

Call for proposals for submission of outline applications within the framework of the EEA Financial Mechanism and the Norwegian Financial Mechanism in the Republic of Hungary

The National Development Agency, National Focal Point of the EEA Financial Mechanism and the Norwegian Financial Mechanism in the Republic of Hungary announces on 1st June 2007 a call for proposals for the submission of outline applications within the framework of the EEA Financial Mechanism and the Norwegian Financial Mechanism.

Outline applications suffering from lack of financial resources might have the possibility to receive financial support from Seed Money facility within this present call. The amount allocated to this facility is 450 000 euro including management costs.

The allocation of this present call for proposals is cca. 45 million euro. (Depending on the decision of the Financial Mechanism Committee and/or the Norwegian Ministry of Foreign Affairs on the final amount of grant allocated to the projects submitted until 31st September 2006, this amount can increase.)

The National Focal Point shall take into consideration that at least 7% of the total net allocation should be turned to NGO's projects. Therefore, a separate NGO Fund will also be created for 6,5 million euros including management costs, by the NFP in the near future. The conditions of applying for this NGO Fund are not included in this call.

Background information

The application procedure of the EEA and Norwegian Financial Mechanisms in Hungary has been changed as opposed to the procedure announced on the 25th of January, 2006. According to the present application procedure, the selection of projects to be supported has two phases. In the first, that is, the present phase, the applicant should submit an outline application (project proposal) which should include a short description of the fundamental features of the project. The instrument of describing the project proposal is the „Outline Application Form”, which contains simple, directed questions in order to understand the project. At the end of the evaluation process, the evaluation committee selects cca 150 outline applications, which it considers worth further developing. These selected project concepts – after providing all necessary permissions and background material – are eligible in the second part of the application process for applying for non-refundable grants provided by the EEA and Norwegian Financial Mechanisms. No further rounds of call for proposals are prospective regarding the Mechanisms.

The present call for proposal is open for three months from 1 June to 31 August 2007.

1. Type of grant assistance

The Financial Mechanisms offer the Individual Projects type of assistance.

- Individual Projects - a clearly defined series of works to fulfil a precise technical function and clearly defined goals. The amount of grant assistance applied for from the sources of EEA/Norway cannot be less than 250,000 EUR and cannot be more than 3.000.000 EUR in case of Individual Projects.

2. Priority sectors and focus areas:

Grants shall be available for projects falling within the priority areas shown below, with particular attention given to the focus areas listed. One outline application should relate only to one priority area.

1st Priority sector: Protection of the environment

Focus areas:

- Promoting the involvement of NGOs in the field of environment protection
- Environmental-awareness education
- Promoting the use of renewable / alternative energy (e.g. geothermal energy and hydropower)
- Noise reduction / protection
- Promoting the introduction of clean production

(This priority sector is supported by both Financial Mechanisms.)

2nd Priority sector: Sustainable development

Focus areas:

- Encouragement of organic agriculture; production and breeding of ancient Hungarian domestic plant and animal species
- Establishment and further development of innovation centres
- Promotion of sustainable economic development

(This priority sector is supported by both Financial Mechanisms.)

3rd Priority sector: Conservation of European heritage

Focus areas:

- Restoration of historical sites and buildings, based on utilisation plans
- Conservation of world heritage sites in Hungary
- Restoration of museums and establishment of collections for the introduction of certain fields of the European heritage
- Development of public transport with preserving of the European cultural heritage and in accordance with the environment protection

(This priority sector is supported by both Financial Mechanisms – with the exception of the last focus area.)

4th Priority sector: Human resource development, education

Focus areas:

- Adult training, vocational education and training, life-long learning
- Strengthening the relationship between higher education, targeting the manpower needs of the private sector through education and training
- Scholarship programs, including the promotion of learning EEA and Hungarian languages
- Ensuring the accessibility of primary schools and providing after-school care

- Increasing the competence and administrative capacity of central, regional and local authorities / municipalities, including the use of information technology (See also in context with Regional development and cross-border co-operation)

(This priority sector is supported by both Financial Mechanisms.)

5th Priority sector: Health care

Focus areas:

- Enhance preventative measures and health promotion activities
- Improve mental health care
- Fight against addictions
- Fight against AIDS, promote the treatment of HIV-positive patients
- Capacity building of health care related NGOs

(This priority sector is supported by both Financial Mechanisms.)

6th Priority sector: Children and youth

Focus areas:

- Integration of multiple disadvantaged youth – including Roma – and of children with special needs
- Development and extension of the network of integrated local information and advisory centres for the youth
- Improvement of living conditions and promotion of social integration of children in state care

(This priority sector is supported by both Financial Mechanisms.)

