

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

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## **Annual Implementation Report 2022**

*Approved by the Joint Monitoring Committee  
on 22 May 2023*



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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   | 2022                            |
| Date of approval of the report by the Monitoring Committee | 22 May 2023                     |

#### 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]*

2022 was the first year when the effects of the COVID-19 pandemic started wearing off. The programme remained quite active. The remaining 2 projects selected in 2021 were contracted in 2022. 35 projects concluded their implementation out of all the projects contracted under the 3<sup>rd</sup> call for proposals (CfP) leaving only 9 projects with end dates in 2023. The JS approved 24 final reports – which means that now there is a total of 26 projects yet to finish reporting. The beneficiaries of the remaining 1 project from the 1<sup>st</sup> call of strategic importance successfully concluded their reporting processes while only 2 of the 2<sup>nd</sup> CfP have not yet concluded the reporting processes. In summary, all projects of 1<sup>st</sup> and 2<sup>nd</sup> calls have concluded their implementation and there are only projects of the 3<sup>rd</sup> CfP which are still running.

The Joint Monitoring Committee (JMC) did not have sessions in 2022. The JMC has made 24 decisions: all of them via 13 written procedures (WP). The WPs of the JMC were:

- Approval of the annual implementation report for 2021.
- Project modifications (20) - mainly to extend project duration because of delayed activities due to the pandemic.
- TA manual, TA datasheet and Rules of Procedures updates.

The Joint Secretariat (JS) coordinated the consideration and ultimately the approval of 21 addenda of subsidy contracts, checked and approved 38 other project changes. Moreover, the JS approved 115 project reports (PRs) in the value of EUR 7 270 053.37 (6 179 544.03 of IPA).

Breakdown of validated IPA funds per CfP:

1<sup>st</sup>: EUR 845 410.96

2<sup>nd</sup>: EUR 72 462.75

3<sup>rd</sup>: EUR 6 351 879.66

Breakdown of validated IPA funds per priority axis (PA):

PA1: EUR 1 214 969.59

PA2: EUR 726 227.79

PA3: EUR 2 670 235.44

PA4: EUR 1 568 111.21

By end of 2022, the INTERREG+ system fully replaced IMIS 2014-2020 and the previous IMIS 2014-2020 now exists in archive form.

The programme's website [www.interreg-ipa-husrb.com](http://www.interreg-ipa-husrb.com) remained the main communication hub 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 programme's Facebook and LinkedIn pages also provided information about the programme, news relevant to the (or for the) border region, and updates on the related EU initiatives.

Our programme had prominent success and exposure on the Annual Interreg Event in Brussels, where one of our projects HandCraft, HUSRB/1903/31/0089 "Future from the Past - Development of Cross-border Heritage Tourism Based on Handicrafts" – received 2<sup>nd</sup> place of the Interreg Project Slam 2022 with a great presentation. At the same time, the project was the Interreg Slam's Social media competition winner with over 1.300 Likes on Facebook.

In terms of events, in 2022 the project reported on above 200 events that contributed to the projects' and the programme's visibility.

The programme bodies invested time and resources for capacity building, enabling the colleagues to attend online Interact seminars and other online seminars in various subjects for the sake of the smooth implementation of the current and the future programme.

In 2022, the JS consisted of 7 employees with the following roles: the head of the JS, the deputy head of the JS, 4 programme managers, 1 programme and financial manager. The position of the office manager was discontinued and the JS is under preparations to attain one more programme manager in 2023 especially in view of the obligations of the next programme. The JS Antenna (JSA) in Subotica operated with 2 programme managers; one of them is the head of JSA while the other took the role of communication manager for the programme. Horizontal units of the hosting institution (Széchenyi Programme Office Nonprofit LLC) continuously supported the management of the programme.

In this year, beneficiaries of 19 projects requested duration prolongation requests and the programme remained understanding and approved them - at the same time taking care of the approaching n+3 deadlines for conclusion of projects. As so far, the JS and the MA were also flexible regarding requests to reschedule project activities, to modify the nature of events to online events or to adjust the nature of other activities. We also considered and allowed sensible redefinitions of indicators and budget as well as budget reallocations.

In conclusion, though the effects of the pandemic started to wear off, it still stifled direct contacts and slowed down implementation of many projects. Still, 2022 was a successful year, in which the 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<br>With reference to key developments,<br>significant problems and<br>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 (EUR 18 850 000).</p> <p>The specific objective of this PA is to decrease environmental risks (e.g. drought, flood, etc.) and prevent 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 2 projects of this priority with the total value of EUR 13.33 million of IPA funding progressed well. Our reporting for our largest project HUSRB/1601/11/0001, BABECA has concluded in 2021. The final report of our only remaining project of the 1<sup>st</sup> CfP, HUSRBB/1601/11/0004, WASIDCA in the value of 0.85 million was submitted and approved in 2022. The project has reached all indicators with a 97.42% spending rate.</p> <p>- This priority had a total value of EUR 4.52 million of IPA funding allocated for the 7 projects of the 2<sup>nd</sup> CfP. Previously, all 7 projects had their final reports approved.</p> <p>- This priority had a total value of 0.6 million of IPA funding allocated from the 3<sup>rd</sup> CfP for 2 projects. In 2022, a total of 5 reports in the value of EUR 496 370,29 of IPA funding were approved - including the final reports of both projects.</p> <p><b>Validated costs in 2022: EUR 1 429 376.12 (1 214 969.59 IPA)</b></p> <p>In this PA, all running projects have concluded their reporting which concludes all activities of PA 1. <b>We can also confirm that the programme has achieved all target values of all three Output Indicators of PA1!</b></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 (EUR 15 492 100).</p> <p>The specific objective of this PA is to increase 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 are responsible for the development of cross-border transport, railway management and development companies, border control and customs administrations, organisations that maintain the transport stations and operating public transport.</p>  |

