

**Summary of the MINUTES  
of the 9<sup>th</sup> Monitoring Committee (MC) Meeting  
of the  
Interreg V-A Hungary-Croatia Co-operation Programme 2014-2020**

**Date:** 15 January 2020  
**Place:** Balatonszemes, Hungary

<b>Agenda Point 1: Welcome – Approval of the Agenda, technicalities (MC decision)</b>
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**Mr Péter Kiss-Parciu**, Head of Managing Authority (MA), representing the Hungarian Ministry of Foreign Affairs and Trade (MFA) welcomed all the participants of the 9<sup>th</sup> meeting of the MC, thanked the Joint Secretariat (JS) for their support in the organisation of the meeting and pointed out the important topics up for discussion.

Mr Kiss-Parciu stated that the Programme is proceeding well, with most of the first batch of the projects funded within the 1<sup>st</sup> Call for Proposals and the two strategic projects either successfully closed or already well-advanced. Today, the presentation of the results of the assessment procedure of the 2<sup>nd</sup> Call for proposals and the decision on the awarding of the available funding to the 2<sup>nd</sup> Call projects, as well as the decision on the support to the strategic projects previously discussed by the MC is expected as the next step in the programme cycle.

Mr Kiss-Parciu pointed out that the programming of the next period began yesterday with a meeting of the Programming Committee (PC) and that the number of projects submitted within the 2<sup>nd</sup> open Call for Proposals (162) shows that there is a clear need for a joint CBC programme in the future as well. He thanked the representative of the EC, furthermore State Secretary Ms Nikolina Klaić and Assistant Minister Ms Stella Arneri for joining the meeting and for allowing for the discussion to be raised to a higher level, and he wished for a fruitful discussion on all topics and a successful conclusion of the decision-making process.

**Ms Nikolina Klaić**, State Secretary of the Ministry of Regional Development and EU Funds (MRDEUF) and representing the National Authority (NA) of Croatia, welcomed the participants of the meeting and informed the MC that the Croatian delegation had at the PC meeting the day before announced their candidature to take over the role of the MA in the coming period.

**Ms Katalin Péntzes**, representing the European Commission (EC), welcomed the participants pointing out that there are some difficult discussions ahead of the Committee, but that hopefully all the open issues would be resolved.

Following an introductory round the Agenda was read out, and having determined that the quorum for the meeting had been met, the Agenda was unanimously approved.

**MC Decision: Agenda approved.**

**Agenda Point 2:** Information on the assessment procedure (introduction of the simplified formal- and eligibility and the quality assessment phase) – Report of the JS on the Assessment of Project Proposals of the 2<sup>nd</sup> Call for Proposals

**Mr Márton Szűcs**, Head of the Joint Secretariat (JS), presented the main points of the Assessment Report, which was shared with the members of the MC before the meeting. The first part of the document focused on the submission of the applications and was presented and approved at the last MC meeting. Following the submission, the Simplified Formal and Eligibility Assessment (SFE Assessment) of the 162 project proposals received via the IMIS 2014-2020 started end of May 2019 and was finalised and approved by the MA and NA end of August 2019.

As a result of the procedure 42 projects were proposed for rejection. After the decision, all the projects were informed about the results of the SFE Assessment via email. As a novelty in the procedure, there was no round of completions or clarifications, but a complaint procedure was included, a practice taken over from other CBC programmes, which resulted in 28 complaints to the rejection decision, 19 of which were accepted by the trilateral Complaint Board (composed of MA-NA-JS) which convened in October 2019. Nine project proposals were rejected after the revision of the original decision.

The 120+19 projects entered the Quality Assessment procedure, which was done involving internal and external experts, in line with the Guidelines for Applicants and the Assessment Manual. The assessment was completed by the beginning of December and the main output, the Ranking List, as well as other supporting documents were shared with the MC members in preparation for today's meeting.

