



Managing Authority for International Co-operation Programmes of the Prime Minister's
Office– National Focal Point

Call for proposals

within

**the EEA and Norwegian Financial Mechanism 2009-2014
National Fund for Bilateral Relations**

for

***"Tackling climate change" -
Encouraging cooperation between Donor States and Hungary
in the field of environmental protection***

through

**Projects for initiatives with easy reimbursement option
(PIERO-A2-2017)**

Cooperation projects for enhanced relations (COOPER-B2-2017)

Table of Contents

1. BACKGROUND AND OBJECTIVE	2
1.1. Overall objectives of the Fund and the present call	2
1.2. Specific objectives and fields of intervention of the present call	2
2. ELIGIBILITY RULES AND PROVISIONS ON CONTENT OF INITIATIVES	3
2.1. Eligible applicants	3
2.2. Eligible partners	3
2.3. Implementation modalities	4
2.4. Eligible activities	4
2.4.1. Exchange of experience	4
2.4.2. Publicity and dissemination	5
2.5. Eligible expenditures	6
2.5.1. Period of eligibility	6
2.5.2. Types of eligible expenditures	7
2.5.3. Contingency (Reserve)	8
2.6. Excluded costs	8
2.7. Mandatory output indicators	8
2.8. Duration of initiative implementation	10
2.9. Applicable state aid rules	11
3. FINANCIAL CONDITIONS	12
3.1. Grant amount and grant rate	12
3.2. Collateral	13
3.3. Provisions regarding the disbursement of the grant	13
4. ADMINISTRATIVE INFORMATION	14
4.1. Submission of applications	14
4.2. Further information and contact information	16
5. SELECTION PROCEDURE	16
5.1. Selection procedure in the PIERO scheme	16
5.1.1. Review of eligibility and administrative criteria	16
5.1.2. Decision-making	17
5.1.3. Conclusion of the contract	17
5.2. Selection procedure in the COOPER scheme	18
5.2.1. Review of eligibility and administrative criteria	18
5.2.2. Expert evaluation	18
5.2.3. Decision-making procedure	20
5.2.4. Conclusion of the contract	20
5.3. Appeal procedure	21
6. REPORTING ON AND MONITORING OF IMPLEMENTATION	21
6.1. Reporting and monitoring	21
6.2. Reporting in the COOPER scheme	22
6.3. Monitoring and further control of implementation	23
7. LEGAL FRAMEWORK	24
8. ANNEXES	0

1. BACKGROUND AND OBJECTIVE

1.1. Overall objectives of the Fund and the present call

The overall objective of the Fund is to strengthen bilateral relations between Donor States and Hungary.

The aim is to **increase the extent of cooperation** between institutions and individuals, through formal partnerships or through more ad hoc exchange and collaboration. The bilateral cooperation shall contribute to the collaboration between the partners through **sharing experience, knowledge**, know-how and technology and working together for joint results such as the development of policies, laws, strategies or new knowledge or practice. The aim of the Fund is exchanging know-how, learning about best practices, well operating models, training modules, organizing and visiting joint events, conferences and study tours, preparing joint reports, studies, publications. **Increased cooperation and joint initiatives** bring people and institutions together and create space for improved knowledge and mutual understanding between individuals, institutions, states and the wider public.

Each initiative shall be implemented in partnership. For being eligible to apply, **each beneficiary has to establish cooperation with one or more Donor State – Norwegian, Icelandic or Liechtensteiner – entity**, that the Beneficiary shall name in its application. The applicant shall conclude separate **partnership agreement(s)** with each Donor partner and Hungarian partner as well (if any), and **submit it with the application**.

The present call specifically encourages cooperation between Hungarian and Donor States' entities in the field of environmental protection.

1.2. Specific objectives and fields of intervention of the present call

Environmental protection, improving energy efficiency and increasing the proportion of renewable energies are horizontal objectives of the Financial Mechanisms. These fields are well explored and numerous dedicated funds are at disposal from relevant national, EU funds and by the programme areas covered by the Financial Mechanisms.

Initiatives of the present call may contribute to promoting either improving awareness and strengthening sense of responsibility for the environment in the society or awareness raising of the population regarding the climate change / exchange of experience regarding slowing and adapting to climate change.

Linked to the above topics, the actions supported by the call shall contribute to any of the below purposes:

- Developing and launching the implementation of local level adaptation strategies;
- Implementation of pilot projects developed based on local level adaptation strategies;

- Adopting / extension of pilot projects;
- Implementing awareness raising campaigns through concrete programmes;
- Sensitising citizens and decision makers through transfer of knowledge (e.g. information material, organising a series of seminars with target-specific content);
- Developing education modules and panels;
- Collection and analysis of national and foreign good examples, good practices, processing them in form of best practice catalogue or case studies;
- Developing further (so-called mainstream) projects building on international / European partnership (e.g. organisation of workshops, generating project ideas, partnership building, content development)
- Formulating policy recommendations regarding tackling climate change and bringing them to decision makers.

Continuation, further development and extension of already existing programmes are encouraged and can be supported.

2. ELIGIBILITY RULES AND PROVISIONS ON CONTENT OF INITIATIVES

2.1. Eligible applicants

Eligible applicants of the present open call are any entity, public or private, commercial or non-commercial and non-governmental organisations established as a legal person in Hungary as well as natural persons who are legal residents of Hungary are eligible applicants.

The applicant shall be the entity, who fulfils the role of the beneficiary if awarded, and takes responsibility for the implementation of the initiative. Eligible applicants shall abide by the principles of democratic values and human rights.

The corporations with legal entity may receive grant only as de minimis aid (see Chapter 2.9.)

2.2. Eligible partners

The main aim of the Fund is to strengthen the bilateral relations between Hungary and the Donor States. All applicants has to present in its proposal **at least one partner from the Donor States**, since **only the applications involving a donor partner are eligible** under the present call. Partner(s) from Hungary can also be involved in the initiative.