|      |  |  |
|------|--|--|
|      |  | <p>- There are 2 projects contracted under this priority in the 1<sup>st</sup> CfP (strategic importance) with a total amount of EUR 7.7 million and both have previously finished their implementation and reporting.</p> <p>- The 3 projects of the 2<sup>nd</sup> CfP with the total amount of EUR 5.8 million were already concluded in 2021.</p> <p>- The 5 projects of the 3<sup>rd</sup> CfP all had implementation periods in 2022, and they had 12 of their reports approved in the total value of EUR 726 227.79 of IPA. 2 concluded their activities in this period, and 1 of them has their final report approved. The 3 remaining will conclude activities and reporting in 2023.</p> <p><b>Validated costs in 2022: EUR 854 385.78 (726 227.79 IPA).</b></p> <p>The projects of the 3<sup>rd</sup> CfP are vital, as they should fully cover those 2 indicators that are still not fulfilled in this PA (O/I 2.1 and 2.6). Progress of these projects in 2023 is critical to reach 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 (EUR 16 702 000).</p> <p>The specific objectives are the creation of commonly coordinated cross-border tourism destinations based on the complementary local assets to ensure sustainable development of tourism potentials, and also 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 and bodies, local governments and their organisations, etc.</p> <p>- The only project of the 1<sup>st</sup> CfP (HUSRB/1601/31/0005 – ColourCoop) with an amount of EUR 3.18 million of IPA successfully concluded in 2020, and their reporting obligation was concluded in 2021.</p> <p>- The 40 projects of the 2<sup>nd</sup> CfP with the value of EUR 9.6 million of IPA were progressing with delays because of the numerous events and trips that were previously cancelled due to the pandemic. 37 projects completed their reporting obligation by 2021. Of the 3 remaining ones, 1 project had their final report approved in 2022. We expect 2 remaining to have their reports approved in early 2023.</p> <p>- 2022 was peak reporting period for the 29 running projects of 3<sup>rd</sup> CfP. 70 PRs were approved in the total value of EUR 2 608 387.11 of IPA. 22 project concluded their implementation in 2022, 13 had their final PRs approved. This leaves a total of 16 projects to submit their final PRs in 2023.</p> <p><b>Validated costs in 2022: EUR 3 141 454.25 (2 670 235.44 IPA)</b></p> <p>Apart from delays, the implementation of the PA went well; all targets of this PA are already met and surpassed by a large margin.</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 (EUR 6 512 400).</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 of the 2<sup>nd</sup> CfP with the value of EUR 4.2 million of IPA concluded their activities and reporting previously.</p> <p>- The 10 projects of the 3<sup>rd</sup> CfP with the value of 2.9 million EUR of IPA are progressing well. 26 PRs were submitted and approved with the total value of EUR 1 568 111.21 of IPA. 5 projects had their final PRs approved, 9 concluded their activities in 2022. This leaves only 1 project with implementation period and 5 final PRs to be approved in 2023.</p> <p><b>Validated costs in 2021: EUR 1 844 837.20 (1 568 111.21 IPA)</b></p> <p>The most significant development is that the <b>indicator related to scholarships (O/I 4.3)</b> – the one that lagged behind previously – showed further progress; <b>so much so that the target value is reached and surpassed already in 2022!</b></p>   |
| PA 5 | Technical Assistance (TA) | <p>The priority represents <b>10% of the IPA funding</b> allocated to the programme (EUR 6 512 400).</p> <p><b>The main results in 2022 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>• project monitoring, administrative and technical assistance to projects of the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> CfP</li> <li>• implementation of 3<sup>rd</sup> CfP projects</li> <li>• information and communication activities</li> <li>• audit and FLC measures, etc.</li> </ul> <p>Out of 118 projects 109 have concluded their implementation by end of 2022, leaving only 9 implementing activities in 2023.</p> <p>By the end of 2022 we have final PRs of all 5 projects of 1<sup>st</sup> CfP , and 65 out of 67 of the 2<sup>nd</sup> CfP and 22 out of 46 of the 3<sup>rd</sup> CfP – <b>leaving a total of 26 projects to conclude their reporting in 2023.</b></p> <p>This year was the first one less affected by the pandemic, however the negative impact on project implementation still lingers with a relatively large number of prolongation requests still persisting. Regardless, 35 projects concluded their implementation in 2022 and 24 final PRs were approved in 2022.</p> <p>The JS approved 115 project reports (PRs) in the value of <b>EUR 7 270 053.37 (6 179 544.03 of IPA)</b>. 21 Addenda requests were approved and administered.</p> <p>There were 34 TA project reports approved in 2022.</p> |

### 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<br>(if necessary)    |
|--------------------|--|---|----------------|---------------|---------------------|--------------|-----------|------|-----------|------|-----------------------------------|
| ID                 | Indicator  | Measurement Unit  | Baseline Value | Baseline Year | Target Value (2023) | 2014-2018    | 2019      | 2020 | 2021      | 2022 |                                   |
| PA 1,<br>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  | 2.04*     | N/a  | Reporting is not required in 2022 |
| PA 2,<br>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  | 39.22     | N/a  | Reporting is not required in 2022 |
| PA 3,<br>3.1       | Number of overnight stays  | overnight stays   | 1 835 757      | 2013          | 1 964 000           | N/a          | 2 612 040 | N/a  | 1 996 789 | N/a  | Reporting is not required in 2022 |
| PA 3,<br>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  | 3.58      | N/a  | Reporting is not required in 2022 |
| PA 4,<br>4.1       | Rate of innovative SMEs in the cross-border region   | %   | 32.94          | 2015          | 33                  | N/a          | 37.06     | N/a  | 47.99     | N/a  | Reporting is not required in 2022 |