**Agenda Point 3:** Interpretation of Rule 7(4) of the Rules of Procedure on how to calculate simple majority in voting regarding project selection

Mr Szűcs presented the Rule 7(4) of the Rules of Procedure on how to calculate simple majority in voting regarding project selection and the table helping to keep track of the votes. He pointed out that the rule has not been used yet in this MC, and hopefully there will be no use for it now either and that projects can again be selected unanimously for funding. The JS will also pronounce any case of conflict of interest during the project selection meeting and ask relevant members of the MC to refrain from voting, if relevant.

The Chairperson reminded the members of the MC that the aim should always be a unanimous decision and this Rule is only to be applied if an agreement cannot be reached in any way. As per

the Agenda, the decisions are to be made in batches per Priority Axis / Component; in case there is need for individual discussion or voting, this will be applied on case by case basis.

**Agenda Point 4:** Discussion and decision on the strategic project proposal of NIF Zrt. (MC decision)

**Ms Nikoletta Horváth**, representing the Hungarian MFA and acting as the Chairperson of the meeting reminded the MC that this strategic project was already presented and discussed at the previous meeting of the joint body, but that the Croatian side set several conditions before being able to vote to support it. They wanted to ensure better governmental commitment for the project's implementation and wanted relevant Croatian authorities to be involved in the project so as to ensure smooth implementation.

There were discussions on both political and professional level, and after the discussion of the two relevant ministries a government decision was made, which meant that both conditions set by the Croatian side were met. The Application Form (AF) was revised accordingly and shared together with the materials for the meeting. The finalised proposed budget of the project includes ERDF funding of 782 335,15 EUR.

The Chairperson further pointed out that according to the Cooperation Programme (CP), this project should be financed under the Priority Axis 2, Investment Priority 6c, the most relevant one for this project thematically, which means that the funding has to be taken away from Component 2.1. However, according to the Ranking list, bigger savings are possible to be achieved under Investment Priority 6d (Component 2.2.1) which can be reallocated to the Investment Priority 6c by an MC decision. The MA consulted the EC about the decision, which confirmed that such a reallocation is possible. In case such a reallocation would influence the content of the CP, e.g. the set indicators, a formal request for a CP modification should be submitted to the EC, however, this is not the case here. The indicators should be met according to the present status of the Programme, and there is no change in content planned.

**MC Decision:** The strategic project proposed by NIF National Infrastructure Developing Plc as Lead Beneficiary (LB) and containing Croatian Roads Ltd and Mura Region EGTC as B1 and B2 is approved, with the condition that the needed ERDF funding is found under the relevant Investment Priority after the decisions on funding according to the Ranking list in the following agenda points.

**Agenda Point 5:** Presentation of the Ranking List of the 2<sup>nd</sup> CfP

**Ms Zrinka Šajn**, Financial Manager of the JS informed the participants of the meeting that based on the informal discussions of the previous day and the reported inconsistencies in some of the materials provided for the meeting the JS has checked all the relevant source data in the IMIS 2014-2020 and concluded that all the final scores in the table are unaffected by technical errors, while minor discrepancies were present in the data were the consequence of a technical error occurring during the data extraction from the system and transfer between the different document types. If needed, all the data can be accessed directly in the IMIS 2014-2020 and presented to the MC on screen, in case of any further questions. The Chairperson added that all projects have been cross-checked once again before the meeting, not only the one project reported to be affected.

The Croatian side expressed several reservations about the assessment procedure, mainly focusing on the projects within the 2.1.2 Component, where in their opinion the applied procedures did not ensure the objectively best projects to be the ones with the highest scores.

The Chairperson and the Head of MA pointed out that the Ranking list was made strictly following the Assessment Manual, according to which the only mandatory element for decision-making is the average scores of the two assessors. Furthermore, that the rules and the framework which define the work of the MC and the JS was defined by the MC itself, by all the members now also present and if there are areas where the results of the work seem unfair, there can be discussions about how to change them for the future, but the rules for this Programme were set and have to be followed by everyone who is implementing them.

The Chairperson informed the MC that after long deliberations on both sides and several rounds of internal consultations a compromise solution is offered:

**MC Decision: The decision on the funding of the applications within Component 2.1.2 is postponed for a short time and will be taken after further consultations and bilateral negotiations of the two Member States.**

**MC Decision: The decision on the funding of the applications proposed within Components 2.1.3, 2.2.1, 3.1.1, 3.1.2, 4.1.1 and 4.1.2 is to be made according to the ranking of the average scores of the two quality assessors and the available funding, with the formation of a Reserve list for any additional funding coming back to the Programme by Priority Axis. In cases where projects have the same average score, the project scoring better on horizontal issues is given precedence. Project proposals are accepted with the budget cuts and contracting conditions as contained in the Assessment Summaries.**

<b>Agenda Points 6-12: MC Decisions on funding per Component</b>
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In line with the above decision the following projects were awarded funding:

**Component 2.1.3**

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/2.1.3/0051	HITRoute	Grad Virovitica
HUHR/1901/2.1.3/0054	Cross-border wine routes 2	Grad Križevci
HUHR/1901/2.1.3/0062	RoutesToRoots	Orfű Községi Önkormányzat
HUHR/1901/2.1.3/0085	Handshake	Mároki Önkormányzat
HUHR/1901/2.1.3/0095	WINE TOUR ACROSS BORDERS	Hrvatska agencija za poljoprivredu i hranu
HUHR/1901/2.1.3/0138	Via Saint Martin	Grad Ludbreg

HUHR/1901/2.1.3/0148	Drava events II	Općina Sopje
HUHR/1901/2.1.3/0153	VUCEDOL	Ördögkatlan Fesztivál Egyesület

Total funding awarded: **2 462 619,51 EUR.**

### Component 2.2.1

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/2.2.1/0117	Eco Bridge	Grad Čakovec
HUHR/1901/2.2.1/0122	Riverside	Javna ustanova za upravljanje zaštićenim dijelovima prirode i ekološkom mrežom Virovitičko-podravske županije
HUHR/1901/2.2.1/0128	MonMur	Délzalai Víz- és Csatornamű Zártkörűen Működő Részvénytársaság

Total funding awarded: **2 337 588,13 EUR.**

**MC Decision:** The amount of 782 335,15 EUR needed for the funding of the strategic project proposed by NIF Zrt. is to be reallocated from the leftovers in this Component. The decision on the possible reallocation of the further remaining amounts will be made based on the decision on funding of the projects within Component 2.1.2.

### Component 3.1.1

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/3.1.1/0001	ForMURA	Nyugat-dunántúli Vízügyi Igazgatóság
HUHR/1901/3.1.1/0019	CO-EMEP	Međimurska energetska agencija d.o.o.
HUHR/1901/3.1.1/0023	Bright Social Minds	Magyar Máltai Szeretetszolgálat Egyesület
HUHR/1901/3.1.1/0024	2RegionsZOOSustain	"Unikom" d.o.o.
HUHR/1901/3.1.1/0032	CABCOS3	Pécsi Tudományegyetem
HUHR/1901/3.1.1/0048	SEPlaM-CC	Međimurska energetska agencija d.o.o.

HUHR/1901/3.1.1/0102	ADOBE	Osječko-baranjska županija
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Total funding awarded: **1 441 410,99 EUR.**

### Component 3.1.2

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/3.1.2/0017	CulturCo	Općina Donji Vidovec
HUHR/1901/3.1.2/0035	STTARS	Pécsi Egyetemi Atletikai Klub
HUHR/1901/3.1.2/0040	CHOIR	Pécsi Tudományegyetem
HUHR/1901/3.1.2/0043	CHP	Pécsi Tudományegyetem
HUHR/1901/3.1.2/0049	MR-EGTC Heritage	Mura Régió – Korlátolt Felelősségű Európai Területi Társulás Regija Mura – Europska grupacija za teritorijalnu suradnju s ograničenom odgovornošću
HUHR/1901/3.1.2/0053	SHARE MUSIC	Grad Koprivnica
HUHR/1901/3.1.2/0060	CBC-ORIENT II.	"Tájfutásért-Pécs" Alapítvány
HUHR/1901/3.1.2/0089	BeDrugFree	Tehetség-Vár Társadalomtudományi Egyesület
HUHR/1901/3.1.2/0092	BRIDGES BETWEEN COMMUNITIES	Turistička zajednica Osječko-baranjske županije
HUHR/1901/3.1.2/0131	PART	Jelenkor Alapítvány
HUHR/1901/3.1.2/0159	Cross-Cultural Tool-Kit	Lenti

Total funding awarded: **1 370 526,52 EUR.**

**MC Decision: Leftovers under Priority Axis 3 are allocated to cover the financial commitment of the strategic project CB Joint Strategy which was awarded funding by MC at a previous meeting.**

#### Component 4.1.1

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/4.1.1/0008	EDUAGRI	Kaposvári Egyetem
HUHR/1901/4.1.1/0052	IC4HEDS	Tehnološko-inovacijski centar Međimurje d.o.o.
HUHR/1901/4.1.1/0123	EQUI EDU	Visoko gospodarsko učilište u Križevcima

Total funding awarded: **629 994,63 EUR.**

#### Component 4.1.2

Application Form ID	Acronym	Lead Beneficiary
HUHR/1901/4.1.2/0006	ROBOTICO	Strukovna škola Đurđevac
HUHR/1901/4.1.2/0011	2M2C	Centar za odgoj, obrazovanje i rehabilitaciju Virovitica
HUHR/1901/4.1.2/0031	TaMPeD	Osnovna škola Josipa Kozarca
HUHR/1901/4.1.2/0034	EDU Roma	Pučko otvoreno učilište Koprivnica
HUHR/1901/4.1.2/0055	ECOoperation	Csokonai Vitéz Mihály Református Gimnázium, Általános Iskola és Kollégium
HUHR/1901/4.1.2/0068	RobotsConnecting	Srednja škola Ludbreg
HUHR/1901/4.1.2/0072	GiftedHUHR	Osnovna škola Ljudevita Modeca Križevci
HUHR/1901/4.1.2/0077	TEACH	Nansen dijalog centar
HUHR/1901/4.1.2/0116	Knowledge Well	Grad Koprivnica

Total funding awarded: **1 651 563,37 EUR.**

**Agenda Point 13:** Approval of TA reallocation and of the modified TA forms of TA project TA/05 and TA/08 (MC decision)

The Chairperson pointed out that all the materials for this technical reallocation have been submitted to the MC members explaining the need for the reallocation between the two Croatian TA budget beneficiaries.

**MC Decision:** The Monitoring Committee approved the TA reallocation and the modified TA forms of TA project TA/05 and TA/08.

**Agenda Point 14:** Information about the implementation of projects of the 1<sup>st</sup> Call for Proposals

Mr Szűcs presented the state of play of the projects funded within the 1<sup>st</sup> CfP of the Programme. All the 53 'regular' projects have been finalised, with some of them still expected to submit their final reports. So far the JS has approved a total of 160 Project Reports. Almost half of the allocation to the 1<sup>st</sup> CfP projects has already been paid out as well; it is worth noting that most of the costs in the infrastructure projects are reimbursed towards the end of the implementation period.

Along with the strategic- and pilot projects currently under implementation a total of almost 15 mEUR has been transferred so far. The keeping of the n+3 rule is being observed and all the goals met, with the target for 2020 already almost fulfilled as well. The target for the year 2021 is 10 mEUR more than the one for 2020, which has to be achieved also with the help of the projects selected today, so a very busy period is ahead of the Programme.

**Agenda Point 15:** Information about the state of play in strategic project 'De-mine HU-HR II'

**Mr János Rakonczi,** Financial Manager of the JS informed the MC that the project has been closed. The final project report was submitted with some delay, mainly due to the transformation of the LB which was dissolved and merged with the Croatian Ministry of the Interior. The final payment was transferred to the project at the end of 2019, and now only minor administrative issues are left to be handled. There is a small irregularity case to be solved, but it is not significant compared to the substantial size of the project. Overall, the project has been successfully closed.

**Agenda Point 16:** Information about the state of play in strategic project 'B-Light Scheme'

**Ms Andrea Kakas,** Programme Manager of the JS informed the MC about the implementation of the project. The third Call for Light Project Proposals was closed on 20 December 2019 and the final selection is expected to take place in March 2020, based on the on-going evaluation process. There are some problems with the contracted Light Beneficiaries, namely some of them are facing bankruptcy, and a solution for these cases has to be found.