Partners can be any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in Hungary or in the Donor States as well as inter-governmental organisations operating in Hungary or in the Donor States. However the partners who are enterprises may receive grant only as de minimis aid (see Chapter 2.9.).

Partnership agreement shall be concluded and submitted with the application.

2.3. Implementation modalities

Within the **present call for proposal, two different implementation modalities can be applied for**, as follows:

- **Programme for initiatives with easy reimbursement option (PIERO):** the call for proposals will be open continuously until funds are available. PIERO can support **ad hoc initiatives**. The granted initiatives implemented in the framework of the PIERO should be more simple and consist of one specific action (e.g. participation at or organization an event, meeting).
- **Cooperation programme for enhanced relations (COOPER):** the call for proposals will be open for a limited period with a specific deadline for application. In the framework of COOPER initiatives with a broader time-span, up to 6 months can be supported, that consist of a chain of actions with possible long-term effects. The aim is to establish longer term, more structured and institutionalized cooperation e.g. organization of a conference, a series of events or some awareness raising campaigns and subsequent publication the achieved results.

2.4. Eligible activities

The activities described herewith are necessary to achieve the expected results of the initiatives and thereby to contribute to the Fund's objectives. Therefore, **the listed activities are mandatory, i.e. each initiative has to be include them**. No other activities may be eligible for support under the present call.

2.4.1. Exchange of experience

In **PIERO**, each application shall propose **at least one of the below actions** to be implemented.

Examples for the eligible actions in the **PIERO**:

- Participation at a conference,
- Participation at a workshop or seminar,
- Participation at a training course,
- Participation at or organization of a study trip,
- Participation at or organization of other meetings.

In **COOPER**, each application shall propose **at least two of the below actions** to be implemented.

Examples for the eligible actions in the **COOPER**:

- Participation at, or organization of a conference,
- Participation at, or organization of a workshop or seminar,
- Participation at, or organization of a training course,
- Participation at, or organization of a study trip,
- Participation at, or organization of other meetings,

- Joint side events at international meetings,
- Joint participation in international network organisations,
- Technical cooperation and exchange of experts,
- Secondments and internships,
- Preparation of training materials,
- Preparation of expert studies,
- Awareness-raising activities.

Eligibility rules are the same in PIERO and COOPER. All the above activities **may be eligible only in case they involve Donor State entities** either as a contributing partner (participant, guest, host or in any other role) or as a partner, allowing for making contacts, establish cooperation, share results or contributing otherwise to enhanced bilateral cooperation.

Activities are eligible for: Beneficiary, Partner(s)

Budgetary limit: There is no budgetary limit for this activity in the budget.

Detailed eligibility rules on expenditures:

Chapter 2.5 and the Eligibility Guideline forming Annex 1 of this call for proposals provides detailed description on the eligibility of different categories of expenditures based on the applicable accounting codes.

2.4.2. Publicity and dissemination

The Beneficiaries must communicate the achievement and results of their initiative and must acknowledge the support received from the EEA and Norway Grants to the relevant audiences at national, regional and local levels, and use the visual image of the EEA and Norway Grants when conducting communication activities. Each organization gaining access to the resources of the Fund have to make efforts to deliver messages related to the achievements and added value of the bilateral relations established. **All Beneficiaries shall seek solutions to have regularly updated information available on the web, both in the Hungarian and in English.**

In PIERO as a minimum, a report has to be prepared and published on the Beneficiary's website or any appropriate webpage, presenting the actions made, results achieved and lessons learnt.

In COOPER each initiative has to include an even stronger publicity and dissemination element. The planned publicity measures, such as publication of newspaper articles, online presence, press conferences, promotional materials, etc. shall be presented in the application. COOPER initiatives as a minimum must include **at least one information activity** on progress, achievements and results in the initiative, for example:

- ✓ a seminar or a conference with stakeholders
- ✓ a launch event and/or a closing event for the initiative
- ✓ any of the above accompanied by a press conference or press event.

Any activities necessary to fulfil the listed mandatory publicity measures, and additional activities contributing to the dissemination of the initiative's achievements are eligible.

The detailed rules of the communication activities can be found in Annex 6 of the present call for proposals (Communication and Design Manual).

Activities are eligible for: Beneficiary, Partner(s)

Budgetary limit: **Maximum allocation** for the activities is **15% of the initiative's eligible budget.**

Detailed eligibility rules on expenditures:

Chapter 2.5 and the Eligibility Guideline forming Annex 1 of this call for proposals provides detailed description on the eligibility of different categories of expenditures based on the applicable accounting codes.

2.5. Eligible expenditures

The basic rules on eligibility of expenditures are provided in Chapter 7 of the Regulation on the Implementation of the EEA Financial Mechanism 2009-2014¹.

As Annex 1 of the present call, an Eligibility Guideline is attached, providing further details on the requirements and conditions to be fulfilled in order to ensure eligibility of expenditures.

Actual incurred expenditure will form the basis of all reimbursements. Costs incurred by Beneficiary and the partner(s) shall be supported by receipted invoices, or alternatively by accounting documents of equivalent probative value. A report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with this Regulation, the national law and accounting practices of the partner's country, shall be seen as sufficient proof of costs incurred by the donor partner(s). Eligibility of expenditures will be checked and verified by the Implementing Agency.

2.5.1. Period of eligibility

The **first date of eligibility is the day when the Focal Point publishes the current call for proposal.** No expenditures incurred before this date are eligible. Following the publication of the call but prior to the grant award decision the initiative can be started at the own risk of the Beneficiary and expenditures incurred from the date of the publication of the call will be eligible based on the contract, once concluded. The contract must contain the date when the implementation has actually started.

The final date of eligibility of expenditures must be the final date of the implementation of the initiative recorded in the contract, that has to be within 6 months counting from the start date of the implementation in case of PIERO and within 6 months counting from the start date of the implementation in case of COOPER.

Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works). Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility.

¹ Available on this link: <http://eeagrants.org/Results-data/Documents/Legal-documents/Regulations-with-annexes/EEA-Grants-2009-2014>

2.5.2. Types of eligible expenditures

In the application the total eligible budget of the initiative shall be compiled so that the beneficiary and partners separately record the different types of eligible expenditures related to the eligible activities that they plan to implement.

