



WESTERN BALKANS  
**GREEN CENTER**

## **CALL FOR APPLICATIONS**

GRANT FINANCING OPPORTUNITY FOR PREPARATORY AND CAPACITY  
BUILDING ACTIVITIES RELATED TO CLIMATE PROTECTION PROJECTS IN THE  
WESTERN BALKANS REGION

**WBGC-2021/4**

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Western Balkans Green Center Nonprofit Llc. (hereinafter: Green Center or Granting Authority) is announcing a Call for Applications for a grant opportunity for financing the preparatory and capacity building activities related to climate protection projects in the Western Balkans region (hereinafter: Call for Applications).

## 1. Aim of the Call for Applications, eligible activities, target economies, sectors and indicators

### 1.1 The aim of the Call for Applications

In order to implement the goals included in the Paris Agreement<sup>1</sup>, based on a decision by the Hungarian Government the Green Center has been established as a background institution of the Ministry of Innovation and Technology (hereinafter: Ministry), to promote Hungary's participation in the climate protection developments of the Western Balkans and the green transition of the region. The purpose of this Call for Applications is to contribute to the achievement of the nationally determined contributions (NDC) of the target economies in connection with the Paris Agreement, and to ensure that, by promoting climate protection developments, Hungarian undertakings have access to investment opportunities.

**In the context of the call for applications, we are expecting project proposals that – while also providing high added value – accomplish the above goals by:**

- contributing to the establishment of inter-regional links and economic/scientific cooperation;
- reinforcing the competitiveness of participating entities;
- strengthening the independent regional presence of Hungarian SMEs;
- contributing to domestic and local economic growth and job creation;
- being financially substantiated and sustainable;
- allowing for the mobilisation of additional funds through their business concept.

### 1.2 Core principles

In its grant activities, the Green Center pursues the following basic principles as set out in its mandate and strategic plan.

#### Basic principles formulated in respect of the project and the applicant

- **Climate protection:** the project contributes to the climate protection objectives of the target economies.
- **Complementarity:** the project is in harmony with local (target economy or region) development plans and, at the same time, is aligned with relevant Hungarian government strategies and is preferably also linked to the local development plans and programmes of international development partners.
- **Sustainability:** the project is sustainable from environmental, technical and financial aspects alike.
- **Feasibility:** the application contains realistic statements, assumptions and objectives.
- **National economy impacts:** it should be examined to what extent the project contributes to growing Hungarian and local economy and job creation.
- **Relevance:** the project serves existing and actual needs in the target economies, whose professional legitimacy is substantiated by a letter of support obtained from competent authorities.
- **Reference:** the applicant has certified experience in the fields relating to the project. This preferably includes foreign trade activity, and involvement in investment or business projects or capacity building activities implemented abroad (primarily in the Balkans region or in target economies).
- **Added development value:** beyond the fundamental climate protection and economic/financial aspects, the project preferably contributes to broadly interpreted development in the host country and to the accomplishment of the United Nations' Sustainable Development Goals.

#### Basic principles formulated in respect of the grant

- **Additionality:** the grant applied for does not substitute, but instead supplements the beneficiary's resources, in given cases also mobilising resources of third parties.
- **Integrity:** strict pre-screening and continuous monitoring.
- **Traceability:** application of an appropriate monitoring system.

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<sup>1</sup> The Act promulgating the Paris Agreement can be accessed here: [http://njt.hu/cgi\\_bin/njt\\_doc.cgi?docid=195589.328228](http://njt.hu/cgi_bin/njt_doc.cgi?docid=195589.328228)

### 1.3 Eligible activities under the Call for Applications

Under this Call for Applications, activities belonging to the following groups ("A", "B" and "C") are eligible for grants (Annex 3 Overview Table).

**Applicants may submit only one application and may only be involved in the implementation of a single project.**

**In the context of a given project, only activities belonging to a single group ("A", "B" or "C") are eligible for grants.**

#### **"A" – Preparation of investment projects:**

- preparation of engineering documentation required for the investment project (e.g.: planning application documents, construction plans, electrical installation plan, etc.);
- obtaining permits required for the investment project (building permit, environmental permit, etc.);
- preparation of environmental impact studies;
- introduction of quality, environmental and other management systems and standards, preparation of quality certification;
- additional investment project preparation activities aligned with local partner needs and circumstances.

In the case of activities belonging to group "A", a **feasibility study and a cost-benefit analysis** relating to the investment project and **accepted by the client or the project owner** is a mandatory annex to the grant application.

#### **"B" – Capacity building:**

- activities relating to climate protection planning (status assessment, research, drawing up strategic documents);
- capacity building cooperation (transfer of know-how allowing for the use of new tools, procedures, expertise);
- research/education cooperation;
- additional capacity building activities aligned with local partner needs.

#### **"C" – Business planning:**

- preliminary feasibility study;
- feasibility study in preparation of the investment project and cost-benefit analysis;
- obtaining permits required for the market introduction of product/service;
- creation of pilot project promoting the market introduction of own product/service;
- additional activities aligned with local partner needs.

In the case of activities belonging to groups "B" or "C", a **business plan** relating to the investment project is a mandatory annex to the grant application. The business plan of no more than 3 pages should contain the following:

- a brief description of the product/service;
- a brief description of the market and competitors in the target economy(ies);
- the business model applicable to the project;
- the 3-year financial plan applicable to the project; and
- the business objectives to be accomplished in relation to the project in the following 5 years.

### 1.4 Target economies

The Call for Applications defines six target economies: Albania; Bosnia and Herzegovina; North Macedonia; Kosovo<sup>2</sup>; Montenegro; and Serbia.

### 1.5 Sectors eligible under the Call for Applications

Under the Call for Applications, eligible sectors are as follows:

- energy efficiency and renewable energy;
- water management and wastewater treatment;
- collection, treatment, recycling and recovery of solid waste;
- forest management and agricultural measures;
- urban environment: adaptation and sustainability measures implemented in cities and towns;

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<sup>2</sup> This designation is without prejudice to the positions expressed by the EU Member States on Kosovo's status and is in line with United Nations Security Council Resolution No. 1244/1999 and the International Court of Justice Opinion on Kosovo's declaration of independence.