7th Priority sector: Regional development and cross-border co-operation

Focus areas:

- Public transport development in connection with the conservation of European cultural heritage and environment protection.
- Strengthening the principles of democracy, partnership and decentralization on EU external borders
- Competence building of different levels of regional development (micro-regions, municipalities) *(See also the priority sector 'Human resource development, education')*

(This priority sector is supported by Norwegian Financial Mechanism only.)

For further information on the rules of regional development and cross-border co-operation, see the document of „Framework for cross-border project co-operation under the EEA Financial Mechanism” on www.eegrants.hu.

8th Priority sector: Justice and home affairs

Focus areas:

- Fight against organised crime including human trafficking
- Promotion of the co-operation between Norwegian and Hungarian Police
- Application of the Schengen acquis in practice

(This priority sector is supported by Norwegian Financial Mechanism only.)

9th Priority sector: Academic research

Focus areas:

- Joint R&D programmes
- Research related to priority areas

(This priority sector is supported by both Financial Mechanisms.)

3. Eligible Applicants

All public or private sector bodies and non-governmental organisations (NGOs) constituted as legal entities in Hungary and operating in the public interest - e.g. national, regional and local authorities, education/research institutions, environmental bodies, voluntary and community organisations and public-private partnerships are eligible to become promoters of projects.

Partners participating in the project are subject to the same rules as the applicant with the exception that the requirement of being founded/officially registered in Hungary does not have to be fulfilled.

4. Grant rate

The grant rate will be determined on a case-by-case basis, considering the minimum necessary to allow the project to proceed. The maximum contribution from the EEA Financial Mechanism and the Norwegian Financial Mechanism in the form of grants may not exceed 60% of the total eligible project cost except for projects otherwise co-financed at a level of at least 15% by central, regional or local government budget allocations, in which case the contribution may not exceed 85% of the total eligible cost. European Community ceilings for co-financing shall not be exceeded in any case.

In the case of applicants that are NGOs (see NGO Grants guideline), and where the application can be supported from both the EEA Financial Mechanism and the Norwegian Financial Mechanism, grant support can be above 85%, but generally not exceed 90% of total expenditure. The latter also applies in the case of scholarships.

5. Deadline and address for submission of applications

Applications should be submitted to the National Development Agency. The Outline Application Form must be completed both in Hungarian and English language.

Applications must be received in a sealed, intact envelope/box as letter/parcel by registered and receipted mail to the address indicated below:

National Development Agency
Department for International Co-operation Programmes
1133 Budapest, Pozsonyi út 56.

Applications sent by any other means (e.g. by fax or by e-mail, hand delivery, express messenger, etc.) or delivered at other addresses will be rejected.

Other technical conditions can be found in the General Information and User Guide to Outline Applications (Annex 1.)

There is a continuous submission **from 1st June to 31st August 2007.**

6. The documentation of the call for proposals

The annexes of the present call for proposals are as follows:

Annex 1. General information and User Guide to outline applications for the EEA & Norwegian Financial Mechanisms in Hungary

Annex 2. Outline Application Form

Annex 3. Fill-in Guideline to Outline Application Form

Annex 4. Evaluation and scoring of Outline Applications

Annex 5. Detailed Eligibility Provisions Expenditures

Annex 6. Annex 3-4-5 to the Government Decree 64/2004. (IV. 15.)

Annex 7. Application Form and Evaluation Criteria for Seed Money resources

Annex 8. Seed Money Guide

All relevant documentations for this call for proposals are available at the following web sites:

<http://www.eeagrants.hu>; <http://www.nfu.gov.hu>; and <http://www.eeagrants.org>.

Supplementary information is available in the Rules and Procedures Norwegian Financial Mechanism and Rules and Procedures EEA Financial Mechanism and other relevant guidelines, which are also available on www.eeagrants.org or www.eeagrants.hu.

All general rules and guidelines are available in English via the web site of the Financial Mechanism Office: www.eeagrants.org

7. Euro exchange rate

For the purpose of calculation of the financial amounts, the exchange rate to be used in the case of applications is 256,25 HUF per one euro.

8. Seed Money facility

Seed Money facility might also be awarded to the applicant through the present call. Seed Money facility provides small grants to end-recipients for the preparation of proposals for individual projects. Seed money is intended to facilitate the development of promising projects idea of high relevance to the Financial Mechanisms' priorities and to support the preparation of applications that are to be submitted to the Financial Mechanisms, in particular to support innovative approaches, complex project themes and the establishment of new partnerships created for the purpose of designing new projects. Seed money grants provided from a seed money facility should generally be in the range from €5.000 to €20.000 per end-recipient.

