

Overview of the Hungary-Croatia IPA Cross-Border Co-operation Programme



Instrument for Pre-Accession

- An integrated Pre-Accession Instrument to assist candidate (CC) and potential candidate countries (PCC) to adopt and implement the „acquis” and to prepare for EU funds on accession– **non Member State is focused in cross-border IPA Programmes!**
- Structural Funds rules for cross-border co-operation at EU internal borders to apply at EU external borders with CC-s and PCC-s



Specific characteristics of the Programme (1)

- **Single budget chapter**

- funding coming in a balanced way from IPA and ERDF
- single pot of money, to be spent on both sides of the border under one set of rules

- **Programme budget validity**

- Programme is drafted as a 7-year strategic document (2007-2013), but the financial resources cover only 3 years, 2007-2009
- Rolling method: Programme could be modified every year after 2009



Specific characteristics of the Programme (2)

- **2-step Programme approval process**
 - Commission decision approving Programme: addressed to Member State (13 March 2008)
 - Financing Agreement with non-Member State – costs are only eligible in Croatia from the signature (1 December 2008)
- **Shared management between Member State and non Member State**
 - single set of management structures, where both countries are represented
 - single set of rules for implementation
- **Beneficiary country (non MS)**
 - has to prepare the necessary structures and documents so that the Programme can be operational



Single set of management structures

Task	Programme body
<u>Programme monitoring and project selection</u>	Joint Monitoring Committee (JMC)
<u>Responsibility for the management and implementation of the Programme</u>	Managing Authority (MA) <i>- National Development Agency, Budapest</i>
Certificate and statement of expenditure and application for payment, <u>receipt of payments</u> from EC	Certifying Authority (CA) <i>- Ministry of Finance, Budapest</i>
Verification of the <u>functioning of Programme bodies</u>	Audit Authority (AA) <i>- Government Audit Office, Budapest</i>
Support to Programme bodies and <u>day-to-day management</u> of Programme implementation	Joint Technical Secretariat (JTS) <i>- set up in VÁTI Kht, Budapest</i>
<u>Support to JTS</u> in Croatia	Information Point (IP) <i>- contracted by Ministry for Regional Development, Forestry and Water Management (MRDFWM), set up in Osijek</i>

Singe set of rules for implementation

- Contracting: **one subsidy contract** from Community funding for the whole project
- Single set of rules for validation of expenditure (control of invoices) for **Control Bodies** in both countries
- Single set of rules for **project implementation**: reporting periods, eligible expenditure, information and publicity, public procurement



Lead Beneficiary principle (1)

- **One Lead Beneficiary represents the project and bears overall responsibility in the frame of one partnership agreement for all project partners**
 - 1) Signing partnership agreement for relations with partners in the project
 - 2) Ensuring project development, submission of project proposal to JTS and project implementation
 - 3) Ensuring that expenditure presented by partners has been paid during implementation (corresponding to the activities) and has been validated by Control Bodies



Lead Beneficiary principle (2)

- **One Lead Beneficiary represents the project and bears overall responsibility in the frame of one partnership agreement for all project partners**
 - 4) Collecting declarations of validation of expenditure from partners, submitting project progress report and application for reimbursement to JTS
 - 5) Upon receipt of Community funding, transferring funding to partners



Reporting procedure

- **4-month reporting periods**
- **3-month submission period** for project progress report and application for reimbursement
 - 1) Each Project Partner submits partner report to Control Body
 - 2) Control Body checks partner report and issues declaration on validation of expenditure based on the invoices (on-the-spot checks carried out if needed)
 - 3) Lead Beneficiary collects declarations on validation of expenditure from each partner and prepares application for reimbursement
 - 4) Lead Beneficiary prepares project progress report and hands it in with the application for reimbursement to the JTS



Payment procedure

- **Payment procedure**
 - 1) JTS-MA-CA: approval of application of reimbursement and transfer of community funding to VÁTI Kht
 - 2) Functionally independent unit of VÁTI Kht transfers community funding to the Lead Beneficiary



Lead Beneficiary - Project Partner (1)

	Lead Beneficiary (LB)	Project Partner (PP)
Programme body to contact	JTS	<ul style="list-style-type: none"> • <u>For HR PP</u>: Control Body in Croatia (MRDFWM) • <u>For HU PP</u>: Control Body in Hungary (VÁTI Kht)
Contract type for the awarded subsidy	Subsidy contract for Community funding with MA	<ul style="list-style-type: none"> • <u>For HR PP</u>: if relevant, state contribution contract concluded with MRDFWM • <u>For HU PP</u>: state contribution contract concluded with VÁTI Kht on behalf of NDA



Lead Beneficiary - Project Partner (2)

	Lead Beneficiary (LB)	Project Partner (PP)
Contractual liability	Between MA and LB: <u>subsidy contract</u>	Between LB and PP-s: <u>partnership agreement</u>
Responsibility	Whole project	Given project part
Report type	Project progress report to JTS	Partner report to Control Body
Financial documentation	Application for reimbursement – JTS	Declaration on verification of expenditure – Control Body



Partnership

- Role of the Lead Beneficiary
 - Number of partners
- Reliability of Project Partners



Financial considerations

- Financial liquidity of Project Partners due to the timeframe needed for reimbursement of costs
- Advance payment only in Hungary for the amount of state contribution per partner
- Differences in minimum amount of own contribution
 - HU: 5% for each Project Partner
 - HR: 15% for public entities, private entities do not have obligation for own contribution
- Contracts will be stipulated in EUR



Human resources

- Elaboration of a proper partnership agreement
- Managing procurements according to PraG



Thank you for your attention!

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Hungary-Croatia
IPA Cross-border Co-operation Programme

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