- other activities related to climate change mitigation or adaptation.

### **1.6 The climate protection aspects relating to the professional tasks involved in and impacts of the project**

The application must specify the professional tasks and activities relating to the project schedule and contained in the award document as commitments ("Professional Tasks" on the interface used for completing the application) and the indirect indicators expected as the climate protection effect of the project ("Technical-Professional Results" on the interface used for completing the application). The list of climate protection indicators is included in Annex 4.

## **2. Eligible entities**

### **2.1 Entity eligible to submit a grant application (Applicant) (Annex 3)**

**2.1.1. Applications may be submitted for grants for activities belonging to groups "A", "B" and "C" by all economic operators registered in Hungary, with a legal personality and with at least one closed financial year**, if based on its indicators the given economic operator meets the following criteria:

- its average statistical headcount for the last closed fiscal year is at least 2 persons, but not more than 250 persons; and
- the net sales revenue for the last closed fiscal year is at least 125% of the grant applied for, but not more than the HUF amount equivalent to EUR 50 million<sup>3</sup>; and
- its balance sheet total does not exceed the HUF amount equivalent to EUR 43 million<sup>4</sup>; and
- its profit before taxes for the last closed fiscal year is positive (with a view to the effects of the global COVID-19 pandemic, if the Applicant's profit before taxes for the last closed fiscal year is negative, there is an option to consider the profits of the last 3 closed fiscal years. In this case, the sum of the profits of the fiscal years examined must be positive).

Economic operators in majority state ownership can only submit grant applications in consortiums with economic operators in majority private ownership or as subcontractors thereof. For such projects, economic operators in majority state ownership can only receive up to 50% of the project's grant amount.

**2.1.2. Applications may be submitted for grants to activities belonging to group "B" by all higher education institutions, research centres, associations and foundations with a legal personality and registered in Hungary.**

If the applicant or its partner or affiliated undertaking specified according to Annex 1 of Regulation 651/2014/EU submits more than one application under this Call, the application submitted first is evaluated, and the other applications are automatically rejected.

### **2.2 Entities not eligible to submit a grant application**

Entities to which the following apply are not eligible to submit a grant application:

- it does not comply with the criteria specified in Section 2.1;
- it does not have a Hungarian tax number;
- it has outstanding tax or other public debts that may be collected in the same manner as taxes overdue for more than 60 (sixty) days, unless it has permission from the tax authority for a grace period or repayment in instalments;
- there is sufficient evidence that it has provided false or misleading information resulting in a significant effect on the content of the grant decision, or has made such a statement;
- it fails to comply with data reporting or declaration obligations;
- it has artificially established the circumstances and conditions required to gain grant eligibility, specifically for the purpose of gaining an advantage that is contradictory with the purpose of the grant;
- it fails to comply with the requirements of sound labour and employment relationships, and furthermore does not qualify as a transparent organisation;
- it is subject to a winding-up, bankruptcy, dissolution or other proceedings – aimed at its termination and defined in a law – ordered by a final and binding ruling;
- it is subject to exclusion from the grant system;

<sup>3</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<sup>4</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

- in the past, it has failed to settle accounts concerning grants provided by the Green Center or the Ministry;
- it has outstanding obligations or liabilities to a third party that may hinder the realisation of the project's purpose;
- it fails to make the declarations or submit the documents set out by law or who withdraws such declarations.

If the application is not submitted by the authorised representative or agent of the eligible entity, this may result in the rejection of the grant application. Grant applications that do not comply with the eligibility criteria are rejected.

### **2.3 No grants may be awarded**

No grants may be awarded:

- for activities commenced prior to the grant period;
- for grant applications where there is reasonable evidence that the applicant has provided untrue, false data when submitting the grant application and this materially influenced the professional, financial content of the application;
- for grant applications without identifiable content corresponding to the requirements set out in the Call for Applications, or applications that fail to comply with the related criteria;
- for grant applications if the project included therein or the result of such project has already been accounted by the beneficiary against another grant received from Hungary, the European Union or an international institution.

The following may not be beneficiaries in the grant relationship:

1. persons that have made the grant decision or that were involved in the preparation of the grant decision;
2. persons who at the time of the grant decision are a member of the Hungarian Government, or are a state secretary, administrative state secretary, deputy state secretary, chairperson of a county general assembly, Mayor of Budapest, mayor, senior officer of a regional development agency;
3. relatives living in the same household as a person as set out in Point 1 and/or 2 of this list;
4. business associations – with the exception of public limited companies – owned by a person as set out in Point 1 and/or 2 of this list;
5. a business association in the at least 50% direct or indirect ownership of the state, a local government, or a public body; as well as a business association – with the exception of a sports association and auxiliary police organisation, foundation, association, church or religious organisation, trade union or an organisational unit thereof with separate legal personality in which the person as set out in Point 1-3 of this list is a senior officer, a member or officer of the managing body or organisation of the foundation, an administrator of the association, church or religious organisation or trade union or a member of the representative body thereof.

### **2.4 Invalidity of the grant application**

The grant application is invalid if:

- received after the submission date announced;
- the activity planned under the project constitutes a criminal offence or an incitement to commit a criminal offence;
- violates a fundamental human right or a constitutional right;
- the activity planned under the project violates the dignity of the nation or of ethnic, linguistic or other minorities or other nations, or other fundamental interests of society, in particular if it is contrary to public order, public morals, or the requirement to protect families and minors.

### **2.5 Eligibility of consortiums**

The application may also be submitted as a consortium. Entities registered abroad may be members of the consortium, however, the head of the consortium must be an entity complying with the provisions of Sections 2.1-2.4. Only entities complying with the provisions of Sections 2.1-2.4 are eligible for using and accounting for the grant. The foreign partner may contribute to all eligible costs by ensuring the mandatory own funds.

The framework of the cooperation between consortium partners is set out in the partnership agreement, which also specifies that the consortium leader is generally responsible for the execution of the project. When submitting the grant application, the provision of the letter of intent on the project's implementation by the consortium and signed by the future consortium partners is mandatory. In the event of a decision on awarding the grant for the application, the issue of the award document is subject to the conclusion and submission of the consortium partnership agreement with content that is in line with the grant application and the letter of intent.