Eligible actors and activities under the Seed Money facility are:

- Applicants from the less wealthy regions (See Annex 6.)
- NGOs applying for project support

- Projects containing bilateral partnership with donor country(ies)

The aid granted for drawing up the project is regarded as de minimis aid according to Commission regulation (EC) No 1998/2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid.

(1) The total de minimis aid granted to any one undertaking shall not exceed EUR 200000 over any period of three fiscal years. The total de minimis aid granted to any one undertaking active in the road transport sector shall not exceed EUR 100000 over any period of three fiscal years.

(2) Prior to granting the aid, the aid grantor shall also obtain a declaration from the undertaking concerned about any other de minimis aid received during the previous two fiscal years and the current fiscal year.

(3) 1998/2006/EC regulation applies to aid granted to undertakings in all sectors, with the exception of:

(a) aid granted to undertakings active in the fishery and aquaculture sectors;

(b) aid granted to undertakings active in the primary production of agricultural products as listed in Annex I to the Treaty;

(c) aid granted to undertakings active in the processing and marketing of agricultural products as listed in Annex I to the Treaty, in the following cases:

(ca) when the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned,

(cb) when the aid is conditional on being partly or entirely passed on to primary producers;

(d) aid granted to undertakings active in the coal sector;

(e) aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward;

(f) aid granted to undertakings in difficulty.

(4) And with further exception of:

(a) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;

(b) aid contingent upon the use of domestic over imported goods.

(5) The relevant period of three years should be assessed on a rolling basis so that, for each new grant of de minimis aid, the total amount of de minimis aid granted in the fiscal year concerned, as well as during the previous two fiscal years, needs to be determined.

(6) In order to avoid circumvention of maximum aid intensities provided in different Community instruments, de minimis aid should not be cumulated with State aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding that fixed in the specific circumstances of each case by a block exemption Regulation or Decision adopted by the Commission.

9. Time schedule, further steps

Selection of those concepts (cca. 150 pieces), which are proposed to be submitted to the second round, decision regarding the Seed Money allocation, feedback to the applicants: from 01/09/07 to 31/10/07

Continuous submission of the complete project proposals (including all necessary background documents) from 01/11/07 till 31/12/07 and from 01/01/08 till 31/03/08. (In order to ensure enough time for preparation also to the less developed outline applications and for those ones that might be awarded Seed Money facility, two periods are established.)

Evaluation of the projects in Hungary: from 01/01/08 to 31/03/08 and from 01/04/08 to 31/05/08.

Evaluation of the projects on the donor side (Financial Mechanism Committee and/or the Ministry of Foreign Affairs of Norway): from 01/04/08 to 30/09/08 and from 01/06/08 to 31/11/08.

Expenditure shall be eligible for assistance as of the date on which the Financial Mechanism Committee and/or the Ministry of Foreign Affairs of Norway gives its commitment. The final date of eligibility shall be fixed by the decision awarding the grant and stated in the grant agreement by the Financial Mechanism Committee and/or the Ministry of Foreign Affairs of Norway.

10. Further information

Questions about the call for proposal can be sent via e-mail to nepf@meh.hu. The questions will be answered in 10 working days by e-mail.

Questions that may be relevant to other applicants, together with the answers, will be published on the Internet at the following web site: www.eegrants.hu and www.nfu.gov.hu.

11. State aid rules

Undertakings may obtain State aid according to Article 87 paragraph 1 only in case of compatibility to requirements of the community state aid legislation.

Applicable State aid rules are:

- Commission Regulation (EC) No 1628/2006 on the application of Articles 87 and 88 of the Treaty to national regional investment aid.(OJ L 302/29. 01.11.2006)
- Community guidelines on State aid for environmental protection (2001/C 37/03)
- Paragraph *d* of Subsection 3 of Article 87 of the Treaty establishing the European Community
- Commission Regulation (EC) No 2204/2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment (OJ L 337, 13.12.2002)
- Community framework for State aid for research and development and innovation (2006/C 323/01)
- Commission Regulation (EC) No 68/2001 on the application of Articles 87 and 88 of the EC Treaty to training aid (OJ L 10, 13.01.2001)
- Commission decision No 842/2005 on the application of Article 86 (2) of the EC Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 312/67, 29.11.2005)
- Commission Regulation No 70/2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises