

**Summary of the MINUTES
of the 5th Monitoring Committee (MC) Meeting
of the
Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020**

Date: 2 and 3 March 2017

Place: Mohács, Hungary

Agenda Point 1: Welcome – Approval of the Agenda, technicalities (MC decision)

Ms Viktória Anna Ratskó-Tóth, representing the Hungarian Prime Minister's Office and the Managing Authority (MA) of the Programme, acting as the Chairperson of the Monitoring Committee (MC), welcomed all the participants of the 5th meeting of the MC, thanked the Joint Secretariat (JS) for their support in the organisation of the meeting and wished for an efficient two-day decision-making meeting, first such meeting within this programming period.

The participants of the meeting were also welcomed by *Mr András Göndöc*, representing the hosting Baranya County, and by *Mr Zsolt Szokolai*, representing the EC, who pointed out that according to the number of the applications received within the First Call for Proposals, it is quite obvious that the stakeholders in the field are very keen to start with new cross-border projects, and the timing is also quite appropriate as the Programme approaches the first major implementation milestone. The implementation of the projects should also be timed so as not to risk any de-commitment of funds.

Mr Márton Szűcs, representing the JS of the Programme provided some technical information and invited the participants to, following the meeting, take part in an official project visit to a best-practice project in the area: the 'CoPo' project, financed by the preceding Programme.

Establishing that the quorum for the meeting had been met, the Chairperson put the Agenda to vote. Since there were no objections to or amendments of the Agenda, it was unanimously accepted.

MC Decision: Agenda approved.

Agenda Point 2: Annual report for the year 2016 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 (MC decision)

Mr Márton Szűcs, Head of the JS of the Programme, presented the 'Annual report for the year 2016 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020', highlighting the most relevant parts to the members of the MC.

Mr Szűcs pointed out that 2016 was another year which saw two programme running side-by-side, which meant a very busy time for all the implementing bodies. The main focus of the 2007-2013 Programme was on the financial closure of the Programme and audits, while the 2014-2020 Programme focused on the activities relating to the First Call for Proposals (CfP), following it through all its stages: preparation of the CfP, preparation of projects, their submission and evaluation.

During 2016 the JS was also involved with the implementation of the two strategic projects, which will be reported on in more detail later in the meeting (Day 1, AP 4 and Day 2, AP5).

The JS was also in charge of the organisation of the meetings of the JMC and of the MC on several occasions in 2016, as well as coordination of the written procedures. Furthermore, the JS was planning and implementing the communication activities in line with the Communication Strategy and the Communication Plan for the year. The activities aimed at the promotion of the new Programme focused on promoting the CfP, and were backed up by the dissemination of results of the 2007-2013 Programme to as broad a public as possible. The JS is operating both Programmes' websites and the Social Media profiles.

The Secretariat managed a number of on-the-spot visits, next to taking part in several international events, representing the Programme at the operational level.

As of July 2016, Ms Antonija Bedeniković, the former Information Point staff member from Osijek was absorbed into the JS, contributing to more coherent management of human resources, while Ms Zrinka Šajn, a new financial manager, joined the JS headquarters in Budapest in October. In the beginning of the year Mr Tvrtko Čelan was relocated to the newly set-up JS Contact Point office in Čakovec, aiming at the increased presence of the Programme in the programme area. The move received very good feedback from the field.

MC Decision: The annual report for the year 2016 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 is approved.

Agenda Point 3: Annual Working Plan for the year 2017 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 (MC decision)

Mr Szűcs presented the 'Annual Working Plan for the year 2017 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020', pointing out the most relevant parts to the members of the MC. He reminded them that some of the proposed timing is very general, as some of the activities (e.g. contracting of the selected projects) cannot be timed clearly in advance.

The main focus in the plan is on the implementation of the First CfP, including the finalisation of evaluation, contracting and implementation of the supported projects.

The JS will continue with the activities relating to the implementation of the two strategic projects, with special focus on the management of the SME support scheme within Priority Axis 1.

The working plan includes the launch of a Second CfP which will depend on the outcomes of the current one with special regard to the achievement of the Programme's objectives. The provisional timing for the CfP is summer of 2017; however, some flexibility might be needed in light of the preparatory activities required. The plan for the Second CfP is to use the electronic submission option, which will potentially reduce the burden on the Beneficiaries and the Programme as well.

Mr Čelan presented the planned communication activities for the year 2017. He pointed out that the presented plan is only a general overview of the planned activities, with a more thorough document to be elaborated in line with the remarks of the EC, and resubmitted at the next MC meeting for approval.