\* reformulated measurement unit as "Weighted average quality of key chemical components (average number of components) of cross-border surface water bodies (rivers) in the eligible area"



**Additional data requested by EC:**

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

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

**The advance received by the programme by the end of 2022: EUR 13 460 302.00**

**The interim payments received by the programme by the end of 2022: EUR 47 251 885.77**

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

|                          | <b>advance payments*<br/>(EUR)</b> | <b>interim payments*<br/>(EUR)</b> |
|--------------------------|------------------------------------|------------------------------------|
| <b>2022</b>              | 0.00                               | 1 818 208.88                       |
| <b>Total (2017-2022)</b> | 8 996 020.13                       | 47 251 885.77                      |

*\* 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  | Measure<br>ment unit   | Target<br>value<br>(2023) | CUMULATIVE VALUE |      |      |         |         |           |            |            | Observations                 |   |
|---|-----|--|------------------------|---------------------------|------------------|------|------|---------|---------|-----------|------------|------------|------------------------------|---|
|   |     |  |                        |                           | 2014             | 2015 | 2016 | 2017    | 2018    | 2019      | 2020       | 2021       |                              | 2022  |
| Outputs to be delivered by selected operations<br><small>[forecast provided by beneficiaries]</small> | 1.1 | Population benefiting from flood protection measures                               | persons                | 1 000 000                 | 0                | 0    | 0    | 949 123 | 949 123 | 949 123   | 1 511 787  | 1 511 787  | 1 511 787                    | No newly contracted projects of this priority since 2020 – most probably the final value.   |
| Outputs delivered by operations<br><small>[actual achievement]</small>                                |     |  |                        | 1 000 000                 | 0                | 0    | 0    | 0       | 0       | 900 000   | 949 123    | 949 123    | 1 511 787                    | The target value was reached and surpassed by 50%.  |
| 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    | 180 608    | 180 608                      | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations   |     |  |                        | 180 000                   | 0                | 0    | 0    | 0       | 0       | 172 912   | 172 912    | 191 570    | Target reached in this 2022. |   |
| 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 | 182 126.35 | 182 126.35                   | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations   |     |  |                        | 150 000                   | 0.00             | 0.00 | 0.00 | 0.00    | 4 700   | 17 557.32 | 17 672.32  | 17 672.32  | 187 187.15                   | Target reached in 2022, slight over-achievement of several projects explains the delivered outputs being larger than selected.  |
| 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          | 8          | 8                            | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations   |     |  |                        | 7                         | 0                | 0    | 0    | 0       | 0       | 0         | 2          | 2          | 4                            | 2 out of the planned improved border crossing points are finished. The programme target will be achieved with the 4 relevant projects contracted within the 3 <sup>rd</sup> CFP that still have not reported progress on the indicator in 2022. |
| Outputs to be delivered by selected operations  | 2.2 | Total length of newly built roads  | kilometres             | 4                         | 0.00             | 0.00 | 0.00 | 4.52    | 4.52    | 4.52      | 4.529      | 4.529      | 4.529                        | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations   |     |  |                        | 4                         | 0.00             | 0.00 | 0.00 | 0.00    | 0.00    | 0.00      | 4.53       | 4.53       | 4.53                         | The final target value was already reached.   |
| 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      | 14.00      | 14.00                        | No newly contracted projects of this priority since 2020.   |

|  |     |  |              |         |      |      |      |        |        |        |            |            |            |   |
|--|-----|--|--------------|---------|------|------|------|--------|--------|--------|------------|------------|------------|---|
| Outputs delivered by operations                |     |  |              | 12      | 0.00 | 0.00 | 0.00 | 0.00   | 0.00   | 0.00   | 14.46      | 14.46      | 14.86      | The final target value was already reached.   |
| 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      | 26.87      | 26.87      | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations                |     |  |              | 25      | 0.00 | 0.00 | 0.00 | 0.00   | 0.00   | 4.82   | 19.96      | 26.86      | 26.86      | The target value is achieved in 2021.   |
| 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      | 58.00      | 58.00      | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations                |     |  |              | 53.43   | 0.00 | 0.00 | 0.00 | 0.00   | 0.00   | 0.00   | 0.00       | 58.00      | 58.00      | Target value reached in 2021.   |
| Outputs to be delivered by selected operations | 2.6 | Number of improved public transport services   | services     | 3       | 0    | 0    | 0    | 0      | 0      | 0      | 3          | 3          | 3          | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations                |     |  |              | 3       | 0    | 0    | 0    | 0      | 0      | 0      | 0          | 0          | 0          | 0   |
| 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    | 109 811    | 109 811    | No additional projects contracted in 2022.  |
| Outputs delivered by operations                |     |  |              | 100 000 | 0    | 0    | 0    | 0      | 2 050  | 64 206 | 108 673    | 189 772    | 237 523    | Final target was already reached in 2020, many projects greatly overperformed, the margin further increased in 2022 |
| 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      | 1 140      | 1 128      | A project slightly modified their goal regarding this indicator explains the decrease in comparison to 2021         |
| Outputs delivered by operations                |     |  |              | 900     | 0    | 0    | 0    | 0      | 22     | 383    | 507        | 773        | 1 050      | Multiple projects reported on their events so the target reached in 2022.   |
| 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     | 87 440     | 87 440     | No additional projects contracted in 2022.  |
| Outputs delivered by operations                |     |  |              | 84 000  | 0    | 0    | 0    | 0      | 543    | 77 343 | 368 471.75 | 381 560.53 | 433 632.53 | Target reached in 2020. Projects of this action hugely overperformed their planned targets.                         |
| Outputs to be delivered by selected operations | 4.1 | Number of enterprises cooperating with research institutions                                     | enterprises  | 210     | 0    | 0    | 0    | 187    | 187    | 187    | 224        | 224        | 224        | No newly contracted projects of this priority since 2020.   |
| Outputs delivered by operations                |     |  |              | 210     | 0    | 0    | 0    | 0      | 0      | 62     | 204        | 232        | 265        | The target value reached in 2021. Some projects overperformed their planned targets.                                |

