by European funds across Europe, and take all measures necessary to avoid double-financing. In addition, beneficiaries will be required to present their plans to capitalize on the results of the project.
12. In reference to purchase of equipment in a project, irrespective of the equipment nature, the beneficiary making the acquisition (in whose budget the expenditures for such purchase are included) will be able to place the equipment in a location for which it holds a legal document proving the property/ administration or concession. The equipment shall be used for implementing the project, taking also into consideration the sustainability period stipulated in the Subsidy contract. Last but not least, it is important that the equipment should be installed in an adequate place, ensuring its optimal functioning, according to standards in force.
13. All projects financed under this Programme are obliged to meet the minimum mandatory information and communication requirements laid down in the EU Regulation 1303/2013 (Annex XII, section 2.2) and in the Visual Identity Manual (VIM) of the Programme.

The VIM is available on the Programme's website (<http://interreg-rohu.eu/en/communication-and-visual-identity/>).

Besides the mandatory measures mentioned in the EU Regulation 1303/2013, in order to achieve the widest dissemination of results, beneficiaries are strongly encouraged to use different forms and tools of communication. In line with the goals

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<sup>31</sup> Consideration to be given when filling-in the description in the Workplan > Workpackage List

and resource of the projects, applicants may plan, create and use different means of communication (i.e. events, project websites, publications, audio-visual productions, promotional materials, media relations and many others) and carefully tailor them to the size, content, target groups, and needs of the project.

Partners are advised to define in the earliest stage possible the messages and values they want to promote with the help of the chosen communication tools, as well as the target groups they want to address, to ensure efficient dissemination of project results.

All Project Beneficiaries (PB) are jointly responsible for ensuring sufficient information about the start, the progress and the results of projects. The LB and PB should carefully clarify and divide communication responsibilities, so that each partner shall be able to bring its own contribution. It is also recommended to appoint a person responsible for communication on project level, having in mind the size and the capacity of projects.

Therefore, we kindly advise applicants to consider these activities and related costs when planning their project proposals. Projects having a coherent Communication Plan will be granted with scores in the quality assessment.

**In compliance with the provisions of art. 65(6) CPR (EU Regulation No. 1303/2013), projects shall not be selected for support where they have been physically completed or fully implemented before the application for funding under this Programme is submitted by the applicant, irrespective of whether all related payments have been made by the beneficiary.**

**For infrastructure actions, the applicants must prove they have the legal right to perform the project activities in the specific location**, through the following documents which must be provided by the applicant(s) and that the following rules are observed:

- ✓ the legal act (e.g. government decision, law, government ordinance, decision of local counties, etc.) or contract stating the fact that the land and/or building/item of infrastructure is in concession/ administration / owned by the applicant;
- ✓ it must be proved that the land and/ or building/ item of infrastructure is owned or that the duration of the concession/ administration contract is for at least **5 years after the estimated month of the financial closure of the project<sup>32</sup>**, and that the owner has given it's written agreement saying that the applicant may perform the infrastructure actions on/ in the relevant land/ building/ item of infrastructure.

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<sup>32</sup> The date of the last financial transfer on project level.

- ✓ declaration from the land and/or building/ item of infrastructure owner that the land and/or building/ item of infrastructure is:
  - free of any encumbrances;
  - not the object of a pending litigation;
  - not the object of a claim according to the relevant national legislation.

In case the land and/or building/item of infrastructure are in concession/ administration, the owner and the concessioner/administrator will provide the declaration.

- ✓ documents related to the registration of the land and/or building/ item of infrastructure in the relevant public registers (Title deed, not older than 30 calendar days, issued by the Land Registry. In case of land acquisition (purchase/expropriation), the applicants will have to provide the Title Deed in **maximum 3 months** after the notification of approval for FA, or otherwise be excluded).

**The projects which have initiated investments in infrastructure (even not physically completed or fully implemented) before the application for funding under the Programme are not eligible, if the initiated investment is still ongoing and the application contains the same investment in infrastructure.**

**No investment shall be placed outside the eligible area!**

**Please be aware that investments in roads under priority axes other than priority axis no. 2 cannot be supported as standalone operations; such investments need to be ancillary to investment in the related field and shall contribute directly to reaching the selected thematic objective and investment priority under the specific objective. This means that total cost of such investments in roads cannot exceed 30% of the total budget of an operation (project).**

In case of road construction, the public road will be open to the public and free of charge, while also part of a local/regional strategy or subject of a Governmental Decision, and will not only serve a certain enterprise Only costs related to construction of public roads are eligible.

Recommendations for Investment Priority 6/c:

- In case of setting-up a new cross border platforms, groupings and networks focusing on safeguarding and developing the joint natural and cultural heritage, a non-discriminating access to the cross-border platform/network will be provided and, in case a fee is foreseen for network maintenance and operation, it has to be a moderate one and unique for all users. Also, the intention to create the cross-border platform/network will be largely disseminated, on the applicant's and Programme sites;

- In case of thematic routes, a certain commercial brand will not be promoted;
- In case of promotion and utilization of cultural/natural heritage potential by investments in sustainable touristic green infrastructure<sup>33</sup>, the infrastructure will be the property of local/county/regional/national public institutions. The access for public will be free of charge.

NOTE: Costs related to infrastructure for touristic information centre, as standalone operations are not eligible.

Recommendations for Investment priority 7/c:

- The Altmark criteria are fulfilled, including the operation of infrastructure to be granted through a public procurement procedure;
- **Bicycle roads are State-aid free;**
- **Sharing best practice between partners, does not involve State aid.**

Recommendations for Investment priority 8/b:

- **Job fairs are State aid free.**

Just as well, in compliance with the approved CP, **any newly built cross-border infrastructure will become operational right after the completion of the project and shall remain operational at least for 5 years from the financial closure of the respective project.**

Selection of projects that include **cross-border road infrastructure is conditional to a prior bilateral agreement with the commitment of the Member States to set up Schengen-compatible border-crossing checkpoints** (or other existing solutions according to the legislation in force at the time of submission of the project applications) **at the completion of any such projects and to operate it for at least 5 years from the financial closure of the respective project or until the enlargement of the Schengen zone.**

When the national legislation requires signature of bilateral agreement between the Member States in case of cross border infrastructure, for projects financing CB infrastructure other than roads, those bilateral agreements have to be in force at the time of submission of project applications.

**NOTE: The eligibility of an activity does not confer eligibility on the expenditure made for the implementation of that activity.**

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<sup>33</sup> Excluding any type of commercial activities (e.g. accommodation premises, spa centers)

### 2.2.1.3 Eligibility of costs/expenditure



The general rules for eligibility of expenditure under Interreg V-A Romania-Hungary Programme are described in the *Programme general rules on eligibility of expenditure*, to be found on the programme's website, [www.interreg-rohu.eu](http://www.interreg-rohu.eu).

**Expenditures have to be eligible in order to be covered by financial support. Afferent costs are eligible if they comply with the following general and cumulative conditions:**

- ✓ cost is directly related to the project, is necessary for initiating and carrying out the operation;
- ✓ costs must comply with the principles of sound financial management (principle of efficiency, effectiveness and economy) in particular value for money and cost-effectiveness;
- ✓ cost is in line with the provisions of the subsidy contract, co-financing contracts / national and European legislation;
- ✓ cost is committed by the beneficiary after submission of the Concept Note/Full Application; also, in order to be eligible, the expenditures must be incurred after approval by the Monitoring Committee, but until the last day of implementation period included; the costs have to be paid out at the latest in 30 calendar days after the end of the project implementation period; exception to this rule is made only for preparation costs, which must be incurred between 1st January 2014 and the date of the submission of the Concept Note; in order to be eligible, preparation costs must be paid out no later than 60 calendar days after the CN approval by the MC.

**NOTE: Projects' implementation may be started after the approval of the project by the MC (but this will be on the risk of the applicants)!**

**Nevertheless, the costs will be eligible only in case the project is finally selected for financing and subject to the conclusion and execution of the subsidy contract.**

- ✓ all costs incurred must be free from bias and conflict of interest; that is the case when a decision is compromised for reasons involving family, emotional life, political or national affinity, or where any economic interest or any other interest is shared with another person;
- ✓ cost is borne by the beneficiary, respectively is paid out by the beneficiary and is recorded in the beneficiaries' accounts and tax documents, is identifiable and verifiable, and is backed up by legal and valid supporting documents, except for any office and administrative costs that are reported as a flat-rate cost; cost is verified and validated as eligible by the first level controllers;



- ✓ all expenditures must comply with the principle of real costs, with the exception of the costs calculated as flat rates;
- ✓ all expenditures relate to activities that have not been financed from other financial instruments and/or other public funds;
- ✓ all expenditures are supported by invoices or other documents with equivalent probative value directly attributable to a certain project beneficiary with the exception of the costs calculated as flat rates;

**NOTE: The Lead Applicant / Project Partner / Associated Partners or their employees cannot act as a contractor or subcontractor that provides works, services and products within the project.**

- ✓ As a general rule, the eligible expenditures shall be incurred related to activities implemented in the eligible programme area, respectively on the territory of the following 8 counties: Satu Mare, Bihor, Arad and Timiș from Romania; Szabolcs-Szatmár-Bereg, Hajdú-Bihar, Békés and Csongrád from Hungary.

Exceptions from this rule are made for activities implemented outside the eligible area of the Programme and related expenditures, but with a significant importance and impact in the above mentioned counties, directly implemented for the benefit of the Programme area. Total amount for such activities and expenditures shall be limited to maximum 10% of the support from the ERDF at project level.

This aspect shall be duly verified during the assessment and selection procedure, thus presented and accepted in the approved Concept Note / Full Application, part of the future subsidy contract.



**No investment shall be placed outside the eligible area!**

The following cost categories, presented in the budget tables as main budgetary lines, are to be considered eligible:

- a) Staff costs;
- b) Office and administrative expenditure;
- c) Travel and accommodation costs;
- d) External expertise and services costs;
- e) Equipment expenditure;

f) Infrastructure and works.

**Costs not in compliance with the rules on the eligibility of expenditures are ineligible and shall be covered from own financial sources, apart from the project' budget.**

**Attention! In case there are deviations from the estimated amounts for the planned activities, in order to ensure the project's sound financial management and focusing on reaching the envisaged output indicators, the Programme recommends these are of maximum 20%. However, in case such deviations occur, the budget chapters shall not be affected.**

Be advised that the Application Form is structured based on work-packages, which comprise activities and sub-activities, either on project level (WP Preparation, Management and Communication) or on partner level (WP Implementation and Investment). For each activity/sub-activity you shall provide enough details in terms of methodology of implementation, estimated deliverable and indicative budget.

If summed-up, all the indicative amounts on activity/sub-activity level equal the related budget chapter, on partner level. Consequently, the summed-up partners budgets equal the project budget.

According to the Subsidy Contract, any modifications of the budget lines (in this case to be read as chapters) will require addenda. However, the subdivisions (activities/sub-activities) budgets can, therefore, as already explained, be modified up to a threshold of maximum 20%.

### 2.2.2 Specific eligibility criteria for eligible costs/expenditure

Besides the general eligibility rules regulated by the *Programme general rules on eligibility of expenditures* on programme's level, specific rules are applied for this Call. **These specific rules prevail over the general ones, and are hereby detailed below:**

**a) In case of procurements:**

- In the context of the Interreg V-A Romania-Hungary, all procurements will be made with respect to the national public procurement law in Romania/Hungary. This provision is mandatory for all types of beneficiaries, no matter of their statute (either public or private).
- Any purchase of goods, services or works (or other comparable transactions) will be carried out through a competitive, transparent, non-discriminatory and unconditional procedure, including direct procurement<sup>34</sup>.
- Regardless the procurement procedure, in case only one bid is submitted, this will not normally be sufficient to prove the market price. In this case, to justify the market price, for validation of the expenditure, 2 additional valid, comparable offers will be provided.
- Any procurement above EUR 2,500 net, will be widely publicized, through at least the following channels: the Programme's website, the beneficiary's website. The announcement will be published prior to launching the procurement process.

***For expenditure where no public procurement procedure is required by the national law (below national threshold):***

1. Above EUR 2,500 (excluding VAT): Beneficiaries must perform and document the execution of adequate market searches ( proper justification of the estimated cost, the terms of references, at least 3 valid, comparable, independent offers and the documented summary, including the justification of the selection of the winning bid, Hu beneficiaries using centralized e-procurement services and RO beneficiaries preferably using SEAP – electronic system for public procurement).
  - a. This is meant to provide a sound knowledge and sufficient information on the relevant market, allowing for a sound comparison of offers in terms of price and/or quality and a profound assessment of the adequacy of the price to be paid.

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<sup>34</sup> The direct procurements of services, equipment and infrastructure above EUR 2,500.00 net equivalent values (without VAT) and below the national threshold will be based on a procedure documenting at least the following: a document establishing the internal rules/procedures regarding direct procurement, proper justification of the estimated cost and the evaluation principle (the lowest or the best technical-economical offer), the terms of references, at least 3 valid, comparable offers and the documented summary, including the justification of the selection of the winning bid.

- b. Consequently, the value and the complexity of the service should be reflected in the specification and breakdown of the terms of reference, as well as in the respective offer.
- c. For ordering similar services / external expertise which has already been procured in the period of 3 months counted back at the time of the procurement, collecting of the bids (three independent offers) is not an obligation, but the previously requested offers can be used as proof.

2. Below EUR 2,500 (excluding VAT): the principles of sound financial management must be applied, but no specific proof of the market price is required. Note that procurement must not be split artificially to circumvent the 2,500 Euro threshold. More strict approach can be applied on National level.

**b)** Please be advised that in case you plan to organise **events**, such as fairs or festivals, the following conditions will be met:

- The participants will not have to pay any participation fees;
- The sales of products is forbidden, so that no commercial activities are thus supported by the project;
- The event will be widely promoted and the access of the public will be permitted free of charge;

**c)** In case of **training**:

- Other than those related to the functioning of the equipment purchased in the context of the project, it is mandatory to ensure a nondiscriminatory participation of all interested stakeholders/persons (not only the applicant's own staff, but also employees of tertiary institutions/organizations). The occasions will have to be widely disseminated, including on the Programme's website and in other relevant publications. The subject of the training will exclude the minimum required curricula for the occupations of the persons participating, as regulated by the valid legislation. Thus, costs for training which beneficiaries carry out for own staff to comply with national mandatory standards on training are not eligible.

- Related to the functioning of the equipment purchased in the context of the project, the price of trainings will be included in the newly acquired equipment. Training can be done only for beneficiary's staff who will operate the equipment;

- The participants (others than the staff of a public institution) must attend the training as natural person;

- Regarding the training support materials, these will have to be published on the Programme's website as well, either entirely, or at least in the format of a coherent summary;

- Any other types of trainings that need to be purchased in the implementation period shall be open to the general public, free of charge. In order to insure

transparency, trainings shall be promoted on websites, like the beneficiary's website and the RO-HU Programme website.

### 2.2.2.1 CONCEPT NOTE

#### Preparation costs:

**In case of flagship projects, only phase I – Concept Note, dedicated to the development of the Full Application - shall cover preparation costs. Phase II – implementation – shall not cover any additional preparation costs.**

**NOTE: *Staff, office and administrative, and equipment* related costs are not eligible under preparation costs. Therefore, only *travel and accommodation* and *external expertise and services*<sup>35</sup> costs are to be eligible as preparation costs under Concept Note budgets. Exceptionally, the costs for all mandatory certificates/permits in order to comply with the rules of the present Call will be accepted under *Infrastructure and works* budget line (e.g. urban planning certificate).**

**Please be informed that external expertise/services for elaboration of the Concept Note itself are NOT eligible.**

**Also, in case of already existing Feasibility Studies / Technical Projects, the Feasibility Study / Technical Project itself or its revised version shall be valid according to the national legislation (the document must bear the date of elaboration/revision). Any other submitted studies, technical plans, etc. shall also not be older than one year. Multiyear documents, adopted as such will also be considered.**

**NOTE: The rate of the eligible preparation costs is not limited as percentage / amount of the total eligible Concept note budget. Preparation costs, as well as all other eligible costs, will be reported only once, into the sole Project / Partner Beneficiary Report, to be submitted upon Full Application contracting.**

#### External expertise and services costs:

Costs are eligible only if related to the use of external expertise: services paid from the budget of the projects, ordered from and completed by an external party; the service must directly relate to the supported activities.

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<sup>35</sup> Including costs for translation of necessary documents for submission of the Application.

External services costs for Concept Notes are eligible based on specific needs of each project and they will be properly documented, according to the national legislation/programme's procedure related to public/direct procurement.

The types of expenditures included under this budget line (a non-exhaustive list) are provided in article 6 of the Commission Delegated Regulation (EU) No 481/2014, but for this phase, shall read as it follows:

- (a) studies or surveys (e.g. evaluations, strategies, concepts<sup>36</sup>, design plans);

Indicative examples:

Consultancy, surveys preparation, technical assistance related to infrastructure and works:

- (i) Feasibility studies, including – if the case - geotechnical, geological, hydrologic, hydro-geotechnical, photometric and stability surveys, concerning the investment location;
- (ii) Design and engineering, including technical projects, detailed technical plans, documentation necessary to obtain the necessary endorsements and authorizations, impact assessments, location studies/appraisals, including their technical verification;
- (iii) Documentation for Approval of Intervention Works for existing infrastructure/construction;
- (iv) Other studies, including traffic studies, opportunity studies, according to the objectives of the project proposed to be financed;
- (v) Impact assessments, location studies/appraisals, etc.

- (b) translations;

Indicative examples:

- (i) Translation of the Application Form, including the supporting documentation;
- (ii) Interpretation services as support for technical meetings among beneficiaries;
- (c) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;

Obs. Any such costs will be strictly related to the development of the Full Application and its supporting documents, while detailed in the Concept Note budget.

- (d) other specific expertise and services needed for projects.

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<sup>36</sup> Other than the Concept Note to be submitted under the call.

Indicative examples:

- (i) Elaboration of the Full Application;
- (ii) Consultancy services/legal assistance in order to prepare tender documentation and / or application of the procedure for awarding of procurement contracts;

**NOTE: External service contracts cannot be concluded with employees directly employed by the Beneficiaries. Project beneficiaries / Associated Partners or their staff cannot be contracted as an external expert or a subcontractor. In case of Romanian Beneficiaries only service contracts can be concluded, civil contracts are not acceptable.**

NOTE: The Beneficiaries have the obligation to inform the contractors that the intellectual property rights for any result/studies of the financing contract will belong to the beneficiaries.

The beneficiary is alone responsible for the quality / accuracy of the Feasibility Study / Documentation for Approval of Intervention Works / other studies towards the MA.

Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers shall be declared under this budget line. In case only the travel and accommodation costs are reimbursed to the external expert (not receiving fee), the contract shall state that only travel costs and accommodation costs supported by invoices will be paid.

If applicable, the deliverables respect the information and publicity requirements of the Interreg V-A Romania-Hungary Programme.

Expenditure on external expertise and services cannot be split among the project beneficiaries, i.e. common/shared costs are not allowed.

**Infrastructure and works:**

Under this budget line, only the costs for mandatory certificates/permits in order to comply with the rules of the present Call will be accepted (e.g. urban planning certificate).

In case of road infrastructure, the costs of land acquisition (purchase/expropriations) may be included in the CN budget up to 5% of the ERDF estimated costs for the relevant investment objective. The total estimated costs for the investment objective will be calculated according to the General Estimate of costs necessary for the investment / construction works, part of the Feasibility Study/DAIW, in case of Hungarian beneficiaries, please consult Annex VI.3/VI.4.

**Please note that the market price of a property (land), in case of road construction, will be established exclusively by a professional certificated evaluator. This will be a condition for the eligibility of the acquisition related costs!**

#### **2.2.2.2 FULL APPLICATION**

**In case of flagship projects, only phase I - CN - development - covers preparation costs. This excludes the possibility that phase II - FA - implementation - covers any preparation costs itself.**

**Just as well, please be aware that one CANNOT apply for phase II - FA without going through phase I - CN.**

##### **External expertise and services costs:**

All general conditions, as stated above, and in the Programme general rules on eligibility of expenditures, are applicable.

