

**Summary of the Minutes  
of the 6<sup>th</sup> Monitoring Committee (MC) Meeting  
of the  
Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020**

**Date:** 7 September 2017

**Place:** Križevci, Croatia

<b>Agenda Point 1: Welcome – Approval of the Agenda, technicalities (MC decision)</b>
---

*Ms Nikoletta Horváth*, 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 6<sup>th</sup> meeting of the MC, and thanked the Joint Secretariat (JS) and the hosting town and county for their support in the organisation of the meeting.

The participants of the meeting were welcomed by *Mr Darko Koren*, County Prefect of the hosting County of Koprivničko-križevačka, and *Mr Mario Rajn*, Mayor of the hosting Town of Križevci.

The participants were also addressed by *Mr Perica Gabrić*, representing the Ministry of Regional Development and EU Funds and the National Authority (NA) of Croatia, and *Mr Zsolt Szokolai*, representing the EC, who both thanked the MA and the JS for the organising of the meeting, and wished for a productive day.

Mr Szokolai commented the proposed Agenda of the meeting and suggested focusing on the successful contracting and implementation of the projects selected within the 1<sup>st</sup> Call for Proposals (CfP), which would be the prerequisite for the launch of a second one. He requested information on the status of development of the IMIS system and the designation process of the Programme, both prerequisite for successful implementation of the 1<sup>st</sup> CfP and launch of the next one. Mr Szokolai further pointed out that in recent years DG Regio in the EC had to pay significant funding back to the EU budget due to the Member States not being able to use the funds. He urged the MC Members to focus their efforts on ensuring that such scenario is avoided in this Programme, as has thus far been the case.

The Chairperson pointed out that the Croatian NA had posted an official question regarding the status of the development of the IMIS system, and proposed that the answer to this question, as well as information regarding the designation procedure, be addressed under Agenda Point 1, after hearing the report on the implementation of the 1<sup>st</sup> CfP.

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

**MC Decision: Agenda approved.**

**Agenda Point 2:** Information about the implementation of projects selected in the 1<sup>st</sup> Call for Proposals and Information on the state of play of the development of the IT system (IMIS) and of the designation process

The Joint Secretariat (JS) gave a presentation on the status of implementation of 1<sup>st</sup> CfP projects, pointing out the major milestones achieved, as well as obstacles met by the Programme. There are a total of 53 projects undergoing the process of contracting, 22 of which include a works component. As of September 2017, 45 Checklists on the Fulfilment of Conditions for Contracting have been sent to the MA, and they have issued 28 Declarations on Commitment to this date.

As the contracting module of the IMIS is not fully operational, the MA has issued a request to the JS for the paper-based contracting of the 1<sup>st</sup> CfP projects. First Subsidy Contracts (SC-s) are being submitted to the MA for signature from the beginning of September. In the meantime, as of 1 September 2017, 36 projects have started with implementation; their uploading into the live IMIS system will be starting in the following days. The projects that commenced on 1 May have already reached the end of the first reporting period at the end of August and are preparing for reporting on Beneficiary level in IMIS 2014-2020, the Integrated Control Module of which is under finalisation.

Based on the conclusions of the discussion, the Chairperson summarised the next steps to be taken by the programme management bodies:

- The paper-based SC preparation procedure is to continue until the IT system's Contracting Module is fully operational, then the documents will be retroactively uploaded.
- The MA will compile the data of the projects that are issued a Declaration of Commitment, or that are in the pipeline to be issued a Declaration, and will provide it to the Croatian First Level Control (FLC) body so that they can establish contact with the Beneficiaries.
- By 8 September 2017 a letter will be sent out by the MA to all the Beneficiaries scheduled to report during September, informing them about the prolongation of the reporting deadline.
- A report on the latest status of IMIS 2014-2020 development will be sent out together with the Minutes of the meeting.
- The MA will send an official request to the AA to investigate whether fine-tuning the Integrated Control Module to accommodate the approach of the Croatian side regarding FLC procedures would be a possibility.

**Agenda Point 3 and 4:** Approval of the 2<sup>nd</sup> Call for Proposals and its Guidelines for Applicants (MC decision)

The JS presented the materials of the 2<sup>nd</sup> CfP, indicating the major changes and the new elements in relation to the previous Call.

A major novelty in the application process is the electronic submission of project proposals. Due to this fact, some of the annexes from the previous Call have become obsolete, and the new application package is significantly simplified, with only two types of declaration to be filled in and signed by the partnership and uploaded to IMIS 2014-2020. Additionally, the application package contains, as before, the evaluation grids and the Handbook to Tourism Projects, with the same rules as in 2011. The application procedure would be completely computer-based, with only the so-called Certification, generated by the system, to be printed out, signed by all Beneficiaries and posted to the JS within a seven-day deadline.

Another novelty is the proposed changed approach to the project assessment procedure. According to the proposal the assessment would first take the projects into consideration from the

quality point of view, with the thorough formal and eligibility check being part of the contracting procedure later.

Quality assessment would still be preceded by a simplified formal and eligibility check of only the most basic aspects, but no round of completion of documents is envisaged. In case any of the projects would not satisfy these criteria, they would be automatically rejected, while all other projects would advance to the quality assessment phase. This approach is proposed as a remedy measure to the concerns that there have been too many potentially good-quality projects dropping out in the 1<sup>st</sup> CfP due to minor formal mistakes. It is estimated that with the proposed new approach a maximum of 5-10 per cent of projects would not make it to quality assessment.