### **3. Amount of funds available for the grant**

The amount of funds available for the grant is HUF 400,000,000, that is four hundred million Hungarian forints. The funds available are provided to the Green Center by the Ministry.

### **4. Form and rate of the grant**

The grant is a non-refundable grant. From a European Union competition law perspective, the grant provided under the Call for Applications qualifies as a state grant, a de minimis grant based on the grant category.

The Granting Authority disburses up to 80% of the grant as a lump sum advance after the effective date of the award document and/or the fulfilment of disbursement criteria, with the remaining grant amount transferred as a lump sum to the beneficiary after the final project report and financial accounts are accepted.

The Granting Authority makes the decision on the amount of non-refundable grants, and the amount of the grant awarded represents the upper limit of the grant payable.

The rate of grant intensity is (Annex 3):

- maximum 80% for grants awarded for activities belonging to group "A";
- maximum 60% for grants awarded for activities belonging to group "B";
- maximum 60% for grants awarded for activities belonging to group "C".

Other budgetary grants awarded from the central subsystem of the Hungarian government's fiscal administration cannot be treated as own funds.

#### **Amount of the grant that can be applied for:**

- minimum HUF 10,000,000, that is ten million Hungarian forints, and maximum HUF 60,000,000, that is sixty million Hungarian forints, for grants awarded for activities belonging to group "A";
- minimum HUF 10,000,000, that is ten million Hungarian forints, and maximum HUF 40,000,000, that is forty million Hungarian forints, for grants awarded for activities belonging to group "B";
- minimum HUF 10,000,000, that is ten million Hungarian forints, and maximum HUF 40,000,000, that is forty million Hungarian forints, for grants awarded for activities belonging to group "C";

### **5. Scope of eligible costs that can be charged to the grant**

The applicant is required to submit a detailed budget plan, that contains all eligible costs planned to charge. In the event of awarding the grant, the budget plan constitutes an annex to the award document, and may only be amended under the conditions set out in the award document.

**Under the Call for Applications, grants can be requested only for costs and expenses absolutely necessary for the high-quality implementation of the given project, where costs are professionally substantiated.**

In the case of purchasing/procurement (during the financial settlement of accounts), market price must be certified in line with the following: for purchases exceeding HUF 200,000 gross, at least 1 (one) quote, while for purchases exceeding HUF 1,000,000 gross at least 3 (three) comparable price quotes – issued independently of one another and of the beneficiary – must be submitted. Contracts for the purchase of goods or services exceeding the value limit of HUF 200,000 may only be concluded in writing (price quotes and orders received and confirmed electronically also satisfy this requirement). For commercially available assets, the written quote may be substituted by presenting official price quotes (screenshots of websites of companies distributing the given assets). Such price quotes can be issued more than 6 (six) months prior to the date of the execution of the sale-and-purchase agreement concluded. Price quotes can only be accepted if they reflect average market prices and if the price quotes attached allow for objective comparison in respect of the features of products and services of various specifications.

Deductible value added tax (VAT) is not eligible and, as such, any organisation whose application is successful must make a declaration on its right to deduct VAT prior to the issue of the award document. If the applicant organization is not entitled to deduct VAT, the basis for the calculation of the grant will be the gross total costs of the project plus VAT, which means



that the organization must plan the budget of the project with gross amounts. If the applicant organization is taxable and is entitled to deduct VAT, the basis for the grant will be the net total costs of the project, excluding the amount of deductible VAT.

The settlement of accounts can only be performed in HUF.

The only eligible costs are those that arise during the supported activity, incurred for the purpose of implementing the project and demonstrably used for such purpose, as included in the budget plan (constituting an annex to the award document), issued before the date of grant use and supported by appropriate accounting documents, provided that they belong to one of the following cost categories.

***Only the costs and expenses listed below are eligible under a given project:***

***Cost of materials:***

- stock purchases essential for the achievement of the project purpose, including the purchase of professional materials (office supplies, specialist books, journals, studies, other publications and data sets).

***Services used:***

- property rent;
- information technology services;
- services supporting professional activities (consultant, attorney, lawyer and translator fees);
- travel expenses: reimbursement of train, bus and airplane tickets against invoices, and the reimbursement of car fuel costs is possible as per the following: in the case of travel by car, logs must be kept of official trips, which logs must indicate the travel purpose, type, registration number and owner of the vehicle, the departure and arrival locations, the kilometres travelled as well as departure and arrival times. The rate of eligible costs is equivalent to the product of one hundredth of the kilometre distance travelled during the trip, the standard cost corresponding to the vehicle type specified in the logs as set out in Government Decree No. 60/1992. (IV. 1.) and the fuel price determined by the National Tax and Customs Administration for the given month, adding the standard cost rate for passenger cars as defined in Act CXVII of 1995 (PIT Act) (that is: kilometres travelled/100 \* the vehicles average mileage corresponding to NTCA norms \* official fuel price + kilometres travelled \* standard cost rate for passenger cars calculated for 1 kilometre);
- accommodation costs (maximum 120 EUR/person/night);
- business entertainment;
- exhibition costs (registration fees, pavilion/stand rental);
- advertising, marketing and media expenses.

***Other services:***

- other services closely related to the purpose of the project (e.g. fees of postal services or financial services).

***Wages and salaries, personnel costs:***

- wages and other personnel costs closely related to the purpose of the project.

***Contributions on wages and salaries:***

- contributions and social contribution taxes payable by employers.

***Investment projects:***

- the acquisition cost of intangible assets (rights of use of intellectual properties, licence fees);
- acquisition of tangible assets;
- capitalised value of experimental developments (research costs);
- concessions and similar rights (leases, concessions, rights of use, licence fees, brand names);
- intellectual property (software, inventions, manufacturing processes, trademarks);

***Renovation (only for tangible assets):***

- with all recognized costs included in the acquisition cost.

