



Call for Light Concepts

“B Light Scheme”

(Fostering value added business cooperation between SMEs operating on different sides of the Hungary-Croatia border)

**to be implemented under Priority 1 of
Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020**

Contracting Authority:

Croatian Agency for SMEs, Innovations and Investments HAMAG -BICRO

1. Introduction

Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO), as Lead Beneficiary of the project “Fostering value added business cooperation between SMEs operating on different sides of the Hungary-Croatia border” (further referred to as “**B Light Scheme**”) implemented under the Interreg V-A Hungary-Croatia Cross-border Cooperation Programme 2014-2020 launches the **1st Call for Light Concepts for cooperating SMEs of Hungary and Croatia.**

The Application Pack of Step 1 (Light Concepts) consists of the following documents:

- Call for Light Concepts (announcement – current document);
- Guidelines for Light Beneficiaries Applicants;
- Light Concept form;

Reference number of the call: HUHR/1701/1.1/01

Date of publication: 09/06/2017

Programme financing source: European Regional Development Fund

2. Background and objectives

Analysis has clearly shown that Hungarian and Croatian SMEs have not been able to recover from the shock of the economic crisis. Several analyses revealed that enterprises of the programme area have financial, innovation and networking problems. Weak internationalisation is one of the most crucial hindering factor which is especially true for the SMEs of the programme area with no improvement in the past years.

Cross-border business cooperation in the programme area have multiple obstacles: language barrier, traditionally isolating borders hampered by the wartime period of the formerly Yugoslav countries, depressed socio-economic situation of the area, low inclination of SMEs for building international connections, serious problems with entrepreneurial skills and financing.

These cumulative problems could be addressed by a special local SME development scheme fostering development of local SMEs with strong focus on value added improvement via improving their financial background and simultaneously enhancing their cross-border business cooperation with high attention to provision of an all-round set of assistance to cooperating SMEs with built-in SME project generation and management services.

Investment priority focuses on fostering value added producing capability of enterprises operating in industry and services by boosting their product and service development activities through joint economic development actions which could generate higher GVA and consequently makes it possible to find new markets. By assistance of special development scheme SMEs are expected to develop joint projects aiming at establishing the following types of business cooperation: joint product, technology and service development, supplier chains, common marketing, future establishment of a joint venture.

By enhancing business cooperation focusing on joint product and service developments, value added production of cooperating SMEs is expected to be improved in the bordering area. In general, it will help SMEs to become more stable and profitable in the border region that is expected to have a positive impact on employment, too.

New business services to be made available for tourists visiting the natural and cultural attractions of the border area will contribute to increased attractiveness of the region and to increased revenues from and employment linked to tourism. Crucial element of this special SME development scheme is built-in project generation and management support for cooperating SMEs based on the existing SME support networks with involvement of development agencies and enterprise development foundations operating in the programme area. This new SME development scheme enlarges the scope of their SME support activities in a complementary way (e.g. the new scheme amplifies the impact of existing micro-credit scheme of Hungarian enterprise development foundations).

This special cooperation-driven SME development scheme could also serve as complementary set of actions to the SME development instruments of national mainstream programmes. Main complementarity of this scheme lies in the strong focus on SME project generation and management assistance with a built-in mentoring mechanism supporting SMEs in their project activities through the whole duration of project implementation.

General aim of the call is to enhance the competitiveness of SMEs in the border area by fostering value-added business cooperation between SMEs on different sides of the border.

Specific objectives of B Light Scheme include:

- **Increase the gross value added (GVA) per capita of industry and services sectors of the programme area;**
- **Setting up signed, contractual business agreements with third parties;**
- **Increase the value of selling of SMEs.**

Objectives are to be reached through granting cooperation activities of Hungarian and Croatian SMEs through a two-step application system.

3. Funds allocated

In the 1st round a total of **EUR 2,550,000 ERDF co-financing** will be allocated to Light Projects that will be selected through a two-step procedure: approved projects in the current Call for Light Concept shall enter the stage of Light Project Proposal.

The **maximum co-financing rate is 75%** for both Hungarian and Croatian Light Beneficiaries.

Minimum and maximum size of Light Projects per Light Beneficiary:

	Total eligible costs	Maximum ERDF co-financing (75%)
Minimum per Light Beneficiary	EUR 40,000	EUR 30,000
Maximum per Light Beneficiary	EUR 180,000	EUR 135,000

Total costs of cooperation activities of Light Beneficiaries may exceed EUR 180,000, but in this case all costs above this threshold are regarded as costs outside the Light Project's eligible cost.