Quality assessment is to be performed according to the new assessment grids, with less dispersed scoring and thus more lee-way for the assessors. Additionally, as there is no completion possible, in case any information or document is missing from the uploaded project, the project proposal would get a lower score. This way the Beneficiaries will be encouraged to give as much information and details as possible, and to elaborate their ideas in full detail.

The JS also presented the programme-level indicator table and informed the MC Members about the current situation regarding the achievement of indicators, based on the data from the projects and the expected outcome of the contracting procedure. All the indicators were thoroughly checked during contracting to make sure that they are realistic, and it became clear during that process that some of the Beneficiaries were misunderstanding some indicators, therefore even significant changes were effected in the indicator tables of the Application Forms as compared to the original project proposals.

According to the currently available data, the most challenging indicator is the one for Specific Objective 2.2 which might be quite hard to meet, even with additional allocations to this SO, as there are very few Beneficiaries that can contribute to it. Corrective measures will be applied by encouraging the potential applicants and using a targeted approach towards them, however, there are no firm guarantees that the indicator target value will be achieved. According to data currently available, all other indicators are expected to be fulfilled.

Based on the conclusions of the discussion, The Chairperson proposed that the Agenda Point is used only for a discussion on the application package and proposed amendments, while the decision on the launch of the 2<sup>nd</sup> CfP is to be postponed for after the IT system has become operational.

**Agenda Point 5: Discussion of the Complaint Handling Procedure (MC Decision)**

A new approach to the complaint handling has been proposed, with details presented to the MC for discussion. The main provisions state that a Complaint Board is established, with the participation of MA, NA and JS. The formal criteria of the currently used procedure are kept, but the decision-making process is changed. The final decision is made on the basis of the minutes of the session of the Complaint Board, and the applicants informed accordingly.

**MC Decision: The MC has approved the new Complaint Handling Procedure.**

**Agenda Point 6: Information about the state of play regarding strategic project 'De-mine HU-HR II'**

The MC was informed on the current status of the strategic project 'De-mine HU-HR II', the value of which is nearly 3 million EUR of ERDF. It is the direct continuation of the 'De-mine HU-HR' project, funded by the 2007-2013 programme. Implementation started in June 2016 and the SC was signed

in July of that year. So far several high-level events have been organized and two monitoring visits carried out by the JS, first in Belišće on the Croatian side and second in Hévíz on the Hungarian side. As paper-based reporting was agreed upon by MA and JS, the first Project Report (PR) was approved in March 2017 and the second in June. As the implementation is progressing, the reporting procedures are shortening. The first payment to the LB was transferred in August 2017, and currently the third PR is already under JS check.

The procedures are handled paper-based and require a lot of co-ordination between the institutions, the time needed for the first payment to be effected to the LB was significant. However, the procedures are now established and are becoming faster, although it is expected that administration tasks remain present even after the project will be finished.

**Agenda Point 7:** Information about the state of play regarding strategic project 'B-Light Scheme'

The MC was informed on the 'B-Light Scheme' as the second strategic project of the Programme, developed under PA1 for a total of 12,5 million EUR, out of this ca. 10 million EUR of ERDF. The grant scheme consists of two levels of Beneficiaries, the 'Heavy B-s' (development agencies of the borderline counties) and the 'Light B-s' (SME-s) which have a generous co-financing rate of 75 per cent. The scheme started in February 2017 and the activities carried out and the results achieved so far are preparatory meetings, an on-line platform for SME registration and matchmaking, application packages for SME-s, visual identity and fitting printed materials, opening conference and ten regional information- and matchmaking events.

At the moment 127 SME-s are registered on the on-line platform (62 Hungarian and 65 Croatian), but no 'light concepts' have been submitted yet. The closing of the first 'light call' will be on 15 September 2017. All selected 'light concepts' will be further developed into full 'light projects' with the assistance of selected experts, financed by the Scheme to assist the SME-s.

**Agenda Point 8:** Information about the communication activities of the Programme in 2016 and 2017, including European Co-operation Day 2017

The MC was informed on the activities carried out in the last year in terms of communication and visibility of the Programme, and presented the revised Communication Plan for 2017, in line with the comments provided by the EC at a previous MC meeting. Some of the communication activities will need stronger logistical support in the future, as the Programme has e.g. not had technical support for the website since the beginning of 2017 because the procurement procedure could not be launched as of yet. In this respect some issues have to be solved manually.

The Programme is this year again involved in the celebration of European Co-operation Day, with between 10 and 15 events expected to be held in the Programme area on and around September 21. Also, press releases and Newsletter No. 8 have been issued since the last MC meeting in March.

The non-traditional programme communication and information activities and the usage of social networks Facebook and Twitter were also presented. The JS is applying the statistical and analytical approach to see who, where and how is approaching information about the Programme. As of September 2017 the Programme's social media accounts have reached 40 per cent of the indicator value set in the Communication Strategy, which is a good result half way through the Programme cycle.

**Agenda Point 9:** Any other business – information on partner change in project HUHR/1601/3.1.1/0015 **(MC decision)**

A Beneficiary change is needed to be approved by the MC. The JS presented all the technicalities of the project and summarised the main issues. The eligibility of the new Beneficiary was checked by the JS and was found to be in order.

The Chairperson asked the MC Members whether they are prepared to vote on the issue, with respect to the fact that the materials of this Agenda Point were not submitted to the MC in due time but only two days before the meeting. As there were no objections to voting on the issue, the MC Members were asked to decide on the Beneficiary change.

**MC Decision: The MC approved the requested Beneficiary change in project HUHR/1601/3.1.1/0015, acronym 'EVcc'. Thus the new Beneficiary 3 is the University of Pécs.**

**The Chairperson adjourned the meeting.**