### **Eligibility restrictions:**

- Project management costs may not exceed 7% of the total eligible costs of the project.
- The rent for the registered office or business site shown in the applicant's deed of foundation at the time of the submission of the application does not qualify as eligible cost. The rent for a property – closely linked to project implementation and which the beneficiary had started to lease after the submission of the grant application – may be recognised as eligible cost, but only up to a maximum of 30% of the total eligible costs of the project.
- The total eligible amount of business entertainment costs (hospitality (food and drinks) provided as part of business and official events related to the purpose of the project and services relating to such events (travel, accommodation, etc.)) may not exceed 7% of the total eligible costs of the project.
- The amount of investment and refurbishment costs may not exceed 30% of the total eligible costs of the project.
- Fringe benefits (e.g.: premium, reward, cafeteria, etc.) are not eligible costs.
- The wages of the applicant's senior officers qualify as eligible cost up to 20% of personnel costs (wage costs and wage contributions).

***No other cost types are considered eligible in relation to the project.***

## **6. Submission of the grant application**

### **6.1 Method, place and date of the submission of the grant application**

The grant application is submitted through the online grant management system, available at <https://eptk.fair.gov.hu>. The declaration generated by the system and officially signed by the applicant's legal representative must be attached to the application finalised in the grant management system (Chapter 6.2, Section 3). The grant application cannot be submitted in person, by post or via email.

Submission of the application is subject to a fee. The application fee is HUF 10,000 gross, i.e. ten thousand Hungarian forints. The applicant is obliged to pay the application fee before the deadline for the submission of grant applications and to attach a document certifying the transaction (bank statement, bank payment receipt) - the attachment of the document is mandatory and it will be examined when checking the formal requirements.

The application fee shall be transferred to the following account of the Western Balkans Green Center held by the Hungarian State Treasury: 10032000-00358767-00000017. The following data should be in the notice field: 'Name of the applicant\_WBGC4'.

After verifying the receipt of the application fee, the Green Center will issue an electronic invoice to the applicant.

**Grant applications can be submitted from the time the grant management system goes live until<sup>5</sup> 20 December 2021, 16:00.**

### **6.2 List of documents to be attached**

The following documents must be attached to the grant application upon submission:

1. **letter of support** (Annex 5): a document issued in English or in the official language of the target economy with the official Hungarian translation included, issued by the national authority/organisation competent as per the project location, which document certifies the awareness of the local body of the project and a certain degree of support by such body for the project (a letter of support older than 90 days relative to the time of the announcement of the Call for Applications may also be accepted with a certificate not older than 30 days issued by a national organization must also be attached as proof of an effective connection);
2. the **specimen signature** of the applicant's official representative, certified by a notary public, or a copy of the specimen signature certified by a notary public, or a specimen signature countersigned by an attorney-at-law;
3. **bank statement** / certificate / document / screenshot **of the successful transfer of the application fee;**
4. the **declaration** generated by the online grant management system on the submission of the application;
5. **business plan:** for capacity building (group "B") and business planning (group "C");

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<sup>5</sup> An announcement is published on [www.wbgc.hu](http://www.wbgc.hu) once the grant management system goes live.

## 6. **feasibility study** and cost-benefit analysis: for preparation of investment projects (group "A").

The documents specified in Points 2 and 4 of the above list must be submitted by the applicant's legal representative or an agent thereof in scanned format and officially signed. In case of authorisation or power of attorney, the document certifying the signatures of the authorising party and the authorised representative must also be submitted. The documents cannot be issued more than 30 (thirty) days before the submission date of the application. If the date of issue of the submitted document is more than 30 (thirty) days before the submission of the application, then the applicant must declare that there have been no changes in the data included in such document. The date of such declaration cannot precede the date of submission of the application by more than 30 (thirty) days.

### **6.3 List of mandatory declarations**

The following declarations must be made by the applicant upon submission of the grant application:

- transparency declaration;
- a declaration on the availability of own funds;
- de minimis declaration;
- declaration on grounds for exclusion;
- data processing declaration.

The above-listed declarations are made through the online grant management system. Pursuant to Section 2.2 of the Call for Applications, failure or refusal to make the declarations or the withdrawal of declarations entails disqualification from the grant programme or the beneficiary relationship.

## **7. Processing of grant applications, decision-making process**

### **7.1 Examination of the grant application in terms of format and content**

In the context of the examination of the grant application in terms of format, the compliance of documents uploaded are examined.

As part of this examination, the following aspects are taken into account:

#### *Professional substantiation of the project:*

- conformity of the planned activity with the aim of the Call for Applications;
- the added value of the project in terms of climate policy (based on the specified indicators);
- the applicant has the expertise and capacity for executing the project;
- the feasibility of the project and expected use of its results;
- the identified risks and their management strategies.

#### *The project's impacts on sustainable development:*

- the project (as supported by the indicators specified) substantially contributes to achieving the target country's NDCs undertaken in the Paris Agreement or helps increase its resilience to climate change;
- the project mitigation/adaptation effects are proportionate to the amount of the grant requested;
- the project contributes to the achievement of the United Nations' Sustainable Development Goals (SDG).

#### *Impacts of the project on the national economy:*

- the proportion of the following to the total costs of the project: the fees of the goods and services purchased from suppliers and service providers registered in Hungary and involved in the project, and the wages and salaries of the employees employed by the applicant at its Hungarian place of business in connection with the project;
- the project's effect on the applicant's export capacity and its further foreign economic opportunities;
- the project's job-creation outlook in the short and long-term;
- the project's ability to mobilise resources.

#### *The target country's participation:*

- the applicant's relations with local partners;
- the local utility and sustainability of the project in the long run.

#### *Embeddedness of the project:*

- the project's consideration of the needs of the target country;
- the project's connection to local development plans and strategies, to Hungarian economic development and foreign economic programs, as well as the development programs of international institutions.

#### *References:*

- the professional activities successfully performed and completed not more than 5 years ago, which are relevant to the project;
- it will be considered an advantage if the applicant has experience in export or references in the target region.

#### *The applicant's economic standing and the project's financial substantiation:*

- the applicant's economic standing is stable, and is likely to allow for the successful implementation of the project;
- the budget plan presented in the application is in line with the industry-specific trends.

