

# **INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia**

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## **Annual Implementation Report 2020**

*Approved by the joint monitoring committee  
on 07.05.2021*

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## ANNEX X

### Model for the implementation reports for the European territorial cooperation goal

#### PART A

### DATA REQUIRED EVERY YEAR ('LIGHT REPORTS') (Article 50(2) of Regulation (EU) No 1303/2013)

#### 1. IDENTIFICATION OF THE ANNUAL / FINAL IMPLEMENTATION REPORT

CCI	2014TC16I5CB001
Title	Interreg-IPA CBC Hungary-Serbia
Version	1.0
Reporting year	2020
Date of approval of the report by the Monitoring Committee	xx/05/2021

#### 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 financial instruments with relation to the financial and indicator data. [max: 7000ch]*

After a year of peak activities, 2020 was the year heavily affected by the COVID-19 pandemic, however, it did not lack in activities and spending. Projects from 1<sup>st</sup> call of strategic importance have been concluding their activities, however limited, and this meant spending the majority of funding for infrastructure and other large procurements. Some projects of the 2<sup>nd</sup> call for proposals (CfP) were concluding their activities after several prolongations, while some projects will conclude theirs in 2021. In 2020, 3<sup>rd</sup> CfP projects were fulfilling their conditions for contracting and the majority, to be more precise 29 out of the 40 selected projects, signed the subsidy contracts with the managing authority (MA).

Due to the pandemic, the joint monitoring committee (JMC) did not have sessions in person. Nevertheless, the JMC was very active with 40 decisions made through 17 written procedures (WP). One of the most essential documents was the 30<sup>th</sup> WP by which the JMC selected 40 projects for financing from the 3<sup>rd</sup> CfP (decisions from 98 to 106/2020), as well as creating the reserve list of projects (decision 107/2020).

Other WPs of the JMC were:

- Project modifications (20) - mainly to extend project duration. The most frequent reasons were delays in works on infrastructure and problems with procurement procedures for crucial activities as well as delays in activities that required personal attendance
- Guidance of the managing authority with regard to the impact of COVID-19 pandemic on the projects
- Eliminating the deadline of the latest possible date of starting the project implementation within the 3<sup>rd</sup> CfP due to the pandemic
- Temporary modification of the co-financing rate to 100% submitted to the European Commission
- Non-substantial reallocation between priority axes
- and TA manual, TA datasheet and Rules of Procedures updates

The joint secretariat (JS) coordinated the approval of 14 addenda of subsidy contracts, checked and approved 38 other project changes.

Moreover, the JS has approved 134 project reports (PRs) in the value of 24 921 328.19EUR (21 183 385.08EUR of IPA), which is the largest amount of approved costs so far.

Breakdown of IPA funds per priority axis (PA):

PA1: 6 921 338,10

PA2: 8 542 244,94

PA3: 3 718 625,23

PA4: 2 001 176,82

Out of 121 applications for the 3<sup>rd</sup> CFP, the JMC selected 40 projects and formed a reserve list of projects. One applicant withdrew from contracting during the contracting procedure, thus 39 project contracting has been initiated. So far, 29 subsidy contracts have been signed by both the LBs and MA, besides the MA issued the declaration of commitment in case of 35 projects.

Breakdown of selected projects in the 3<sup>rd</sup> CFP per actions:

PA	Action	Projects
1	1.1	1
	1.2	1
2	2.1	4
	2.2	1
3	3.1	4
	3.3	7
	3.4	11
4	4.2	6
	4.3	5
		40

In July 2019 the managing authority of all four Interreg programmes using IMIS 2014-2020 system decided – with the support of the Partner States – to launch a new procurement procedure on the development of a new IT system, the-so called INTERREG+ system to cover all missing functions of IMIS 2014-2020. The reason behind the migration was that after a longer period of consistent errors the functionality of the IMIS 2014-2020 system could not be consolidated and the number of software errors was still higher than expected, especially in case of implementation modules. In 2020, the INTERREG+ system started to replace IMIS 2014-2020 gradually. The JS programme managers already registered the newly selected projects of the 3<sup>rd</sup> Call for Proposals in the new system and some of the selected projects started their implementation in 2020. The JS and both first level controls had tested the new system and started to use it in case of the projects of the 3<sup>rd</sup> Call for Proposals. While it gradually replaces IMIS 2014-2020, its development is based on the requirements of the 2021-2027 period as well.

At the same time, the programme bodies, JS and both first level controls used the previous, IMIS 2014-2020 system for monitoring of still running projects of the 1<sup>st</sup> and 2<sup>nd</sup> CFPs and will continue to do so in 2021, as well.

The Programme's website [www.interreg-ipa-husrb.com](http://www.interreg-ipa-husrb.com) is still the main communication hub of the programme for the public, potential applicants, beneficiaries and other stakeholders of the programme. The website also features articles related to the European Commission (EC) and its EU-level initiatives, as well as announcements of the projects' opening conferences and tender procedures. The JS published one issue of the programme's newsletter in 2020.

The programme's Facebook and LinkedIn pages also provided information about the programme, news relevant for the border region, and updates on the related EU initiatives.

Due to the pandemic, the annual programme's event in 2020 was an online celebration of the European Cooperation Day.

When it comes to the project events, 64 projects organised over 122 events that contributed to the projects' and the programme's visibility. Because of the pandemic the events were mostly organised online.

The JS organised 1 training for quality assessors of the 3<sup>rd</sup> CfP in Budapest on 12 February (23 attendees). In 2020, JMC project selection also took place online on 8 June.

The JS invested time and resources for capacity building of the JS by enabling the JS employees to attend 4 Interact and other online seminars in 2020.

In 2020, the JS consisted of eight employees with the following roles: the head and the deputy head of the JS, four programme managers, one programme and financial manager and one office manager. The joint secretariat's antenna (JSA) in Subotica operated with two programme managers, one of them also having the role of the head of JSA. Horizontal units of the hosting institution (Széchenyi Programme Office Nonprofit LLC) have supported the management of the programme.

On 15 October 2020 the programming committee adopted the territorial analysis of the next Hungary-Serbia Interreg-IPA CBC programme. The document was created in cooperation with the Central European Service for Cross-Border Initiatives (CESCI).

The information and monitoring system, INTERREG+ was introduced as the new reporting platform for beneficiaries of the 3<sup>rd</sup> Call for Proposals.

In conclusion, 2020 in terms of communication in person was very limited due to the pandemic, however, it was a successful year, in which implementation went smoothly and progressed significantly towards the achievement of the programme's targets.

### 3. IMPLEMENTATION OF THE PRIORITY AXES (Article 50(2) of Regulation (EU) No 1303/2013)

#### 3.1. Overview of the implementation [max 1750ch per PA]

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
PA 1	Improving cross-border water management and risk prevention systems	<p>The priority represents <b>28.94% of the IPA funding</b> allocated for the programme (18 850 000 EUR).</p> <p>The specific objective of this PA is decreasing environmental risks (e.g. drought, flood, etc.) and preventing negative effects on quality of water bodies and nature protected areas.</p> <p><b>The beneficiaries of the PA actions are</b> water management organisations in partnership with the relevant public organisations, local governments, associations, NGOs, etc.</p> <p>- The 1<sup>st</sup> CFP targeted activities of strategic importance. The two projects of this priority with the total value of 13.328 M EUR of IPA funding are progressing well, our largest project HUSRB/1601/11/0001, BABECA has concluded activities successfully and will submit their final report in 2021. The other project, HUSRBB/1601/11/0004, WASIDCA has requested for and received another extension of duration until May 2021 due to delays in infrastructure works but they are confident of successful conclusion. Altogether, 4.9 million EUR was allocated in 2020 for the two projects.</p> <p>- The 7 projects of the 2<sup>nd</sup> CFP with a total value of 4.521 million EUR of IPA funding are concluding with some reporting delays:</p> <ul style="list-style-type: none"> <li>- 5 of them had their final reports approved in 2020;</li> <li>- 1 of them will have their final report submitted in 2021;</li> <li>- 1 of the projects has concluded activities in 2019 but is in significant delay in reporting and does not have financial conclusion in 2020</li> </ul> <p>1.9 million EUR of IPA was allocated for these projects.</p> <p><b>Validated costs in 2020: 8 142 751.08 (6 921 338.10IPA) EUR</b></p> <p>In this priority axis, there has been a great progress in conclusion of projects, financial reporting and indicator values in 2020.</p>
PA 2	Decreasing the bottlenecks of cross-border traffic	<p>The priority represents <b>23.79% of the IPA funding</b> allocated to the programme (15 492 100 EUR).</p> <p>The specific objective of this PA is increasing the capacities of border crossing and the connected transport lines through promoting development of road transport and use of sustainable transport modes.</p> <p><b>The beneficiaries of the PA actions are</b> national, county and regional level bodies and their organisations responsible for the development of cross-border transport and railway management; development companies; border control and customs administrations; organisations maintaining transport stations and operating public transport.</p>

		<p>- The 2 projects contracted under this priority in the 1<sup>st</sup> CfP (strategic importance) with a total amount of 7.696 million EUR, out of which 4.5 million EUR of IPA was allocated in 2020 for the two projects.</p> <p>HUSRB/1601/21/0003, Kùbekhàza-Rabe, was concluded in 2019, and in 2020 the JS has approved the final project report.</p> <p>HUSRB/1601/22/0002, Dream Railway, experienced delays in core activities, however, the project was concluded on 31 December, 2020 and the final project report is expected in 2021.</p> <p>- The 3 projects of the 2<sup>nd</sup> CfP with the total amount of 5.796 million EUR of IPA progressed well, in particular 4 million EUR of IPA was allocated in 2020.</p> <p>HUSRB/1602/21/0061, SO-BAJA2 was concluded in 2019 but the final project report was approved in 2020.</p> <p>The remaining two projects concluded their activities in 2020 but there have been reporting delays; therefore final project reports are expected in 2021.</p> <p><b>Validated costs in 2020: 10 049 700.09 (8 542 244.94 IPA) EUR –</b></p> <p>The problem of this PA is the delay in achieving targets of two indicators (O/I 2.1, 2.6), however, the newly selected projects of the 3<sup>rd</sup> CfP fully cover these indicators.</p>
PA 3	Encouraging tourism and cultural heritage cooperation	<p>The priority represents <b>25.65% of the IPA funding</b> allocated to the programme (16 702 000 EUR).</p> <p>The specific objectives are the creation of commonly coordinated cross-border tourism destinations based on the complementary local assets in order to ensure sustainable development of tourism potentials, besides promoting cooperation activities in the fields of culture, leisure, sport, and nature protection.</p> <p><b>The beneficiaries of the PA actions are</b> regional tourism organisations with the involvement of local tourism destination management associations, NGOs, the local- county- and regional level authorities, local governments, county and regional level bodies and their organisations, etc.</p> <p>- The only project of the 1<sup>st</sup> CfP (HUSRB/1601/31/0005 – Colourful Cooperation) with an amount of 3.177 million EUR of IPA was concluded after some delays on 31 December, 2020. Both cultural centres were constructed as planned and all activities were concluded, then the final report can be expected in 2021.</p> <p>- The 40 projects with the value of 9.6 million EUR of IPA funding are progressing slower than anticipated, since a number of projects have been prolonged for various reasons. These projects would have required numerous events and travels, therefore this was the PA which was mostly affected by the pandemic. The programme has offered alternatives for concluding activities with the lowest health risks to the public and all of them used them wisely. Altogether 17 projects managed to submit their reports in 2020 and 2 more will do so in 2021. However, by the end of the year 14 projects still have not submitted their final project reports, out of which 10 concluded their activities in 2020 and 2 in 2019. Only 2 projects will be implemented in 2021.</p>

		<p><b>Validated costs in 2020: 4 374 550.83 (3 718 625.23IPA) EUR</b></p> <p>Apart from delays, there were no problems with the implementation of the priority. All targets of this PA will be easily met.</p>
PA 4	Enhancing SMEs' economic competitiveness through innovation driven development	<p>The priority represents <b>11.62% of the IPA funding</b> allocated to the programme (6 512 400 EUR).</p> <p>The specific objective of this PA is enforcing the growth capabilities and employment potential of SMEs through the development and adaptation of new technologies, processes, products or services.</p> <p><b>The beneficiaries of the PA actions are</b> economic clusters, business and innovation support organisations in cooperation with R&amp;D&amp;I and higher education institutions, vocational and adult training organisations, labour market organisations that coordinate labour flow in the cross-border area, chambers of commerce, public organisations or NGOs, etc.</p> <p>- The 17 projects with the value of 4 198 M EUR of IPA funding were all selected during the 2<sup>nd</sup> CfP. 5 of them concluded their activities in 2019 and 12 concluded in 2020. Even though projects of this PA also required movement and even cross-border travel and scholarships, the development of social entrepreneurships and cooperation between SMEs and research institutions continued online and all projects concluded their activities successfully. This was possible despite the pandemic and thanks to the alternative and creative solutions proposed by the JS and beneficiaries. The JS approved the final reports in case of 10 projects and we expect between 2 and 6 more in 2021.</p> <p><b>Validated costs in 2020: 2 354 326.19 (2 001 176.82IPA) EUR</b></p> <p>The most significant problem of this priority is that one programme indicator (O/I 4.3) was not covered by the projects contracted before 2020, however newly contracted projects of the 3<sup>rd</sup> CfP fill the gap, as expected.</p>
PA 5	Technical Assistance (TA)	<p>The priority represents <b>10% of the IPA funding</b> allocated to the programme (6 512 400 EUR).</p> <p><b>The main results in 2020 were sound and timely execution of all necessary measures</b> that are the prerequisite for the programme's effectiveness.</p> <p>They were:</p> <ul style="list-style-type: none"> <li>• operation of the programme bodies,</li> <li>• financing of their personnel and external services,</li> <li>• contracting and start of implementation of 3<sup>rd</sup> CfP projects,</li> <li>• project monitoring, administrative and technical assistance to projects of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> CfPs</li> <li>• information and communication activities,</li> <li>• audit and FLC measures,</li> <li>• further development and operation of an electronic monitoring system, and of the new electronic monitoring system, etc.</li> </ul> <p>Out of 72 projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs, 32 projects had concluded their implementation before 2020, so 40 projects of 1<sup>st</sup> and 2<sup>nd</sup> CfPs had been implemented in 2020. With the addition of 25 more projects of the 3<sup>rd</sup></p>

		<p>CfP that started their implementation in 2020, we can state that 2020 was the most active year in terms of implementation of projects so far. Unfortunately, this year was highly affected by the pandemic that had a negative impact on project implementation, especially on the “soft” ones. Nevertheless, 36 projects concluded their implementation in 2020.</p> <p>In 2020, 29 new subsidy contracts were signed of the 3<sup>rd</sup> CfP projects, while contracting was started in case of 39 newly selected projects while 1 project withdrew before contracting.</p> <p>The JS approved 134 PRs in the value of above 20 million EUR of IPA funding (24 921 328.19 total, 21 183 385.08 IPA EUR) – <b>highest amount so far in the programme.</b></p> <p>The JS has considered and approved 23 subsidy contract modifications submitted by LBs, as well as 38 “Other project change” requests.</p> <p>There were 18 TA project reports approved in 2020.</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 the Tables 1 to 2 below.

Table 1

#### Result indicators (by Priority Axis and Specific Objective); applies also to the Technical Assistance Priority Axis

Automatic from SFC						Annual value			Observations (if necessary)
ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	2014-2018	2019	2020	
PA 1, 1.1	Water quality (good ecological status) of cross-border surface water bodies (rivers and water flows) in the eligible area	Weighted average ecological status (average, no unit) of cross-border surface water bodies (rivers) in the eligible area	2.91	2012	2.7	N/a	N/a	N/a	Not required for this report
PA 2, 2.1	Share of border-crossing traffic at smaller border-crossing points within all border-crossing traffic	% of persons crossing the border at smaller border-crossing points	35.4	2014	40	N/a	42.66	N/a	Target value already surpassed
PA 3, 3.1	Number of overnight stays	overnight stays	1 835 757	2013	1 964 000	N/a	2 612 040	N/a	Target value already surpassed
PA 3, 3.2	Level of cross-border cooperation intensity of the public and non-profit organisations dealing with cultural, leisure sport and nature protection issues	Rating	3.24	2015	3.73	N/a	3.44	N/a	Not required for this report
PA 4, 4.1	Rate of innovative SMEs in the cross-border region	%	32.94	2015	33	N/a	37.06	N/a	Not required for this report

These values are not required and not available for this report.

**Additional data requested by EC:**

**1. The amount received from the Commission**

The total funding of programme is 76 616 474.00, with 64 405 706.85 of IPA funding.

**The advance received by the programme by the end of 2020: 13 460 302.00 EUR.**

**The interim payments received by the programme by the end of 2020: 22 518 286.80 EUR** (additional 7 701 157.03 was approved by COM, but transferred only in 2021)

**2. Transferred funding to the beneficiaries (from Programme to Projects)**

	<b>advance payments* (EUR)</b>	<b>interim payments* (EUR)</b>
<b>2020</b>	0.00	18 254 144.93
<b>Total (2017-2020)</b>	7 234 867.68	29 557 884.08

*\* including TA projects*

**3. How much interest was accumulated, and were there any decisions made on their use; and if so, which bodies made those decisions**

There has been no interest accumulated on the programme account and no decisions were made regarding the interests that may accumulate in the future.

Table 2

Common and programme specific output indicators (by Priority Axis, Investment Priority); applies also to Technical Assistance Priority Axes

	ID	Indicator	Measurement unit	Target value (2023)	CUMULATIVE VALUE						Observations	
					2014	2015	2016	2017	2018	2019		2020
Outputs to be delivered by selected operations [forecast provided by beneficiaries]	1.1	Population benefiting from flood protection measures	persons	1 000 000	0	0	0	949 123	949 123	949 123	1 511 787	A newly contracted project SafeForest, HUSRB/1903/11/0070 will cover additional 562 664 persons of this indicator on top of 943 123 of 1 <sup>st</sup> and 2 <sup>nd</sup> CfPs
Outputs delivered by operations [actual achievement]				1 000 000	0	0	0	0	0	900 000	949 123	The project that covers more than half a million persons of this indicator only starts implementation in 2021
Outputs to be delivered by selected operations	1.2	Length of new or improved water management system	metres	180 000	0	0	0	180 608	180 608	180 608	180 608	unexpectedly ambitious projects approved on 2 calls on this subject
Outputs delivered by operations				180 000	0	0	0	0	0	0	172 912	no problems foreseen to reach the final target value as it is almost met already
Outputs to be delivered by selected operations	1.3	Surface area of habitats supported in order to attain a better conservation status	hectares	150 000	0.00	0.00	0.00	17 408	17 408	17 408	182 126.35	The 1 <sup>st</sup> and 2 <sup>nd</sup> CFP projects promised 17 408, while newly contracted BirdPROTECT, HUSRB/1903/12/0049 has taken upon adding 161 025,35 hectares to this indicator and another project 3 693 hectares
Outputs delivered by operations				150 000	0.00	0.00	0.00	0.00	4 700	17 557.32	17 672.32	Targets of 1 <sup>st</sup> and 2 <sup>nd</sup> CfPs achieved, the newly contracted project only started implementation, most of the area supported will be increased by the above mentioned BirdPROJECT
Outputs to be delivered by selected operations	2.1	Number of improved or newly built border crossing points	border crossing points	7	0	0	0	0	0	2	8	No project has selected this indicator in 1 <sup>st</sup> and 2 <sup>nd</sup> CfPs. However, two projects, selecting other programme level indicators as primary indicators, do contribute to this one as well. Thus, with subsidy contract modifications, this was rectified. 4 projects of the 3 <sup>rd</sup> CFP under action 2.1 also contribute to this indicator altogether with additional 6 affected border crossing points. There are altogether 8 border crossing points.
Outputs delivered by operations				7	0	0	0	0	0	0	0	2
Outputs to be delivered by selected operations	2.2		kilometres	4	0.00	0.00	0.00	4.52	4.52	4.52	4.529	Updated target value in 2020, however already selected projects should have covered the target value

Outputs delivered by operations		Total length of newly built roads		4	0.00	0.00	0.00	0.00	0.00	0.00	4.53	the final target is met
Outputs to be delivered by selected operations	2.3	Total length of reconstructed or upgraded roads	kilometres	12	0.00	0.00	0.00	14.00	14.00	14.00	14.00	
Outputs delivered by operations				12	0.00	0.00	0.00	0.00	0.00	0.00	14.46	final target already achieved
Outputs to be delivered by selected operations	2.4	Total length of newly built bicycle paths	kilometres	25	0.00	0.00	0.00	28.18	28.18	28.18	26.87	Updated target value in 2020
Outputs delivered by operations				25	0.00	0.00	0.00	0.00	0.00	4.82	19,96	Great progress with indicator, final target almost fully met, but we expect an over performance by the conclusion of running projects
Outputs to be delivered by selected operations	2.5	Total length of the railway line directly affected by development plans	kilometres	53.43	0.00	0.00	0.00	58.00	58.00	58.00	58.00	HUSRB/1601/22/0002- reported no progress
Outputs delivered by operations				53.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Only one project (HUSRB/1601/22/0002) contracted choose this indicator, but so far no progress was reported on the activity
Outputs to be delivered by selected operations	2.6	Number of improved public transport services	services	3	0	0	0	0	0	0	3	Applications under action 2.2 within the 3 <sup>rd</sup> CFP contributed to this indicator. The selected project is planned to achieve the 3 services.
Outputs delivered by operations				3	0	0	0	0	0	0	0	The project selected within the 3 <sup>rd</sup> CFP is planned to achieve the 3 services and it started implementation in the beginning of 2021.
Outputs to be delivered by selected operations	3.1	Expected number of visits to supported sites of cultural and natural heritage and attractions	visits/year	100 000	0	0	0	57 410	57 410	57 410	100 511	Newly selected projects will enable the programme to reach this target
Outputs delivered by operations				100 000	0	0	0	0	2 050	64 206	108 673	Final target already reached, projects greatly overperformed.
Outputs to be delivered by selected operations	3.2	Number of joint cultural, recreational and other types of community events and actions organised	events	900	0	0	0	766	766	766	1 034	Updated target value in 2020
Outputs delivered by operations				900	0	0	0	0	22	383	507	Final target already reached, projects of the action overperformed, especially the strategic project Colourful Cooperation HUSRB/1601/31/0005
Outputs to be delivered by selected operations	3.3	Average monthly user entries to online communication tools developed	user entries	84 000	0	0	0	52 317	52 317	52 317	85 820	Selected projects were expected to reach the target
Outputs delivered by operations				84 000	0	0	0	0	543	77 343	368 471.75	Projects of this action hugely overperformed, especially PALMCULTURE, HUSRB/1602/31/0026, target has been met already
Outputs to be delivered by selected operations	4.1		enterprises	210	0	0	0	187	187	187	224	