As VAT is not eligible, all costs should be budgeted without VAT.

As the funded bodies are SMEs, implement activities being considered as state aid relevant, the maximum grant will be calculated applying the de minimis rule, where the maximum grant for three consecutive years shall not go beyond EUR 200,000 per Member State.

4. Timeframe and submission technicalities

The call will be opened as **two-step procedure** starting on 09/06/2017.

The filled-in Light Concept form has to be submitted electronically through the B Light Platform operated by the Lead Beneficiary HAMAG-BICRO (<https://www.b2match.eu/blight/pages/19297-submit>).

Submission takes place through the upload of the following documents:

- Light Concept form in filled-in (Microsoft Word document);
- Light Concept form signed and scanned (pdf version).
- Declaration on de minimis aid for Light Beneficiaries (separate for each partner).

In the 1st step no completion of documents is possible!

Submission of the Light Concepts is continuous.

Submission deadline of Light Concepts in 2017 with concurrent evaluation is as follows:

- 15/09/2017

Rules of submission:

- There cannot be a concurrent submission or implementation with another B Light project. There is concurrent submission or implementation when a Light Beneficiary participates at the same time in more than one B Light proposal or project as a Light Partner for either submission of Light Concepts or Light Project Proposals. The same company cannot be involved in more than one B Light proposal and/or project
- An applicant cannot submit a second proposal (Light Concepts or Light Project Proposals) until it has been informed that their first proposal will not be funded. Moreover, if the proposal is accepted for funding no other proposals will be eligible
- If an applicant submit more than one proposal, only the first proposal will be considered for evaluation

5. Duration of Light Projects

Duration of the Light Projects shall be at minimum 6 and maximum 18 months. Closure of light project takes additional 4 months subsequently to the end of implementation period.

6. Liability of partners

One Light Project shall be applied by minimum 2 and maximum by 4 cooperating partner SMEs. Light Beneficiaries shall come from Hungary or Croatia, at **minimum 1 Light Beneficiary from each of country.**

Each Light Beneficiary bears responsibility for its own project part. Responsibilities and conditions will be laid down in a Partnership Agreement made between the Lead Beneficiary and the Light Beneficiaries after selection of the detailed Light Project in the 2nd step of evaluation.

7. Eligible applicants and geographical coverage

Light Beneficiary should fall into the category of **small and medium-sized enterprises (SMEs)** stipulated in 651/2014/EU Regulation, Annex 1.

Owner interweaves should be excluded among Light Beneficiaries of each Light Project. This means that Light Beneficiaries cooperating under a single Light Project should be autonomous enterprises from each other, stipulated under 651/2014/EU Regulation, Annex 1., Article 3. Partner or linked enterprises cannot be granted under a single Light Project.

Each Light Beneficiary should have its seat or branch registered and acting in the **eligible programme area** of the B Light Scheme (NUTS III level counties):

Hungarian side:

- Zala county (HU223);
- Somogy county (HU232);
- Baranya county (HU231).

Croatian side:

- Međimurska county (HR 046);
- Koprivničko-križevačka county (HR 045);
- Virovitičko-podravska county (HR 048);
- Osječko-baranjska county (HR 04B);
- Varaždinska county (HR 044);
- Bjelovarsko-bilogorska county (HR 047);
- Požeško-slavonska county (HR 049);
- Vukovarsko-srijemska county (HR



04C).

Detailed professional and financial eligibility rules are laid down in the Guidelines for Light Beneficiary Applicants.

8. Programme language

Required language of Light Concepts is **English**.