The content, findings and substantiation of the feasibility study or business plan submitted are also assessed and examined.

### **7.2 Remedy of deficiencies**

The **remedy of deficiencies** is only possible for format-related reasons. If the applicant has submitted an defective or incomplete grant application, the Granting Authority calls on the applicant – while concurrently specifying the defects and deficiencies – to resolve contradictions and remedy deficiencies within a **7 (seven) day remedy period**, provided such defects and deficiencies are capable of being remedied within the remedy process. Only a **single instance of remedy of deficiencies is allowed**. If the applicant performs such remedy incorrectly or incompletely, or fails to provide the necessary documents by the end of the 7 (seven) day remedy period set out in the notice, the incorrect or incomplete grant application is rejected.

The applicant is notified electronically, through the online grant management system in each case.

### **7.3 Assessment of grant applications, preparation of the grant decision**

The valid grant applications received are forwarded to the Evaluation Committee after all requests have been processed, and the Committee formulates its proposal for the grant decision for the Granting Authority.

### **7.4 Decision-making relating to the grant award**

Based on the proposal of the Evaluation Committee, the Granting Authority makes its decision on awarding the grant, which may be:

- a grant with an amount equal to the grant requested;
- a grant with an amount lower than the grant requested;
- rejection.

Grant applications may be awarded grants until the depletion of available funds.

Prior to the submission date, this Call for Applications may be suspended or closed, of which fact the Granting Authority publishes an announcement on its website. In the event of suspension, the Granting Authority may set a new submission date.

### **7.5 Notification of the grant decision**

The Granting Authority notifies applicants of the results of the award decision, and the scope of the documents to be submitted, if applicable, for the preparation of the award document as well as the date thereof by electronic means. If the decision of the Granting Authority awards a grant to the applicant, as of the date of the award document the applicant qualifies as a beneficiary.

### **7.6 Option of withdrawing the grant application**

The Granting Authority is entitled to withdraw the grant awarded, in part or in whole, in particular in but not limited to the following cases:

- if, following the conclusion of the award document, the implementation of the supported project or activity has not commenced in the implementation period, or was not realised by the last day of the implementation period, and the beneficiary does not initiate the amendment of the implementation period in due time;
- if the beneficiary, for reasons attributable to it, does not initiate the use of the grant in due time, and does not request exemption in writing for the delay during this period;
- if the implementation of the project or activity supported is frustrated or encounters a permanent obstacle, or is in substantial delay relative to the schedule set out in the award document;
- if there is reasonable evidence that the beneficiary provided untrue, false data when submitting the grant application, during the conclusion or amendment of the award document or during the audit, which untrue and false data substantially impacted the decision, as well as the financial, technical and professional content of the implementation of the supported project or activity;
- if any of the circumstances specified in Sections 2.2, 2.3 or 2.4 of the Call for Applications arise or of which the Granting Authority becomes aware of following the grant decision;
- if the beneficiary is subject to a winding-up, bankruptcy, dissolution or other proceedings – aimed at its termination and defined in a law – ordered by a final and binding ruling;
- if the beneficiary, for reasons attributable to it, violates its obligations specified in the Call for Applications, the award document or legal regulations, particularly if it fails to comply with its obligation to tolerate audits, prevents or frustrates such audits and the regular utilisation of the grant cannot be audited as a result, or if it fails to fulfil its reporting, monitoring and data reporting obligations;
- if the beneficiary implements the supported project or activity without the required official permits and licenses;
- if any audits conclude that the beneficiary was not eligible for being awarded the grant;
- if the beneficiary alienates the assets procured or generated with the grant without preliminary written authorisation by the Granting Authority;
- if the beneficiary withdraws any of its declarations made during the submission of the grant application;
- if the beneficiary does not fulfil its interim reporting or reporting obligations, or fulfils such obligations in non-compliant fashion; or
- the collateral ceases, is destroyed or its value substantially drops, and the beneficiary fails to provide new collateral or additional collateral corresponding to such drop in value by the reasonable deadline set by the Granting Authority.

## **8. Establishment of the grant relationship, main elements of the award document**

The utilisation of the grant is based on the award document drawn up following the decision. The Granting Authority examines the documents received, and if any of the documents necessary for the issue of the award document is not available or is incomplete, or if the beneficiary has failed to meet the date specified in the notification, the applicant is called on to remedy the deficiencies with the remedy date specified. If the applicant fails to comply with the request to remedy the deficiencies, the Granting Authority may withdraw its prior notification on the award decision. The award document is issued by the Granting Authority as granting authority to the selected applicants within 30 (thirty) days after the submission of all documents specified by it.

The award document comprises the following main elements:

- data identifying the beneficiary;
- project identifier;
- amount of the grant awarded, grant intensity;
- data of the supported project, activity;
- project implementation term;
- deadline and conditions of the use of the grant;
- information relating to reporting and audits;
- legal consequences of unlawfully utilised grants, rules of repayment;
- retention obligation for all documents related to the grant, and of all receipts/invoices substantiating the utilisation thereof;
- the possibility of involving contributors in the implementation of the supported project/activity, and the activities such contributors are allowed to perform;
- change reporting obligation and the legal consequences of failure to observe such obligation;
- cases of the termination of the grant relationship.

After the award document enters into force, the beneficiary shall report electronically to the Granting Authority any changes in its data recorded in the award document within 10 (ten) business days of such change. After such report is made by the beneficiary, the Granting Authority takes the required measures.

Key information on the grant relationship is included in the document titled Terms and Conditions Applicable to the Legal Relationship (Annex 1).

## **9. Duration of project implementation**

The earliest starting date of project implementation: **12 November 2021**

The latest closing date of project implementation: **31 January 2023**

The Granting Authority reserves the right to amend the implementation period related to this Call for Applications as specified by it.

Applicants submitting grant applications may start executing their projects at their own risk from 12 November 2021. The Granting Authority assumes no liability for any damages or expenses arising from a potential rejection.