|  |     |   |               |       |      |      |      |      |        |       |        |        |        |  |
|--|-----|---|---------------|-------|------|------|------|------|--------|-------|--------|--------|--------|--|
| 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    | 249    | 249    | No newly contracted projects of this priority since 2020.  |
| Outputs delivered by operations                |     |   |               | 210   | 0    | 0    | 0    | 0    | 0      | 52    | 212    | 258    | 296    | The target value surpassed already in 2020, and in 2021 and 2022 further surpassed as several project overperformed their planned targets.   |
| 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 | 388.75 | 388.75 | No newly contracted projects of this priority since 2020.  |
| Outputs delivered by operations                |     |   |               | 250   | 0    | 0    | 0    | 0    | 0      | 0     | 1.75   | 1.75   | 252.75 | Newly selected projects under Action 4.3 of the 3 <sup>rd</sup> CfP reported in 2022 and the target value is reached.  |
| 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.   | 50.40* | 50.40* | No newly contracted projects of this priority since 2020. *The accumulated total value of this indicator is 504 selected by 10 projects. At the end of the programme the exact values will be measured with a methodology yet to be determined.          |
| Outputs delivered by operations                |     |   |               | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | n. a.* | 36.54 | 62.40  | 65.70* | 66.88* | *The accumulated total value of this indicator is 802.50, reported by 12 projects. 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    | 129    | 129    | 129 consists of 9 TA and 120 normal projects. In 2021, 9 additional normal projects were selected (and 2 withdrew after contracting that are still counted as selected). This indicator was already achieved in 2020.                                    |
| Outputs delivered by operations                |     |   |               | 100   | 0    | 0    | 0    | 0    | 81     | 81    | 110    | 127    | 129    | This indicator was already achieved in 2020. In 2022, the JS registered additional 2 regular projects in the monitoring system and which now has the total of 129 (2 that withdrew also counted as registered).  |
| Outputs to be delivered by selected operations | 5.2 | Number of publicity events  | number        | 5     | 0    | 0    | 5    | 6    | 8      | 13    | 13     | 13     | 13     | Indicator already achieved previously.   |
| Outputs delivered by operations                |     |   |               | 5     | 0    | 0    | 0    | 0    | 8      | 13    | 13     | 13     | 13     | Indicator met in 2019. In 2022 there were no public events organised by the programme.   |

|  |     |                     |                  |   |   |   |   |   |   |   |   |   |   |  |
|--|-----|---------------------|------------------|---|---|---|---|---|---|---|---|---|---|--|
| Outputs to be delivered by selected operations | 5.3 | Number of employees | employees in FTE | 8 | 0 | 0 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | Indicator already achieved previously. |
| Outputs delivered by operations                |     |                     |                  | 8 | 0 | 0 | 0 | 0 | 8 | 8 | 8 | 8 | 8 | 8                                      |

**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   | Measurement unit | Milestone target 2018 | Final target (2023) | 2014 - 2016 | 2017 | 2018       | 2019         | 2020          | 2021          | 2022          | Observations   |
|-------------------------|---------|--|------------------|-----------------------|---------------------|-------------|------|------------|--------------|---------------|---------------|---------------|--|
| Output indicator        | OI 1.2  | Length of new or improved water management system  | Metres           | 0                     | 180 000             | 0           | 0    | 0          | 0            | 172 912       | 172 912       | 191 570       | The final target is reached in 2022.   |
| 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           | 4    | 4          | 4            | 6             | 6             | 6             | No newly signed projects contribute to this indicator, however the final target value was already reached in 2020. |
| 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             | 20 942 012          | 0           | 0    | 977 448.36 | 4 644 114.84 | 12 786 865.92 | 19 354 692.01 | 20 654 117.57 | All projects of this PA concluded their activities and reporting. The target is 98.63% 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          | 2021          | 2022          | Observations  |
|-------------------------|---------|--|-------------------|-----------------------|---------------------|-------------|--------|------------|--------------|---------------|---------------|---------------|---|
| Output indicator        | OI 2.2  | Total length of newly built roads  | Km                | 0                     | 4                   | 0           | 0      | 0          | 0            | 4.53          | 4.53          | 4.53          | The final target was reached already in 2020.   |
| Output indicator        | OI 2.3  | Total length of reconstructed or upgraded roads  | Km                | 0                     | 12                  | 0           | 0      | 0          | 0            | 14.46         | 14.46         | 14.86         | The final target was reached in 2020, in 2022 this amount was further increased due to a closure of another project of this PA. |
| 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             | 5             | 5             | Final target already met in 2017. No new projects of PA2 contracted in 2022.  |
| Financial Indicator     | FI 2    | Eligible certified expenditure of the priority axis 2 “Decreasing the bottlenecks of cross-border traffic”   | EUR               | 794 000               | 18 638 608          | 0           | 450.21 | 513 091.68 | 2 666 945.02 | 12 716 645.11 | 15 780 322.04 | 16 604 627.54 | Includes values from approved PRs in 2022, the indicator is 89% reached   |