The eligible expenditures incurred related to the initiative are listed below. **Further details and information are available in the Eligibility Guideline forming Annex 1 of the present call for proposals**, that is recommended to be thoroughly studied by all applicants, to ensure that the planned expenditures in the initiative are eligible. Special attention has to be given to rules on procurements described in Chapter 4.1 of the Eligibility Guideline.

Material costs (*accounting category 51*)

Acquisition of **small scale tangible assets related to the organization of and participation at events** (i.e. consumables and supplies, small scale equipment, and other material expenditure identifiable and assigned to the initiative) may be eligible at purchase price. Detailed rules on material costs are described in Chapter 2.6 of the Eligibility Guideline. Please note that the bilateral initiative's main purpose is to enhance partnership, therefore the financing of small scale assets can only be granted in exceptional cases, and the proposals will be evaluated accordingly.

Cost of services used (*accounting category 52*)

Costs of consulting, external services related to the organization of and participation at events, necessary for the implementation of the initiative delivered by a third party, used according to market rules and conditions. Services must not be fulfilled by any of the partners being a beneficiary to the initiative. Detailed rules on costs of services used are described in Chapter 2.7 of the Eligibility Guideline.

Travel, accommodation (*accounting category 52*) **and subsistence expenses, daily allowances** (*accounting category 55, 56*)

Travel costs are eligible up to 1.500 EUR/person/travel. In clearly justified cases, and when the travel to the partner also requires domestic travel within Norway, Iceland and Lichtenstein / Hungary, travel costs may be eligible up to 3.000 EUR/person/travel. The participants shall be persons dedicated to the implementation of the initiative. Travel costs may include the following expenditures:

- costs of travel to and from the destination
- daily allowances, provided that they are in line with the Beneficiary's and partner's usual practices on travel costs and do not exceed the relevant national scales,
- costs of accommodation, if it is not covered by the daily allowance.

Detailed rules on costs of Travel, accommodation and subsistence expenses, daily allowances are described in Chapter 2.1.2 of the Eligibility Guideline.

Staff costs, duties on salaries, and other employee related payments (*accounting category 54, 55, 56*)

In the staff costs category only salary costs of experts and external consultancy fees in case of natural persons are eligible. **Indirect staff costs are not eligible.**

Subsistence allowance paid for participants at travels implemented in the framework of the initiative is also eligible in accordance with the above-mentioned, provided that it corresponds with the general policy on travel costs applied by the beneficiary (beneficiary or partner).

Detailed rules on costs of staff, duties on salaries and other employee related payments are described in Chapter 2.1.1 of the Eligibility Guideline.

2.5.3. Contingency (Reserve)

The budget presented in the application may include contingency up to 5% of the initiative's total eligible budget. The contingency may be used during the implementation for the eligible costs and corresponding eligible expenditures. Detailed rules on Contingency are described in Chapter 2.10 of the Eligibility Guideline.

2.6. Excluded costs

The following costs shall in no case be considered eligible:

- interest on debt, debt service charges and late payment charges;
- charges for financial transactions and other purely financial costs;
- provisions for losses or potential future liabilities;
- exchange losses
- recoverable VAT;
- costs that are covered by other sources;
- fines, penalties and costs of litigation; and
- excessive or reckless expenditure.

Detailed rules on non-eligible expenditures are described in Chapter 3 of the Eligibility Guideline.

2.7. Mandatory output indicators

As a minimum, initiatives must deliver the minimum target values of the below listed mandatory output indicators. Target values exceeding the minimum are strongly preferred.

In PIERO the mandatory output indicators are the followings:

Output indicator	Description of the indicator	Minimum target value
Nr. of signed partnership agreement with donor partner	The initiatives have to be implemented in cooperation with one donor partner at least. The financial conditions and the division of tasks between the parties shall be defined in a partnership agreement.	1
Nr. of events organized with	Events that serve exchange of experience and transfer of knowledge shall be organized.	1

participation of both Hungarian and Donor State stakeholders ²		
Nr. of events visited with participation of both Hungarian and Donor State stakeholders	Events that serve exchange of experience and transfers of knowledge shall be visited.	1

In COOPER the mandatory output indicators are the followings:

Output indicator	Description of the indicator	Minimum target value
Nr. of signed partnership agreement with donor partner	The initiatives have to be implemented in cooperation with one donor partner at least. The financial conditions and the division of tasks between the parties shall be defined in a partnership agreement.	1
Nr. of events organized with participation of both Hungarian and Donor State stakeholders ³	Events that serve exchange of experience and transfer of knowledge shall be organized.	1
Nr. of events visited with participation of both Hungarian and Donor State stakeholders	Events that serve exchange of experience and transfer of knowledge shall be visited.	1
Nr. of different types of joint publicity actions implemented	As a minimum, online presence, organization of one information event and at least one additional activity (newspaper article, press conference, brochures, leaflets, etc.) has to be implemented, which serve the dissemination of the actions made, results achieved and lessons learnt in the framework of the implemented initiative.	3
Nr. of joint strategic documents elaborated	Strategic documents, such as a development strategy, action plan, feasibility study, survey, peer-reviewing, etc. based on the results and outcomes of the exchange of experience, which ensure that the achieved results will be put in practice and remain sustainable following closure of the initiative.	1

² Either the number of events visited, or the number of events organized is mandatory depending on the relevance of the initiative.

³ Either the number of events visited, or the number of events organized is mandatory depending on the relevance of the initiative.