Ms Horváth added that when the scheme was launched, the stakeholders were aware that it is a novelty and that a pilot scheme like this will be a challenge for the Programme. Naturally, it took some time to get going, and it is not simple to finance projects involving SME-s, especially in ETC.

Both Member States very much support the scheme and are putting in efforts to support the SMEs in the scheme and solve any issues.

The project was selected for audit in 2019 and could fulfil the expectations of the auditors very well. This shows that despite some issues, the pilot scheme is functioning well.

**Agenda Point 17:** Information about the state of play in strategic project 'CB Joint Strategy'

**Ms Marian Zelei**, Programme Manager of the JS informed the MC about the status of the project which is in charge of developing a strategy for the next programming period. First outputs were presented just yesterday, on the meeting of the PC. The Inception Report was presented to that body too, but before it is approved a Croatian expert / expert team is to be involved with the external experts drafting the necessary documents.

The project is also managing the impact assessment of the current Programme which will also provide important input to the strategy of the next programming period. The schedule is quite tight and the timeline is very busy for this project. Many activities are planned for this spring, and questionnaires, surveys and interviews will soon be taking place. The MC members are kindly asked to be available to the experts during this task.

**Agenda Point 18:** Approval of the Inception Report regarding the Impact Assessment within the 'CB Joint Strategy' project **(MC decision)**

The Chairperson pointed out that this is another innovative feature of the Programme in terms of combining the impact assessment and the strategy-drafting for the next period. The impact assessment is to be done in two phases, with the second part being relevant for the Annual Implementation Report in the next year and to be managed at the end of this year.

The Inception Report was presented to the PC yesterday, but the stakeholders are still waiting for the LB to ensure the involvement of Croatian experts in the work. At the same time, the MC is asked to endorse this report in order to be able to proceed with the work and start with the collection of data.

**MC Decision: The Inception Report is endorsed by the MC with the condition of the involvement of a Croatian expert / expert team, as concluded by the PC as well.**

**Agenda Point 19:** Communication activities in 2019, Annual Communication Plan 2020 **(MC decision)**

**Ms Antonija Bedeniković**, Programme and Communication Manager of the JS presented the report on the communication activities of the Programme in 2019 and the communication plan for 2020. She pointed out that the activities in 2019 were mostly focusing on the implementation of the 2<sup>nd</sup> CFP, with the info days, partner search forums and consultations with the potential Beneficiaries all taking place during the last year.

The activities in 2020 will mostly focus on promoting the results of the 1<sup>st</sup> and 2<sup>nd</sup> CfP, with two main events planned, one to mark the Croatian presidency of the Council of the EU and another to commemorate 30 years of Interreg which is celebrated this year.

<b>Agenda Point 20: Any Other Business</b>
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**Mr Veljko Radić**, Head of Sector in MRDEUF requested that the status of indicators be shared with the MC in order to have an overview of the current situation. Ms Horváth explained that the table with indicators was part of the Annual Implementation Report (AIR) and an update was sent regarding the indicators that were lagging behind, but no separate presentation was prepared for this meeting. The information can be shared with the minutes of the meeting, or be presented at the next one. Mr Szűcs added that work on the new AIR will start very soon, as the deadline is in spring of this year, so the most recent numbers will very soon be available. The status of indicators in Component 2.2.1, relevant for the reallocation, will be attached to the minutes. The 1<sup>st</sup> CfP projects that are still to report and the newly selected projects together should have no problems in achieving the targets set in the CP.

Mr Szűcs as head of secretariat informed the MC that Mr Tvrko Čelan, Programme and Communication Manager of the JS was leaving the Programme after 11 years to pursue other career possibilities. Mr Radić thanked Mr Čelan for the committed work over the years and wished him all the best for the future.

Ms Klaić pointed out that the meeting was hard but successful, and wished for the remaining issues to be resolved in very short time. The Chairperson concluded the meeting by thanking everyone for the participation and for bringing the decisions in fruitful discussions.

**The Chairperson adjourned the meeting.**