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

| Indicator type      | ID     | Indicator or Key implementation step  | Measure-ment unit | Milestone target 2018 | Final target (2023) | 2014-2016 | 2017   | 2018         | 2019         | 2020         | 2021          | 2022          | 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          | 773           | 2 863         | The target value of this OI was reached in 2022 – and overperformed. We expect further overperformance of this indicator by the end of the programme. |
| Financial Indicator | FI 3   | Eligible certified expenditure of the priority axis 3 “Encouraging tourism and cultural heritage cooperation” | EUR               | 1 100 000             | 21 183 504          | 0         | 433.26 | 1 108 976.99 | 5 046 529.79 | 9 421 080.62 | 14 934 367.23 | 17 528 232.47 | Includes values from approved PRs by end of 2022 – no problems expected by the end of the programme, indicator is 82.74% reached                      |

**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) | 2014-2017 | 2018       | 2019         | 2020         | 2021         | 2022         | Observations  |
|---------------------|--------|--|------------------|-----------------------|---------------------|-----------|------------|--------------|--------------|--------------|--------------|---|
| Output indicator    | OI 4.1 | Number of enterprises cooperating with research institutions   | Number           | 10                    | 210                 | 0         | 10         | 95           | 204          | 232          | 741          | The target value reached in 2021 and further surpassed in 2022 as many projects overperformed their planned targets.            |
| Financial indicator | FI 4   | Eligible certified expenditure of the priority axis 4 “Enhancing SMEs’ economic competitiveness through innovation driven development” | EUR              | 347 200               | 8 190 707           | 0         | 158 449.38 | 1 402 662.68 | 3 756 988.87 | 4 864 888.91 | 6 525 994.74 | Includes values from approved PRs by end of 2022. No problems expected by the end of the programme, indicator is 79.67% reached |



### 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 31/12/2022(EUR)* |
| PA 1  | IPA        |                    | Total cost                                 | 20 942 012.00        | 85.00             | 20,654,117.57   | 98.63   | 20,654,117.57   | 21,518,267.37  | 102.75  | 11                              | 20,654,117.57   |
| PA 2  | IPA        |                    | Total cost                                 | 18 638 608.00        | 85.00             | 18,614,079.21   | 99.87   | 12,709,487.78   | 18,668,278.18  | 100.16  | 10                              | 16,604,627.54   |
| PA 3  | IPA        |                    | Total cost                                 | 21 183 504.00        | 85.00             | 20,879,186.45   | 98.56   | 14,372,214.65   | 19,872,768.29  | 93.81   | 72                              | 18,789,195.99   |
| PA 4  | IPA        |                    | Total cost                                 | 8 190 707.00         | 85.00             | 7,768,935.72  | 94.85   | 5,041,795.94  | 7,431,818.78   | 90.73   | 27                              | 6,716,600.82  |
| PA 5  | IPA        |                    | Total cost                                 | 7 661 648.00         | 85.00             | 7,661,648.00  | 100.00  | 7,661,648.00  | 4,655,556.52   | 60.76   | 9                               | 4,655,372.90  |
| <b>Total</b>  | <b>IPA</b> |                    | <b>Total cost</b>                          | <b>76 616 479.00</b> | <b>85.00</b>      | <b>75,577,966.95</b>  | <b>98.64</b>  | <b>60,439,263.94</b>  | <b>72,146,689.14</b>   | <b>94.17</b>  | <b>129</b>                      | <b>67,419,914.85</b>  |

\* The amounts of this column are referring to the progress reports for actions incurred before 2023 and paid within the relevant applications for payment (last AfP considered: cut-off date 18/11/2022)

\*\* In 2021 2 projects from the 3<sup>rd</sup> CfP withdrew. Therefore, the actual number of operating or closed operations is 127.

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 exp. | 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 31/12/2021) |
| 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) | 01                       | b                                 | 07                             | 22                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|      |                         |   |                        | 03 Rural areas (thinly populated)                              | 01                       | b                                 | 07                             | 22                     | HU                    | 19 815 008.68         | 19 815 008.68  | 20 575 703.24   | 8  |
|      |                         | 085 Protection and enhancement of biodiversity, nature protection and green infrastructure  |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | b                                 | 07                             | 22                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|      |                         |   |                        | 03 Rural areas (thinly populated)                              | 01                       | b                                 | 07                             | 22                     | HU                    | 839 108.89            | 839 108.89   | 942 564.13  | 3  |
| PA 2 | IPA                     | 026 Other Railways  | 01 Non-repayable grant | 03 Rural areas (thinly populated)                              | 01                       | c                                 | 07                             | 12                     | HU                    | 3 336 986.83          | 3 035 080.57   | 4 220 114.79  | 1  |
|      |                         | 032 Local access roads (newly built)  |                        |  | 01                       | c                                 | 07                             | 12                     | HU                    | 8 544 198.00          | 3 386 632.03   | 8 870 383.69  | 2  |
|      |                         | 034 Other reconstructed or improved roads (motorway, national, regional or local)   |                        |  | 01                       | c                                 | 07                             | 12                     | HU                    | 469 925.50            | 170 057.00   | 247 458.37  | 1  |
|      |                         | 044 Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring, control and information systems)  |                        |  | 01                       | c                                 | 07                             | 12                     | HU                    | 1 389 567.21          | 1 389 567.21   | 424 454.89  | 1  |
|      |                         | 090 Cycle tracks and footpaths  |                        |  | 01                       | c                                 | 07                             | 12                     | HU                    | 4 873 401.67          | 4 728 150.97   | 4 905 866.44  | 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)   | 01                       | d                                 | 07                             | 15                     | HU                    | 546 515.91            | 328 855.11   | 567 872.54  | 4  |
|      |                         |   |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | d                                 | 07                             | 15                     | HU                    | 2 015 589.59          | 1 967 538.27   | 1 705 978.70  | 5  |
|      |                         |   |                        | 03 Rural areas (thinly populated)                              | 01                       | d                                 | 07                             | 15                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |

| PA  | Characteristics of exp. | 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 31/12/2021) |
|   |                         |  |                        |  |                          |                                   |                                |                        |                       |                       |  |   |  |
|   |                         | 02 Small Urban areas (intermediate density > 5 000 population)   | 01                     | d  | 07                       | 15                                | HU                             | 2 171 125.02           | 2 062 818.77          | 2 242 226.75          | 5  |   |  |
|   |                         | 03 Rural areas (thinly populated)  | 01                     | d  | 07                       | 15                                | HU                             | 1 502 664.68           | 1 502 664.68          | 1 627 423.04          | 3  |   |  |
|   |                         | 094 Protection, development and promotion of public cultural and heritage assets                                 |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | d                                 | 07                             | 15                     | HU                    | 2 021 912.09          | 1 315 138.13   | 1 892 847.90  | 12   |
|   |                         |  |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | d                                 | 07                             | 15                     | HU                    | 3 492 168.37          | 1 972 344.06   | 3 378 964.79  | 15   |
|   |                         |  |                        | 03 Rural areas (thinly populated)                              | 01                       | d                                 | 07                             | 15                     | HU                    | 709 271.76            | 511 670.46   | 580 118.12  | 2  |
|   |                         | 095 Development and promotion of public cultural and heritage services   |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | d                                 | 07                             | 15                     | HU                    | 660 244.97            | 335 246.84   | 661 378.85  | 5  |
|   |                         |  |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | d                                 | 07                             | 15                     | HU                    | 5 222 498.84          | 2 558 217.02   | 5 031 630.16  | 12   |
|   |                         |  |                        | 03 Rural areas (thinly populated)                              | 01                       | d                                 | 07                             | 15                     | HU                    | 482 558.81            | 146 791.11   | 512 190.14  | 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)   | 01                       | g                                 | 07                             | 07                     | HU                    | 660 039.70            | 512 823.95   | 669 911.22  | 2  |
|   |                         |  |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|   |                         |  |                        | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 157 075.45            | 157 075.45   | 173 104.90  | 1  |
|   |                         | 062 Technology transfer and university-enterprise cooperation prim   |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | g                                 | 07                             | 07                     | HU                    | 585 973.29            | 585 973.29   | 640 797.87  | 2  |
|   |                         |  |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | g                                 | 07                             | 07                     | HU                    | 2 346 365.74          | 1 595 042.88   | 1 947 390.42  | 5  |
|   |                         |  |                        | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|   |                         |  |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | g                                 | 07                             | 07                     | HU                    | 1 013 522.96          | 337 272.43   | 1 073 938.41  | 3  |
| 063 Cluster support and business networks primarily benefiting SMEs |                         | 02 Small Urban areas (intermediate density > 5 000 population)   | 01                     | g  | 07                       | 07                                | HU                             | 0.00                   | 0.00                  | 0.00                  | 0  |   |  |

| PA                 | Characteristics of exp. | 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 31/12/2021) |
|                    |                         | 066 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)         | 01                     | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|                    |                         |   |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|                    |                         |   |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | g                                 | 07                             | 07                     | HU                    | 454 356.91            | 317 790.01   | 470 863.79  | 2  |
|                    |                         | 067 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs) |                        | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 794 398.32            | 689 417.82   | 786 426.03  | 3  |
|                    |                         |   |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|                    |                         |   |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | g                                 | 07                             | 07                     | HU                    | 1 234 829.46          | 801 860.94   | 1 054 391.88  | 7  |
|                    |                         | 072 Business infrastructure for SMEs (including industrial parks and sites)   |                        | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 522 373.89            | 44 539.17  | 614 994.26  | 2  |
|                    |                         |   |                        | 01 Large Urban areas (densely populated > 50 000 population)   | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|                    |                         |   |                        | 02 Small Urban areas (intermediate density > 5 000 population) | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
|                    |                         |   |                        | 03 Rural areas (thinly populated)                              | 01                       | g                                 | 07                             | 07                     | HU                    | 0.00                  | 0.00   | 0.00  | 0  |
| PA 5               | IPA                     | 121 Preparation, implementation, monitoring and inspection  | 01 Non-repayable grant | Not applicable   | 07                       | 07                                | 07                             | 18                     | HU                    | 6 129 318.00          | 6 129 318.00   | 3 724 444.97  | 9  |
|                    |                         | 122 Evaluation and studies  |                        |  | 07                       | 07                                | 07                             | 18                     | HU                    | 766 165.00            | 766 165.00   | 465 555.77  |  |
|                    |                         | 123 Information and communication   |                        |  | 07                       | 07                                | 07                             | 18                     | HU                    | 766 165.00            | 766 165.00   | 465 555.78  |  |
| <b>Grand total</b> |                         |   |                        |  |                          |                                   |                                |                        |                       | <b>75 577 966.95</b>  | <b>60 439 263.94</b>                                       | <b>72 146 689.14</b>  | <b>127</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 3 evaluations during the programming period: 1 operational and 2 impact evaluations.  
Due to various Programme implementation challenges, including the COVID-19 pandemic, the content and timing of planned evaluations have been adjusted to deliver the best results, as follows:

|               | 2016 | 2017  | 2018 | 2019                               | 2020 | 2021 | 2022                               |
|---------------|------|---|------|------------------------------------|------|------|------------------------------------|
| Original Plan |      | 1st Phase of effectiveness, efficiency evaluation |      | 1st Phase of impact evaluation     |      |      | 2nd Phase of impact evaluation     |
| Revised Plan  |      |   |      | 1st Phase of a combined evaluation |      |      | 2nd Phase of a combined evaluation |

The **1<sup>st</sup> Phase of a combined evaluation** (1<sup>st</sup> evaluation) of the Interreg-IPA Cross-border Cooperation Programme Hungary-Serbia was conducted by the Central European Service for Cross-Border Initiatives (CESCI). The cut-off date for the processed data was 30 September 2018. The JMC approved the final evaluation report on 7 July 2019 in the 16th written procedure. The evaluation was published on the website of the Programme in 2020.

The 1<sup>st</sup> evaluation was performed at an early stage of the Programme implementation as an effort to evaluate the Programme's efficiency and effectiveness and impact. At that time, two calls for proposals were closed and all selected projects were in implementation. Due to the unfavourable dynamics of projects, available data sources were insufficient to measure the tangible results of the Programme. Therefore, the 1st evaluation was rather an operational one whereas only a modest impact of the Programme could be analysed.

The findings of the 1<sup>st</sup> evaluation related to major programme implementation risks have been grouped around the following four issues:

- 1. Delayed performance** caused by the late start of the programme due to delayed approval of relevant EU legislation; late introduction of the monitoring system 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.
- Complexity of **strategic projects**: The impact of the risk was estimated as high mainly based on the 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 defined 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 communication and management procedures.
- 3. Project implementation**: Two recommendations regarding better contribution to horizontal principles and sustainability of cross-border partnerships and project results.

Several recommendations of the 1<sup>st</sup> evaluation have been applied during the implementation of the 2014-2020 Programme (e.g. recommendations addressing horizontal principles and shortages in human capacities). In addition, following the recommendation, more stakeholders were involved in designing the new programme 2021-2027.

The **2<sup>nd</sup> Phase of a combined evaluation** (2<sup>nd</sup> evaluation) of the Interreg-IPA Cross-border Cooperation Programme Hungary-Serbia was also conducted by the Central European Service for Cross-Border Initiatives. The cut-off date for the processed data was 12 April 2020. The bulk of the data collection, surveys, and other evaluation activities took part in the previous financial year, 2022. The 2<sup>nd</sup> evaluation has been fine-tuned and finalized at the end of 2022/beginning of 2023, and it is yet to be subjected to JMC approval.

Before the cut-off date, 72% of the projects were closed, 33 projects (28%) were still running and the rate of approved final project reports was under 60%. Even though significant progress has been made between the cut-off dates of the first and the second evaluation, a relatively low rate of approved final project reports prevented evaluators to measure the full impact of the Programme.

An in-depth evaluation was performed per each Priority axis as well as at the Programme level. The main findings at the Programme level are summarized below.

Regarding the Programme's impact on the **fundamental objectives**, to reduce the borders' barrier effect, and to valorise the border regions territorial capital, the 2<sup>nd</sup> evaluation concluded that:

- The programme had the strongest positive impact on the field of the cross-border cooperation. The implemented projects and events played an important role in strengthening the social connections of the border area. On other fields of the cross-border cooperation, such as establishing new cooperation agreements, the effects of the programme were limited.
- The programme had strong positive effects on people-to-people relations. In the cross-border perceptions, significant positive change can be observed with the positive contribution of the programme.
- Regarding cross-border flows, the programme could unfold its effects only in certain areas. While the infrastructural conditions of the cross-border mobility have definitely improved due to physical investments and planning activities funded by the programme; regarding the other aspects of the cross-border flows, such as cross-border services, mobility and business activities, the programme had only weak positive or no effect.

The Programme has an **outstanding role in building mutual trust**, initiating and deepening/broadening already existing connections across the border. One of the biggest impacts is enhancing and encouraging of cross-border relations on which future developments can be built.

Based on the S.M.A.R.T. assessment of the output indicators, the most important findings are as follows:

- Output indicators of the PA2 have been designed the most successful. They reflect mostly exact physical results, which have a quite clear methodology for measuring them. The output indicators regarding the PA4 suffer from different kinds of issues. The original target values were not ambitious enough, the OI/4.4 could be misunderstood, which caused inconsistent and non-harmonised data. The output indicators of the PA3 were quite adequate, but the original target values were extremely modest and required several adjustments. PA1's indicators had only minor issues.
- Most of the output indicators are specific, clear and understandable enough. However, in some cases, the character of the requested effects was not well-described (e.g. OI/1.1.).
- There were only a few problems with the measurability of the indicators, and these mainly rooted in the specificity of the given indicators. The targets for several output indicators were not ambitious enough.
- The relevance of the defined output indicators was out of question, but one indicator was slightly horizontal (OI/4.4).

The S.M.A.R.T. assessment highlighted more issues regarding the **result indicators**. The target values were extremely modest, and the measurement of the programme's influence was not easy to identify in every case (for example the RI/4.1 Rate of innovative SMEs in the cross-border region). Most of the problems were in connection with the different sources of information:

- Different methodology of the countries: In some cases, the required data were collected from two countries, and it was not sure that the data providers used the same methodology.
- Necessity of additional research: The RI/3.2 is based on a survey carried out by the programme three times during the programme period. The aim of the survey is quite clear, but its implementation raised the greatest doubts.

- Lack of available data: The values based on the original definition of the RI/1.1 are available just every sixth year, and the Programme bodies were unable to attain the value already in the first reporting year. Redefinition of the original indicator was necessary.

Regarding the **sustainability of the results and outputs**, it seems that applicants/beneficiaries were able to better plan sustainability measures in case of tangible, infrastructure-related developments, where the ownership and the responsibilities can be determined in a more exact way. Concerning soft projects, there are less one-size fits all solutions, hence there would be a need for a different mindset with specific skills on behalf of applicants and beneficiaries in order to generate viable sustainability solutions. In spite of the discrepancies, long-lasting, stable and balanced partnerships between the two sides of the border definitely can guarantee sustainability in the long run to some extent.

Concerning the **programme management**, majority of the programme implementation bodies have appropriate capacities for the sound implementation of the CP. However, the Serbian FLC body has human capacity problems which means there is a possible bottleneck in the projects' implementation on the Serbian side. In terms of the cooperation between the programme bodies, the joint work can be assessed as sound and efficient. The management bodies are basically satisfied with the level and form of cooperation also taken into consideration the effects of the COVID-19 pandemic

Based on the evaluation findings, the 2<sup>nd</sup> evaluation developed **recommendations** about good practices to keep and how the Programme can be improved relating the Programme's structure and priorities, implementation, management structure, procedures and projects design and implementation. Some recommendations have already been applied in designing the new 2021-2027 programme e.g. enhancing the specificity, measurability and ambitiousness of the indicators, enhancing the links between the programme's and the projects' intervention logic, keep using and fine-tuning the INTERREG+ tool. Some others are taken into consideration in the First Call for Proposals that is currently in the preparation phase e.g. enhancing outcome and activity based project planning, fine-tuning the assessment procedures, encouraging the beneficiaries to design their contribution to horizontal principles more seriously, broaden the scope of simplified cost options.



## 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

Previously the programme has identified delays in fulfilment of specific indicators by 2020:

- O/I 2.5 "Total length of the railway line directly affected by development plans"
- O/I 2.6 "Number of improved public transport services"
- O/I 4.3 "Number of months spent in the institutions and companies on the other side of the border through scholarships"

The 2<sup>nd</sup> CP modification addressed the problem of indicator for PA4. To further ensure the fulfilment of all of the indicators including those for PA2 (O/I 2.5 and 2.6) the programme defined targeted actions for the 3<sup>rd</sup> CfP. The **selected and contracted projects of the 3<sup>rd</sup> CfP now include projects that have committed to reach the indicators** in question:

- O/I 2.6: **3 pcs**, target for 2023: 3
- O/I 4.3: **388.75 months**, target for 2023: 250

In case of O/I 2.5 the target was already achieved in 2021. In 2022, the selected projects of the 3<sup>rd</sup> CfP showed good progress in implementation and the target value of O/I 4.4 is already reached in 2022.

- O/I 2.5: **58km**, target 53km
- O/I 4.3: **601.20 months**, target for 2023: 250

Therefore, we can conclude that the 2<sup>nd</sup> CP modification, the targeted call for proposals and other efforts of the programme were the correct measures to address the problem.

**In fact, all but 2 programme-level output indicators of PA2 were reached by 2022, therefore, the delays regarding progress indicators ceased.**

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

2022 was the first year when the effects of the pandemic were beginning to fade. Nevertheless, previous delays and problems in procurements (lack of building material, growing prices of raw material for infrastructural investments) have been still affecting projects. That resulted in further prolongation requests in many cases. The total number of prolonged projects grew from 41 to 54 in 2022. By procedure, these requests were considered and approved by the JMC (when the request is above the maximum months allowed by the call for proposals) or by MA (when then request is below the maximum allowed by the call for proposals). According to advice and measures of the EC, the programme remained 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 and budget as well as reallocations.

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

By end of 2022, the INTERREG+ system fully replaced IMIS 2014-2020, which now exists in archive form.

In 2022, besides continuous support, the INTERREG+ system development continued with individual development requests in regard to the 2014-2020 functionality, also preparation and adjustment of system components to the launch of the 2021-2027 period. Main achievements in terms of INTERREG+ development were:

- fine tuning the project modification function – allowing carrying out project modification simultaneously with ongoing reporting; cross validating changes made on the project and applying those to the ongoing reports;
- finalizing the functionality of the e-Application and Assessment Module in line with the Commission-approved Programme rules.

Achievements in terms of operational tasks:

- providing continuous operational support and maintenance;
- expanding the hardware capacity to host the INTERREG+ system supporting the extended user number and operations due to the simultaneous operation of both the 2014-2020 and the 2021-2027 period;
- updating operational software to meet the IT security regulations.

As the contractual timeframe includes the calendar year of 2023 as well, the further developments mainly focus on fully adapting the system functionalities to support programme implementation in the 2021-2027 period; this mainly means user-friendly developments and adjustment in order providing the finest user experience possible.

**In conclusion, the issues of the monitoring system has been settled and the programme considers this problem as solved.**

**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]*

Analysing the data provided, we can maintain our previous conclusion that the programme was not damaged by the pandemic. Huge efforts of the programme bodies and even more efforts from the beneficiaries of our projects kept the programme afloat. The programme showed flexibility and was quick to react to the challenges of the beneficiaries. This enabled most of the projects to reach their indicators and produce all other outputs on time. Beneficiaries that could not produce all the desired outputs on time were given more time to reach their goals. The objective difficulties were understandable and the programme bodies were tolerant in case of possible changes while fully expecting that the beneficiaries reach their redefined goals as agreed. In all cases, trust and tolerance was awarded with fulfilment of agreements and tangible results despite the challenges.

It is very clear that the spending rates have further increased and 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.

It is also becoming evident that all of the programme-level output indicators will be eventually achieved, with all but 2 of them already achieved in 2022. The remedial actions taken previously especially regarding lagging indicators of PA4 have paid off and yielded measurable results – all indicators of PA4 have been reached and surpassed. Other than PA4 indicators, all PA1, PA3 and PA5 programme-level and key implementation indicators have been reached.

**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 2021.

*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 2021*