9. Light Concept development support

As the B Light Scheme requires cooperation of SMEs from two countries, the following **SME development agencies (Beneficiaries) operating on county level shall provide assistance in partner search and preparation of the Light Concepts:**

Hungary

Baranya County:

Baranya Megyei Fejlesztési Ügynökség Nonprofit Kft. / Baranya County Development Agency Non-profit Ltd.

address: 7621 Pécs, Széchenyi tér 9.

phone: +36 20 5815 167

e-mail: kisponggracz.bmfu@gmail.com

Somogy County:

Somogy Megyei Vállalkozói Központ Alapítvány / Entrepreneurs' Centre of Somogy County Public Foundation

address: 7400 Kaposvár, Ond vezér u. 1.

phone: +36 30 217 5448

e-mail: jelenka@somogy.hu

Zala County:

Zala Megyei Vállalkozásfejlesztési Alapítvány / Zala County Foundation for Enterprise Promotion

address: 8900 Zalaegerszeg, Köztársaság útja 17.

phone: +36/30-487-44-91

e-mail: judit.vinhoffer@zmva.hu

Croatia

Osijek-Baranja and Vukovar-Srijem counties:

Regionalna razvojna agencija Slavonije i Baranje d.o.o. / Regional Development Agency of Slavonia and Baranja Ltd.

address: 31000 Osijek, Stjepana Radića 4

phone: +385 31 221 890

e-mail: ruzica.simon@obz.hr

Virovitica-Podravina and Požega-Slavonia counties:

VIDRA Agencija za regionalni razvoj Virovitičko-podravske županije / VIDRA Virovitica-Podravina County's Development Regional Agency

address: 33000 Virovitica, Auguta Šenoje 1

phone: +385 33 800 207

e-mail: neda.martic@ravidra.hr

Koprivnica-Križevci and Bjelovar-Bilogora counties:

PORA Razvojna agencija Podravine i Prigorja za promicanje i provedbu razvojnih aktivnosti u Koprivničko-križevačkoj županiji / PORA Regional development agency of Podravina and Prigorje for promotion and implementation of development activities in Koprivnica Križevci County

address: 48000 Koprivnica, Florijanski trg 4

phone: +385 48 621 978

e-mail: melita.bircic@pora.com.hr

Međimurje and Varaždin counties:

Regionalna razvojna agencija Međimurje / Regional Development Agency Međimurje

address: 40000 Čakovec, Bana Josipa Jelačića 22

phone: +385 40 395560

e-mail: jako.horvat@redea.hr

10. Glossary

Lead Beneficiary (LB): HAMAG BICRO, bears responsibility for overall coordination of the implementation of the Scheme, in line with the Subsidy Contract signed with the MA.

Beneficiaries (Bs): the 7 county level SME development agencies responsible for coordinating the project activities in their respective counties.

Project Partners (PPs): the LB and the 7 Bs of B Light Scheme project.

Light Beneficiaries or Light Partners ("B Lights"): SMEs taking part in a Light Concept and SMEs taking part in a Light Project Proposal submitted to the respective Call for Proposals and SMEs as Project Partners (final beneficiaries) of B Light Scheme project. Light Beneficiaries can also be referred to as "B Lights".

Light Concept: project concept note submitted by cooperating SMEs for the 1st step of the B Light Scheme Call for Proposal.

Light Project Proposal: project proposal submitted by cooperating SMEs for the 2nd step of the B Light Scheme Call for Proposal.

Light Project: project part of the B Light Scheme project granted through a two-step selection procedure, comprising eligible activities of cooperating Light Beneficiaries.

Subsidy Contract: Contract signed by the Lead Beneficiary and the Managing Authority for implementation of B Light Scheme project implemented under Priority 1 of Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020.

Application Pack: consists of the Guidelines for Light Beneficiaries Applicants, the 1st step B Light Scheme Call for Proposal (Call for Light Concepts, Light Concept form) and the 2nd step B Light Scheme Call for Proposal (Call for Light Project Proposals, Light Project Proposal form).

Implementation Pack: consists of the Implementation Handbook for the Lead Beneficiary and the Beneficiaries and the Implementation Handbook for the Light Beneficiaries.

External Project Support Facility (EPSF): As the Scheme – due to its bilateral cross-border character – is a unique initiative, preparation and implementation of the Light Projects require special approach and preparedness from the participating SMEs. In order to cope with these challenges and generate real added value in cross-border economic relations, Light Beneficiaries will receive free-of-charge technical assistance by external experts chosen from the pool of experts of EPSF. EPSF has the following assignments: (1) Provision of project development assistance to SMEs as Light Beneficiaries whose Light Concept were appointed for further development in the 1st selection step in developing their Light Project Proposals between the 1st and 2nd selection step; (2) Provision of project management assistance to SMEs as Light Beneficiaries in coping with the administrative and financial management requirements and the language barrier during implementation of their Light Projects after the 2nd selection step.