Outputs delivered by operations		Number of enterprises cooperating with research institutions		210	0	0	0	0	0	62	204	Great progress on this indicator, and the final target is already surpassed thanks to several projects of action 4.1
Outputs to be delivered by selected operations	4.2	Number of organisations actively participating in the work of the "knowledge platforms"	organisations	210	0	0	0	191	191	191	249	
Outputs delivered by operations				210	0	0	0	0	0	52	212	Good progress towards the indicator thanks to several projects of action 4.1
Outputs to be delivered by selected operations	4.3	Number of months spent in the institutions and companies on the other side of the border through scholarships	months	250	0	0	0	2	2	2	388.75	Newly selected projects under Action 4.3 of the 3 <sup>rd</sup> CFP will contribute to this indicator.
Outputs delivered by operations				250	0	0	0	0	0	0	1.75	Newly selected projects under Action 4.3 of the 3 <sup>rd</sup> CFP will contribute to this indicator and we expect fulfilment according to the selected actions.
Outputs to be delivered by selected operations	4.4	Rate of persons from vulnerable groups involved in supported actions	percentage	50.00	0.00	0.00	0.00	0.00	n. a.	n. a.	n. a.	The reason why data is not available is because the goal is defined in %.
Outputs delivered by operations				50.00	0.00	0.00	0.00	0.00	n. a.	36.54 *	36.54 * 697.04	*The accumulated total value of this indicator is 365,43, reported by 10 projects and therefore this indicator shows progress in comparison to the starting point of 10%. At the end of the programme, the values will be measured with a methodology yet to be determined, as not all beneficiaries understood this indicator in the same way.
Outputs to be delivered by selected operations	5.1	Number of projects administered by the JS	number	100	0	0	9	81	81	81	120	Signed 9 TA and 111 normal projects, since additional 39 projects have been selected.
Outputs delivered by operations				100	0	0	0	0	81	81	110	The JS registered additional 29 projects in the monitoring system, while 35 projects finished the implementation in 2020.
Outputs to be delivered by selected operations	5.2	Number of publicity events	number	5	0	0	5	6	8	13	13	Indicator already met
Outputs delivered by operations				5	0	0	0	0	8	13	13	Indicator met in 2019. In 2020 there were no public events organised due to pandemic situation.
Outputs to be delivered by selected operations	5.3	Number of employees	employees in FTE	8	0	0	8	8	8	8	8	Indicator already met
Outputs delivered by operations				8	0	0	0	0	8	8	8	8 signed employment contracts

**3.3. Information on the 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*

**Priority axis 1: „Improving the cross-border water management and risk prevention systems”**

Indicator type	ID	Indicator or Key implementation step	Measure -ment unit	Milestone target 2018	Final target (2023)	2014	2015	2016	2017	2018	2019	2020	Observations
Output indicator	OI 1.2	Length of new or improved water management system	Metres	0	180 000	0	0	0	0	0	0	172 912	As reported in the previous AIR this indicator was dependant on the final report; as expected, many final reports of projects that contribute to this indicator were approved in 2020. As such, the final target is almost reached already now.
Key Implementation Step	KIS 1.2	Number of projects contracted related to the improvement of the water management system's physical infrastructure in the cross-border region	Pieces	4	6	0	0	0	4	4	4	6	1 new project was contracted in 2020, however another project contributes to the physical infrastructure in the cross-border region by installing physical equipment in the cross-border region that improves the water management system in the region. Thus, the final target is reached.
Financial indicator	FI 1	Eligible certified expenditure of the priority axis 1 "Improving the cross-border water management and risk prevention systems"	EUR	1 050 000	22 176 471	0	0	0	0	977 448.36	4 644 114.84	12 786 865.92	Final target of the indicator defined as the total allocation for PA 1 may require modification due to non-substantial modifications. The target is 50% reached.

**Priority axis 2: “Decreasing the bottlenecks of cross-border traffic”**

Indicator type	ID	Indicator or Key implementation step	Measure -ment unit	Milestone target 2018	Final target (2023)	2014-2016	2017	2018	2019	2020	Observations
Output indicator	OI 2.2	Total length of newly built roads	Km	0	4	0	0	0	0	4.53	As reported in the previous AIR this indicator was dependant on the final report; as expected, many final reports in for projects that contribute to this indicator were approved in 2020. As such, the final target was reached in 2020.
Output indicator	OI 2.3	Total length of reconstructed or upgraded roads	Km	0	12	0	0	0	0	14.46	As reported in the previous AIR this indicator was dependant on the final report; as expected, many final reports in for projects that contribute to this indicator were approved in 2020. As such, the final target was reached in 2020.
Key Implementation Step	KIS 2.2	Number of projects contracted related to the improvement of physical infrastructure of border crossing roads	Pieces	1	2	0	4	4	4	5	Milestone and final target already met in 2017, additionally one more project including physical infrastructure contracted in 2020.
Financial Indicator	FI 2	Eligible certified expenditure of the priority axis 2 “Decreasing the bottlenecks of cross-border traffic”	EUR	794 000	18 226 000	0	450.21	513 091.68	2 666 945.02	12 716 645.11	Includes values from approved PRs in 2020, the final target needs an update due to non-substantial reallocation.

**Priority axis 3: “Encouraging tourism and cultural heritage cooperation”**

Indicator type	ID	Indicator or Key implementation step	Measurement unit	Milestone target 2018	Final target (2023)	2014-2016	2017	2018	2019	2020	Observations
Output indicator	OI 3.2	Number of joint cultural, recreational and other types of community events and actions organised	Number	20	900	0	0	22	390	505	No problems foreseen reaching the given target by the end of programme.
Financial Indicator	FI 3	Eligible certified expenditure of the priority axis 3 “Encouraging tourism and cultural heritage cooperation”	EUR	1 100 000	19 649 411.76	0	433.26	1 108 976.99	5 046 529.79	9 421 080.62	Includes values from approved PRs by end of 2020 – no problems expected by the end of the programme, since sufficient projects will be supported to fully commit the funding.

**Priority axis 4: “Enhancing SMEs’ economic competitiveness through innovation driven development”**

Indicator type	ID	Indicator or Key implementation step	Measurement unit	Milestone target 2018	Final target (2023)	2014-2016	2017	2018	2019	2020	Observations
Output indicator	OI 4.1	Number of enterprises cooperating with research institutions	Number	10	210	0	0	10	95	204	No problems foreseen reaching the given target by the end of programme.
Financial indicator	FI 4	Eligible certified expenditure of the priority axis 4 “Enhancing SMEs’ economic competitiveness through innovation driven development”	EUR	347 200	8 902 941.18	0	0	158 449.38	1 402 662.68	3 756 988.87	Includes values from approved PRs by end of 2020 - no problems expected by the end of the programme, since sufficient projects will be supported to fully commit the funding.