Further mandatory indicators to be defined, but without a specific minimum target value in both grant schemes – PIERO, COOPER – are the followings:

Output indicator	Description of the indicator	Unit of measure
Nr. of persons taking part in the actions of the initiative (male)	Citizens directly reached are the persons who actively take part in the actions of the initiative, such as participants of trainings, stakeholder meetings, workshops, pilot actions, etc.	person
Nr. of persons taking part in the actions of the initiative (female)	Citizens directly reached are the persons who actively take part in the actions of the initiative, such as participants of trainings, stakeholder meetings, workshops, pilot actions, etc.	person
Nr. of persons targeted by the actions of the initiative (male)	Citizens indirectly reached by the actions of the initiative, such as target group of proposals of the expert study made in the framework of the initiatives, target group of the awareness-raising activities, etc.	person
Nr. of persons targeted by the actions of the initiative (female)	Citizens indirectly reached by the actions of the initiative, such as target group of proposals of the expert study made in the framework of the initiatives, target group of the awareness-raising activities, etc.	person
Nr. of Hungarian and Donor State organizations taking part in the actions of the initiative	Organizations which actively take part in the actions of the initiative, e.g. in the organization of the events, participate at the events, or in the preparation of the study or the publication, etc.	organizations

Applicants are free to identify and set additional indicators in their proposals. Beneficiaries have to ensure that the set indicators are achieved and can be measured by the completion of the initiative and/or during the maintenance period.

2.8. Duration of initiative implementation

Duration of implementation is understood as **the period from the initiative start date to the date of initiative completion.**

In line with article 2.5.1. of this call, the initiative can be started from the date of the publication of the call, prior to conclusion of a contract at the own risk of the beneficiary . If the initiative has not been started earlier, than the date of conclusion of the contract

will be considered as the **initiative start date**, in other cases, the actual start date of the initiative⁴ will be set in the contract.

An initiative can be regarded as completed when all of the tasks and activities undertaken in the contract have been carried out and the goals and outputs expected as a result of the implementation of the initiative have been accomplished and delivered. The **date of initiative completion** is the day on which the last activity carried out in the context of the initiative is physically completed.

With consideration to the above definitions, in the framework of **PIERO and COOPER** the **maximum duration** of initiative implementation is **6 months, but the final date of the implementation should not be later than 30 April 2018.**

The beneficiary shall submit the **final report and the final payment request** within 30 days after the completion, and within 60 days for COOPER initiatives.

The **date of initiative closure** is the day on which the National Focal Point accepts the final report.

2.9. Applicable state aid rules

In case of support to non-economic activities the grant shall not be considered as state aid pursuant to Article 107 of the Treaty on the Functioning of the European Union.

In case of support to economic activities the grants shall be awarded as **de minimis aid**. Detailed rules regarding de minimis aid are set out in Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the Application of Articles 87 and 88 of the Treaty to de minimis aid.

The total de minimis aid granted to any one undertaking from any source shall not exceed, over the current fiscal year and the previous two fiscal years, the HUF amount which is the equivalent of EUR 200,000, and, for the road transport sector, the HUF amount which is the equivalent of EUR 100,000. Aid payable in several instalments shall be discounted to its value at the moment of its being granted.

Prior to granting the aid, a declaration must be made by the undertaking concerned in written form stating any other de minimis aid granted or not yet assessed during the previous two fiscal years and the current fiscal year (see Annex 4).

De minimis aid should not be cumulated with state aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding that fixed by a block exemption regulation or Decision adopted by the European Commission.

De minimis aid may be granted to undertakings in all sectors, with the exception of:

- a) aid granted to undertakings active in the fishery and aquaculture sectors, as covered by Council Regulation (EC) No 104/2000;
- b) aid granted to undertakings active in the primary production of agricultural products as listed in Annex I to the Treaty on the Functioning of the European Union;

⁴ The actual start date is considered as the date, which in relation to the activities to be implemented within the initiative is the earliest among the followings: the date of order or the date of conclusion of a contract related to purchase of small scale tangible assets (material costs) or services used; or the first date of physical performance related to other types of activities.

- c) aid granted to undertakings active in the processing and marketing of agricultural products as listed in Annex I to the Treaty on the Functioning of the European Union, in the following cases:
 - a. when the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned,
 - b. when the aid is conditional on being partly or entirely passed on to primary producers;
- d) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
- e) aid contingent upon the use of domestic over imported goods;
- f) aid granted to undertakings active in the coal sector, as defined in Regulation (EC) No 1407/2002;
- g) aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward;
- h) aid granted to undertakings in difficulty.

Records regarding de minimis aid granted under the above title shall be retained by the Recipient for 10 years from the date on which it was granted, and shall be presented to the grant provider on his request.

3. FINANCIAL CONDITIONS

3.1. Grant amount and grant rate

Altogether **277 500 EUR is made available in the present call**, from grants provided by the EEA and Norwegian Financial Mechanism 2009-2014.

As an indicative budget, **120 000 EUR is made available in the present call for the PIERO scheme and 157 500 EUR is made available in the present call for the COOPER scheme.**

The Focal Point reserves the right to modify the above indicative allocation based on the merits of received applications, and/or to increase the amount of allocation if funds become available within the Fund, and will issue a notification on the www.eeagrants.hu / www.norvegalap.hu website to inform the applicants if such increase applies.

In the framework of the **PIERO scheme if the activities are implemented with maximum 5 participants, the minimum amount of grant assistance applied for is 1 000 EUR; the maximum grant amount is 10 000 EUR.**

In the framework of the **PIERO scheme where the activities are implemented with more than 5 participants, the minimum amount of grant assistance applied for is 1 000 EUR; the maximum grant amount is 20 000 EUR.**

In the framework of the **COOPER scheme** where the activities are implemented during maximum 6 months, the minimum amount of grant assistance applied for is **10 000 EUR**; the maximum grant amount is **30 000 EUR**.

The following table summarizes the above information:

	Indicative budget	Grant size	Grant rate
PIERO	120 000 EUR	activities with max. 5 participants: 1 000 - 10 000 EUR	up to 100%
		activities with more than 5 participants: 1 000 - 20 000 EUR	
COOPER	157 500 EUR	activities with max. 6 months duration: 10 000 - 30 000 EUR	up to 100%

For the purposes of calculating the initiative budget in the application and to make HUF/EUR conversions as necessary, the **applicable exchange rate is 312,0 HUF/EUR**, if not stipulated otherwise. The grant will be awarded and set in the contract in EUR.

