

CALL FOR PROPOSALS
FOR BILATERAL ACTIVITIES
under

the Bilateral Fund on programme level
Renewable Energy Programme (HU03)
EEA Financial Mechanism 2009-2014

for Cooperation with Donor partners
“B” component
(HU03-Bilat-B-2017)

Valid from: 14th July, 2017 until withdrawal

Table of contents

1.	BACKGROUND AND OBJECTIVES.....	3
1.1.	Overall objectives of the Fund and the present call.....	3
1.2.	Specific objectives and fields of intervention of the present call	4
2.	ELIGIBILITY RULES AND PROVISION ON CONTENT OF INITIATIVES.....	4
2.1.	Eligible Applicants	4
2.2.	Eligible partners.....	5
2.3.	Eligible activities	5
2.4.	Eligible expenditures	6
2.5.	Excluded costs	8
2.6.	Mandatory output indicators.....	8
2.7.	Duration of activity implementation.....	10
2.8.	Applicable state aid rules.....	10
3.	FINANCIAL CONDITIONS.....	11
3.1.	Budget of the call.....	11
3.2.	Grant rate	12
3.3.	Grant amount	12
3.4.	Collateral	12
3.5.	Provisions regarding the disbursement of the grant	12
4.	ADMINISTRATIVE INFORMATION	13
4.1.	The mode of the submission of applications	13
4.2.	Deadline for the submission	13
4.3.	Supporting documents to be uploaded as an attachment to the application:	14
4.4.	Further information and contact information	14
5.	SELECTION PROCEDURE.....	15
5.1.	Review of eligibility and administrative criteria	15
5.2.	Decision-making.....	16
5.3.	Conclusion of the contract.....	16
5.4.	Appeal procedure.....	17
6.	REPORTING ON AND MONITORING OF IMPLEMENTATION.....	17
6.1.	Reporting and monitoring.....	17
6.2.	Monitoring and further control of implementation.....	18
7.	LEGAL FRAMEWORK	19
8.	ANNEXES	19

1. BACKGROUND AND OBJECTIVES

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 Applicant 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 as annex of the grant agreement**, at least an Official Exchange of Letters shall be submitted with the application. The Official Exchange of Letters shall contain the necessary information regarding the partnership.

The Ministry of National Development as Programme Operator responsible for the implementation of the EEA Financial Mechanism 2009-2014, Renewable Energy programme (HU03) based on the Chapter 15 of the Government Decree 326/2012. (XI.16.) concerning the EEA and Norwegian Financial Mechanisms 2009-2014 is **launching the present call for proposals for bilateral activities contributing to the overall objectives of the EEA Financial Mechanism and the outcomes of the Renewable Energy (HU03) programme:**

Overall objective of the EEA Financial Mechanism:

- to reducing social and economic disparities as well as
- strengthening bilateral relations, first of all by supporting education, capacity building, networking and raising awareness of renewable energy.

The Memorandum of Understanding (MoU) on the Implementation of the EEA Financial Mechanism 2009-2014 between the Donor the Republic of Hungary lays down the expectations concerning the Programme “Renewable Energy”, i. e.:

- Increased renewable energy production
- Improved capacity at national, regional and local level on renewable energy solutions
- Increased awareness of and education in renewable energy solutions

Hungary's National Energy Strategy 2030 aims to ensure the long-term sustainability, security and economic competitiveness of domestic energy supply. One of the most important means of achieving the goals is to increase the share of renewable energy.

The goal of “strengthen the bilateral relations between the Donor States and Hungary” under Renewable Energy Programme (HU03) will be implemented and granted by two sets of activities:

1. “Geothermal workshop in Iceland for local governments” so called “A” component (HU03-Bilat-A-2017, for further details, please see the relevant call for bilateral activities) and
2. “Cooperation with Donor partners”, so called “B” component (HU03-Bilat-B-2017, present call).

The present call specifically encourages cooperation between Hungarian and Donor States’ entities in the field of renewable energy.

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 renewable energy / exchange of experience regarding renewable energy.

Please note that the publication of the present call does not imply any commitment. Submission of the proposal for bilateral activities is not approved automatically. The request will be assessed by the institutions responsible for the implementation. Based on the recommendation of the Donor Programme Partner Icelandic National Energy Authority (Orkustofnun) the grant decision is taken by the head of the Programme Operator, which will take effect by signing of the grant agreement.

2. ELIGIBILITY RULES AND PROVISION 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 2.8).

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 2.8).

Partnership agreement shall be concluded (at the latest as the annex of the grant agreement), at least an Official Exchange of Letters shall be submitted with the application.