### 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 (1) [Model for transmission of financial data] (2) and table 16 of model for co-operation programmes under the European Territorial Co-operation goal)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
The financial allocation of the Priority Axis based on the Co-operation Programme						Cumulative data on the financial progress of the Co-operation Programme						
PA	Fund	Category of region	Basis for the calculation of Union support	Total funding	Co-financing rate	Total eligible cost of operations selected for support (EUR)	Proportion of the total allocation covered with selected operations (%) (column 7/ column 5 *100)	Public eligible cost of operations selected for support (EUR)	Total eligible expenditure declared by beneficiaries to the Managing Authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (%) (column 10/ column 5 *100)	Number of operations selected**	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2020 (EUR)*
PA 1	IPA		Total cost	22 176 471.00	85.00	21 505 674.87	99,68%	21 505 674.87	18 361 982.87	85.11%	11	11 968 203.85
PA 2	IPA		Total cost	18 226 001.00	85.00	18 895 195.97	99,75%	13 425 467.18	15 874 337.25	83.80%	10	12 716 194.90
PA 3	IPA		Total cost	19 649 412.00	85.00	19 519 890.34	97,87%	15 959 754.21	13 025 155.67	65.30%	63	9 141 213.92
PA 4	IPA		Total cost	8 902 942.00	85.00	8 292 375.20	97,65%	5 772 582.77	4 504 904.15	53.05%	27	3 532 223.09
PA 5	IPA		Total cost	7 661 648.00	85.00	7 661 648.00	100,00%	7 661 648.00	2 921 210.43	38.13%	9	1 125 882,16
<b>Total</b>	<b>IPA</b>		<b>Total cost</b>	<b>76 616 474.00</b>	<b>85.00</b>	<b>75 874 784.38</b>	<b>99,03%</b>	<b>64 325 127.02</b>	<b>54 687 590.37</b>	<b>71.38%</b>	<b>120</b>	<b>38 483 717,92</b>

\* The amounts of this column are referring to the progress reports for actions incurred before 2021 and paid within the relevant applications for payment (last AfP considered: cut-off date 07/12/2020)

\*\* In 2021 two projects from the 3<sup>rd</sup> CFP withdrew. Therefore, the actual number of operating or closed operations is 118.

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)*

PA	Characteristics of expenditure	Categorisation dimensions							Financial data				
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFRs approved until 31/12/2020)
PA 1	IPA	087 Adaptation to climate change measures, prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	01 Non-repayable grant	02 Small Urban areas (intermediate density > 5 000 population)	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	0,00	0,00	0,00	0
				03 Rural areas (thinly populated)						20 594 593,13	20 594 593,13	17 757 075.20	8
		085 Protection and enhancement of biodiversity, nature protection and green infrastructure		02 Small Urban areas (intermediate density > 5 000 population)						0,00	0,00	0,00	0
		03 Rural areas (thinly populated)		911 081,74						911 081,74	604 907.67	3	
PA 2	IPA	026 Other Railways	01 Non-repayable grant	03 Rural areas (thinly populated)	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	3 585 017,40	3 255 968,00	3 117 854.88	1
		032 Local access roads (newly built)								8 544 197,87	3 403 518,59	8 840 325.76	2
		034 Other reconstructed or improved roads (motorway, national, regional or local)								469 925,46	469 925,46	0,00	1
		044 Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring, control and information systems)								1 389 567,19	1 389 567,19	0,00	1
		090 Cycle tracks and footpaths								4 906 488,05	4 906 488,05	3 916 156.61	5
PA 3	IPA	092 Protection, development and promotion of public tourism assets	01 Non-repayable	01 Large Urban areas (densely populated > 50 000 population)	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	567 900,80	350 240,00	196 503.16	2
				02 Small Urban areas (intermediate density > 5 000 population)						1 598 695,26	1 623 770,30	1 545 837.98	4
				03 Rural areas (thinly populated)						0,00	0,00	0,00	0

PA	Characteristics of expenditure	Categorisation dimensions						Financial data												
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFrs approved until 31/12/2020)	Number of operations selected						
		093 Development and promotion of public tourism services		01 Large Urban areas (densely populated > 50 000 population)						1 790 922,12	1 498 608,43	385 571.40	5							
				02 Small Urban areas (intermediate density > 5 000 population)						2 195 668,77	2 198 694,46	1 213 432.73	5							
				03 Rural areas (thinly populated)						1 637 078,25	1 637 078,26	1 090 087.27	3							
		094 Protection, development and promotion of public cultural and heritage assets		01 Large Urban areas (densely populated > 50 000 population)						1 817 019,84	1 265 598,39	953 662.32	10							
				02 Small Urban areas (intermediate density > 5 000 population)						2 531 832,86	1 865 603,12	1 806 913.40	13							
				03 Rural areas (thinly populated)						618 330,00	499 200,00	431 916.05	2							
		095 Development and promotion of public cultural and heritage services		01 Large Urban areas (densely populated > 50 000 population)						894 231,35	563 310,10	275 395.72	5							
				02 Small Urban areas (intermediate density > 5 000 population)						5 372 767,11	4 307 222,14	4 747 315.24	12							
				03 Rural areas (thinly populated)						495 444,00	150 429,00	378 520.40	2							
		PA 4	IPA	060 Research and innovation activities in public research centres and centres of competence including networking						01 Non-repayable grant	01 Large Urban areas (densely populated > 50 000 population)	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	688 212,23	550 184,76	687 034.72	2
											02 Small Urban areas (intermediate density > 5 000 population)						0.00	0.00	0.00	0
											03 Rural areas (thinly populated)						207 134,42	207 134,42	173 083.75	1
062 Technology transfer and university-enterprise cooperation prim	01 Large Urban areas (densely populated > 50 000 population)			585 973,11	585 973,11	640 798.41	2													
	02 Small Urban areas (intermediate density > 5 000 population)			2 518 663,55	1 807 927,49	0.00	5													
	03 Rural areas (thinly populated)			0.00	0.00	0.00	0													
063 Cluster support and business networks primarily benefiting SMEs	01 Large Urban areas (densely populated > 50 000 population)			1 221 431,41	492 086,80	922 350.82	3													
	02 Small Urban areas (intermediate density > 5 000 population)			0.00	0.00	0.00	0													