The implementation period set out in the award document may be extended by a maximum of 3 months on a single occasion. The professionally substantiated request for such extension must be addressed and sent by the beneficiary to the Managing Director of the Green Center, in the form of a request submitted no later than by the 30th day prior to the end of the grant period. Please note that the amended end date of project implementation cannot be a date later than the date set out in Section 9 of this Call for Applications. The Granting Authority issues a document amending the grant relationship on the amendment of the project implementation period, sent to the beneficiary electronically.

The extension of the project does not impact the grant amount awarded or the additional criteria and requirements specified relating to project implementation.

## **10. Maintenance period**

Procurements made using the grant under this Call for Applications are subject to a maintenance/retention period of 3 years.

For 3 calendar years following the acceptance of the final project report and financial accounts by the Granting Authority, the assets procured with the grant – provided such assets become the property or come under the asset management of the beneficiary – may only be alienated, leased, encumbered or given in the use of third parties by the beneficiary with the prior written consent of the Granting Authority.

The alienation, transfer of use or encumbrance of the deliverables<sup>6</sup> of the supported activities is subject to the prior consent of the Granting Authority (regardless of the provisions of the award document on the maintenance obligation) for a period of one calendar year.

## **11. Collaterals**

The disbursement of the grant is subject to the provision of collaterals by the beneficiary. As collateral, a declaration authorising a collection order to the benefit of the Granting Authority on all of the beneficiary's payment accounts active at the time of the entry into force of the award document and those opened subsequently – which pursuant to effective legal regulations may be encumbered with a collection order – must be submitted, along with a statement authorising queuing (keeping on hold) for a period of no more than 35 (thirty-five) days in the event of potential insufficient funds. The authorisation must be valid until withdrawn, and such withdrawal prior to expiration must be subject to the written authorisation of the Granting Authority. After the successful settlement of accounts for the grant and the expiration of the mandatory maintenance period, the Granting Authority issues the declaration on the withdrawal of the collection order.

## **12. Publicity, identity elements**

During its activity performed using the grant amount, the beneficiary undertakes to display the Granting Authority's logo on information boards, related publications, and – during the entire implementation period of the project – on its printed

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<sup>6</sup> Depending on the given group of Supported Activities, pursuant to Section 1.3 of the Call for Applications.

and electronic communication materials, as well as the following sentence: *“Realised with support from Western Balkans Green Center Nonprofit Llc.”*. Detailed requirements and the logo are specified separately by the Granting Authority, and are available at [www.wbgc.hu](http://www.wbgc.hu).

### **13. Settlement of accounts and monitoring grant use**

The accounting of the grant may be audited by the Granting Authority and bodies mandated by the law. The audit also covers the interim project report prescribed in the award document for the project period, as well as the final project report and financial accounts prepared after the implementation period. The purpose of the interim report is to monitor the progress of the project. The details of the interim report are described in the document titled “Guide for the settlement of accounts” (Annex 2). **The beneficiary shall submit a final project report and financial accounts on the implemented project, the submission date being the 30th (thirtieth) day following the completion of the project.**

**The period in which the supported activity can be accounted for is aligned with the implementation period specified in the award document.**

#### **13.1 The final report and its mandatory annexes**

In addition to the final project report and financial accounts certifying the utilisation of the grant, the invoice summary constituting an annex to the guide for the settlement of accounts must also be completed and submitted to the Granting Authority electronically.

The beneficiary must handle and record its accounting documents proving the lawfulness of its use of the grant separately, and such documents must be separated and clearly identified within its books.

The description of documents to be submitted with the interim report, the final professional report and the financial accounts is included in the document titled “Guide for the settlement of accounts” (Annex 2).

#### **13.2 Remedy of the deficiencies of the final report and the annexes thereof**

If the acceptance of the final report requires a remedy of deficiencies and/or additional content-related details and clarification, the Granting Authority calls on the beneficiary to remedy such deficiencies and contradictions. The final report submitted cannot be accepted and the grant relationship cannot be closed until the deficiencies are remedied. If the beneficiary does not, or not sufficiently remedy the deficiencies by the deadline specified in the request, no further rectification will be possible.

#### **13.3 Project follow-up report**

In the project follow-up report, the Beneficiary shall provide information on the indicators included in the project, their effects, the effects of the results obtained and on any additional activities no longer supported by the project. A follow-up report shall be prepared 1 year after the acceptance of the final report by the Granting Authority, and then annual reports shall be prepared during the maintenance period and submitted to the Granting Authority signed by the legal representative or agent of the Beneficiary electronically.

#### **13.4 On-site inspection**

In respect of the utilisation of the grant, the Granting Authority or the bodies or persons authorised by it, as well as the bodies with powers granted by the law are entitled to conduct audits on-site or based on documents requested.

Extraordinary and subsequent audits may also be conducted following the submission of the grant application. After the submission of the grant application, extraordinary audits may be conducted in the decision-preparation phase, prior to the making of the decision, following the effective date of the award document and prior to the settlement of the accounts; and subsequent audits may be conducted at any time within 3 years from reporting. In this context, the following are checked:

- the correctness of information in the grant application and the award document;
- project scheduling;
- implementation of project content in line with the grant application and the award document;
- fulfilment of the maintenance obligation;
- examination of the specific reason leading to the on-site audit.



#### **14. Closing of the grant contract**

The final report submitted is evaluated, and consequently the Granting Authority may make the following decisions:

1. acceptance of the final report;
2. rejection of the final report;
3. partial acceptance of the final report.

Acceptance of the final report means that the Granting Authority has concluded that the beneficiary has acted in line with the contents of the award document.

The rejection of the final report means that the Beneficiary has not complied with its obligation to account for the grant, or it has accounted for it in a way that is contrary to the award document. In the case of a rejection, the Granting Authority withdraws the grant, as a result of which the beneficiary is obligated to repay the grant amount disbursed with added transaction interest. The rate of the transaction interest is twice the central bank base rate valid on the day of grant disbursement. The starting date of the charging of transaction interest is the day of grant disbursement, while its last day is the day of the fulfilment of the repayment obligation.

