



**Interreg**



**SLOVENIA - HUNGARY**

European Union | European Regional Development Fund

# **ANNUAL IMPLEMENTATION REPORT 2019**

Cooperation Programme  
Interreg V-A Slovenia-Hungary  
in the Programming Period 2014-2020

June 2020

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## 1. IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

CCI	2014TC16RFCB053
<b>Title</b>	Cooperation Programme Interreg V-A Slovenia-Hungary
<b>Version</b>	1.3
<b>Reporting year</b>	2019
<b>Date of approval of the report by the Monitoring Committee</b>	5 June 2020

## 2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013 AND ARTICLE 14(3)(A) OF REGULATION (EU) No 1299/2013)

Key information on the implementation of the cooperation programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.

This is the fifth Annual Implementation Report for the Cooperation Programme Interreg V-A Slovenia-Hungary 2014-2020 (CP). It provides information on the progress in programme implementation achieved in 2019. The report was prepared by the Government Office for Development and European Cohesion Policy acting as the Managing Authority of the programme in cooperation with its programme partners. The Monitoring Committee (MC) approved the Annual Implementation Report 2019 on **5 June 2020 in the framework of the 15<sup>th</sup> written procedure Interreg V-A SI-HU.**

Programme meetings, selection of projects and preparation of the manuals

The year 2019 saw active implementation of the programme. During the year, four additional projects were approved, six payment requests were sent to the European Commission (EC), and the 6<sup>th</sup> deadline for submission of project applications closed. The Managing Authority (MA) and the Joint Secretariat (JS) met once with the programme partners (National Authority (NA), Certifying Authority (CA), First Level Control (FLC) and Audit Authority (AA)) at the bilateral programme group meeting on 8 January 2019 in Radenci to discuss topics related to the programme implementation (audit trail in the e-MS, irregularities and procedures according to Article 143 of the Common Provisions Regulation).

The 6<sup>th</sup> submission deadline for project proposals closed on 18 June 2019. By that deadline, the MA received 21 project applications which were assessed against assessment criteria developed by the Monitoring Committee (MC). The 8<sup>th</sup> MC meeting was held on 17 October 2019; MC members approved four out of nine project applications received under Priority Axes. Other projects were rejected due to lack of available funding for the priority.

MC members met on 17 October 2019 at the 8<sup>th</sup> MC meeting. Besides deciding on the project selection, MC members:

- were informed of the state of programme implementation in the period 2014-2020,
- were presented with the results of the second Evaluation of the efficiency and effectiveness of the CP Interreg V-A SI-HU,
- approved the Annual Communication Plan 2020,

- were updated on the activities in the field of fight against fraud, conflict of interests, irregularities and audits,
- were updated on the activities carried out for the purpose of promotion of programme and projects.

A workshop for potential applicants and beneficiaries was organised on 14 May 2019 in Maribor, Slovenia in the frame of the 6<sup>th</sup> submission deadline. Around 60 workshop participants received useful information from the MA and the JS staff, including on the state of play of the CP, on how to use the electronic monitoring system (eMS) in practice in connection with the development of good intervention logic with focus on the 2<sup>nd</sup> Priority Axis and eligibility rules. In the second part of the workshop, the consultation with lead partners of the approved projects helped participants learn how to prepare a quality project. Upon the closure of the workshop, the MA presented a preliminary look into the future Interreg Programme Slovenia-Hungary. In general, participants liked the workshop, particularly because it was more focused. In order to assist in project development, the JS/IPs carried out individual consultations with potential beneficiaries: 19 consultations were held on a face-to-face basis and many more over the phone.

Parts of the Implementation Manual for Beneficiaries, **Part 5 – Reporting Guidelines and Part 7 – Archiving and Closure** were adapted and published during the reporting year.

The MA and JS together with MAs and both JSs of Interreg Programmes Slovenia-Austria and Slovenia-Croatia hosted representatives of the Interreg V-A Cross-Border Cooperation Programme Finland-Estonia-Latvia-Sweden (Central Baltic) 2014-2020 on 27 February 2019 as part of a study visit. This international meeting was held in order to exchange experience in managing cross-border cooperation programmes in the period 2014-2020.

#### **System audit and audits of the operation**

Follow-up system audits of MA/JS, CA, SI FLC and HU FLC were carried out by AA and AB in December 2018 with final reports delivered in April and May 2019. A follow-up audit established that the system in place at the relevant bodies worked, while some improvements were still needed (Category 2).

The fraud risk self-assessment for the programme was updated on 22<sup>nd</sup> March 2019 based on the audit recommendation. 15 fraud risks under four risk categories were identified. Additional category was added - Programming of the post-2020 programmes.