PA	Characteristics of expenditure	Categorisation dimensions						Financial data							
		Fund	1. Intervention field	2. Form of finance	3. Territorial dimension	4. Territorial delivery mechanism	5. Thematic priority dimension	6. ESF secondary theme	7. Economic dimension	8. Location dimension	Total eligible cost of operations selected for support (€)	Public eligible cost of operations selected for support (€)	The total eligible expenditure declared by beneficiaries to the managing authority (PR&AFrs approved until 31/12/2020)	Number of operations selected	
		066 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)		03 Rural areas (thinly populated)						0.00	0.00	0.00	0		
				01 Large Urban areas (densely populated > 50 000 population)						0.00	0.00	0.00	0		
				02 Small Urban areas (intermediate density > 5 000 population)						454 356,83	328 106,53	228 166.54	2		
				03 Rural areas (thinly populated)						799 300,10	731 139,38	573 211.21	3		
				067 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)						01 Large Urban areas (densely populated > 50 000 population)	0.00	0.00	0.00	0	
										02 Small Urban areas (intermediate density > 5 000 population)	1 273 478,79	830 187,56	662 906.70	7	
										03 Rural areas (thinly populated)	543 824,76	239 842,71	617 352.00	2	
				072 Business infrastructure for SMEs (including industrial parks and sites)						01 Large Urban areas (densely populated > 50 000 population)	0.00	0.00	0.00	0	
										02 Small Urban areas (intermediate density > 5 000 population)	0.00	0.00	0.00	0	
		03 Rural areas (thinly populated)	0.00		0.00	0.00	0								
		PA 5	IPA	121 Preparation, implementation, monitoring and inspection	01 Non-repayable grant	Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	07 Not applicable	6 129 318.00	0.00	2 336 968,34	9
				122 Evaluation and studies								766 165.00	20 594 593,13	292 121,04	
123 Information and communication	766 165.00			0.00								292 121,04			
<b>Grand total</b>										<b>75 874 784.38</b>	<b>64 325 127,13</b>	<b>54 687 590,37</b>	<b>120</b>		

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	6
	The amount of IPA 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 (%) (column 2/total amount allocated to the support from the IPA at programme level *100)	Eligible expenditure of IPA 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 (%) (column 4/total amount allocated to the support from the IPA at programme level *100)	Total eligible expenditure incurred and paid by beneficiaries and certified to the Commission by 31/12/2018 Article 21(2) of Regulation (EU) No 1303/2013 (EUR) (**)
All or part of an operation outside the Union part of the Programme area (1)	-	0.00 %	0.00	0.00 %	0.00

I would take these two comments out because:

(\*) IPA support is fixed in the Commission decision on the respective co-operation programme.

(\*\*) At this point this data is not available from the system

(1) In accordance with and subject to ceilings set out 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. [max: 10 500 ch]*

The programme evaluation plan has foreseen three phases of evaluations during the programming period: one operational and two impact evaluations.

The First Phase Evaluation “Evaluation of the efficiency and effectiveness of the programme” is the operational evaluation of the Programme, which was conducted by the Central European Service for Cross-Border Initiatives (CESCI). The cut-off date of the processed data was 31/09/2018. The final evaluation report was approved on 07 July, 2019 by the 16<sup>th</sup> written procedure of the JMC. The Evaluation was published on the website of the programme in 2020.

The evaluation findings related to major programme implementation risks have been grouped around the following four issues:

1. **Delayed performance** caused by late start of the programme due to delayed approval of relevant EU legislation; late introduction of the IMIS 2014-2020; changes at the ministerial level in Hungary and Serbia; shortage in human capacities and long designation procedure. The impact of the risk was estimated as medium.
2. **Problems** related to the **IMIS 2014-2020**: slow developments and unpredicted system errors slowing down processes of all system users. The impact of the risk was estimated as low.
3. **Shortages of human capacities** at the level of FLC in Serbia primarily. The impact of the risk was estimated as medium.
4. Complexity of **strategic projects**: The impact of the risk was estimated as high mainly based on shortage in human capacities at the time of the evaluation and significant budget allocation for strategic projects (30% of the total budget of the programme).

The first evaluation report defines main recommendations grouped at three levels:

1. **Designing of the next programme**: Recommendations addressing strategic frames of the programme, structural factors of programming and programme priorities and tools.
2. **Programme management**: Sets of recommendations regarding the communication and management procedures.
3. **Project implementation**: Two recommendations regarding better contribution to horizontal principles and sustainability of cross-border partnerships and project results.

Together with the MA it was decided that ultimately, only one impact evaluation in the 2<sup>nd</sup> half of 2021 would be sufficient. Thus, the evaluation would include more relevant data from a larger number of closed projects.

In the meantime, initial activities regarding the new programming period 2021-2027 have started taking into consideration recommendations to involve selected beneficiaries in the planning process of the programme. All recommendations will be reviewed in the upcoming period. Recommendations that are applicable and within the scope of the programme will be applied.

## 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 [max: 7000 ch]

#### 1. Delays in progress of indicators

The way the delays of indicators for PA 4 were addressed by the 2<sup>nd</sup> CP modification was proven to be justified. Furthermore, the previously defined crucial challenge to select such projects that will ensure the fulfilment of all the indicators was addressed by defining targeted actions for the 3<sup>rd</sup> CfP, especially in cases of PA 2 and PA 4. The JS put extra effort during the training of the external quality assessors, drawing their attention in particular to the programme indicators. Ultimately, the **selected and contracted projects of the 3<sup>rd</sup> CfP now include projects that have committed to reach the indicators** in question. It can be concluded that the 2<sup>nd</sup> CP modification, the targeted call for proposals and additional efforts of the programme were the exact correct measures to take to address the problem.

#### 2. Frequent prolongation of projects' duration and other challenges due to COVID-19 pandemic

2020 was the year of the pandemic, which resulted in numerous problems for the beneficiaries. We entered 2020 with 25 projects that already had been prolonged in order to implement activities in due time, mostly because of delays in procurements related to infrastructural works or equipment. This issue was further exacerbated by the pandemic; increasing the number of prolonged projects to 35. In many cases, beneficiaries requested for further prolongations either by decision of JMC or a simple addendum (that does not require JMC approval). Accordingly, the JS coordinated a total of 18 prolongation requests in 2020.