The types of expenditures included under this budget line are as follows:

- (a) studies or surveys (e.g. evaluations, strategies, design plans, handbooks);

##### **Indicative examples:**

Surveys preparation, technical assistance, consultancy, related to infrastructure and works:

- (i) Design and engineering, including technical projects, detailed technical plans, documentation necessary to obtain the necessary endorsements and authorizations, impact assessments, location studies/appraisals, including their technical verification;
- (ii) Site supervision - is limited to 5 % of the total works contract.

- (b) technical assistance from the designer;

- (c) training;

Obs. Training programs delivered by certified providers, on specific curricula related to the projects objectives and dedicated to the identified needs of the target groups. Moreover, in case of Ip 8/b, it will include measures aiming to promote matching of labour market needs and supply, the development of training and employment programmes focusing on the disadvantaged people so as to promote employment in a more inclusive way



(d) translations;

Obs. Translations required by the project management activities – from / to English, Hungarian and Romanian languages;

(e) IT systems and website development, modifications and updates;

(f) promotion, communication, publicity or information linked to the project;

Indicative examples:

(i) Printed/audio-video materials: flyers, brochures, catalogues, TV and/or radio spots, promotional films, etc.

(ii) Project publicity: ads in the local, regional, national or EU media; promotional materials (pens, folders, etc.), temporary and permanent billboards, etc.

(g) financial management;

(h) services related to the organization and implementation of events or meetings (including rent, catering or interpretation);

Indicative examples:

(i) Project opening/closing conferences;

(ii) Projects dedicated events, depending on its specific objectives: e.g. seminars, other specific conferences, EU Day, Earth Day, etc.

(i) participation in events (e.g. registration fees to events organized by third parties);

Obs. Only costs related to the participation of projects staff members will be eligible.

(j) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;

(k) intellectual property rights;

(l) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;

Obs. Unless they are covered by dedicated services contracts.

(m) other specific expertise and services needed for projects;

**NOTE: External services contracts cannot be concluded with employees directly employed by the Beneficiaries. Project beneficiaries / Associated Partners or their staff cannot be contracted as an external expert or a subcontractor.**

**In case of Romanian Beneficiaries only service contracts can be concluded, civil contracts are not acceptable.**

**Infrastructure & works related costs:**

In case of road infrastructure, the costs of land acquisition (purchase/expropriations) may be included in the budget, up to 5% of the ERDF estimated costs for the relevant investment objective. The total estimated costs for the investment objective will be calculated according to the General Estimate of costs necessary for the investment / construction works, part of the Feasibility Study/DAIW, available as Annex VI.3/VI.4.

**The following table summarises the distinction between cost categories eligible for the two phases of the present Call:**

Eligible expenditures	CONCEPT NOTE		FULL APPLICATION
	Preparation costs	Implementation costs	Implementation costs
Staff	-	✓	✓
Office & administrative	-	✓	✓
Travel & accommodation	✓	✓	✓
External expertise and services	✓	✓	✓
Equipment	-	-	✓
Infrastructure & works	✓	✓	✓
<b>TOTAL PROJECT BUDGET</b>	<b>EUR 0 – EUR 350,000.00</b>		<b>Minimum EUR 6,470.600 <u>minus</u> CN budget</b>

**!** Given that some costs can be included in different budget lines (e.g. license fee for the use of software needed for the project, annual insurances for vehicles purchased and used for implementation of project tasks etc.) please read carefully ***Annex III.***

***Programme general rules eligibility of expenditures*** to properly budget the expenditures for activities.

When you design the schedule of spending forecast, pay attention to the provisions of the Subsidy Contract, attached, regulating that in case of under-spending compared to the spending forecasts, the MA, at the half of the implementation period, is entitled to decommit the project by reducing the original project budget and the corresponding ERDF contribution.

## CHAPTER 3. HOW TO APPLY

Applications must be submitted through the electronic monitoring system - eMS.

The eMS system can be accessed on the following link: <http://ems-rohu.mdrap.ro/app/main?execution=e1s1>, starting with DD.MM.YYYY.

### 3.1 Process overview

As there are two or more partners of an operation in a cooperation project, one of them shall be designated as the Lead. The Lead Applicant/Beneficiary<sup>37</sup> shall be established in one of the two participating countries to the programme.

However, all applicants in a project must sign a pre-agreement to be enclosed to the submitted CN application that stipulates the rights and duties of the applicants.

Moreover, all applicants should dispose of the knowledge, resources and capacity to fulfil their designated tasks. The applicants must state their financial and administrative capacity to manage their share of the project.

For both phases - CN and FA- the same applicants will need to sign a partnership agreement (please see annexes VIII.0 and VIII.1) before the Lead Applicant will be in the position of signing the subsidy contract for CN or FA phase, with the MA.

**How to complete the Application Form is detailed in Annex IV.: "eMS - Application Instructions"**

☒ Make sure you fill-in by computer, correctly and completely, the CN / FA and its annexes and annex all related documents. The annexes are part of the CN / FA.

Applications and annexes must be submitted using the standard templates included in the Applicant's Guide (pay particular attention to observing the limit of characters imposed in the template of Application Form; "characters" include space).

**Modifying the standard templates of the CN/FA or its annexes will result in the rejection of your application!**

The application and its annexes must be filled in using English. The supporting documents issued by national/local authorities or other bodies shall be attached in the original language accompanied by a translation in English, if the case (**translations provided by certified translators are required only for documents relevant for quality assessment, please see chapter 3.2.**).

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<sup>37</sup> The tasks of the Lead Applicant/Beneficiary are provided in article 13 of the REGULATION (EU) No 1299/2013 of the EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013

Where the format of the annexes requires, they should be signed and stamped by the legal representative of the lead applicant or of the applicant to which the annex refers (in case of annexes which should be annexed for each applicant) or by an empowered person (a letter of empowerment will be attached) wherever this is requested by the standard templates.

The CN and the FA Applications will be submitted online, in the eMS system. The applicants prepare the original Application dossier, with all the supporting documents and with the relevant documents signed by the legal representatives.

The Application will be filled-in online, than printed, signed and stamped and will have attached all the documents from the original dossier (held at the Lead Applicant premises). The whole package will be scanned and uploaded into the eMS system. Depending on the size of the documentation, it is recommended to create as many scanned files as necessary. A file cannot exceed 50 MB. In assessment process, the electronic eMS version of the Applications will be prevailing in terms of content, in case any technical error occurs. All documents will be page numbered continuously and a table of content<sup>38</sup> will be attached, clearly indicating the first and last page number of each document.

Before the submission of the application, the applicant will need to click on **“Check Saved Project”** to activate the automatic checks. If any issues are found, such as missing or wrong data, the applicant will need to correct this before save and check it again. **Only after all checks are okay, the applicant will be able to submit the application by clicking the “Submit checked project” button.**

**Note.** If a field is mandatory to fill in, it is enough to place a character in the field and the eMS system will consider it as completed. The applicant is alone responsible for the quality / accuracy of data entered into the fields of the eMS system.

After submission, the Lead Applicant will receive an automatic email confirmation. **Once submitted you are not able to make further changes to your application.**

**The Concept Note application can only be submitted until <dd.mm. 2017>, 16:00 hours Bucharest time (EET).**

**Please take time zone differences into account!**

After the deadline, the applicant cannot create an application nor can send an application previously created. In such a case, the error message **“Submission after deadline”** will be sent by the eMS system. Consequently, the application will not be

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<sup>38</sup> A template is provided as Annex V.15 for CN and Annex VI.7. for FA.

registered as submitted into the system and it shall not enter into the assessment and selection process.

For any problems you might experience with the eMS, please contact the Joint Secretariat at [joint.secretariat@breacoradea.ro](mailto:joint.secretariat@breacoradea.ro), or by telephone at +40 259 473 174 or +40 359 436 529 during office hours: 9:00 to 17:00.



If you have any question regarding the rules of this Call, we strongly recommend you to send your questions up to 21 working days before the deadline, to the following e-mail address:

[joint.secretariat@breacoradea.ro](mailto:joint.secretariat@breacoradea.ro)

Any other questions received after this interval may not receive an answer / in due time, considering the necessary time for processing.

Final answers shall be released (published) not later than 11 working days before the submission deadline.

Upon closure of the CN phase, the Joint Secretariat organizes the assessment and selection process, in compliance with the criteria and methodology approved by the Monitoring Committee.

Once contracted for CN, the Full Application may be submitted under the dedicated continuous call, and the Joint Secretariat will organize the assessment and selection process, in compliance with the criteria and methodology approved by the Monitoring Committee.

**Full Application will be submitted on on-going basis, no later than 1 month after the end of the implementation period of the Concept Note, 16:00 hours Bucharest time (EET).**

**Please remember to take time zone differences into account!**

After submitting the application (Concept Note or Full Application), the Lead Applicant will see the project status in the column "Project\_state" of the table "List Of Projects" as **Subm = Submitted**.

Now the application will enter in the assessment phase (Administrative and Eligibility check) by the Assessment Working Group, while the Lead Applicant can check the status of the application in the eMS (*My projects* section) and answer to the clarifications sent by the members of the Assessment Working Group.

**Please note that the clarifications will be send officially using the e-mail section of the eMS as an attached letter of clarification, and the Lead Applicant will respond only through e-mail from eMS.**

**Errata, amendments to the Application package which will be sent after the deadline and/or without being explicitly requested shall not be considered.**

**We strongly advise you to keep an eye on your eMS e-mail in order to be able to respond to any clarifications may be requested during the assessment phase! Also, please keep in mind that the notification of either rejection or approval of your application will be send via eMS e-mail system.**

### 3.2 List of mandatory annexes to the Concept Note / Full Application

Mandatory information/documents for submitting an eligible application	CN	FA
<p><b>Pre-agreement</b> of applicants stating their commitment to the development and implementation of the related project in terms of capacity and necessary resources (see Annex V.1).</p> <p><b>Please note this document will not be the subject of completion.</b></p> <p>To be provided in EN language.</p>	✓	-
<p><b>Partnership declaration</b>, signed and stamped by all involved parties/entities (see Annex VI.1), separately submitted by each of the partners.</p> <p><b>Please note this document will not be the subject of completion.</b></p> <p>To be provided in EN language.</p>	-	✓
<p><b>Compliance letters from competent authority/body at national/ regional/ county level</b> shall be included, <b>at least one letter from Romanian authorities (county, regional OR national level) and one from Hungarian County Councils as required by the national legislation</b>, i.e. Ministry of Regional Development, Public Administration and European Funds, Ministry of Culture, National Park Directorate, Environmental and Water Management Directorates, State Forestry Service / National Forest Administration Romsilva, National Administration Apele Române, Ministry of Public Health, Ministry of Education, County Councils, etc. (see Annex V.2). The letter will include proper justification of the projects (non) compliance.</p> <p>To be provided in EN language.</p>	✓	-
<p><b>Extracts of relevant strategies</b> and/or other relevant development strategic documents, proving the project's compliance as such (e.g.: <b>General Master Plan on Transport</b>, counties' strategies, etc.).</p> <p>To be provided in RO/HU language.</p>	✓	-

Mandatory information/documents for submitting an eligible application	CN	FA
<p><b>Copy of the establishing documents</b> of the Applicants / Associated Partners: Articles of Association, Statutes, Deed of foundation, establishing resolution law, or equivalent documents according to the national legislation etc.</p> <p><b>Exception:</b> public institutions / authorities do NOT need to submit this document!</p> <p>Additionally, establishing documents will be provided for the related branch / field office, etc., that will prove its existence and the relation with the headquarter.</p> <p>With regard to Churches in Hungary: In case the religious organization is listed in the register kept by the Ministry of Human Capacities (<a href="http://egyhazi.emmi.gov.hu/">http://egyhazi.emmi.gov.hu/</a>), the extract issued by the Ministry must be attached. In case the Church is not listed in the register, official confirmation issued by the Main Church must be attached.</p> <p>To be provided in RO/HU language.</p>	✓	✓ <sup>39</sup>
<p><b>PROJECT (LEAD) APPLICANT DECLARATION</b><sup>40</sup> (see Annex V.3 for the Concept Note / Annex VI.2 for Full Application).</p> <p><b>Please note this document will not be the subject of completion.</b></p> <p>To be provided in EN language.</p>	✓	✓
<p><b>Associated Partners Declaration</b> (see Annex V.7 for the Concept Note / Annex VI.6 for Full Application)</p> <p>To be provided in EN language.</p>	✓	✓
<p><b>Total project estimated budget</b> (see Annex V.4)</p>	✓	-

<sup>39</sup> For FA (Full Application), to be submitted for Lead Applicant and all Project Applicants/Associated Partners (if the case) also, ONLY if the establishing documents have been modified since submission of the Concept Note application pack

<sup>40</sup> The Project (Lead) Applicant Declaration will be submitted by each of the applicants and it will cover the following facts:

- Reality of the data provided within the application
- Applicants do not fall into any of the categories for which shall be excluded from participation in calls for proposals, according to EU Financial Regulation 966/2012. The document will be provided by all partners, signed and stamped.
- Applicants commit themselves and the activities.
- Conformity regarding the double financing of the operations are enclosed;
- Applicant(s) VAT status are enclosed;
- Possible generated revenues are enclosed;
- Partners contribution to the project's budget;
- Public funds have not been received in the previous 5 years before the submission deadline for the same operations/projects in terms of objectives, activities and results.
- Compliance with the obligation on ensuring project sustainability and its operation for at least 5 years after the financial closure of the project;
- Compliance with the horizontal principles.



Mandatory information/documents for submitting an eligible application	CN	FA
To be provided in EN language.		
<b>Programme' output indicators – project commitment</b> (see Annex V.5) To be provided in EN language.	✓	-
<b>Environmental indicators</b> (see Annex V.6 for the Concept Note / Annex VI.5 for the Full Application) To be provided in EN language.	✓	✓
<b>The official statement</b> of the relevant decision-making body regarding the support of the project and the availability of the own contribution for the planned investment, during the implementation of the project (e.g. <b>County Council Decision, Local Council Decision, Board of Directors Decision</b> , etc.); the document will have to be issued after the official launch of the call for proposal. This requirement does not affect the eligibility of the preparation costs estimated in Concept Note budget. To be provided in RO/HU language.	✓	✓
In case of Romanian applicants: <b>Justifying document stating the method of representation</b> (according to the national legislation) In case of Hungarian applicants: <b>Original specimen of signature</b> containing the method of representation of the legally authorized representative(s) of the applicant organizations/institutions certified by a public notary. <b>Please note this document will not be the subject of completion.</b> To be provided in RO/HU language.	✓	✓
<b>Letter of empowerment (if the case):</b> For RO applicants: signed and stamped by the legal representative of the applicant institution. For HU applicants: certified by a public notary. <b>Please note this document will not be the subject of completion.</b> To be provided in RO/HU language.	✓	✓
The <b>job descriptions</b> for all positions included in the proposed management team AND/OR the <b>Terms of references</b> , in case the management is externalized <sup>41</sup> . To be provided in EN language.	✓	✓
<i><u>In case of Romanian Beneficiaries:</u></i>	✓	-

<sup>41</sup> Flagship Projects are projects of significant complexity and the capacity of the partners is of high importance in the efficient and sustainable management of the projects; therefore, the Programme strongly recommends avoiding the externalization of the project management. Moreover, maximum score will be granted only to applications ensuring the management staff.

Mandatory information/documents for submitting an eligible application	CN	FA
<p>Urban planning certificate (<i>certificat de urbanism</i>).</p> <p><u>In case of Hungarian Beneficiaries:</u></p> <p><b>Preliminary declaration of construction works</b> according to the template provided in Annex V.8., signed by a certified architect.</p> <p>To be provided in RO/HU language.</p>		
<p><b>For RO applicants:</b></p> <p>Feasibility study<sup>42</sup>/ Documentation for approval of intervention works<sup>43</sup> or its revised version should be valid according to the national legislation at the time of submission of the application for the present Call for Proposals (the document must bear the date of elaboration/ revision). However, this/these documents(s) should be submitted as supporting documents to the Application Form and should be accompanied by the legal agreements and approvals (e.g. Local/County Council Decision, proof of the reception of the service, etc.).</p> <p>To be provided in EN language.</p> <p><b>For HU applicants:</b></p> <p>Feasibility Study (see Annex VI.3) shall be submitted for new investment objectives (the document contains the compulsory elements, according to the Gov. Decree 312/2012 Annex VIII (Chapter 1-1.4.) / Documentations for approval of intervention works (see Annex VI.4) shall be submitted for intervention at already existing investment objectives and it contains the list of mandatory documents, in case works are not subject to building permit, as follows:</p> <ul style="list-style-type: none"> <li>• technical description (HU: <i>műszaki leírás</i>)</li> <li>• the diagrammatical plan (HU: <i>vázrajz</i>)</li> <li>• the general plan of the building site (HU: <i>átnézeti helyszínrajz</i>).</li> </ul> <p>To be provided in EN language.</p> <p>For the projects involving the construction / upgrading / modernization of transport infrastructure, a <i>traffic study</i> must be presented containing data on the current and the estimated traffic.</p> <p>To be provided in EN language.</p>	-	✓
<p>Other <b>relevant studies/surveys, not older than one year</b> (evaluations, strategies, design plans, opportunity studies, impact assessment, location studies, etc.). Multiyear documents, adopted as such will also be considered!</p> <p>To be provided in RO/HU language.</p>	-	✓
<p><b>Title Deed<sup>44</sup></b> (<i>extras de carte funciară/tulajdoni lap másolat</i>) issued by the Land Registry, not older than 30 calendar days, of each real estate (land and/or building) affected by the investment.</p>	✓	✓

<sup>42</sup> Shall be submitted for new investment objectives.

<sup>43</sup> Shall be submitted for intervention at already existing investment objectives.

<sup>44</sup> Exceptions are considered Title Deeds for road construction where purchase / expropriation is necessary, in case they are not yet available due to non-completion of the purchase / expropriation procedures.

Mandatory information/documents for submitting an eligible application	CN	FA
<p>In case the land and / or building is in concession/administration, it must be proved that the duration of the concession/administration of the land and/or building is based on a <b>long term contract/enactment</b> (i.e. <b>min. 5 years after the estimated month for the financial closure of the project</b>) and that the <b>owner of the real estate</b> has given his <b>written agreement</b> that the applicant is free to perform the investment.</p> <p>To be provided in RO/HU language.</p>		
<p>At least the <b>administrative act</b><sup>45</sup> approving the opportunity to develop the technical documentation / plans / design for the investment objective subject to the grant application is attached, or a document of a similar value, in case the road infrastructure.</p> <p>(i.e. Government/County/Local Council Decision for approval the start of the preparation of the planned investment/design of the feasibility study related to the planned investment)</p> <p>To be provided in RO/HU language.</p>	✓	
<p>Affidavit regarding the land acquisition (purchase/expropriation) process, in case the road infrastructure involves purchase/expropriations (see Annex V.9)</p> <p>The document will state:</p> <ul style="list-style-type: none"> <li>- that the respective applicant understands his/her obligation to complete the purchase/expropriation process and to submit the Title Deed in maximum 3 months after the notification of approval for FA, ensuring they understand the consequences in case they fail;</li> <li>- that the maximum expenditure budgeted for purchase/expropriations will be no more than 5% of the ERDF estimated costs for the investment objective.</li> </ul> <p>To be provided in EN language.</p>	✓	
<p>In case the road infrastructure involves land acquisition (purchase / expropriations):</p> <p>For RO applicants:</p> <p>Government/county/local council Decision approving the start of the purchase / expropriation procedure and the approval of the technical and economic indicators for the respective investment</p> <p>For HU applicants:</p> <p>If available, the Building Permit OR the proof that the process of obtaining</p>		✓

However, the applicants will have to provide the Title Deed **in maximum 3 months after the notification of approval for FA**, or otherwise be excluded

<sup>45</sup> According to the national relevant legislation ( „Elrendelő” for HU Applicants, Hotărâre de Consiliu Local/Județean, etc for RO Applicants)

<b>Mandatory information/documents for submitting an eligible application</b>	<b>CN</b>	<b>FA</b>
the building permit has started, issued by the competent authority. To be provided in RO/HU language.		
<b>Declaration from the land and/or building/ item of infrastructure owner and from the concessioner/administrator</b> stating that the land and / or building / item of infrastructure is free of any encumbrances, not the object of a pending litigation, not the object of a claim according to the relevant national legislation. To be provided in RO/HU language.	✓	✓
Copy of the <b>bilateral agreement</b> with the commitment of the Member States to set up Schengen-compatible border-crossing checkpoints (or other existing solutions according to the legislation in force at the time of submission of the project proposals) at the completion of any such projects, and to operate it for at least 5 years or until the enlargement of the Schengen zone, for projects that include cross-border road infrastructure. To be provided in RO/HU/EN language.	✓	
Copy of the <b>bilateral agreement</b> , in case of CB infrastructure, for projects financing CB infrastructure other than roads; the bilateral agreement have to be in force at the time of submission of project proposals. To be provided in RO/HU/EN language.	✓	
RO applicants: Template MMP, signed/stamped by Environmental Protection Agency at county level, requested based on GO 445/2009 in reference to public and private projects impact evaluation on the environment. (Annex V.10). To be provided in RO language	✓	

<b>Regarding the State aid, as the case may be:</b>		
<b>Ip 6/c, in case of non-aid projects, if applicable:</b> Local impact study (considering art. 196 of EC Communication 2016/C 262/01). To be provided along with an English translation.	✓	
<b>Ip 7/c, in case of activities implying the entrustment of a SGEI without State aid:</b> A. 1. The Entrustment act, endorsed by the competent authority, in case already finalized. To be provided along with an EN translation; A. 2. Relevant justifying documents proving the procedure of entrusting the SGEI. To be provided along with an EN translation.	✓	
B. 1. Declaration on own responsibility regarding the commitment to submit the entrustment act endorsed by the relevant authority (Annex	✓	

<p>V.11);</p> <p>B. 2. Declaration on own responsibility regarding the observance of all 4 Altmark criteria (Annex V.12):</p> <p>The four cumulative criteria are the following:</p> <ul style="list-style-type: none"> <li>- Public Service Obligation</li> <li>- Transparent approach to compensation</li> <li>- No excess compensation</li> <li>- Transparent calculation;</li> </ul> <p>B. 3. Competent authority decision regarding the intent on declaring the SGEI.</p>		
<p>In case of <b>GBER, for Ip 6/c and Ip 8/b:</b></p> <p>1. Declaration on own responsibility regarding the financial situation of the State aid beneficiary (if applicable) (Annex V. 13);</p> <p>2. Relevant financial documents in order to prove that the undertaking is not in difficulty (e.g.: for <b>Ro applicants</b> the audits for the last two fiscal years “bilanșurile depuse în ultimii doi ani fiscali”;</p> <p><b>3. for HU Applicants (to be determined)</b></p>	✓	
<p><b>Ip 7/c, in case of activities implying the entrustment of a SGEI with State aid:</b></p> <p>A. The entrustment act, endorsed by the relevant authority, in case already finalized. To be provided along with an EN translation.</p>	✓	
<p>B. 1. Declaration on own responsibility regarding the commitment to submit the entrustment act endorsed by the relevant authority (Annex V.11);</p> <p>B. 2. Competent authority Decision regarding the intent on declaring the SGEI. To be provided along with an EN translation;</p>	✓	
<p>B. 3. Declaration on commitment to observe the parameters calculated and to avoid over-compensation, based on the methods stipulated in Regulation no. 1370/2007 and on commitment to observe the SGEI Regulation no. 1370/2007 for the time period of entrustment (Annex V.16), if applicable;</p>	✓	
<p>B. 4. 1 year prior announcement, published in the OJEU according to Regulation (EC) No. 1370/2007, if applicable.</p>	✓	
<p>In case of <b>de minimis, for Ip 6/c, Ip7/c and Ip 8/b:</b></p> <p>Declaration on own responsibility regarding the previous <b>de minimis aid</b> (Annex V.14 ), to be submitted by the State aid beneficiary / final beneficiary.</p>	✓	✓

## CHAPTER 4. Assessment and selection of Applications<sup>46</sup>

This is the description of the assessment and selection process of Flagship Projects. These are strategic projects of key importance that address the most important needs of the eligible area. They are intended to help to achieve the programme's expected results, through reaching the output indicators and, therefore, have a tangible impact on a significant part of the programme area.

### General principles of the assessment and selection:

The assessment and selection process within the Interreg V-A Romania-Hungary Programme will be carried out with regard to:

- a) Transparency
- b) Equal of treatment
- c) Non-discrimination
- d) National integrity
- e) Sustainable development

The assessment and selection procedure promotes the fulfilment of these principles and excludes any opposite behaviour or action.

Flagship projects must fulfil the following key criteria:

- to have a strategic relevance having impact on the border region;
- to contribute to fulfilling the objectives and targets of Interreg V-A Romania-Hungary Programme;
- to have a clear cross-border dimension;

**The strategic character of an intervention is also given by the amount of support from the relevant stakeholders in its key area of intervention. Competent authorities, with relevant related expertise are expected to provide compliance letters for the projects submitted under this Call for proposals. It is mandatory to provide at least one compliance letter from Romanian authorities (county, regional OR national level) and one from Hungarian County Councils, as required by the national legislation. The letter will include proper justification of the projects (non) compliance.**

**On the other hand, the projects should be acknowledged and/or supported by relevant authorities, key professionals and the targeted communities. Maximum score will be granted only to projects proving significant such support. Support**

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<sup>46</sup> Assessment and selection period alone may last up to 3-4 months for CN and 3 months for FA after given deadline/submission. Applicants shall take this into account when planning project activities and related events, as no project can be scheduled to start before its prospective approval.

**letters will be assessed in the quality assessment.**

Also, submission of documents stating that the project proposal is compliant with the regional/county strategic development approach is mandatory.

With regard to the selection of flagship projects, the following basic general rules apply:

- the Investment priorities<sup>47</sup> where flagship projects are expected, are identified already in the planning phase and stated within the approved CP.
- the total budget of all flagship projects supported may not exceed 50 % of the total ERDF programme budget.

**The projects must have direct CBC impact, which shall be understood in terms of proving all four of the following cooperation criteria<sup>48</sup>: joint development, joint implementation, joint financing and joint staffing.**

**The maximum points in the assessment will be granted for partnerships properly proving all four cooperation criteria!**

**Also, the associated partners, if the case, will have to prove the fulfilment of at least two cooperation criteria!**

Nonetheless, for the entire assessment and selection process, all applicants need to consider that:

**Any attempt to obtain confidential information or to influence the Programme' structures and assessors within the assessment and selection process will lead to**

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<sup>47</sup> Please see specifics of each Investment priority in the related Fact Sheets.

<sup>48</sup> Joint development – means that the project must be designed in common by partners from both sides of the border. This means that project proposals must clearly integrate the ideas, priorities and actions of stakeholders on both sides of the border. The Lead Beneficiary is the coordinator of this process but should include other partners from the beginning of the development process;

Joint implementation – means that activities must be carried out and coordinated among partners on both sides of the border. It is not enough that activities run in parallel. There must be clear content-based links between what is happening on either side of the border and regular contact between the two sides. The Lead Beneficiary is responsible for ensuring that activities are properly coordinated, that schedules are kept and that the right quality levels are achieved;

Joint staffing – means that the project should not duplicate functions on either side of the border. Therefore, regardless of where the person is located, there should be one joint project manager, one joint financial manager etc., (of course more staff may be required for larger projects). These staff will be responsible for project activities on both sides of the border. The Lead Beneficiary is generally the employer of core project staff;

Joint financing – means that there will be only one contract per project and therefore there must be one joint project budget. The budget should be divided between partners according to the activities carried out. A project with 0 Euro or very small financing from one side of the border cannot be considered as having joint financing. There is also only one project bank account for the ERDF contribution (held by the Lead Beneficiary) and payments representing EU support are made from the programme to this account. The Lead Beneficiary is responsible for administration and distribution of these funds and for reporting on their use. Match-funding should come from both sides of the border and illustrates the commitment by each partner to the joint project.

**disqualification!**

**The clarifications provided in the assessment phase cannot bring new elements that would alter the initial content of the Application Form.**

**You will be excluded in case it is proven that you are guilty of serious misleading of the assessors by providing false information, that are being taken into consideration in the assessment process or if you did not inform the evaluators on issues that would have led to a different decision of the assessors.**

The present restricted call is launched to select flagship projects, with the following main procedural steps:

## **4.1 CONCEPT NOTES**

All the Concept Notes submitted between the first day of this Call for proposals and the established deadline will be included in the assessment process.

All CN will be assessed and selected according to the assessment criteria previously approved by the MC.

The assessment of CN will be carried out in two steps:

First step, **administrative and eligibility check**<sup>49</sup> is carried out by internal assessors from the Joint Secretariat and Info Points.

The purpose of the eligibility and administrative assessments is to:

- Verify that the proposal fulfils minimum requirements of the Programme;
- Avoid further assessment of ineligible project proposals;
- Ensure equal treatment of all proposals to be selected for funding.

We draw your attention that, in compliance with the set eligibility criteria, the following documents shall be submitted with the Concept Note application form, by the given deadline. If any of the following is not submitted, the application will be subject for rejection:

- **Pre-agreement** of project applicants stating their commitment to the development and implementation of the related project in terms of capacity and necessary resources (see Annex V.1);
- **Project (Lead) Applicant Declaration** (see Annex V.3 for the Concept Note / Annex VI.2 for Full Application);

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<sup>49</sup> The assessment grid for the CN administrative assessment is presented in ANNEX VII.1 CN Administrative and eligibility grid.