2.3. Eligible activities

The bilateral activities described herewith are necessary to achieve the expected results of the initiatives and thereby shall contribute to the overall objectives of the EEA Financial Mechanism, to the outcomes of the Renewable Energy (HU03) programme and to strengthen the bilateral relations between the Donor States and Hungary. Therefore, the listed activities are mandatory, i.e. each activity has to include them. No other activities may be eligible for support under the present call.

2.3.1. Exchange of experience

Each application shall propose **at least one of the below actions** to be implemented.

Eligible actions:

- 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,
- Preparation of training materials,
- Preparation of expert studies,
- Awareness-raising activities.

All the above listed 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 within the frame of the grant amount set in Chapter 3.3.

2.3.2. Publicity and dissemination

The Beneficiaries shall communicate the achievement and results of their activity and shall acknowledge the support received from the EEA Grants to the relevant audiences at national, regional and local levels, and use the visual image¹ of the EEA 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 Hungarian and in English.**

As a minimum, a report has to be prepared both in Hungarian and in English and published on the Beneficiary's website (or any appropriate webpage) and also on each of the involved partners' website, presenting the actions made, results achieved and lessons learnt.

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 Communication and Design Manual¹ (see Annex 5)

Activities are eligible for: Beneficiary, Partner(s)

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

2.4. 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 2009-2014².

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. As sufficient proof of costs incurred by the Donor partner(s) 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. Eligibility of expenditures will be checked and verified by the Implementing Agency.

2.4.1. Period of eligibility

¹ <http://eeagrants.org/Results-data/Toolbox-for-programmes/Communications>

² <http://eeagrants.org/Results-data/Documents/Legal-documents/Regulations-with-annexes/EEA-Grants-2009-2014>

The **first date of eligibility is the day when the Programme Operator published 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 shall contain the date when the implementation has actually started.

The final date of eligibility of expenditures shall be the final date of the implementation of the initiative recorded in the contract that has to be the latest by the deadline set in Chapter 2.7 of this call.

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.

2.4.2. Types of eligible expenditures

In the application the total eligible budget of the activity 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 activity are listed below:

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.

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.

Please note that only the above (explicitly) listed expenditures are eligible under this call.

2.4.3. Contingency (Reserve)

No contingency (reserve) can be applied under this call.

2.5. 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 forming Annex 1 of the present call.

2.6. Mandatory output indicators

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

Output indicator	Description of the indicator	Minimum target value
Number of signed partnership agreement with Donor partner /Official Exchange of Letters	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 / in the Official Exchange of Letters.	1
Number 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
Number 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
Number of different types of joint publicity actions implemented	As a minimum, online presence has to be implemented, which serve the dissemination of the actions made, results achieved and lessons learnt in the framework of the implemented initiative.	1

Further mandatory indicators to be defined, but without a specific minimum target value

Output indicator	Description of the indicator	Unit of measure
Number of persons taking part in the actions of the activity	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
Number of Hungarian and Donor State organizations taking part in the actions of the activity	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.

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

2.7. Duration of activity implementation

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

In line with article 2.4.1. of this call, the activity 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 activity has not been started earlier, than the date of conclusion of the contract will be considered as the **activity start date**, in other cases, the actual start date of the initiative⁴ will be set in the contract.

An activity 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 **the final date of the implementation should not be later than 15 October 2017**.

The Programme Operator reserves the right to modify the above indicative final deadline based on the number of received applications, and will issue a notification on the www.norvegalap.hu website to inform the Applicants if such extension applies.

The beneficiary shall submit the **final report and the final payment request** within 30 days after the completion.

The **date of initiative closure** is the day on which the Programme Operator accepts the final report.

2.8. 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).

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.

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;
- 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. Budget of the call

Name of financial resource: European Economic Area Financial Mechanism 2009-2014

Name of the programme area: Renewable Energy (HU03)

Name of the fund: Bilateral Fund

Common indicative budget of “A” component and “B” component: 43.056.000 HUF (138.000 EUR)

Please note: Proposals under “A” component receive priority during the selection procedure.

The Programme Operator reserves the right to increase the above indicative allocation based on the number of received applications become available within the Fund, and will issue a notification on the www.norvegalap.hu website to inform the Applicants if such increase applies.

3.2. Grant rate

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.

3.3. Grant amount

Activities are implemented with **maximum 5 participants**, the **minimum amount of grant assistance applied for is 2 000 EUR; the maximum grant amount is 10 000 EUR.**

Activities are implemented with **more than 5 participants**, the **minimum amount of grant assistance applied for is 2 000 EUR; the maximum grant amount is 61 000 EUR.**

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.