Many projects had to adapt to the pandemic and change some of their activities. On top of the national measures in both countries, the programme intended to avoid exposing beneficiaries and the public to health risk. According to advice and measures of the EC, the programme was tolerant regarding requests to modify the nature of events to online events, to adjust the nature of other activities and we allowed sensible redefinitions of indicators, budget redefinitions and reallocations.

#### 3. Monitoring system issues, introduction of INTERREG+:

In July 2019 the managing authority of all four Interreg programmes using IMIS 2014-2020 system decided – with the support of the Partner States – to launch a new procurement procedure on the development of a new IT system, the so-called INTERREG+ system (I+) to cover all missing functions of IMIS. The reason behind the system change was that even after a longer error management period the functionality of the IMIS could not be consolidated, the number of software errors was still higher than expected especially for the implementation modules. The INTERREG+ system started to replace IMIS in 2020. The JS programme managers already registered the newly selected projects of the 3<sup>rd</sup> Call for Proposals in the new system and some of the selected projects started their implementation in 2020. The JS and both first level controls had tested the new system and start to use it for the projects of the 3<sup>rd</sup> CfP.

The first approval was the modification of the core TA project by the JMC on 4 November, 2019, which authorized Széchenyi Programme Office (SZPO, the hosting body of the JS) to launch the public procurement procedure. SZPO initiated the public procurement in November 2019, and as a result, signed the development contract with the selected tenderer on 17 February, 2020. The I+ system development project is going to last until 30 September, 2021 and will be followed by a maintenance and support period throughout the implementation of the programme. According to the contractual schedule, the system went/will go live with the following functionality as follows:

- Project and Contracting Module covering recording of Programme and Call data - June 2020;
- Reporting Module, Control and Payment Module - November 2020;
- TA Project Module, Programme-level Financial Module (submission of Application for Payments to EC), planning migration procedure of all implementation and financial data from IMIS - February 2021;
- Irregularity, Recovery and Closure Module – May 2021;

- e-Application and Assessment Module for 2021-2027 period – September 2021;
- Service functions, development of interfaces (i.e. InforEuro), closing of the development project and handover of the source code of the I+ system 30 September, 2021.

#### **- Current status of the system development**

On 17 February, 2020, specification of the new system immediately started in the coordination of I+ Office (set up within SZPO) in close cooperation with the JS. After several testing rounds the first module covering Programme, Call and Project data as well as contracting procedure and payment of IPA advance to projects went live on 30 June, 2020. Online reporting module for beneficiaries as well as control functions was launched on 26 August 2020, followed by the start of the lead beneficiary reporting and payment module on 27 November, 2020. Since then, beneficiaries and lead beneficiaries of the programme have started using the system for online submission of their reports, as well as controllers for their validation activities and JS for its daily programme and project management activities. Migration of data from IMIS to I+ has been started and should be concluded in 2021.

#### **- General features of INTERREG+**

Front Office – Back Office

The Front Office surface of I+ is for beneficiaries and lead beneficiaries who can submit their beneficiary reports, progress reports and applications for reimbursement online.

The Back Office is used by all bodies of the programme implementation as a management and monitoring tool.

The workflow engine makes sure that each process is completed in sequence according and checks whether the user is authorized for a certain task. Version management for projects tracks the changes and stores them and ensures comparison. The project history screens contain all system events like a diary. Built-in checks, warnings and automatic calculations ensure the accuracy of the system. Detailed budget tables show the project's financial progress.

- Access rights management is needed since it is used by a large number of bodies and users. In order to avoid unauthorized logins and movements the system uses an access rights system: access to functions and data is restricted by organisational membership, level of hierarchy and geographic location.

#### **- Remaining tasks with IMIS 2014-2020 and the future**

In parallel to the introduction of the new system, the programme bodies, JS and both first level controls also used the previous, IMIS system for monitoring of still running projects of the 1<sup>st</sup> and 2<sup>nd</sup> CfPs and will continue to do so in 2021, as well.

While INTERREG+ gradually replaces IMIS 2014-2020, it is being developed with a view on the requirements of the 2021-2027 period as well – with the ultimate goal to be prepared as a new updated system for the next programme.

**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 progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate [max: 3500 ch]*

It can be stated that the programme was not damaged by the pandemic, though it required huge efforts on the side of the programme bodies but even more from the beneficiaries of our projects. The programme showed flexibility and quick reaction to the challenges of the beneficiaries, which resulted in most projects reaching their indicators and producing all other outputs in time, or were given more time to reach their goals. The objective difficulties were understandable and the programme bodies were on the one hand, tolerant in case of possible changes, on the other hand, they expected the beneficiaries to reach their redefined goals as agreed. In all cases, trust and tolerance was awarded with fulfilment of agreements and tangible results despite the challenges.

In general terms, the status of the initial delays of our contracting process was one of the reasons for that the progress of the programme was not as quick as expected. However, the spending rates have further increased that we can trust that the programme will reach its goals by 2023. The n+3 conditions were never in question and we expect this to continue until the successful conclusion of the programme.

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

*A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report*

**The annual implementation report (AIR) of the Interreg-IPA CBC Hungary-Serbia Programme** provides a brief overview of the activities undertaken in relation to the Programme in the year 2020.

*Provided as separate document.*

**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 relevant in case of the Interreg-IPA CBC Hungary-Serbia Co-operation Programme 2014-2020. (There were no financial instruments used in the meaning of Article 46 of the CPR in the Programme.)

**8. 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 relevant in case of the Interreg-IPA CBC Hungary-Serbia Co-operation Programme 2014-2020. (There are no major projects or joint action plans in the meaning of Article 101(h) and 111(3) of the CPR or Article 14(3)(b) of the ETC Regulation in the Programme.)

**8.1. Major projects**

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

*Not relevant for the Programme.*

*Any change planned in the list of major projects in the Co-operation Programme.*

*Not relevant for the Programme.*

**8.2. Joint action plans**

*Progress in the implementation of different stages of joint action plans*

*Not relevant for the Programme.*

## **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)

*Not relevant for AIR to be submitted in 2020*