The partial acceptance of the final report means that only partial performance can be established based on the submitted final report. In such cases, it is determined which items/amounts of the financial accounts and which parts of the technical report have been accepted and rejected, and the repayment obligation is also established according to the above.

#### **15. Data processing**

The data generated during the grant process are processed pursuant to Regulation (EU) 2016/679 of the European Parliament and the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), as well as Act CXII of 2011 on Informational Self-Determination and Freedom of Information. Additional detailed rules are available at [www.wbgc.hu](http://www.wbgc.hu).

#### **16. Handling of objections**

The applicant or the beneficiary of the grant may lodge a complaint with the Granting Authority if in its opinion the procedure relating to the processing of the grant application, the making of the grant decision, the issue of the award document, or the disbursement or reclaiming of the grant is unlawful and contrary to the Call for Applications or the grant relationship. The detailed rules on complaints handling are subject to the terms set out in Section 13 of the Terms and Conditions Applicable to the Legal Relationship constitution Annex 1 of this Call for Applications.

The compulsory content-related elements of complaints are as follows:

- the name, registered office or address of the entity or person lodging the complaint, in the case of a non-natural person the name of the representative;
- the data required for the identification of the grant application or award document the complaint concerns;
- specification of the measure or omission objected to;
- clear specification of the facts serving as basis for the complaint, or the legal provision violated through such measure objected to or omitted;
- signature or electronic signature of the person lodging the complaint.

The Granting Authority rejects the complaint without consideration of the merits if

- it is submitted past the due date;
- it is not submitted by a person/entity eligible to do so;
- it has a content identical to an earlier complaint;
- it does not contain the compulsory content elements;
- it is lodged against a decision adopted regarding the earlier complaint;
- no complaints may be lodged;
- the complaint is aimed solely at a violation of law that cannot be remedied through a repetition of the procedure objected to.



## 17. Applicable law and public law regulatory instruments

- Act V/2013 on the Civil Code
- Act CLXXXI of 2007 on the Transparency of Grants and Subsidies Provided from Public Funds
- Act C of 2000 on Accounting
- Act CXXVII of 2007 on Value Added Tax
- Regulation (EU) 2016/679 of the European Parliament and the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
- Act CXII of 2011 on Informational Self-Determination and Freedom of Information

## 18. De minimis rules

Grants provided as part of an individual grant are considered de minimis grants – with some exceptions<sup>7</sup> – which can only be provided based on the provisions of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L 352, 24.12.2013, p. 1; hereinafter: Commission Regulation (EU) No 1407/2013). The gross grant elements of de minimis grants awarded to a single undertaking defined in Article 2(2) of Commission Regulation (EU) No 1407/2013 in Hungary during the current financial year and the previous two financial years based on Commission Regulation (EU) No 1407/2013 may not exceed a HUF amount corresponding to EUR 200,000, or in the case of an undertaking performing road freight transport for hire or reward, a HUF amount corresponding to EUR 100,000, also taking into account subsections (8) and (9) of Article 3 of Commission Regulation (EU) No 1407/2013. [The conversion of the amounts must be performed according to Section 35 of Government Decree 37/2011 (III. 22.) on the procedure relating to state grant within the meaning of European Union competition law and on the regional grant maps.]

The de minimis grant granted based on Commission Regulation 1407/2013/EU can be cumulated with the de minimis grant granted in accordance with Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012., p. 8) up to the ceiling determined in Commission Regulation (EU) No 360/2012. The de minimis aid mentioned in Commission Regulation (EU) No 1407/2013 can be cumulated with the de minimis aids granted according to other Regulations on de minimis aid, up to the upper limit determined in Article 3(2) of Commission Regulation (EU) No 1407/2013.

De minimis grant shall not be cumulated with State grant in relation to the same eligible costs or with state grant for the same risk finance measure, if such cumulation would exceed the highest relevant grant intensity or grant amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the Commission.

With the exception included in Article 1(2) of Commission Regulation (EU) No 1407/2013, the grant cannot be used for the purposes of the exceptions specified in Article 1(1) of Commission Regulation (EU) No 1407/2013 – thus in particular for grants to export-related activities towards third countries or Member States, namely grants 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 – or – pursuant to Article 3(2) of Commission Regulation (EU) No 1407/2013 – for the acquisition of road freight transport vehicles for the purpose of performing road freight transport for hire or reward.

The documents related to the grant must be retained for 10 years after the Granting Authority has approved the beneficiary's report, and the beneficiary must present them upon the granting organization's relevant request. At the request of the European Commission, information must be provided on grants granted on the legal ground of de minimis grant within 20 days.

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<sup>7</sup>Government Decree No. 37/2011 (III. 22.) on the procedure relating to state grants within the meaning of European Union competition law and on the regional grant maps provides that the supporting of higher education institutions, research institutes and associations is only regarded as state grant if the support is aimed at the performance of an economic activity.

## **19. Provision of information**

Information concerning the Call for Applications, the grant application submitted, the award document, report preparation or any other issues arising may be requested through the [wbgc@wbgc.hu](mailto:wbgc@wbgc.hu) email address.