The maximum grant rate is 100% of the total eligible initiative costs.

For applicants having a commercial purpose state aid legislation has to be applied, and the funding can be given as de minimis aid.

3.2. Collateral

In the PIERO scheme the beneficiaries **do not have to provide** collateral.

In order to ensure that any unduly used grants can be reclaimed and recovered by the Focal Point, **beneficiaries are obliged to provide adequate collateral in the COOPER scheme**. Prior to the conclusion of the contract the beneficiary shall submit **direct debit authorizations to initiate collections from all its accounts**. Such debit authorization will form the part of the contract and shall remain valid until the **date of initiative closure**.

3.3. Provisions regarding the disbursement of the grant

In case of **PIERO**, grant will be disbursed as a **reimbursement of actually incurred expenditure**. The report submitted by the beneficiary **within 30 days after completion of the initiative** (see Chapter 6 for detailed provisions) shall be **accompanied by a payment claim**. The payment claim shall present the **detailed final budget of the action with proofs of expenditures** (receipted invoices, or accounting documents of equivalent probative value) attached. The Implementing Agency shall verify the expenditures presented in the payment claim and may call upon the beneficiary for completion in case the payment claim or the justifying documents contain any deficiency.

Following the review carried out by the Implementing Agency, the National Focal Point shall make a decision whether to approve the report and on the eligible grant amount. The Focal Point may raise clarification questions towards the beneficiary. Once the Focal

Point makes its decision, the Implementing Agency shall inform the beneficiaries on the Focal Point's approval, including a declaration on the grant amount to be paid. The eligible grant amount shall be transferred to the beneficiaries bank account within 7 days after the National Focal Point's approval of the report and the payment claim.

In case of **COOPER**, beneficiaries may receive an advance payment, an interim payment and a final payment.

The level of **advance payment** may be **up to 80% of the grant amount awarded**. The Focal Point reserves the right to set a lower advance level, with consideration of the liquidity needs of the initiative. The Focal Point may require financial guarantees – detailed in Article 3.2. - as a condition for concluding the contract, and upon its fulfillment an advance payment request maybe submitted by the beneficiary to the Implementing Agency. Advance payment will be transferred to the beneficiaries bank account within 7 days after approval of the advance payment request.

The **interim report** submitted by the beneficiary (see Chapter 6 for detailed provisions) may be accompanied by an **interim payment claim, if the already incurred expenditure exceeds 75% of the advance payment received**.

The **final report** submitted by the beneficiary (see Chapter 6 for detailed provisions) shall be accompanied by a **request for payment of the final balance**.

Both the interim payment claim and the request for payment of the final balance shall present the **detailed budget of incurred expenditures** with proofs of expenditures (receipted invoices, or accounting documents of equivalent probative value) attached. The Implementing Agency shall verify the expenditures presented in the payment claim and may call upon the beneficiary for completion in case the payment claim or the justifying documents contain any deficiency.

Following the review carried out by the Implementing Agency, the National Focal Point shall make a decision whether to approve the interim / final report and on the eligible grant amount. The eligible grant amount shall be transferred to the beneficiaries bank account within 7 days after the National Focal Point's approval of the report and the payment claim.

In case of any payment claims in both PIERO and COOPER schemes, the beneficiary is responsible for obtaining any information and supporting documents from the partners as well. **Procedures for disbursements of grants to the partners shall be regulated in the partnership agreement.**

4. ADMINISTRATIVE INFORMATION

4.1. Submission of applications

To submit an application, the applicant has to be registered at the official website of the Grants: www.eeagrants.hu / www.norvegialap.hu.

The application form and the annexes to be attached shall be completed and submitted through the electronic platform (NORA) available on the above website. **The application form must be filled in the English language. Attachments might be in English or Hungarian.**

In the **PIERO scheme** the selection of initiatives is continuous, until funds have been exhausted or the Focal Point decides to suspend the call for other reasons. Any application shall be submitted at least 45 days prior to the action for which funding is requested. After the submission of the electronic application form, one original of the printable declaration signed by the duly authorized representative of the applicant shall be sent by post, by registered mail to the Implementing Agency's following address:

"Tackling climate change - PIERO"

NFFKÜ - Nemzetközi Fejlesztési és Forráskoordinációs Ügynökség Zrt.
1037 Budapest Montevideo u. 16/A

The day when the hard copy of the signed declaration arrives to the Implementing Agency is considered as the date of receipt of the application.

In the **COOPER scheme**, the deadline for submission of applications is **30 June 2017**. The deadline for submitting the electronic application form **in the COOPER** shall be **18:00 hrs on 30 June 2017**. After the submission of the electronic application form, one original of the printable declaration signed by the duly authorized representative of the applicant shall be sent by post, by registered mail at the latest **on 30 June 2017** (date on post stamp) to the following address:

"Tackling climate change - COOPER"

NFFKÜ - Nemzetközi Fejlesztési és Forráskoordinációs Ügynökség Zrt.
1037 Budapest Montevideo u. 16/A

Applications must not be submitted in person or by courier service.

Supporting documents to be uploaded as an attachment to the application:

1.	Specimen signature of the duly authorised representative of the beneficiary (<i>Aláírási címpéldány</i>)	Mandatory
2.	Partnership Agreement	Mandatory (template attached in Annex 3)
3.	Declaration on de minimis aid	Mandatory in case the beneficiary and/or any of the partner(s) may receive grant only as de minimis aid (template attached in Annex 4)
4.	Declaration on the transparency of the organisation	Mandatory (only for the beneficiary and the Hungarian partner(s))
5.	Declaration of the beneficiary's relevant experience (list of relevant activities/projects)	Mandatory for at least one partner
6.	Other supporting documents	Optional

The maximum size of uploaded attachments altogether must not exceed 500 MB.

4.2. Further information and contact information

All official information regarding the present call for proposals and the NFBR is available on the following site: www.eeagrants.hu / www.norvegalap.hu. Annexes to the call such as guidelines, documents and forms may be downloaded from this site.