- In case of Romanian applicants:

**Justifying document** stating the method of representation (according to the national legislation).

- In case of Hungarian applicants:

**Original specimen of signature** containing the method of representation of the legally authorized representative(s) of the applicant organizations/institutions certified by a public notary;

- **Letter of empowerment, if the case:**

For RO applicants: signed and stamped by the legal representative of the applicant institution

For HU applicants: certified by a public notary.

Clarifications and/or completions will be requested by the JS within the administrative and eligibility check, in a single round. The requests will be made in writing to the Lead Applicant, who will have **7 working days** to submit the necessary documents/clarifications. Please be aware that all related communication will be made through the eMS (the electronic system).

Whereas the deadline is not met, or the documents/clarifications submitted are not satisfactory, or prove incompliance with the formal and eligibility requirements, the CN will be rejected.

Failure to comply with the formal requirements (administrative compliance) and established eligibility criteria will lead to the rejection of the project proposal; thus, the Concept Notes that do not fulfil the formal requirements and eligibility criteria shall not be passed for the quality assessment.

Exceptionally, in case the proposal is not fully compliant in the case of the costs limitations (criteria B20÷B23), the project proposal will be passed for quality assessment under the condition that the necessary budget-cuts<sup>50</sup> will be made in the quality assessment phase.

Next step is the **State aid assessment** that aims at ensuring compliance of the activities envisaged by the projects with the State aid rules and is performed after the administrative and eligibility check of the assessment and selection process for the projects falling under State aid incidence. The State aid assessment is followed by the quality (technical and financial) assessment.

The State aid assessment process will be performed in what concerns both the

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<sup>50</sup> If during the assessment, an assessor considers that a cost is non-eligible, it will propose budget-cuts, and the project will be approved under condition. So, the approved budget will not contain non-eligible costs.

administrative compliance and technical aspects.

a) Administrative check

The administrative check will focus on the existence of specific documents mentioned in chapter 3.2 of the GfA and in the relevant State aid assessment grid for each Investment priority.

As the case may be, these documents have to be attached to the Application form, as they are necessary for the proper classification of project proposals' activities in relation to State aid rules, following the quality assessment.

b) Quality assessment

- The quality assessment will focus on the identification of State aid incidence at activity level within the project as well as to ensure that any support granted under the Programme complies with the conditions provided for in the state aid schemes attached to the GfA and with European and national State aid regulations. Also, the quality assessment shall correctly categorize projects' activities in relation to State aid, as follows: activities not falling under the State aid incidence, based on the analysis regarding the observance of the 5 State aid criteria and the general and specific recommendations within the GfA;
- project activities implying the entrustment of the operation of a public service under EU Regulation 1370/2007;
- project activities that are financed under GBER State aid scheme (culture or local infrastructure);
- project activities that are financed under *de minimis* aid scheme.

The State aid assessor shall also check the possible incidence of indirect State aid. Based on his/her professional judgement, he/she will formulate specific recommendations, to be respected accordingly.

The assessment will have to conclude, for each activity, whether or not it is falling under State aid incidence, the type of aid, requested budget and who is the implementing partner. Also, proper justification and recommendations will be formulated.

In case during the State-aid assessment it turns out that an activity has not been correctly categorised by the Applicant in relation to State aid, the Applicant will be notified about the outcome of the assessment and will be asked to provide necessary documents (clarifications) and its agreement on the continuation of the evaluation process under the new circumstances. A deadline for submitting the documents will be set. Within the State aid assessment process, clarifications and/or completions may be requested several times by the State aid experts, through the JS. Such clarifications/completions may concern both the administrative check and the quality assessment.

**IMPORTANT:** Please be advised that the same document may not be requested twice as completion.

The requests will be made in writing, through AWG, using the e-mail section of the eMS, to the Lead Applicant. The period allocated for requesting and submitting the clarifications/completions may not exceed 30 calendar days, except for special cases (for example, issuance of a Decision by the competent authority) in which case, the deadline for submitting the clarifications/completions may be extended accordingly.

**The deadlines for each case will be specified in the clarification/completion request.** In case the deadline for submitting the clarifications/completions exceeds the time allocated for the Quality assessment phase of the assessment and selection process, then the MC may approve the project proposal under condition.

In case the Lead Applicant **does not provide the supplementary completions/clarification within the specified deadlines, the Application will be assessed based on the initial documents and information, if possible**, and the **project activities will be categorized by the State aid experts** accordingly.

However, if further assessment of the project is not possible based on the initial documents provided, and the deadline for providing new documents and information is not met, or such documents **are not submitted/compliant**, the project proposal shall be rejected.

Relevant State aid assessment grids are attached to the GfA package.

Third step, is the **quality assessment**<sup>51</sup> carried out by external assessors contracted by

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<sup>51</sup> The assessment grid for the CN quality assessment is presented in Annex VII.2 – CN Quality assessment grid.

the MA.

**This Call is dedicated for strategic projects! Therefore, considerable contribution to the programme's output indicators is expected and will receive higher scores during assessment!**

**Make sure the expected results are correlated with the estimated budget!**

**E.g. A project with a total estimated budget covering 50% of the Ip will ideally contribute with minimum 50 % of the output indicators of the Ip!**

The table below reflects an example of how to calculate the proportionality between the contribution to the Programme's output indicators and the estimated project budget. The scope of the example is to clarify the criterion A.9. Quality assessment grid (Is there proportionality between the ratio of estimated output indicators of the operation and total output indicators per Ip versus ratio of costs of the operation and the total allocated budget per Ip?).

The presented scenario is for a project submitted under Ip8/b:

	Project 1	Project 2
A. Total funds allocated for Ip (EUR)	9,836,374.12	9,836,374.12
B. Number of participants in joint local employment initiatives and joint training (programme specific output indicator)	2,685.00	2,685.00
C. Unit cost (EUR/indicator). Please see the Annex I. Fact sheets	3,000.00	3,000.00
D. Total project budget (EUR)	9,000,000.00	7,000,000.00
E. Estimated participants / project	1,680.00	1,680.00
F. Total project budget / total funds allocated for Ip (D/A *100)	91.50%	71.16%
G. Project indicator (estimated participants) / total indicator for Ip (E/B*100) <sup>6/c</sup>	62.57%	62.57%
H. Proportionality between the output indicators and the estimated costs of the operation (G/F*100)	69%	88%
I. Numerical assessment (points)	4 points	12 points

**For projects submitted under Ip 6/c, in the case that a project tackles both types of output indicators, hectares and number of visits, the percentage value for *Project indicator (estimated output indicators reached by the project) / total indicator for Ip* will be calculated using the following formula:**

$$^{6/c}X = (\text{expected number of visits}/53000*100 + \text{estimated affected hectares}/1540*100) / 2$$

Also, please be informed that the applications demonstrating a level of proportionality lower than 40% for any of the outputs, the project shall not be recommended for support.

**IMPORTANT!!!! PLEASE BE AWARE THAT THE RELEVANCE OF YOUR PROJECT IDEA, ITS STRATEGICAL POTENTIAL AND THE OPPORTUNITY OF THE CROSS-BORDER APPROACH ARE ASSESSED EXCLUDEVILY IN THE CONCEPT NOTE PHASE.**

Therefore, please consider the fact that the CONCEPT NOTE Application Form is mainly focused on gathering information upon the project to be developed. Several sections in the CN Application Form are dedicated to the whole PROJECT proposal to be developed in case the Concept Note is selected for support.

**Considerable contribution to the Programme's result and output indicators is expected and will receive higher scores during assessment!**

**Applicants will be strongly advised to properly ground all estimated costs, so that the projects are not over budgeted. Also, all the activities will have to link directly to the costs, while leading to the envisaged results and contributing to the programme's output indicators.**

The recommendation for support will be also based on how the Concept Note tackles the output indicators stated in the Performance Framework of the Programme. The key implementation steps defined by the targets set for the 2018 milestone are also relevant.

If certain information is not very clear, supplementary clarifications, but not completions, will be requested only once during the quality assessment. The Lead Applicant is invited to submit this information within a deadline of maximum 5 working days.

In case the Lead Applicant does not provide the supplementary clarification within the deadline as required, the Full Application will assessed be based on the initial information.

**Only projects with a score of at least 65 points (out of a total of 100) will be proposed for approval. Also, the minimum threshold for the strategic assessment criteria will be 50 points (out of a total of maximum 80 points).**

**The Concept Notes are ranked by Investment Priorities in descending order, taking into account the scores awarded, and considering their contribution to the programme's indicators (output and result).**

In case two or more Concept Notes under the same Ip obtain equal scores, the ranking of the Concept Note to be financed shall be made taking into account the following

criteria, in the mentioned / listed order:

- a. the score obtained for Strategic criteria (Quality Assessment Grid for CN/section A);
- b. the score obtained for criterion regarding the proportionality between the ratio of estimated output indicators of the operation and total output indicators per Ip versus ratio of costs of the operation and the total allocated budget per Ip (Quality Assessment Grid for CN, section A, criterion A.9.);
- c. the one addressing directly the Performance Framework Output Indicators.

## 4.2 FULL APPLICATIONS

Full Applications will be submitted on on-going basis, no later than 1 month after the end of implementation period of the relevant Concept Notes. All Full Applications submitted in this range of time will be included in the assessment process, in a continuous manner, this approach will ensure an efficient decision-making process, in terms of time and resources.

All FA will be assessed and selected according to the criteria previously approved by MC.

**Please note that no fundamental modification of your project proposal is allowed between the Concept Note and the Full Application phases, in terms of objectives, results and targeted indicators.**

**Just as well, please be aware that partnership may not change between the Concept Note and the Full Application phases.** Only modifications generated by legislative changes, where the powers, prerogatives and liabilities of the beneficiary concerned are taken over by the legal successor (i.e. reorganisation/restructuring etc.), may be accepted. **Also, the estimated budget for your intervention in the FA should suffer modification of maximum + / -10% as opposed to your estimations within the CN, and up to the limit set by programme.**

The assessment of FA will be carried out in two steps:

First, administrative and eligibility check<sup>52</sup> carried out by internal assessors from the Joint Secretariat and Info Points. The purpose of the administrative and eligibility check is to verify that the Full Application fulfils the minimum requirements of the Programme.

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<sup>52</sup> The assessment grid for the FA administrative assessment is presented in Annex VII.3 - FA Administrative and eligibility grid.

If not all requirements are complied with, the project proposal will be deemed ineligible and a quality appraisal will not be undertaken. The Lead Applicant will be notified.

Where there is a ground not very clear to reject the Full Application, the JS may decide to ask for supplementary information or clarifications to the Lead Applicant, in the administrative and eligibility check. The Lead Applicant will be invited to submit this information within a deadline of *maximum 10 working days*. Supplementary information/clarification will be requested only once during the formal assessment process.

In case the Lead Applicant doesn't provide the supplementary information, documents or clarification within the deadline as required, the Full Application will be automatically rejected. Whereas the documents/clarifications submitted are not satisfactory, or prove incompliance with the formal and eligibility requirements, the FA application shall be deemed rejected.

In case the proposal is not fully compliant, as for instance in the case of the costs limitations (criteria B12÷B16), the project proposal will be passed for quality assessment under the condition that the necessary budget-cuts<sup>53</sup> will be made in the quality assessment phase.

We draw your attention that, in compliance with the set eligibility criteria, the following documents shall be submitted with the Full Application form, by the given deadline. If any of the following is not submitted, the application will be subject for rejection:

- **Partnership declaration**, signed and stamped by all involved parties/entities (see Annex VI.1),

- **Project (Lead) Applicant Declaration**<sup>54</sup> (see Annex V.3 for the Concept Note / Annex VI.2 for Full Application).

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<sup>53</sup> If during the assessment, an assessor considers that a cost is non-eligible, it will propose budget-cuts, and the project will be approved under condition. So, the approved budget will not contain non-eligible costs.

<sup>54</sup> The Project (Lead) Applicant Declaration covers the following facts:

- *Reality of the data provided within the application*
- *Applicants do not fall into any of the categories for which shall be excluded from participation in calls for proposals, according to EU Financial Regulation 966/2012. The document will be provided by all partners, signed and stamped.*
- *Applicants commit themselves and the activities.*
- *Conformity regarding the double financing of the operations are enclosed;*
- *Applicant(s) VAT status are enclosed;*
- *Possible generated revenues are enclosed;*
- *Partners contribution to the project's budget;*
- *Public funds have not been received in the previous 5 years before the submission deadline for the same operations/projects in terms of objectives, activities and results.*

- In case of Romanian applicants:

**Justifying document** stating the method of representation (according to the national legislation).

- In case of Hungarian applicants:

**Original specimen of signature** containing the method of representation of the legally authorized representative(s) of the applicant organizations/institutions certified by a public notary;

- **Letter of empowerment, if the case:**

For RO applicants: signed and stamped by the legal representative of the applicant institution;

For HU applicants: certified by a public notary.

Second step, the **quality assessment**<sup>55</sup> is carried out by external assessors contracted by the MA.

**IMPORTANT!!!! PLEASE BE AWARE THAT THE MATURITY OF YOUR PROJECT PROPOSAL IS ASSESSED EXCLUSEVILY IN THE FULL APPLICATION PHASE.**

**The relevance and the strategical character of your project idea are only assessed in the Concept Note phase.**

Regarding the quality assessment of FA, each application will be scored against technical and financial assessment criteria and given a maximum score of 100 points.

If certain information is not very clear, supplementary clarifications, but not completions, will be requested only once during the quality assessment. The Lead Applicant is invited to submit this information within a deadline of maximum 5 working days.

In case the Lead Applicant does not provide the supplementary clarification within the deadline as required, the Full Application will assessed be based on the initial information.

**Only projects with a score of at least 65 points (out of a total of 100) will be proposed for approval.**

**Projects implementing positive specific measures to clearly promote of horizontal**

- 
- *Compliance with the obligation on ensuring project sustainability and its operation for at least 5 years after the financial closure of the project;*
  - *Compliance with the horizontal principles and contribution to the objectives of the EUSDR.*

<sup>55</sup> The assessment grid for the FA quality assessment is presented in Annex VII.4 - FA Quality assessment grid.



**themes<sup>56</sup> shall get higher score during assessment!**

The Full Application, selected to be supported for financing, is approved by the Monitoring Committee. The decision of the MC is communicated, in writing, by the JS to the Lead Applicant.

The best Full Applications will be therefore selected to be supported for financing under this Call.

## **4.3 SELECTION OF APPLICATIONS**

### **4.3.1. Selection of the CN**

The highest scored Concept Notes will be proposed for financing, under the condition that they obtain at least the minimum set scores (65 points – overall; 50 points – for the strategic criteria) for the quality assessment also, their budgets shall contain only eligible expenses which do not exceed the limit set forth for the present Call.

**Based on the ranking list made by JS, the MC makes decision on financing projects. The selection of the Concept Notes will be finalised after JS conducts the checks and calculations for ensuring that the condition stipulated in the approved CP on ensuring a *balanced allocation of funds among the 8 eligible counties* is respected (taking into account ALL the Calls for proposals for flagship projects), depending on the *total projects estimated budgets* (see Annex V.4). The admitted variation is of +/- 10%, considering the maximum 11,815,000.00 ERDF estimated allocation per county.**

In case the maximum limit is exceeded in one or more counties, the budgets of project parts of those counties will be decreased proportionally to their share to the total budget per county.

**Those budget cuts will be approved as conditions by the MC.**

The final list of Concept Notes<sup>57</sup>, selected to be supported for financing under each Ip, is approved by the Monitoring Committee.

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<sup>56</sup> Accomplishing the minimum requirements of law in the fields of promotion of equal opportunities and non-discrimination, equality between men and women and sustainable development is mandatory and will not get higher score.

<sup>57</sup> At the proposal of the Joint Secretariat and Managing Authority, the Monitoring Committee should decide to create a reserve list. Any project that has reached the minimum thresholds mentioned above can be included on the reserve list.

After the MC decision (approval, approval with condition, rejection, reserve list) the MA/JS notifies the Lead Applicants about the decision of the MC. If the budget cut is a condition, during the pre-contracting phase they have to adjust their budget accordingly.

There are two options provided:

1. to increase their own contribution to compensate for the oversized ERDF, or
2. to manage the project in the limits of a decreased budget and adapt the full application accordingly

However, the modifications shall not affect the results and/or the output indicators described in the project proposal.

A dedicated subsidy contract will be concluded for each Concept Note, regarding the development of the Full Applications. With a total maximum budget of 350,000 EUR and maximum 6 months duration of implementation for each contract, this process is designed to lead to mature, complex flagship project proposals, including all relevant supporting documentation.

**In case a Concept Note contracting fails, the next one from the reserve list under the given Ip, if any, shall be invited to move forward and enter the contracting phase.**

In the situation the *reserve* also fails for contracting purposes, and there is no alternative under the reserve list, the amount shall be automatically transferred to Open Calls or as decided<sup>58</sup> by the Monitoring Committee.

The reserve list contains Concept Notes which have obtained the minimum total score of 65 points (out of 100) per total and minimum 50 points (out of 80) for the strategic criteria, but due to limited available budget of the Call, cannot be proposed for financing.

**The projects which have scored less than 65 points (out of 100) per total and/or less than 50 points (out of 80) for the strategic criteria in the CN phase, are considered rejected.**

The list of Concept Notes proposed for financing shall be approved at the first meeting of the Monitoring Committee, organized following the completion of the assessment process.

Within maximum 3 working days after the decision of MC, the JS sends notification letters to all the Lead Applicants who have submitted project proposals which were

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<sup>58</sup> At a later stage, if possible.

analysed within the respective assessment session and were successful. For applicants whose proposals were put on reserve list or rejected, the deadline for communication is 5 working days from the MC decision.

The decision of the Monitoring Committee is followed by the pre-contractual phase and further MA and JS shall begin the contracting process, in order to conclude the contracts.

As a general rule, during the contracting stage the JS shall ensure all communication with beneficiaries in view of gathering all necessary supporting documents.

**Since the focus on 2014-2020 period is on the results, please note that if the on-going analysis during the selection process shows that the programme's indicators (in theory, by contracting) are tackled in a percent of at least 110%, so that the indicators from the Performance framework are secured (including the financial ones), the Monitoring Committee may decide to stop contracting although the financial allocation was not entirely reached.**

#### **4.3.2. Selection of the FA**

The Full Applications are included in the assessment process in a continuous manner. Therefore, each FA recommended for funding / rejected as a result of the quality assessment, shall be submitted also in continuous manner to the Monitoring Committee for approval, in written procedure. The approach will ensure an efficient decision-making process, in terms of time and resources.

For Full Application phase, the projects proposed for financing are those projects which have obtained the minimum score (65 points) in the quality assessment and whose budgets contain eligible expenses which do not exceed the limit set forth for the present Call.

Also, having in mind that a balanced allocation of funds is to be ensured among the eight eligible counties, the final selection of projects will be conditioned by the estimate county allocation of € 11.815.000, 00. Therefore, as the estimated total budget for the intervention in the FA is allowed to suffer modification of maximum 10% as opposed to the estimations within the CN, and up to the limit set by Programme and in case, due to these deviations, the county allocation is overtaken, the related amounts will be cut proportionally from the respective projects budgets. The selection of the project proposals will be therefore conditioned.

**The projects which have scored less than 65 points in the FA phase are deemed rejected.**

The decision of the Monitoring Committee is followed by the pre-contractual phase and further MA and JS shall begin the contracting process, in order to conclude the

contracts.

The same logic applies as concerns communication from JS to Lead Applicants as above.

**Whereas there are firm recommendations of the external assessors impacting / conditioning the approval and contracting of a FA, the respective project may be put forth for approval by the MC “under conditions”. The MC decision shall also stipulate the deadline when conditions must be met, and this shall not exceed 3 months after the notification for approval of the FA. Contracting of such project may occur only when these conditions are fully satisfied.**

If, for any reason, the FA fails to be contracted, the full amounts shall be automatically made available to Open Calls or as decided by the MC.

## 4.4 COMPLAINTS

In accordance with Art 74(3) of Regulation (EU) No 1303/2013 “Member States shall ensure that effective arrangements for the examination of complaints concerning the ESIF are in place”.

The procedure established will cover complaints against decisions taken by the Programme during the project assessment and selection process, with the purpose of effectively examining complaints.

The decision of the MC can be appealed by the applicants, by sending the notification to the MA. Only the project’s Lead Applicant as the one representing the project partnership affected by the funding decision is entitled to file a complaint. It is therefore the task of the Lead Applicant to collect and bring forward the complaint reasons from all project applicants.

The complaint must be submitted by the Lead Applicant in no more than 10 working days from the date of receiving the rejection letter sent by the JS. Any complaint received later than 10 working days will not be taken into consideration.

The complaints shall be formulated in respect to the provisions of the procedure presented below. The template of the complaint is attached to this guide (please see Annex X.3).

The complaint should be lodged in writing by e-mail, mail or fax to the MA, and may only be lodged against the following criteria:

- ⇒ The outcomes of the quality assessment of the project proposal (CN or FA phase) do not correspond to the information provided by the Lead Applicant;
- ⇒ The project assessment and selection process failed to comply with specific procedures laid down.

Regarding arrangements for the examination of complaints in relation to State aid

assessment, such process shall follow the same procedure as in the case of assessment and selection process.

The complaint shall include:

- a. name and address of the Lead Applicant;
- b. reference number of the project proposal which is a subject of the complaint;
- c. clearly indicated reasons and justification for the complaint, including listing of all elements of the assessment which are being complaint and/or failures in adherence with procedures limited to those criteria mentioned above;
- d. signature of the legal representative of the Lead Applicant;
- e. any supporting documents;
  - ✓ the relevant documentation shall be provided for the sole purpose of supporting the complaint and may not alter the quality or content of the assessed project proposal;

No other grounds for the complaint than indicated above will be taken into account during the complaint procedure.

A complaint will be rejected without further examination if submitted after the deadline set above or if the formal requirements are not observed. Should the complaint be rejected for this reason, the MA conveys this information within 5 working days to the Lead Applicant.

Within maximum 10 working days after the receipt of the complaint the MA confirms to the Lead Applicant in writing having received the complaint. The complaint will then be examined by the MA assisted by the JS on the basis of the information brought forward by the Lead Applicant in the complaint, and technical examination will be performed regarding the merit of the complaint. Then, the complaint is forwarded to the Complaint Panel to be convened for this purpose by the Head of the MA.

The members of the Complaint Panel are nominated by the MA, ensuring impartiality of members of the Complaint Panel towards the case under review. Meetings of the Complaint Panel are called by the Head of the MA, and the panel examines the complaint based on:

- the complaint, with the technical examination by the MA;
- the original project proposal and all supporting documents;
- all documents relating to the assessment of the project proposal;
- any other document requested by the Members of the Complaint Panel relevant

to the complaint.

The MA and the JS are invited to the meeting to present the position of the technical examination and the Lead Applicant may also be invited for a hearing.

The decision if the complaint is justified or needs to be rejected is taken by the Complaint Panel, desirably by consensus. However, if consensus cannot be reached, the decision shall be deemed adopted if at least 2/3 of the members present at the meeting agree with it.

In case it is justified, the case will be sent back to the Monitoring Committee to review the project application and its assessment. The MA communicates the decision of the Complaint Panel to the Lead Applicant within 10 working days.

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

The complaint procedure - from the receipt of the complaint by the MA to the communication of the Complaint Panel's decision to the Lead Applicant - should be resolved within maximum 90 calendar days.

**Any attempt to obtain confidential information or to influence the Programme' structures and/or the members of the Complaint Panel within the review process will lead to your disqualification!**

**The clarifications provided in the review phase cannot bring new elements that would alter the initial content of the Application Form.**

**You will be excluded in case it is proven that you are guilty of serious misleading of the Assessment Working Group / Complaint Panel by providing false information, that are being taken into consideration in the assessment and selection / review process or if you did not inform the Assessment Working Group / Complaint Panel on issues that would have led to a different decision related to your application(s).**

## 5. Contracting

### 5.1 Pre-Contractual conditions

The process of projects' assessment and selection ends with the Monitoring Committee's decision regarding the selected / rejected projects<sup>59</sup>. Following the issuance of the said decision, the MA and JS shall begin the contracting process.

As a general rule, during the contracting stage the JS shall ensure all communication with beneficiaries in view of gathering all necessary supporting documents and provide all the support to them in order to perform this task. The JS shall make sure that all the documents received from the beneficiaries comply with the requirements of the GfA, before submitting it to the MA.

Within 3 working days from the issuance of the decision of the MC for the selected projects, the JS will notify the beneficiaries upon the selection of their projects. For the Beneficiaries whose projects have been rejected, the term for sending the notification will be of maximum 5 working days. At the same time, JS shall update in the eMS the status of the projects.

Following the decision of the MC regarding the selected projects, JS shall perform on site visits to all Lead Beneficiaries and the selected project beneficiaries for the purpose of establishing the coherence of the Application Form with the actual state of fact at beneficiary's premises and in order to prevent contracting errors or frauds. On-site visits shall be performed to:

- all Lead Beneficiaries and, as the case may be, to the project beneficiaries, based on a risk analysis, and
- to all Beneficiaries, regardless their quality within the project, having investment activities and expenses.

During the pre-contracting stage, respectively the preparation phase of the on-site visits, recommendations of the Assessment Working Group shall be introduced, and the JS shall request a declaration regarding the beneficiaries' acceptance that JS could operate budgetary adjustments, e.g. recommendations of the Assessment Working Group regarding the project, budget cuts, correction of arithmetical errors etc., if applicable, as well as additional contracting documentation, according to the relevant procedure. The beneficiaries shall upload into eMS the documents requested by the JS. During the on-site visits, the JS shall verify the conformity of uploaded documents with the original-ones.

Whereas a project has been put forth for approval by the MC "under conditions" for FA phase, whilst the MC decision shall also stipulate the deadline when conditions must be met (not exceeding 3 months from the JS' notification), pre-contracting of such project

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<sup>59</sup> Including projects on reserve list, for CN.

shall also imply verification of whether these conditions are fully satisfied, in the said deadline.

In order to satisfy itself of the sound management of the contracting process, at any stage the MA may request additional documents from the beneficiary. The JS must ensure that the documents are submitted to the MA in due time according to specific MA requirements.

**The contract models annexed to this Guide are only indicative; the final version of all contracts will be presented to the beneficiaries of the selected projects in the pre-contractual phase.**

## 5.2 Contracting

The JS shall prepare and submit to the MA the subsidy contracts with Lead Beneficiaries, within 15 working days after the date of the on-site visit/ receiving the complete contracting documentations.

The subsidy contracts will be signed by the MA and by the Lead Beneficiaries, while the co-financing contracts will be signed by MRDPAEF and Romanian Beneficiaries. For Hungarian beneficiaries, on behalf of the Prime Minister's office, the PMO / SZPO will sign co-financing contract.

Following the signature of financing contracts by the MA's representative, the contracts will be sent to JS, in order to be signed by Lead Beneficiaries/ Beneficiaries.

After the signature of the financing contracts by both parties:

- an original copy and the annexes thereto shall be given to the Beneficiary, based on delivery and receiving protocol / cover letter.
- an original copy, with MA internal endorsements, and the annexes thereto shall be sent to MA, within 3 working days, after the signature of contract by the Beneficiary / JS receives the signed contract from the Beneficiary.
- an original copy remains to the JS, who also has the obligation to archive all contracting documentation.

NOTE: The Beneficiary will be at all times obliged to present for audit/control purposes all files, documents and data about the project for the both stages: Concept Note – contract and Full Application - contract.

In case of major differences between the technical project and the Feasibility study/DAIW, it is possible to be required the repayment of part of amounts received under Concept Note stage.



## 6. Annexes

- I. **FACT SHEETS on Ips afferent to the present call**
- II. **Programme' Performance Framework and Environmental Indicators**
- III. **Programme general rules on eligibility of expenditure (including General Matrix of costs)**
- IV. **eMS – Application Instructions**
- V. **CONCEPT NOTE**

**Annex 0 Application Form**

**Annex 1 Pre-Agreement template**

**Annex 2 Compliance letter**

**Annex 3 Project (Lead) Applicant Declaration**

**Annex 4 Total project estimated budget template**

**Annex 5 Programme' output indicators – project commitment**

**Annex 6 Environmental indicators**

**Annex 7 Associated Partner Declaration**

**Annex 8 Preliminary declaration of construction works**

**Annex 9 Affidavit in case of land acquisition**

**Annex 10 Template MMP for RO applicants**

**Annex 11 Declaration on own responsibility regarding the commitment to obtain the entrustment act endorsed by the competent authority**

**Annex 12 Declaration on own responsibility regarding the observance of all 4 Altmark criteria**

**Annex 13 Declaration on own responsibility regarding the financial situation of the State aid beneficiary**

**Annex 14 Declaration on own responsibility regarding the previous *de minimis* aid**

**Annex 15 Table of content**

**Annex 16 Declaration on commitment to observe the parameters calculated and to avoid over-compensation, based on the methods stipulated in Regulation no. 1370/2007 and on commitment to observe the SGEI Regulation no. 1370/2007 for the time period of entrustment**

**VI. FULL APPLICATION**

**Annex 0 Application Form**

**Annex 1 Partnership Declaration template**

**Annex 2 Project (Lead) Applicant Declaration**

**Annex 3 Feasibility Study, for HU applicants**

**Annex 4 Documentation for Approval of Intervention Works, for HU applicants**

**Annex 5 Environmental indicators**

**Annex 6 Associated Partner Declaration**

**Annex 7 Table of content**

**VII. Assessment grids**

**VIII. Partnership Agreement templates**

**IX. Framework subsidy contracts**

**X. Other**

- 1. List of abbreviations & Glossary of terms**
- 2. Relevant regulatory framework**
- 3. Complaint template**
- 4. De minimis scheme**
- 5. GBER scheme**
- 6. HU Government Regulation in relation with state aid rules**