Please note, grant is provided in EUR. Additionally, all pay-off shall be handled in EUR.

3.4. Collateral

The beneficiaries **do not have to provide** collateral.

3.5. Provisions regarding the disbursement of the grant

Grant will be disbursed as a **reimbursement of actually incurred expenditure**. The report submitted by the beneficiary **within 30 days after completion of the activity** (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 Programme Operator shall make a decision whether to approve the report and on the eligible grant amount. The Programme Operator may raise clarification questions towards the beneficiary. Once the Programme Operator makes its decision, the Implementing Agency shall inform the beneficiaries on the Programme Operator'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 Programme Operator's approval of the report and the payment claim.

In case of any payment claims, 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 / in the separate contract between the Promoter and the partner(s).**

4. ADMINISTRATIVE INFORMATION

4.1. The mode of the submission of applications

To submit an application, the Applicant has to be registered at the official website of the Grants: www.norvegalap.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.**

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:

“Bilateral activities for Cooperation with Donor partners – “B” component – HU03-Bilat-B-2017”

NFFKÜ - Nemzetközi Fejlesztési és Forráskoordinációs Ügynökség Zrt.
1037 Budapest, Szépvölgyi út 39.

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.

4.2. Deadline for the submission

- The deadline for submission the filled annexes electronically through the website:
31th July, 2017, 15:59 hrs,
- Deadline for submitting documents by conventional mail:
31th July, 2017, 23:59 hrs

Applications shall not be submitted in person or by courier service. Please note that applications cannot be submitted by hand-delivery.

4.3. 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 / Official Exchange of Letters	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)) (template attached in Annex 6)
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.

4.4. Further information and contact information

All official information regarding the present call for proposals is available on the following site: 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.norvegalap.hu within 8 days. Applicants shall take into account that reply to questions are only guaranteed in case questions were asked at least 10 days prior to the submission deadline.

5. SELECTION PROCEDURE

5.1. 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 the deadline set in Chapter 4.2;
- the electronic application form is filled in the English language;
- the declaration printable after submission of the electronic application form was submitted before the deadline set in Chapter 4.2;
- 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 set in the call;
- 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 / the submitted Official Exchange of Letters is adequate for the justification of a partnership.

If the application is incomplete or any information provided is unclear, the Implementing Agency shall call upon the Beneficiary to remedy the deficiencies within 3 working 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 Programme Operator for professional eligibility check in 3 working days.

After receiving the applications the Programme Operator shall check the following **professional eligibility criteria**:

- the activity will contribute to strengthened cooperation between Hungary and the Donor State(s);
- the activity is related to Renewable Energy (HU03) programme area's targets;

- the activity proposal includes the mandatory eligible activities
- the planned budget of the activity is in line with the requirements of the call.

Clarification questions during the project appraisal may be addressed to the Project Promoter, which shall be answered within 3 working days.

5.2. Decision-making

Following review carried out by the Implementing Agency and the professional eligibility check of Programme Operator, the Programme Operator **shall make the following decisions**:

- to grant funding without modification,
- to grant funding with a reduced total amount of eligible costs, with reduced grant amount or with conditions,
- to reject funding (for serious professional deficiencies, or the lack of sources, in this case Programme Operator may set up a reserve list).

Once the decision is made, the Programme Operator shall forward it for non-objection to the Donor Programme Partner Icelandic National Energy Authority and to the Royal Norwegian Embassy in Budapest. If the Donor Programme Partner and the Embassy does not provide its objection within 2 working days, the Programme Operator'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).

5.3. 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 Programme Operator the contract prepared for signature that is then to be forwarded to the beneficiary for signature.

The notification on the grant decision may set out further conditions for the conclusion of the contract. The contract will be concluded between the Programme Operator and the 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.

5.4. 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, Szépvölgyi út 39.

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

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 activity. 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;
- dissemination and publicity activities implemented with the underpinning documentation;
- sustainability of the action/ action's results;
- 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 Programme Operator shall make a decision whether to approve the report. To this end, the Implementing Agency and/or the Programme Operator 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 Programme Operator. 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.norvegalap.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 but not later than 15th of December, 2017.

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. Monitoring and further control of implementation

Monitoring visits shall be conducted by the Programme Operator. Such actions of the Programme Operator 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;
- Regulation on the implementation of the EEA 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;

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: Communication and Design Manual (in English)

Annex 6: Declaration on the transparency of the organisation (in Hungarian)