Further information related to the call may be requested from the customer service operated by the Implementing Agency on the following contact points:

NFFKÜ - Nemzetközi Fejlesztési és Forráskoordinációs Ügynökség Zrt.
(NFFKÜ - International Development and Fund Coordination Agency Ltd.)
phone: +36-1-999-4400
e-mail: info@norvegalap.hu

Replies shall be given or uploaded on the site www.eeagrants.hu / www.norvegalap.hu within 8 days. We would like to inform Applicants that we only guarantee to reply to questions asked at least 10 days prior to the submission deadline.

5. SELECTION PROCEDURE

5.1. Selection procedure in the PIERO scheme

5.1.1. Review of eligibility and administrative criteria

The **Implementing Agency shall verify compliance with the eligibility criteria** of the application. If any of the criteria listed below is not met by the application, then it will be excluded from further evaluation:

- the Beneficiary and the Partner(s) is eligible for funding;
- the electronic application form was submitted before suspension of the call;
- the electronic application form is filled in the English language;
- the declaration printable after submission of the electronic application form was submitted before suspension of the call;
- the declaration was signed in compliance with the specimen signature;
- the requested grant amount corresponds to the minimum and/or maximum amount of funding that can be awarded according to the call;
- at least one partner from the Donor States is named in the application.

Applications shall be checked by the Implementing Agency for the following **administrative criteria** as well:

- all the necessary annexes are attached electronically and are duly completed;
- the submitted application form is fully and duly completed;
- there are no quantitative or other contradictions between the individual documents of the application package;
- the initiative implementation period and the planned start date and initiative completion date are in line with the call;

- the indicator value target reaches the minimum target value;
- the financial parameters are in line with the minimum/maximum requirements set in the call;
- the Partnership Agreement(s) is/are signed by the partners participating in the initiative implementation.

If the application is incomplete or any information provided is unclear, the Implementing Agency shall call upon the Beneficiary to remedy the deficiencies within 10 days.

Following the finalization of the verification of the above-mentioned eligibility and administrative criteria the Implementing Agency shall send the applications which match with all of the criteria to the Focal Point for professional eligibility check in 3 days.

After receiving the applications the Focal Point shall check the following **professional eligibility criteria**:

- the initiative will contribute to strengthened cooperation between Hungary and the Donor State(s);
- the initiative will contribute to tackling climate change;
- the initiative proposal includes the mandatory eligible activities.

5.1.2. Decision-making

Following review carried out by the Implementing Agency and the professional eligibility check of NFP, the **NFP shall make a decision** on the support of the application. To this end, the Focal Point may raise clarification questions towards the applicant. Once the decision is made, the NFP shall forward it for non-objection to the Royal Norwegian Embassy in Budapest. If the Embassy does not provide its objection, the National Focal Point's decision shall be considered final.

The Implementing Agency shall inform the applicants on the result of the selection procedure. In case of rejected applications, the notification letter shall include the reasons for rejection.

The estimated time frame of the selection procedure from the receipt of an application is 30 days (not counting the time used by the applicant to complete its application upon the Implementing Agency's request or to answer clarification questions).

5.1.3. Conclusion of the contract

In case of approved applications, the notification letter shall include the maximum grant amount for which the applicant may be entitled upon completion of the action and the conditions to conclude a contract. Once all criteria are met, the Implementing Agency forwards to the NFP the contract prepared for signature that is then to be forwarded to the beneficiary for signature.

5.2. Selection procedure in the COOPER scheme

5.2.1. Review of eligibility and administrative criteria

The **Implementing Agency shall verify compliance with the eligibility criteria** of the application. If any of the criteria listed below is not met by the application, then it will be excluded from further evaluation:

- the Beneficiary and the Partner(s) is eligible for funding;
- the electronic application form was submitted by the deadline specified in the call;
- the electronic application form is filled in the English language;
- the declaration printable after submission of the electronic application form was submitted by post by the deadline specified in the call;
- the declaration was signed in compliance with the specimen signature;
- the requested grant amount corresponds to the minimum and/or maximum amount of funding that can be awarded according to the call;
- at least one partner from the Donor States is named in the application.

Applications shall be checked by the Implementing Agency for the following **administrative criteria** as well:

- all the necessary annexes are attached electronically and are duly completed;
- the submitted application form is fully and duly completed;
- there are no quantitative or other contradictions between the individual documents of the application package;
- the implementation period and the planned initiative start date and initiative completion date are in line with the call;
- the indicator value target reaches the minimum target value;
- the financial parameters are in line with the minimum/maximum requirements set in the call;
- the Partnership Agreement(s) is/are signed by the partners participating in the implementation.

If the application is incomplete or any information provided is unclear, the Implementing Agency shall call upon the Beneficiary to remedy the deficiencies within 15 working days.

5.2.2. Expert evaluation

Two independent and impartial experts appointed by the NFP shall review each application that meets the administrative and eligibility criteria. The experts shall be appointed from an expert pool established by the Implementing Agency, based on recommendations for necessary qualifications set by the NFP. The experts shall separately score the initiatives according to the assessment criteria published in the call. For the purposes of ranking the initiatives, the average of the scores awarded by the experts shall be used. If the difference between the scores given by the two experts is more than 30% of the higher score, a third expert shall be commissioned by the NFP to score the initiative independently. In such cases, the average score of the two closest scores shall be used for the ranking of the initiatives. The experts may raise clarification questions towards the applicants during the evaluation, through the Implementing Agency.

Applications complying with the above eligibility and administrative conditions will be **evaluated and scored** based on the following criteria:

Criteria	Scores
<p>Relevance of the initiative with regard to the call's objectives</p> <ul style="list-style-type: none"> The initiative will contribute to strengthened cooperation between Hungary and the Donor State(s) The initiative will contribute to the goals of this call (chapter 1.2.) <p>0 pt for any of the above criteria, or a total score not exceeding 5 pts in total for this group of selection criteria shall result in an immediate rejection of the proposal without further evaluation.</p>	<p>0-15 points (0-6 pts) (0-9 pts)</p>
<p>Partnership</p> <ul style="list-style-type: none"> Not only contributing partner(s), but also partner(s) will participate in the initiative from the Donor States There are more than one partner from the Donor States nominated in the application The role, responsibility and specific contribution of the donor partner(s) are clearly defined in the application There are mutual benefits clearly identified for both the beneficiary and the donor partner as a result of the partnership The cooperation and partnership is likely to remain and expand after initiative's completion The initiative includes partnership with relevant partner(s) 	<p>0-8 points (0-1 pt) (0-1 pt) (0-1 pt) (0-2 pts) (0-2 pts) (0-1 pt)</p>
<p>Beneficiary</p> <ul style="list-style-type: none"> The Beneficiary has experience in implementing projects The Beneficiary has experience in cooperating with international partners The Beneficiary provides adequate justification that in its operation fully abides by the principles of democratic values and human rights The Beneficiary (at least one partner) has adequate experience in the fields of intervention of the present call (chapter 1.2.) 	<p>0-10 points (0-2 pts) (0-1 pt) (0-2 pts) (0-5 pts)</p>
<p>Justification of the initiative</p> <ul style="list-style-type: none"> The application provides a clear description on the background of the initiative and on the existing situation including reference to strategic documents, legislation, existing institutional and organizational structures relevant for the initiative The objectives defined in the initiative reflect and propose adequate responses to existing needs (in correspondence with the chapter 1.2) The application identifies relevant challenges and needs and planned solutions for them, and there is a potential to serve as a best practice pilot experience 	<p>0-5 points (0-1 pt) (0-2 pts) (0-2 pts)</p>
<p>Publicity</p>	<p>0-3 points</p>

Criteria	Scores
<ul style="list-style-type: none"> Adequate additional publicity measures are planned in the application 	(0-3 pts)
<p>Results and sustainability</p> <ul style="list-style-type: none"> The application identifies indicators additional to the ones defined in the call that are result-oriented and relevant for the initiative The target values set for the indicators are realistic and the proposed source of verification is adequate to measure the achievement of the indicators The proposed activities will result sustainable effects 	<p>0-4 points</p> <p>(0-1 pt)</p> <p>(0-1 pt)</p> <p>(0-2 pts)</p>
<p>Budget</p> <ul style="list-style-type: none"> The budget covers all planned activities and the proposed expenditures are necessary and justified. The budget of each of the beneficiary and partners proportionately represent the partner's role and activities in the initiative 	<p>0-5 points</p> <p>(0-3 pts)</p> <p>(0-2 pts)</p>
The total score that might be achieved is:	50 points

5.2.3. Decision-making procedure

The NFP shall convene the **Fund Committee within 2 months following the application deadline**. The Fund Committee shall review the ranked list of proposals and make its decision on the applications to be awarded with a grant.

The **Implementing Agency shall inform the applicants on the decision of the Fund Committee within 10 working days after the Fund Committee's meeting**. In case of rejected applications, the notification letter shall include the reasons for rejection, in line with the justification provided by the evaluating experts and the Fund Committee.

In case of approved applications, the notification letter shall include the maximum grant amount for which the applicant may be entitled and the conditions to conclude a contract.

5.2.4. Conclusion of the contract

The documents necessary for the conclusion of the contract shall be submitted by the beneficiary no later than 30 days after reception of notification about the grant decision. The **contract shall be concluded not later than 60 days after the grant decision was taken**. This deadline may be extended once and by not more than 30 days by the Focal Point. If the contract cannot be concluded by the above deadline for reasons attributable to the beneficiary, the decision for support shall be repealed. Once all criteria are met, the Implementing Agency forwards to the NFP the contract prepared for signature that is then to be forwarded to the beneficiary for signature.

Conditions for signing a contract shall include the **submission of the following documents**:

- certification of the availability of collateral (*inkasszó*);

- declarations with authorized signature, specimen signature or sample of signature, deeds of foundation, act of incorporation or official documents certifying registration, in case a change has occurred in terms of the content of the documents annexed to the application;
- detailed financial plan (cash-flow);

The notification on the grant decision may set out further conditions for the conclusion of the contract. The contract will be concluded between the Focal Point and beneficiary, based on the draft contract attached to this call as Annex 2.

Please, note that contracts may not be concluded with an applicant who:

- has provided incorrect, false or deceiving data or has made such a declaration substantially influencing the decision for support;
- is subject to liquidation, bankruptcy, winding up or other proceedings defined by legislation with the aim to have its activities terminated;
- may not be granted budget funding pursuant to Paragraph 6 of the Act on the Transparency of Assistance from Public Funds;
- does not make the declarations prescribed by legislation or this regulation as prerequisites for issuance of a grant document or the conclusion of a contract, does not submit the documents or withdraws its declaration;
- does not comply with requirements prescribed in 50. § (1) of the Act on Public Finances.

5.3. Appeal procedure

The applicant may submit a reasoned appeal no later than 5 working days after receipt of the decision rejecting its application for reasons of non-eligibility or non-compliance with administrative requirements, provided that a violation of law or the provisions of the present call has occurred. Appeals shall be sent to the Implementing Agency at the following address:

NFFKÜ - Nemzetközi Fejlesztési és Forráskoordinációs Ügynökség Zrt.
1037 Budapest Montevideo u. 16/A

If the decision to reject the application was made by the Implementing Agency, the Focal Point shall make the decision with regard to the complaint, in all other cases it shall be investigated by the National Development Agency's Legal Department.

6. REPORTING ON AND MONITORING OF IMPLEMENTATION

6.1. Reporting and monitoring

The beneficiary has to **submit a report within 30 days after completion of the initiative. The report has to include:**

- description of the action;
- relevance of the action;
- presentation of the achievements, and sustainability of the results of the action;

- presentation of the added value and possible follow-up of the contacts made with Donor State partners / organizations;
- indicators achieved by the action;
- report on actual incurred expenditure;
- description and justification of any deviations from the information provided in the application.