## **20. Annexes**

Annex 1: Terms and Conditions Applicable to the Legal Relationship

Annex 2: Guide for the settlement of accounts

Annex 3: Overview Table

Annex 4: Climate protection indicators

Annex 5: Letter of support

## Annex 3: Overview Table

Scope of activities (select one)	Grant intensity	Mandatory annex (in addition to declarations)	Eligible entities
<p><b>“A” – Preparation of investment projects (multiple selections allowed)</b></p> <ul style="list-style-type: none"> <li>• preparation of engineering documentation required for the investment project (e.g. planning application documents, construction plans, electrical installation plan, etc.);</li> <li>• obtaining permits required for the investment project (building permit, environmental permit, etc.);</li> <li>• preparation of environmental impact studies;</li> <li>• implementation of quality, environment and other management systems and standards, preparation of quality certification;</li> <li>• additional investment project preparation activities depending on local partner needs and circumstances;</li> </ul>	80%	feasibility study and cost-benefit analysis;	<p>all economic operators registered in Hungary, using double-entry bookkeeping, with a legal personality and with at least one closed fiscal year, if based on its indicators, the given economic operator meets the following criteria:</p> <ul style="list-style-type: none"> <li>• its average statistical headcount for the last closed fiscal year is at least 2 persons, but not more than 250 persons; and</li> <li>• the net sales revenue for the last closed fiscal year is at least 125% of the grant applied for, but not more than the HUF amount equivalent to EUR 50 million<sup>8</sup>; and</li> <li>• its balance sheet total does not exceed the HUF amount equivalent to EUR 43 million<sup>9</sup>; and</li> <li>• its profit before taxes for the last closed fiscal year is positive (with a view to the effects of the global COVID-19 pandemic, if the Applicant's profit before taxes for the last closed fiscal year is negative, there is an option to consider the profits of the last 3 closed fiscal years. In this case, the sum of the profits of the fiscal years examined must be positive).</li> </ul>
<p><b>“B” – Capacity building (multiple selections allowed)</b></p> <ul style="list-style-type: none"> <li>• activities relating to climate protection planning (status assessment, research, drawing up strategic documents)</li> <li>• capacity building cooperation (transfer of know-how facilitating the use of new tools, procedures, expertise);</li> <li>• research/education cooperation</li> <li>• additional capacity building activities depending on local partner needs;</li> </ul>	60%	business plan	<ol style="list-style-type: none"> <li>1. all economic operators registered in Hungary, using double-entry bookkeeping, with a legal personality and with at least one closed fiscal year, if based on its indicators, the given economic operator meets the following criteria: <ul style="list-style-type: none"> <li>• its average statistical headcount for the last closed fiscal year is at least 2 persons, but not more than 250 persons; and</li> <li>• the net sales revenue for the last closed fiscal year is at least 125% of the grant applied for, but not more than the HUF amount equivalent to EUR 50 million<sup>10</sup>; and</li> <li>• its balance sheet total does not exceed the HUF amount equivalent to EUR 43 million<sup>11</sup>; and its profit before taxes for the last closed fiscal year is positive (with a view to the effects of the global COVID-19 pandemic, if the Applicant's profit before taxes for the last closed fiscal year is negative, there is an option to consider the profits of the last 3 closed fiscal years. In this case, the sum of the profits of the fiscal years examined must be positive).</li> </ul> </li> <li>2. Higher education institutions;</li> <li>3. Associations;</li> <li>4. Foundations;</li> <li>5. Research centres.</li> </ol>

<sup>8</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<sup>9</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<sup>10</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<sup>11</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<p><b>“C” – Business planning (multiple selections allowed)</b></p> <ul style="list-style-type: none"> <li>• preliminary feasibility study</li> <li>• feasibility study in preparation of the investment project and cost-benefit analysis</li> <li>• obtaining permits required for the market introduction of product/service</li> <li>• creation of <i>pilot</i> project promoting the market introduction of own product/service</li> <li>• additional activities tailored to local partner needs;</li> </ul>	60%	business plan	<p>all economic operators registered in Hungary, using double-entry bookkeeping, with a legal personality and with at least one closed fiscal year, if based on its indicators, the given economic operator meets the following criteria:</p> <ul style="list-style-type: none"> <li>• its average statistical headcount for the last closed fiscal year is at least 2 persons, but not more than 250 persons; and</li> <li>• the net sales revenue for the last closed fiscal year is at least 125% of the grant applied for, but not more than the HUF amount equivalent to EUR 50 million<sup>12</sup>; and</li> <li>• its balance sheet total does not exceed the HUF amount equivalent to EUR 43 million<sup>13</sup>; and</li> <li>• its profit before taxes for the last closed fiscal year is positive (with a view to the effects of the global COVID-19 pandemic, if the Applicant's profit before taxes for the last closed fiscal year is negative, there is an option to consider the profits of the last 3 closed fiscal years. In this case, the sum of the profits of the fiscal years examined must be positive).</li> </ul>
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<sup>12</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

<sup>13</sup> The rate of conversion is the official middle rate published by the Hungarian National Bank for the last day of the given fiscal year.

## Annex 4: Climate protection indicators

Objective	Indicator		Unit of measurement
Improved climate protection performance	Reduced greenhouse gas (GHG) emissions	carbon dioxide	t/year
		methane	t/year
		other GHG (please specify)	t/year
	Improved air quality	air pollutants (please specify: NOx, PM, etc.)	ppm
	Reduction/substitution of hazardous substances	irritant/corrosive/toxic	(g/kg/t)/year
		mutagen/carcinogen	(g/kg/t)/year
		bioaccumulative	(g/kg/t)/year
	Waste management	waste reduction	t/year
	Water	Increased resilience against floods	population (number of people)
hectare (improved conditions)			
	Improved water quality	m <sup>3</sup> /year	
More efficient resource management	Reduced resource utilisation (with the exception of energy)	Raw materials	t/year
	Water	Reduced water utilisation	m <sup>3</sup> /year
	Energy	Energy from renewable sources	kWh/year
		Reduced energy utilisation	kWh/year
Sustainable land use, agriculture and forest management	Forest management	Growth of afforested area, area under sustainable forest management	ha
	Agriculture	Area under sustainable forest management	ha
	Arable land	Improved soil quality	ha
Improved natural conditions, species and biodiversity	Habitats	Area that has been restored or where restoration is in progress, and/or is being assigned a more favourable environmental rating	ha
	Wild species	Number of endangered species with improved status	population (please specify unit of measurement)
	Alien species	Invasive alien species	population/ha
Capacity building	Individuals (experts)	Change in behaviour	persons
Other (please specify)			

## Annex 5: Letter of support template

### LETTER OF SUPPORT

<b>Project title</b>	
<b>Project owner</b> (official name, address)	
<b>Relevant local authority</b> (official name, address)	
<b>Project type</b> (investment preparation / capacity building / business planning)	
<b>Brief project description</b>	
<b>Project costs (EUR)</b>	
<b>Potential total costs of main project/implementation</b> (in case of investment preparation)	
<b>Any support provided by local authority</b> (if applicable)	

\_\_\_\_\_  
date, place

\_\_\_\_\_  
name

\_\_\_\_\_  
signature