An additional workshop was carried out for FLCs that use Arachne in June 2019. The MA provided FLCs with access to Arachne and gave in-depth instructions on its use.

The Group of Auditors (Audit Authority and Audit Body (AA, AB)) performed audits of operations for 5<sup>th</sup> accounting year where three operations (IronCurtainCycling, e-documenta Pannonica and HORSE BASED TOURISM – HBT) in the total amount of 1.318.272,02 € were audited. In the frame of audits beside some minor irregularities with financial consequences, identified by the AA and AB, the AA, during the audit of the operation SIHU115 IronCurtainCycling PP6: Municipality Lendava, detected the following irregularity:

In the frame of the audit it was established that the auditee (PP6) purchased the property/land<sup>1</sup>, for the purpose of constructing a “glamping centre” and arranging a space for tenting. Besides this an integral part of the property subject of the purchase represents a residential property (house). Analysing the results and objectives of the project, defined by the auditee in the application form, it was established by AA, that the purchase of the house is not in a direct link with analysed objectives of the project. According to the eligibility rules<sup>2</sup>, expenditures are eligible for funding if they are essential or necessary for the achievement of the

<sup>1</sup> Building land and also a residential property (house) with associated land.

<sup>2</sup> General eligibility provisions defined in Part 4 of the Eligibility of Expenditure Manual of the CP as well as in

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project's objectives/goals. Consequently, part of the purchase of real estate (residential property) was defined not eligible for financing in the frame of the operation.

AA recommended MA, on the established during the audit, to determine, based on appropriate valuation, what proportion of the purchase of the property is a residential property for which the auditee is not eligible for co-financing by the ERDF funds under the project and to take appropriate action. MA made this valuation in the total amount of 70.470,79 € (ERDF 59.900,17 €) which presents the amount of financial correction of the described irregularity above.

In order to exclude the systemic nature of the detected irregularity additional verifications have been requested to the MA/JS. No similar cases were found. In the future, the JS will give special attention to this kind of investments during site visits. The MA/JS sent a letter to all project partners specifying how to implement such actions correctly. A set of measures specifically put in place to prevent or mitigate such cases included:

- **the listing of topic among Frequently asked questions and answers on the programme website,**
- **a letter from the MA/JS instructing the FLCs to give special attention to the matter during the control of investments and requiring that special attention be given to the matter during on-the-spot checks,**
- **for the remaining unfinished investments in other projects the JS will perform site visits after these projects are completed.**

The programme uses the e-monitoring system (eMS). The eMS system and the set of its functionalities fully comply with the e-Cohesion regulatory requirements (according to the final audit opinion). The development of the information system is work in progress with the system being constantly updated with new and improved features. The activities were carried out throughout 2019.

### Publicity and communication measures

The MA is responsible for coordinating the tasks linked to the requirements on information, publicity and transparency as well as for the information and communication activities regarding the CP as set out in Articles 115 and 116 of the CPR. In line with the Communication Strategy, apart from workshops for potential applicants and signing of subsidy contracts with beneficiaries, the programme authorities also organised one major event for the general public in the context of the EC DAY initiative called "Family cycling day". A one-day-tour gathered a group of 250 participants from Slovenia and Hungary in Páka, Hungary where they learned about the Iron Curtain cycling, GO IN NATURE and TELE-KA-LAND projects. The participants were offered biking and hiking tours across the area between the Slovenian and Hungarian border. Cyclists were offered two tours, a shorter 35-kilometre tour and a longer 80-kilometre one. The event was a nice opportunity for the general public and representatives of various institutions to exchange experiences, opinions and socialize. The event was promoted with media coverage.

At public events participants received promotional items (notepads, pens etc.). The programme dedicated website in all three language versions was continuously updated, 42 **news articles** were published (news concerning the activities and novelties of the programme itself and news articles shedding light on projects' activities); 212 people subscribed to the Programme Newsletter and received a total of 38 e-newsletters. In 2019, as many as 2,983 visitors visited the programme website making a total of 9,754 visits. The programme is building a social media presence via its Facebook page with the activities of the programme and projects being regularly posted. During its operation, 183 people signed up and liked the page, a total of 43 posts were published and the highest number of people reached by a single post was 630. The agreed uniform visual identity was used for all programme documents (e.g. invitations, handouts, presentations), on the programme website, promotional materials and labelling of the events and other activities.

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the Guidelines for Reporting Eligible Expenditures for Slovenian Beneficiaries in 2014-2020,

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### Contribution to the output indicators

Expected contribution of the projects approved under PA1 to the programme output indicators:

- projects will contribute to the increase in the number of visits to supported sites of cultural and natural heritage and attractions (CO009) with 46,325 visitors; **22,353 visitors recorded by the end of 2019;**
- it is foreseen that 4,261 people will participate in interpretation and educational events related to cultural and natural heritage (6c.2); **4,640 participants recorded by the end of 2019;**
- the approved projects are expected to develop 96 new CB-tourism-related products/services contributing to indicator 6c.3; **72 such products or services delivered by the end of 2019;**
- approved projects will contribute to the indicator 6c.4 (cycle tracks and footpaths) with 28,14 km of newly built or reconstructed roads/cycle tracks and footpaths; **24,14 km of roads/cycle tracks and footpaths reconstructed or built by the end of 2019** (in addition to 24,14 km 252-kilometre network of marked roads/cycle tracks and footpaths).

Expected contribution of the projects approved under PA2 to the programme output indicators:

- 455 institutions will participate in cross-border initiatives, contributing to the indicator 11.1; **397 institutions participated by the end of 2019;**
- approved projects will contribute to the indicator 11.2 - Number of joint professional agreements and protocols with 23 signed agreements; **16 agreements signed by the end of 2019.**

### Financial data

Six interim payment claims were sent to the Commission in 2019 amounting to EUR **3,617,467.64 EUR** in ERDF funding (EUR **4,374,495.69** of total eligible costs). Commission made regular payments following the receipt of **reimbursement claims** within a one-month deadline or even earlier. A total of EUR **13,295,015.00** in ERDF funding was allocated to twenty-four approved projects (without Technical Assistance), which represented 100% of the ERDF funding allocated to both Priority Axes. Seven Technical Assistance (TA) projects were approved and the programme reached 100% of available ERDF funding. At the programme level, the share of all contracted **EU funds** stood at **92%** at the end of the year, since **four out of twenty-four project contracts were signed in the beginning of the 2020**. All approved projects and TA projects are being implemented. Pre-financing of project activities is covered by the participating institutions' own budget resources. No project was fully implemented by the end of 2019.

## 3. IMPLEMENTATION OF THE PRIORITY AXIS (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

### 3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	<b>ATTRACTIVE REGION</b>	<p>All funds available under PA1 were allocated to projects after the 5<sup>th</sup> submission deadline. For this reason, the MC members decided to suspend the submission of project proposals under PA1.</p> <p>In the frame of the 5<sup>th</sup> submission deadline, the MC members decided to approve only one out of two project applications that reached the threshold of 75 points due to lack of funding under PA1 (HOUSES). As the requested funding for the project was higher than the available funding, the MC members asked the JS to inform the project partners of different options how to fill the funding gap of EUR 40,166.03 in ERDF funding on</p>

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		<p>a face-to-face meeting before signing the subsidy contract. The subsidy contract for the project was signed in 2019. At this stage, all available funds under PA1 have been allocated to projects and all relevant subsidy contracts have been signed.</p> <p>Similarly, no significant problems have been identified in the implementation of PA1.</p>
2	<b>COOPERATIVE REGION</b>	<p>Subsidy contracts for two projects selected in the frame of the 5<sup>th</sup> deadline were signed at the beginning of 2019. The final decision on the projects assessed in the scope of the 6<sup>th</sup> deadline was made in 2019. At the 8<sup>th</sup> MC meeting held on 17 October 2019, the MC members approved four projects under PA2 (MOTIVAGE, GreenReg, SI-HU PRO and capCROSSplan).</p> <p>The 6<sup>th</sup> deadline for submission of projects proposals under PA2 was set for 18 June 2019. 21 project applications were received by the deadline requesting a total of EUR 5.7 million in ERDF funding. 13 project proposals out of 21 passed the administrative and eligibility check. The MC members decided to approve only four projects out of nine that reached the threshold of 75 points or more. The sum requested for the project SIHU221 capCROSSplan exceeded the available funding and the MC members asked the JS to inform the project partners of different options how to fill the funding gap of EUR 78,586,64 in ERDF funding on a face-to-face meeting before signing the subsidy contract. Subsidy contracts with lead partners (LP) of the selected four projects from the 6<sup>th</sup> deadline were signed in 2020. At this stage, all funding available under this PA has been allocated to projects.</p>
3	<b>TECHNICAL ASSISTANCE</b>	<p>The Technical Assistance (TA) activities are to finance the preparatory, management, monitoring, evaluation, information and control activities of the Interreg SI-HU Programme, together with activities to reinforce the administrative capacity for implementing the funds. The TA budget for the period 2014-2020 amounts to EUR 1,500,000.00 and comes from the ERDF.</p> <p>The following major activities were implemented under TA in 2019:</p> <ul style="list-style-type: none"> <li>• activities in connection with the implementation and monitoring of the programme;</li> <li>• Monitoring Committee meeting (8<sup>th</sup> meeting of 17 October 2019) to discuss approval of projects, provide update on the current stage of programme implementation, on the activities in the field of fight against fraud, conflict of interests, irregularities and audits and on information and publicity activities - ETC Day 2019, to approve the Annual Communication Plan 2020;</li> <li>• information and publicity measures; organisation of the event "Family cycling day" in the context of the EC DAY initiative (14 September 2019);</li> <li>• preparation of documentation and activities in connection with the open call for projects (5<sup>th</sup> and 6<sup>th</sup> deadline);</li> <li>• consultancy/support to potential applicants, partners of already submitted projects, and organization of face-to-face meetings with LP/PP of approved projects;</li> </ul>



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		<ul style="list-style-type: none"> <li>• JS members carried out assessment procedures of projects submitted in the frame of the 6<sup>th</sup> deadline for submission of applications;</li> <li>• preparation of four written procedures;</li> <li>• site visits for the approved projects carried out according to the site visit plan for 2019;</li> <li>• update on programme documents (reporting guidelines, archiving and closure guidelines);</li> <li>• organisation of a workshop for potential applicants;</li> <li>• signing of three subsidy contracts;</li> <li>• preparation of a procurement procedure for external evaluator hired to prepare impact evaluation of the CP Interreg V-A Slovenia-Hungary, selection of external experts, coordination of the preparation of the first draft impact evaluation;</li> <li>• carrying out of internal evaluation of the efficiency and effectiveness of the programme.</li> </ul> <p>No significant problems have been identified in the implementation of PA3 (Technical Assistance) at this stage of implementation.</p>
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3.2. Common and programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Data for common and programme-specific indicators by investment priority transmitted using tables 1 to 2 below.

**TABLE 1: Result indicators (by priority axis and specific objective);** applies also to technical assistance priority axis

Automatic from SFC						ANNUAL VALUE										Observations (if necessary)
ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
1.1	Number of overnight stays in the programme area	Number	5,269,268	2014	5% increase 5,532,728					6,601,261						official statistics
2.1	The level of cross-border cooperation at institutional level in the programme area	scale	3.05	2015	20% increase 3.66					3.58						

**TABLE 2: Common and programme specific output indicators (by priority axis, investment priority); applies also to technical assistance priority axes.**

S – Selected operations F – Fully implemented operations*	ID	Indicator (name of indicator)	Measurement unit	Target value <sup>3</sup> (2023)	CUMULATIVE VALUE										Observations (if necessary)
					2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
S	CO09	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (EU)	Visits/Year	10.000	0	0	3.000	28.225	44.325	46.325					
F					0	0	0	0	0	21.833					
S	6c.2	Number of people participating in interpretation and educational events related to the cultural and natural heritage (P)	Number	2000	0	0	0	3.991	4.261	4.261					
F					0	0	0	0	0	559					
S	6c.3	Number of joint cross-border touristic products /	Number	12	0	0	8	75	95	96					
F					0	0	0	0	0	30					

<sup>3</sup> Targets are optional for technical assistance priority axes.

		<i>services newly developed (P)</i>													<b>HBT were completed by the end of 2019.</b>
S	6c.4	<i>Length of cycle tracks and footpaths</i>	<i>km</i>	8	0	0	0	28,14	28,14	28,14					
F					0	0	0	0	0	0,92					<b>Project ESCAPE was completed by the end of 2019.</b>
S	11.1	<i>Number of institutions/org anizations involved in cross-border initiatives</i>	<i>Number</i>	100	0	0	0	277	291	455					
F					0	0	0	0	0	373					<b>Projects Right Profession, E-CONOMY and Back in the day were completed in 2019.</b>
S	11.2	<i>Number of joint professional agreements and protocols</i>	<i>Number</i>	20	0	0	0	13	16	23					
F					0	0	0	0	0	4					<b>Projects Right Profession and Back in the day were completed in 2019.</b>
S	3.1	<i>Number of successfully implemented projects</i>	<i>Number</i>	36	0	7	8	19	27	31					Subsidy contract was not signed by the end of 2019 for 4 out of 31 approved projects.
F					0	0	0	0	0	6					

S	3.2	Number of programme events	Number	14	0	14	14	14	14	14					
F					0	1	5	9	11	13					
S	3.3	Full time equivalent positions financed by the Technical Assistance for the implementation of the Cooperation Programme	Number	9	0	9	9	9	9	9					
F					0	3,5	9,14	9,14	9,75	10.01					The number of FTEs already employed and co-financed by the Technical Assistance.

\* **S** - Selected operations [forecast provided by beneficiaries]

**F** - Fully implemented operations [actual achievement]

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) – submitted in annual implementation reports from 2017 onwards

Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).

TABLE 3: Information on the milestones and targets defined in the performance framework

Priority Axis	Indicator Type (Key implementation step, financial, output or, where appropriate result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Observations (if necessary)
1	Financial indicator	P1.1	Amount of certified expenditure for Priority Axis 1	Euro	600,000.00	11,764,705.89	0	0	0	482,802.29	3,868,442.81	5.647.485,72					
1	Output indicator	CO09	Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits / Year	800	20,000	0	0	0	0	12,653	22,353.00					
2	Financial indicator	P2.1	Amount of certified	Euro	465,755.10	3,876,488.24	0	0	0	82,474	502,279.34	915.798,94					

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			expenditure for Priority Axis 2														
<b>2</b>	<i>Output indicator</i>	11b.1	<i>Number of institutions/ organizations involved in cross-border cooperation</i>	<i>Number</i>	12	100											<p>*The target number was achieved and reported by the end of 2018. The reason for such overachievement lies mostly in approved project Right profession II with target 201, but already reached 299 involved organisations. The project has submitted the methodology and supporting documents.</p>
							0	0	0	0	337*	383					
<b>2</b>	<i>Output indicator</i>	11b.2	<i>Number of joint professional agreements and protocols</i>	<i>Number</i>	3	20											
							0	0	0	0	4	16					

\* Member States submit cumulative values for output indicators. Values for financial indicators are cumulative. Values for the key implementation steps are cumulative if the key implementation steps are expressed by a number or percentage. If the achievement is defined in a qualitative way, the table should indicate whether they are completed or not.

## 3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

**TABLE 4: Financial information at priority axis and programme level** as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014<sup>4</sup> [Model for transmission of financial data]<sup>5</sup> and table 16 of model for cooperation programmes under the European territorial cooperation goal

Priority Axis	Fund	Calculation basis	Total funding	Co-financing rate	Total eligible cost of operations selected for support	Proportion of the total allocation covered with selected operations	Public eligible cost of operations selected for support	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries	Number of operations selected
1	ERDF	Total	11,764,706.00	85.00%	11,793,960.05	100,25%	11,533,125.41	5,720,023.79	48,62%	12
2	ERDF	Total	3,876,489.00	85.00%	2,689,937.59	69,39	2,557,655.23	1,018,329.39	26,24%	8
3	ERDF	Total	3,000,000.00	50.00%	3,000,000.00	100,00%	3,000,000.00	850,539.50	28,35%	7
<b>Total</b>	ERDF		18,641,195.00	79.37%	17,483,897.63	93,79%	17,090,780.63	7,588,892.65	40,71%	27
<b>Grand total</b>			<b>18,641,195.00</b>	<b>79.37%</b>	<b>17,483,897.63</b>	<b>93,79%</b>	<b>17,090,780.63</b>	<b>7,588,892.65</b>	<b>40,71%</b>	<b>27</b>

<sup>4</sup> OJ L 286, 30.9.2014, p. 1.

<sup>5</sup> Structured data required for the report on YEI which is to be submitted in April 2015 in accordance with Article 19(3) and Annex II of Regulation (EU) No 1304/2013.



Where applicable, the use of any contribution from third countries participating in the cooperation programme should be provided (for example IPA and ENI, Norway, Switzerland)

*Not applicable for the Cooperation Programme Interreg V-A Slovenia-Hungary.*

**TABLE 5: Breakdown of the cumulative financial data by category of intervention (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013) as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for transmission of financial data] and tables 6-9 of Model for cooperation programmes**

#### Dimension 1 Intervention field

Priority axis	Code	Amount selected for support (EUR)	Expenditure declared by the beneficiary to the MA
1	032 Local access roads (new build)	500,000	180,566.78
1	034 Other reconstructed or improved road (motorway, national, regional or local)	500,000	541,700.35
1	090 Cycle tracks and footpaths	1,500,000	672,947.34
1	091 Development and promotion of the tourism potential of natural areas	1,500,000	1,487,845.17
1	093 Development and promotion of public tourism services	1,500,000	1,095,460.90
1	094 Protection, development and promotion of public cultural and heritage assets	2,500,000	1,140,350.65
1	095 Development and promoting of public cultural and heritage services	2,000,000	601,152.55

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2	119. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	1,000,000.00	500,284.38
2	120. Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilize for reform at national, regional and local level	2,295,015.00	518,045.03
3	121 Preparation, implementation, monitoring, inspection	1,300,000.00	671,794.31
3	122 Evaluation and studies	100,000.00	90,871.00
3	123 Information and communication	100,000.00	87,874.19

### Dimension 2 Form of finance

Priority axis	Code	Amount selected for support (EUR)	Expenditure declared by the beneficiary to the MA
1	01 non-repayable grant	10,000,000	5,720,023.79
2	01 non-repayable grant	3,295,015.00	1,018,329.39
3	01 non-repayable grant	1,500,000.00	850,539.50

### Dimension 3 Territory Type

Priority axis	Code	Amount (EUR)
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1	01 Large Urban areas (densely populated > 50 000 population)	1,000,000.00
1	02 Small Urban areas (intermediate density > 5000 population)	4,000,000.00
1	03 Rural areas (thinly populated)	5,000,000.00
2	01 Large Urban areas (densely populated > 50 000 population)	1,647,508.00
2	02 Small Urban areas (intermediate density > 5000 population)	988,504.00
2	03 Rural areas (thinly populated)	659,003.00
3	07 Not applicable	

TABLE 6: Cumulative cost of all or part of an operation implemented outside the Union part of the programme area

1	2	3	4	5
	The amount of ERDF support* envisaged to be used for all or part of an operation implemented outside the Union part of the programme area based on selected operations (EUR)	Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%)	Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside the Union part of the programme area declared by the beneficiary to the managing authority (EUR)	Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%)

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		(column 2/total amount allocated to the support from the ERDF at programme level *100)		(column 4/total amount allocated to the support from the ERDF at programme level *100)
All or part of an operation outside the Union part of the programme area <sup>6</sup>				

\* ERDF support is fixed in the Commission decision on the respective cooperation programme.

<sup>6</sup> In accordance with and subject to ceilings set out in Article 20 of Regulation (EU) No 1299/2013.

#### **4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)**

Synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, including the name and reference period of the evaluation reports used.

*The **second evaluation of the efficiency and effectiveness** of the results and outputs of the projects financed by the CP Interreg V-A Slovenia-Hungary was performed by the JS itself and completed in October 2019. Among others, it investigated the performance of the programme structures and their work during the implementation of the programme processes, and analysed the reporting procedures, the composition and effectiveness of the partnerships and their project management to draw evaluation conclusions and elaborate the relevant recommendations.*

*In general, the programme structures whose work relates to the open call are effectively set up and operate in a professional manner.*

*The JS (together with Info Points) functions efficiently and effectively, with the staff comprising Slovenian and Hungarian members. The staff possess solid knowledge of language and background of the regions, which ensures that both countries are well represented. As the teams are small, problems can arise if any staff member is absent for a longer period of time.*

*In both Slovenia and Hungary, FLC system is centralised and uniform for different programmes. This creates issues with overlapping reporting periods, which results in occasional work overload causing bottlenecks at the first step of the reporting process. The quality of cooperation among programme partners is perceived as solid.*

*Programme structures in general provide sufficient and good support to the potential beneficiaries in the project idea development phase. Programme structures emphasise the importance of one-on-one consultancy for beneficiaries stating it is more important than workshops, which was also confirmed by the beneficiaries.*

*The procedures related to the processing of the five rounds of applications submitted to the open call were carried out in a fairly efficient and effective manner. The support to potential applicants is well accessible and the overall quality of provided support is very good according to the users. However, experience in the processing of the five rounds of applications revealed further need for providing support.*

*Compared to the 2007-2013 period, the introduced changes to the programme procedures and processes have made the programme less user-friendly for applicants to some extent, in particular due to a stricter AB check procedure and greater complexity of the application forms coupled with deficiencies in the performance of the eMS. In terms of administrative procedures issues, the beneficiaries most often mentioned funding (reimbursement of ERDF contribution), which they believe to be slow. The efficiency of the project assessment and selection process in terms of the time needed for the MC to make its decision is relatively good, although there are some potential negative effects on the increase of the overall workload in each of the following deadlines due to repeated assessment procedures for the same project.*

*Experience from the first five rounds revealed further need for support: improving the capacities of applicants to establish appropriate intervention logic compliant with the CP, improving the overall quality of project proposals and giving support to new potential applicants in partner search.*

*All key programme and project implementation procedures are supported by the electronic monitoring system (eMS) which is used by all programme bodies, applicants and beneficiaries, albeit with different levels of accessibility.*

*Use of eMS and fewer accompanying documents mostly add to simplifying matters and reducing the overall administrative burden for the beneficiaries. The JS/Info Points promote the use of simplified cost options (SCO) at the workshops they carry out with the aim of simplifying cost options in order to reduce the amount of the needed paperwork and to speed up the reporting, verification and control procedures. The use of*

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SCOs is mandatory for the administrative cost category. It is offered by the programme as the only possible way of claiming this type expenditure and thus contributes to simplification for both the beneficiaries and FLC controllers.

Most of the approved projects are halfway through the implementation phase (some finished in July 2019, a subsidy contract for one project was signed in June). Therefore, the likely progress towards the targets of specific objectives is assessed on the basis of the projects' contribution to the targets achieved up to the cut-off date:

- With as many as 92.42% of the programme ERDF funds committed to the approved projects, these are likely to contribute effectively towards the achievement of the output indicator targets. The programme has achieved all set milestones (2018) of the performance framework. In terms of geographical coverage, the programme achievements are likely to be more visible in the Pomurje region and Vas and Zala counties.
- The implementation of the Communication Strategy is making steady progress towards the set objectives in accordance with the indicator target values. Programme information and information on funding opportunities and results of the assessment and selection procedures are made available to the public. In comparison to the (potential) beneficiaries and programme partners, the general public is the most difficult target group to reach.
- The participation of target groups in the programme shows that according to the programme partners the target audiences are aware of the existence of CP SI–HU. They perceive it as an attractive, but administratively quite demanding source of financing of their cooperation initiatives.

In the autumn of 2018, the preparation of the tender and public procurement for the selection of external experts for the preparation of the first **impact evaluation** of the CP Interreg V-A Slovenia-Hungary 2014–2020 kicked off. The evaluators were selected in March 2019 and the final results of this evaluation were available in the beginning of 2020.

## 5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (ARTICLE 50(2) of Regulation (EU) No 1303/2013)

### a) Issues which affect the performance of the programme and the measures taken

There were no major problems affecting the performance of the programme in 2019, however the programme did face several minor issues which needed a more focused attention. The issue of understanding the programme Priority Axis 2 (Cooperative Region) corresponding to the Thematic Objective 11 was still open. Thanks to some of the measures taken (a focused workshop and individual consultations), the projects received in 2019 were much better. In the frame of this workshop, the participants learned how to prepare a quality project particularly under PA2. They also got to see how to develop proper intervention logic and learned about the experience of their counterparts implementing best practice projects under PA2. In addition, the lead partners of ongoing projects shared their experience. At the same time, potential applicants under PA2 were invited to individual consultations throughout 2019. These actions resulted in a quite high number of applications of good quality submitted in the frame of the 6<sup>th</sup> deadline.

### b) OPTIONAL FOR LIGHT REPORTS, otherwise it will be included in point 9.1 (Article 50(4) of Regulation (EU) No 1303/2013)

An assessment of whether the progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate

**6. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013)**

The citizens' summary is prepared as a separate document and will be uploaded in the SFC and published on the programme website.

**7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU) No 1303/2013)**

Where the managing authority decided to use financial instruments, it must send to the Commission a specific report covering the financial instruments operations as an annex to the annual implementation report.

*Not applicable for the CP Interreg V-A Slovenia-Hungary 2014-2020.*

**8. WHERE APPROPRIATE, PROGRESS IN PREPARATION AND IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (Article 101(h) and Article 111(3) of Regulation (EU) No 1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)**

*Not applicable for the CP Interreg V-A Slovenia-Hungary 2014-2020.*

**8.1. Major projects**

*Not applicable for the CP Interreg V-A Slovenia-Hungary 2014-2020.*

**TABLE 7: Major projects**

Project	CCI	Status of MP 1. completed 2. approved 3. submitted 4. planned for notification/submission to Commission	Total investments	Total eligible costs	Planned notification/submission date (if applicable) (year, quarter)	Date of tacit agreement / approval by Commission (if applicable)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axis/Investment priorities	Current state of realisation – financial progress (% of expenditure certified to Commission compared to total)	Current state of realisation - physical progress Main implementation stage of the project 1. completed/in operation; 2. advanced construction; 3. construction; 4. procurement;	Main outputs	Date of signature of first works contract <sup>7</sup> (if applicable)	Observations (if necessary)

<sup>7</sup> In the case of operations implemented under PPP structures the signing of the PPP contract between the public body and the private sector body (Article 102(3) of Regulation (EU) No 1303/2013).





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										eligible cost)	5. design			
												<type='S' maxlength=875 input='M'>	<type='D' input='M'>	<type='S' maxlength=875 input='M'>

Significant problems encountered in implementing major projects and measures taken to overcome them.

Any change planned in the list of major projects in the cooperation programme



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8.2. Joint action plans

Progress in the implementation of different stages of joint action plans

*Not applicable for the CP Interreg V-A Slovenia-Hungary.*

**TABLE 8: Joint action plans**

Title of the JAP	CCI	Stage of implementation of JAP 1. completed 2. > 50% implemented 3. Started 4. approved 5. submitted 6. planned	Total eligible costs	Total public support	OP contribution to JAP	Priority axis	Type of JAP 1. normal 2. pilot 3. YEI	[Planned] submission to the Commission	[Planned] start of implementation	[Planned] completion	Main outputs and results	Total eligible expenditure certified to the Commission	Observations (if necessary)

Significant problems encountered and measures taken to overcome them



**PART B - REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)**

**9. ASSESSMENT OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)**

9.1 Information in Part A and achieving the objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013)

FOR EACH PRIORITY AXIS - Assessment of the information provided above and progress towards achieving the objectives of the programme, including the contribution of the ERDF to changes in the value of result indicators, when evidence is available from evaluations

*n.a*

9.2. Specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (d) of Regulation (EU) No 1299/2013)

An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and women and non-discrimination, including, where relevant, depending on the content and objectives of the cooperation programme, an overview of specific actions taken to promote equality between men and women and to promote non-discrimination, including accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations

*n.a*



9.3. Sustainable development (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (e) of Regulation (EU) No 1299/2013)

An assessment of the implementation of actions to take into account the principles set out in Article 8 of Regulation (EU) No 1303/2013 on sustainable development, including, where relevant, depending on the content and objectives of the cooperation programme, an overview of the actions taken to promote sustainable development in accordance with that Article

9.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

*n.a*

9.5. Role of partners in the implementation of the cooperation programme (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 1, (c) of Regulation (EU) No 1299/2013)

Assessment of the implementation of actions to take into account the role of partners referred to in Article 5 of Regulation (EU) No 1303/2013, including involvement of the partners in the implementation, monitoring and evaluation of the cooperation programme

**10. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 14(4), Subparagraph 1 (a) and (b), of REGULATION (EU) No 1299/2013**

10.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

*n.a*

10.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

*n.a*

**11. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME (Article 14(4), subparagraph 2 (a), (b), (c) and (f), of REGULATION (EU) No 1299/2013)**

11.1 Progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the cooperation programme



11.2 Progress in implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and to use the ERDF

*n.a.*

11.3 Contribution to macro-regional and sea basin strategies (where appropriate)

The contribution to the relevant macro-regional strategies is to be described by the project partners in the application, however in this regard no additional points are allocated to the projects during the quality check.

The 24 projects approved by the end of 2019 under the Open Call of the CP Interreg V-A Slovenia-Hungary contribute to the EU Strategy for the Danube Region (EUSDR).

In general, all 24 projects contribute to macro-regional strategies, but only some of them have a distinct impact on the targets and challenges set in the macro-regional framework and are listed below.

Priority areas of macro-regional strategies and projects contributing to their pillars and priority areas:

EUSDR (Slovenia, Hungary)

Pillar 1 Connection the Danube Region

PA 1.4 - Culture and tourism (Green exercise, Guide2Visit, Iron Curtain cycling)

Pillar 2 Protecting the Environment in the Danube region

2.3 Biodiversity, landscapes, air and soil quality (GO IN NATURE, Green line, GreenReg)

Pillar 3 Building prosperity in the Danube region

3.2 Competitiveness (E-ECONOMY, Sens network)

Pillar 4 – Strengthening the Danube region – to step up institutional capacity cooperation

4.1 Institutional capacity and cooperation (Right Profession, Back in the day, E-ECONOMY, capCROSSplan)

11.4 Progress in the implementation of actions in the field of social innovation

*n.a.*



**12. Financial information at priority axis and programme level (Articles 21(2) and 22(7) of Regulation (EU) No 1303/2013)**

For the purpose of assessing progress towards the achievement of milestones and targets set for financial indicators in the years 2018 and 2023, table 4 of Part A of this Annex shall have the following two additional columns:

13	14
<b>Data for the purpose of the performance review and performance framework</b>	
<b>Only for report submitted in 2019:</b> <b>Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018</b> Article 21(2) of Regulation (EU) No 1303/2013	<b>Only for final implementation report: Total eligible expenditure incurred and paid by beneficiaries by 31/12/2023 and certified to the Commission</b> Article 22(7) of Regulation (EU) No 1303/2013

**13. SMART, SUSTAINABLE AND INCLUSIVE GROWTH**

Information and assessment of the programme contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

<i>n.a</i>	
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**14. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN — PERFORMANCE FRAMEWORK (Article 50(2) of Regulation (EU) No 1303/2013)**

Where the assessment of progress made with regard to the milestones and targets set out in the performance framework demonstrates that certain milestones and targets have not been achieved, Member States should outline the underlying reasons for failure to achieve these milestones in the report of 2019 (for milestones) and in the final implementation report (for targets).

n.a
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