The Implementing Agency shall check the report for compliance with any formal and administrative criteria and call upon the beneficiary for completion in case the report contains any deficiency. Following review by the Implementing Agency, the National Focal Point shall make a decision whether to approve the report. The Implementing Agency shall inform the beneficiary on the approval or refusal of the report within 5 working days after receiving the final decision from the Focal Point. In case a report is rejected, the notification letter shall include the reasons for rejection and if any possibility is provided to remedy the deficiencies. In case of approved reports, the notification letter shall constitute a declaration on the grant amount to be paid. An executive summary of the approved reports may be published on the www.eeagrants.hu / www.norvegialap.hu website.

In case the beneficiary misses to submit a report accompanied by a payment claim within 30 days after completion of the action, the Implementing Agency shall send a notice to the beneficiary, requesting submission of the report accompanied by a payment claim within 15 days from the receipt of the notice. If the beneficiary only partially submits the above documents before the deadline, the missing documents could be submitted following a request for completion.

If the beneficiary does not submit at all its report accompanied by a payment claim for that prolonged deadline, any reports and accompanying payment claims received after that deadline shall be rejected.

6.2. Reporting in the COOPER scheme

The beneficiary under the COOPER scheme has **to submit a final report**. The interim report is necessary if the contract so stipulates. More concrete reporting obligations and the applicable deadlines are to be set in the contract, in line with the time schedule and milestones of the action presented in the application.

Interim reports shall contain information on the followings:

- status of the implementation of the action;
- results achieved by actions implemented so far;
- dissemination and publicity activities implemented so far;
- indicators achieved by the action so far;
- further activities to be implemented, the schedule and milestones ahead;
- report on actual incurred expenditure;
- description and justification of any deviations from the information provided in the application.

Final reports shall contain information on the followings:

- description of the action;
- relevance of the action;
- presentation of the achievements, and sustainability of the results of the action;
- presentation of the added value and possible follow-up of the contacts made with Donor State partners / organizations;
- dissemination and publicity activities implemented;
- sustainability of the action;
- indicators achieved by the action;
- report on actual incurred expenditure;
- description and justification of any deviations from the information provided in the application.

The Implementing Agency shall check the reports for compliance with any formal and administrative criteria and call upon the beneficiary for completion in case the report contains any deficiency.

Following review by the Implementing Agency, the National Focal Point shall make a decision whether to approve the report. To this end, the Focal Point may raise clarification questions or organize a site visit.

The Implementing Agency shall inform the beneficiary on the approval or refusal of the report within 5 working days after receiving the final decision from the Focal Point. In case a report is rejected, the notification letter shall include the reasons for rejection and if any possibility is provided to remedy the deficiencies. In case of approved reports, the notification letter shall constitute a declaration on the grant amount to be paid. An executive summary of the approved final reports may be published on the www.eeagrants.hu / www.norvegalap.hu website.

In case the beneficiary misses to submit a report accompanied by a payment claim by the deadline set in the contract, the Implementing Agency shall send a notice to the beneficiary, requesting submission of the report accompanied by a payment claim within 15 days from the receipt of the notice. If the beneficiary only partially submits the above documents before the deadline, the missing document could be submitted following a request for completion.

If the beneficiary does not submit at all its report accompanied by a payment claim for that prolonged deadline, any reports and accompanying payment claims received after that deadline shall be rejected.

6.3. Monitoring and further control of implementation

Monitoring visits shall be conducted by the Focal Point. Such actions of the NFP serve to follow closely how the financing from the Fund are used, if the implemented actions contribute to the expected outcomes and objectives and whether they bring tangible and sustainable results.

The **verification** activity of the regular use of the grant shall be performed by the Implementing Agency based on documents and on-the-spot checks. The beneficiary shall cooperate with organisations that participate in the implementation and verification of the use of the grant. They shall provide assistance to entities carrying out **audits** by

ensuring access to necessary documents, invoices and other data, and by providing access to inspect the physical implementation on the spot. The beneficiary shall also ensure the availability and accessibility of any documents, physical outputs or data related to the partners' activities as well.

Suspicion of any **irregularity** will be investigated. Establishment of an irregularity may have legal consequences, such as reduction of eligible costs and the related grant, repayment obligation for unauthorized use of the grant amount or termination of the contract.

7. LEGAL FRAMEWORK

List of acts, regulations and documents that have a high relevance regarding the present call:

- Government Decree 433/2015. (XII. 28.) on the publication of the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 between Iceland, the Principality of Liechtenstein and the Kingdom of Norway and the Republic of Hungary;
- Government Decree 84/2016. (IV. 13.) on the publication of the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 between the Kingdom of Norway and the Republic of Hungary;
- Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (<http://www.norvegalap.hu/web/guest/jogszabalyok>);
- Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (<http://www.norvegalap.hu/web/guest/jogszabalyok>);
- further guidelines published by the Donor in line with the regulations (www.eeagrants.org);
- Government Decree 326/2012. (XII.31.) on the Implementation of the European Economic Area (EEA) Financial Mechanism 2009-2014 and the Norwegian Financial Mechanism 2009-2014;
- Act CXCV of 2011 on Public Finances;
- Government Decree 368/2011 (XII.31.) on the implementation of the Act on Public Finances;
- Government Decree 37/2011 (III.22.) on the Procedure regarding State Aid within the meaning of European Union Competition Law and the Regional Aid Maps;
- Act CXLIII of 2015 on Public Procurement
http://kozbeszerzes.hu/data/documents/2016/05/12/PPA_1_11_2015_en_final.pdf

8. ANNEXES

Annex 1: Eligibility guideline (in Hungarian and in unofficial English translation)

Annex 2: Draft sample contract (only in Hungarian, may be modified)

Annex 3: Template of Partnership Agreement (in Hungarian and in English) – *separate for Partners and Contributing Partners, and serving as guidance*

Annex 4: Template of the De minimis declaration (in Hungarian and in English)

Annex 5: Instructions for filling the application (in Hungarian and in English)

Annex 6: Communication and Design Manual (in English)

Annex 7: Declaration on the transparency of the organisation (in Hungarian)