MC Decision: The Annual Working Plan for the year 2017 of the Joint Secretariat of the Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020 is approved, the Communication Plan is to be elaborated in more detail, according to the comments received from the EC, and submitted to the MC for approval at the next meeting.

The Chairperson informed the MC about the status of the designation process of the Programme, pointing out that all the relevant documents, both Hungarian and Croatian, have been sent to the Audit Authority, and the process was initiated, which includes three major parts (subjects of examination): the procedures, the human capacities and the electronic system. The designation of the first two parts is under way, and the beginning of the designation of the electronic monitoring system is scheduled for March.

Agenda Point 4: Information about the state of play regarding the strategic project 'De-mine HU-HR II'

Mr Čelan informed the MC members about the status of implementation of the first strategic project of the Programme, pointing out the most important activities since the last MC meeting.

He mentioned that the project is in full implementation, building on the results from the previous programming period, and that the biggest part of the de-mining activities is planned for the first part of the project, so that most of the de-mining will be finalised by the end of the year 2017, with focus then shifting to the activities of rehabilitation of land and the renovation of the border stones, which are new activities compared to the previous programming period. The projected end of implementation is May 2018, and everything is so far going according to schedule.

Ms Antonija Bedeniković, Programme and Communication Manager in the JS, informed the MC that the 'De-mine HUHR II' project was one of the three best practice projects presented at the Interreg Communication Seminar in Valencia on 15 February 2017, where the strategic

approach to communication of results and of the new project was presented to communication specialists from all over Europe jointly by the representatives of the Programme and the project. As a result, the Programme was approached by the representatives of the Working Group preparing the Annual Interreg event in Malta in the spring, and the project will be showcased at that event as well. The EC also gave positive feedback and announced that the previous 'De-mine HUHR' project will be among the ones promoted as star projects of the previous programming period.

Agenda Point 5: Information on the assessment procedure (introduction of the formal- and eligibility and the quality assessment phase) – Report of the JS on the Assessment of Project Proposals of the 1st Call for Proposals

Mr Szűcs informed the MC members on all the stages of the assessment procedure. Following the deadline of 31 May 2016, the submission check started in June, with 208 project proposals submitted, which is a record number thus far in the HU-HR CBC programmes. The increase is a good sign indicating interest in the Programme, however it also presents additional pressure on the processing. Since one of the projects could not prove to have been posted before the deadline, 207 applications entered the next phase.

The formal and eligibility assessment took most of the summer, with a very thorough approach taken, so as to avoid potential problems in quality assessment and later in implementation, as well as to prevent potential drop-outs of Beneficiaries later.

The Formal and Eligibility Report was finalised end of September, with the first round of completion letters (124 pieces) sent to the LB-s shortly thereafter, and with 64 projects proposed for direct rejection.

Following the submission of the Report to the MA, a written procedure was launched in the MC in November to decide on the proposed direct rejection cases, with many of these (40 cases) concerning non-compliant 'extract from register' documents. The conclusion of the written procedure was not to make any exceptions to the provisions of the CfP as regards these cases, in order to safeguard the principle of equal opportunities for all.

Thus rejection letters to the rejected projects and completion letters to case-by-case applications deemed not for rejection were sent out in December with a two-week submission deadline, while the check of the additional documents took place in early January 2017.

During the first appeal procedure 18 complaints were received, but none was found to be properly justified.

After the closing of the formal and eligibility completion phase (checking the documents of the project proposals asked for completion in September and in December), additional 54 applications were proposed to be rejected, leaving 89 to enter the quality assessment phase.

A Pool of Assessors was created based on the open Call for Expression of Interest published during summer 2016. The quality assessors were chosen from the established Pool based on their expertise and in line with the thematic focus of the applications; they were contracted in early February 2017 and finished their task by the middle of the month.

The results of the quality assessment are contained in the Assessment Summary of each project and are presented to the MC for their decision on the award of funding.

Regarding the lessons learned Mr Szűcs pointed out that even though many of the applicants are very experienced with the Programme, and even though the Programme made more efforts than ever before to offer support in the project preparation phase, unfortunately still there were many formal mistakes, sometimes preventing potentially good projects from even being considered. He expressed his hope that some of the mistakes will not be relevant any more once electronic submission in the IMIS system is introduced, so more projects will compete in the quality assessment phase, raising the overall quality of the projects and the Programme.

MC Decision: The MA will draw up a proposal for the methodology of handling potential projects coming back into the assessment procedure, and it shall be circulated together with the minutes for the MC members to comment on it.

Mr Szokolai closed the discussion with several general remarks. He pointed out that a steady increase in the project proposals received has been noted, while the percentage of applications rejected in formal and eligibility has risen as well. Following the comments regarding the problems on the Hungarian side, it might be worthwhile to consider the options regarding capacity-building exercises.

The procedures are to be made less complicated and not add new rules, but instead decrease the already existent ones. The final goal should be the optimal preparedness of the proposals.

There should be a thorough discussion following the decisions made today on the supporting of the projects and before the launch of the new CfP, assessing the achievement of the Call and its effect on the indicators, so the next CfP(s) can be elaborated in a more focused way.

Agenda Point 6: Interpretation of Rule 7(4) of the Rules of Procedure on how to calculate simple majority in voting regarding project selection

Mr János Rakonczai of the JS interpreted Rule 7(4) of the Rules of Procedure (RoP) on how to calculate simple majority in voting regarding project selection and showed different situations that could be met with during the selection procedure.

He pointed out that according to Rule 2 of the RoP all the decisions are to be made unanimously, allowing for the exception in case of the decision on project selection. Furthermore, according to Rule 9(5), there are certain situations when an MC member is not eligible to vote. He underlined that each of the Member State's vote carries a 50% weight in total and that in cases where any voting member is excluded from voting due to conflict of interest, the weight is redistributed among the remaining eligible voting members of the Member State concerned.

Agenda Point 7: Presentation of the Ranking List

Mr Rakonczeni presented the relevant cells of the Ranking List, explaining what each of the columns means. The Ranking List contains the general data of each project, the scores achieved within the quality assessment (QA) and the conclusion of each of the assessors.

The Ranking List also contains the financial data about the projects, before and after the proposed cutting of certain (overpriced or unnecessary) individual budget items, and follows the amount of the remaining funds allocated per each Specific Objective (SO).

Mr Rakonczeni explained that there might be some differences in the overall scores between the different SO-s, therefore not always the same average score in different SO-s may indicate the same level of quality. However, since within one SO always the same two assessors were involved in the assessment, the average score within every SO should give a good overall picture for that SO.

Besides the existing proposals (Recommend for funding / Recommended for funding with conditions / Not recommended for funding) a new category was introduced. The 'Revision of the project would be needed for funding' ruling is introduced for cases where the assessors found that significant changes are needed, with the general idea of the project being good. These were the cases where it was not possible to formulate several conditions for contacting, but a more thorough revision of the proposal would be needed for the project to be less problematic in terms of implementation. The contracting might also take considerably longer than the usual 30/60 days.

In case such projects with this label would be supported, additional conditions should be elaborated so as to ensure implementation of the projects with as few problems as possible.

Following a discussion, the MC unanimously agreed that the following methodology be applied throughout the selection process:

- 1) If both assessors recommended the project for funding – positive decision.
- 2) If one assessor proposed revision, the other funding – positive decision, with additional revision guided by the JS.
- 3) If both assessors proposed revision – negative decision, as it implies very serious problems with the proposal.
- 4) If one or both of the assessors did not recommend for funding – negative decision.

Agenda Point 8: Presentation of the project proposals of Specific Objective 2.1, Component 1 (MC decision)

Mr Szűcs announced that for the duration of the project-selection process after the presentation of each project the JS will read out the members of the MC who should refrain from discussing and voting about this project due to a conflict of interest.

The results of the assessment of the projects applied within SO 2.1, Component 1 based on the Assessment Summaries (AS-es) of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: All projects selected within this Specific Objective will only be supported under the condition of involvement of the relevant professional tourism organisation. The condition is to be formulated based on the inputs from the line ministries.

MC Decision: Applying the methodology agreed upon within AP7, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|---|--|
| HUHR/1601/2.1.1/0001 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.1/0003 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.1/0006 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.1/0008 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/2.1.1/0009 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/2.1.1/0011 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No. of selected projects |
|--------------|---------------------------------|--|---------------|--------------------------|
| 2.1.1 | 5 000 000,00 | 7 116 478,00 | -2 116 478,00 | 6 |

Agenda Point 9: Presentation of the project proposals of Specific Objective 2.1, Component 2 (MC decision)

The results of the assessment of the projects applied within SO 2.1, Component 2 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP7, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|--|--|
| HUHR/1601/2.1.2/0004 | Selected without budget cuts, but with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/2.1.2/0006 | Selected without budget cuts and with no conditions for contracting. |
| HUHR/1601/2.1.2/0010 | Selected without budget cuts and with no conditions for contracting. |
| HUHR/1601/2.1.2/0011 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.2/0013 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |

| | |
|----------------------|--|
| HUHR/1601/2.1.2/0014 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.2/0016 | Selected with budget cuts as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No. of selected projects |
|--------------|---------------------------------|--|---------------|--------------------------|
| 2.1.2 | 3 752 544,00 | 7 306 967,00 | -3 554 423,00 | 7 |

Agenda Point 10: Presentation of the project proposals of Specific Objective 2.1, Component 3 (MC decision)

The results of the assessment of the projects applied within SO 2.1, Component 3 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP7, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|--|--|
| HUHR/1601/2.1.3/0008 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.3/0010 | Selected without budget cuts and with no conditions for contracting. |
| HUHR/1601/2.1.3/0022 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/2.1.3/0024 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No. of selected projects |
|--------------|---------------------------------|--|--------------|--------------------------|
| 2.1.3 | 4 000 000,00 | 1 049 696,00 | 2 950 304,00 | 4 |

Summary Table per Specific Objective

| Specific Objective | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No. of selected projects |
|--------------------|---------------------------------|--|---------------|--------------------------|
| 2.1 | 12 752 544,00 | 15 473 140,00 | -2 720 596,00 | 17 |

MC Decision: Since the amounts of EU contribution planned for the First Cfp were only indicative, the MC approves the over-commitment of 2 720 596,00 EUR for the projects selected within Specific Objective 2.1.

Agenda Point 11: Presentation of the project proposals of Specific Objective 2.2 (MC decision)

The results of the assessment of the projects applied within SO 2.2 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP7, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|--|---|
| HUHR/1601/2.2.1/0002 | Selected without budget cuts, but with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' and MC recommendations. |
| HUHR/1601/2.2.1/0004 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be |

| | |
|----------------------|--|
| | formulated by the JS based on the Quality Assessors' and MC recommendations. |
| HUHR/1601/2.2.1/0016 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------|---------------------------------|--|--------------|-------------------------|
| 2.2.1 | 8 576 241,00 | 2 094 545,00 | 6 481 696,00 | 3 |

Summary Table per Specific Objective

| Specific Objective | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------------|---------------------------------|--|--------------|-------------------------|
| 2.2 | 8 576 241,00 | 2 094 545,00 | 6 481 696,00 | 3 |

Mr Rakonczai informed the MC that following the MC decisions on funding, **an additional 6 481 696,00 EUR** has remained within Priority Axis 2, which according to the CP, can be reallocated between the SO-s at a later point, according to the needs of the Programme.

The Chairperson adjourned the meeting for the day and invited all participants to join the planned on-site visit to the 'CoPo' project in the Port of Mohács.

Day 2

Agenda Point 1: Presentation of the project proposals of SO 3.1, Component 1 (MC decision)

Ms Viktória Anna Ratskó-Tóth, representing the Hungarian Prime Minister's Office and the MA of the Programme, acting as the Chairperson of the MC, welcomed all participants of the second day of the 5th meeting of the MC. Having determined that the quorum of the meeting had been met, she invited the members of the MC to continue with the remaining Agenda Points as announced the previous day.

The Chairperson proposed to continue to apply the methodology agreed upon during the first day of the meeting also for the decision-making process.

The results of the assessment of the projects applied within SO 3.1, Component 1 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP1, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|---|--|
| HUHR/1601/3.1.1/0003 | Selected without budget cuts and with no conditions for contracting. |
| HUHR/1601/3.1.1/0004 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.1/0012 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.1/0014 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.1/0015 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/3.1.1/0016 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |

| | |
|----------------------|--|
| HUHR/1601/3.1.1/0018 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.1/0023 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/3.1.1/0027 | Selected without budget cuts, but with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/3.1.1/0030 | Selected with budget cuts and with conditions for contracting as formulated in the AS, and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/3.1.1/0032 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.1/0033 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------|---------------------------------|--|---------------|-------------------------|
| 3.1.1 | 1 000 000,00 | 2 310 727,00 | -1 310 727,00 | 12 |

Agenda point 2: Presentation of the project proposals of SO 3.1, Component 2 (MC decision)

The results of the assessment of the projects applied within SO 3.1, Component 2 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP₁, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|--|--|
| HUHR/1601/3.1.2/0002 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.2/0004 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/3.1.2/0013 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------|---------------------------------|--|--------------|-------------------------|
| 3.1.2 | 1 500 000,00 | 347 388,00 | 1 152 612,00 | 3 |

Summary Table per Specific Objective

| Specific Objective | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------------|---------------------------------|--|-------------|-------------------------|
| 3.1 | 2 500 000,00 | 2 658 115,00 | -158 115,00 | 15 |

MC Decision: Since the amounts planned for the First Call for Proposals were only indicative, the MC approves the over-commitment of 158 115,00 EUR for the projects selected within this Specific Objective.

Agenda Point 3: Presentation of the project proposals of SO 4.1, Component 1 (MC decision)

The results of the assessment of the projects applied within SO 4.1, Component 1 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP1, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|--|--|
| HUHR/1601/4.1.1/0001 | Selected without budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.1/0003 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.1/0004 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.1/0009 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------|---------------------------------|--|------------|-------------------------|
| 4.1.1 | 900 000 | 786 462,00 | 113 538,00 | 4 |

Agenda Point 4: Presentation of the project proposals of SO 4.1, Component 2 (MC decision)

The results of the assessment of the projects applied within SO 4.1, Component 2 based on the AS-es of the assessed project proposals, as uploaded for the MC to the Back Office, were presented to the MC.

MC Decision: Applying the methodology agreed upon within AP1, the MC unanimously made the following decisions:

| The MC selected the following project proposals for funding: | |
|---|---|
| HUHR/1601/4.1.2/0001 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0004 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0005 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0006 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0008 | Selected with budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.2/0011 | Selected without budget cuts, but with conditions for contracting as formulated in the AS and additional conditions to be formulated by the JS based on the Quality Assessors' recommendations. |
| HUHR/1601/4.1.2/0012 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0013 | Selected without budget cuts, but with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0022 | Selected with budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.2/0029 | Selected with budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.2/0030 | Selected with budget cuts and with no conditions for contracting. |

| | |
|----------------------|--|
| HUHR/1601/4.1.2/0031 | Selected with budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.2/0032 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |
| HUHR/1601/4.1.2/0033 | Selected with budget cuts and with no conditions for contracting. |
| HUHR/1601/4.1.2/0035 | Selected with budget cuts and with conditions for contracting as formulated in the AS. |

Summary Table per Component

| Component ID | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------|---------------------------------|--|-------------|-------------------------|
| 4.1.2 | 1 800 000,00 | 2 364 596,00 | -564 596,00 | 15 |

Summary Table per Specific Objective

| Specific Objective | Available EU contribution (EUR) | Approved amount of EU contribution (EUR) | Balance | No of selected projects |
|--------------------|---------------------------------|--|-------------|-------------------------|
| 4.1 | 2 700 000,00 | 3 151 059,00 | -451 059,00 | 19 |

MC Decision: Since the amounts planned for the First Call for Proposals were only indicative, the MC approves the over-commitment of 451 059,00 EUR for the projects selected within this Specific Objective.

Mr Rakonczai presented the summary of both days of project selection for the First CfP, pointing out that there were both situations with overspending and underspending of the SO-s and their individual Components, however, only SO 2.2 ('Restoring the ecological diversity in the border area') has a significant underspending in the budget, while the others are just slightly over or under balance with the indicative amounts. **A total of 3 151 925,00 EUR underspending** is present in the balance of the First CfP.

The MC agreed to have the list of supported projects published on the Programme's website, as well as on the official Facebook and Twitter profiles as soon as possible.

Agenda Point 5: Information about the state of play regarding the strategic project 'PP Light Scheme'

The Chairperson introduced the Agenda Point and invited the SME-support experts to present the state of play regarding the strategic project 'PP Light Scheme'. The external experts pointed out the most relevant details since the last MC meeting and the latest changes proposed to the documents governing the implementation of the scheme.

Agenda Point 6: Discussion of the proposed changes to the Implementation Manual of the 'PP Light Scheme'

Following the discussion of the latest version of the Implementation Manual of the 'PP Light Scheme', the MC made the following decisions:

MC Decision: A separate Steering Committee for the management of the PA1 strategic project 'PP Light Scheme' is not to be established. The MC of the Programme is assuming the role of the decision-making body for the issues regarding the management of the strategic project.

MC Decision: The Application Package for the First Call for Proposals within the PA1 strategic project 'PP Light Scheme' will be sent out for commenting to the MC members with the minutes of the meeting. If no substantial changes are proposed, the Application Package will be deemed approved.

Agenda Point 7: Any other business

The Chairperson announced that the provisional date for the next MC meeting and the launch of the Second CfP is likely to be shifted from the originally planned June 2017, in light of the news from the Croatian side related to the local elections. She thanked all participants for their active contribution to the very efficient meeting.

The Chairperson adjourned the meeting.