



CALL FOR APPLICATIONS

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

WBGC-2020/2

Unofficial translation. In case of dispute, the published Hungarian version of this text shall be applied.

6 November 2020

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Western Balkans Green Center Nonprofit Llc. (hereinafter: Green Center) 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).

1. Aim of the call, eligible activities, target countries, supported sectors and indicators

1.1 Aim of the call

In order to implement the goals included in the Paris Agreement¹, based on a decision by the Hungarian Government the Green Center has been established as a state-owned company under the supervision and governance of the Ministry for Innovation and Technology (hereinafter: Ministry), to promote Hungary's participation in the climate protection activities of the Western Balkans (target countries) and the green transformation of the region. The purpose of this Call is to contribute to the achievement of the nationally determined contributions (NDC) of the target countries in connection with the Paris Agreement, while providing investment opportunities to Hungary-based enterprises.

In the context of the Call, we are expecting project proposals that, besides providing high added value, accomplish the above goals by:

- contributing to the establishment of inter-regional ties and economic/academic cooperation;
- reinforcing the competitiveness of participating entities;
- strengthening the independent regional presence of Hungary-based SMEs;
- contributing to domestic and regional 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 to the project and the applicant

- **Climate protection:** the project contributes to the climate protection objectives of the target countries.
- **Complementarity:** the project is in harmony with local (target country/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 findings, assumptions and objectives.
- **National economy impacts:** it should be examined as to what extent the project contributes to job creation in Hungary and the target region.
- **Relevance:** the project serves existing and actual needs in the target countries, whose professional legitimacy is substantiated by a letter of support obtained from competent authorities.
- **Reference:** the applicant has proven experience in the fields relating to the project. This preferably includes foreign trade activity, and involvement in an investment, business or capacity building project or activity implemented abroad (primarily in the target countries).
- **Added development value:** beyond the fundamental climate protection and economic/financial aspects, the project preferably contributes to broadly interpreted development in the target country and to the accomplishment of the United Nations' Sustainable Development Goals.

Basic principles formulated in respect to the grant

¹The Act promulgating the Paris Agreement can be accessed here:
http://njt.hu/cgi_bin/njt_doc.cgi?docid=195589.328228

- **Additionality:** the grant 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.

1.3 Eligible activities

Under this Call, activities belonging to the following groups ("A", "B" and "C") are eligible for grants (see Outline of activities and eligible entities in Annex 3.).

"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.

"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.

A given applicant is entitled to submit only one application and may be involved in the implementation of one project.

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

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.

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 contains – in maximum 3 pages – a brief description of the product/service, a brief presentation of the target market and competitors, the relevant business model, a 3-year financial plan and the business objectives to be accomplished within the next 5 years (in case of non-profit associations please introduce the sustainability of the project and how it corresponds to the institutional strategy).

1.4 Target countries

The target countries of the Call are as follows:

- Albania;
- Bosnia and Herzegovina;
- North Macedonia;
- Kosovo²;
- Montenegro;
- Serbia.

1.5 Supported sectors

Under the Call, eligible sectors are as follows:

- energy efficiency and renewable energy;
- water management and wastewater treatment;
- waste management including collection, treatment, recycling and recovery of solid waste;
- forest management and agriculture;
- urban environment: adaptation and sustainability measures implemented in cities and towns;
- other activities related to climate change mitigation or adaptation.

1.6 Technical tasks and climate protection indicators related to project impacts

The application must specify the technical tasks and activities scheduled in the implementation plan as well as indirect climate protection indicators expected as a result of the project (see Annex 4 for the list of climate protection indicators). The project tasks will be specified as commitments in the grant agreement.

2. Eligible entities

2.1 Entity eligible to submit an application (applicant)

Applications may be submitted for activities belonging to groups "A", "B" and "C" by all entities registered in Hungary, with legal personality and with at least one closed financial year, if based on the indicators of its last closed financial year the given entity meets the following criteria:

- its average statistical headcount is at least 2 persons, but not more than 250 persons;
- its net sales revenue is at least 125% of the grant amount applied for, but does not exceed HUF equivalent of EUR 10 million³;
- its total assets do not exceed HUF equivalent of EUR 10 million⁴;
- it has positive earnings before tax.

Companies with majority state ownership can only submit grant applications in consortia with companies with majority private ownership, or must involve companies with majority private ownership as subcontractors in at least 50% of the technical implementation of the project.

Grants for activities belonging to group "B" may be also applied for by higher education institutions, research centers, associations and foundations (see Annex 3).

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 an application

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

² 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.

³ Exchange rate based on the Hungarian Central Bank's official exchange rate as of the last day of the given business year.

⁴ Exchange rate based on the Hungarian Central Bank's official exchange rate as of the last day of the given business year.

- 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;
- 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;
- beneficiaries of the Call for Applications “WBGC-2020/1”.

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 eligibility criteria will be 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 herein, 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 for 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 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. a business association – with the exception of a public limited company – owned by a person as set out in Point 1 and/or 2 of this list;
5. a business association in 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;
6. beneficiaries of the Call for Applications "WBGC-2020/1".

2.4 Invalidity of the grant application

The grant application is invalid if the implementation of the project or the method or result of such implementation:

- constitutes a criminal offence or an incitement to commit a criminal offence;
- violates a fundamental human right or a constitutional right;
- 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 in a consortium. Entities registered outside of Hungary 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 by providing to 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. Available funds

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

4. Form and rate of the grant

The grant is a non-refundable grant. The Green Center disburses up to 80% of the grant as a lump-sum advance after the issue of the grant agreement, with the remaining grant amount transferred as a lump-sum to the beneficiary after acceptance of the final report and financial accounts.

The Green Center 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 (see Annex 3.):

- maximum 80% for grants awarded for activities belonging to group "A";
- maximum 80% for grants awarded for activities belonging to group "B";
- maximum 70% for grants awarded for activities belonging to group "C".

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

The grant does not qualify as a grant provided by the state as set out in Article 107 (1) of the TFEU.

Amount of the grant that can be requested:

- minimum HUF 10,000,000, that is ten million Hungarian forints;
- maximum HUF 50,000,000, that is fifty million Hungarian forints;

5. Eligible expenses

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

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

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 attached to the grant agreement, issued by the determined deadline and supported by appropriate accounting documents, provided that they belong to one of the following cost categories.

Cost of materials:

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

Services used:

- property rent;
- information technology services;
- services supporting professional activities (e.g. consultant, attorney, legal and translation fees);
- travel expenses: reimbursement of train, bus and airplane tickets against invoices and, in the case of travel by car, logs must be kept of official trips, which logs must contain the type, registration number and owner of the vehicle, the kilometers travelled in the interest of the project's implementation, the departure and arrival times, specification of departure and arrival locations, average mileage (l/100 km), and invoices and receipts on fuel purchased must also be attached;
- accommodation costs (maximum 120 EUR/person/night);
- business entertainment;
- exhibition costs (e.g. rental fees, registration fees);
- 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 (except premium, bonus, cafeteria, other fringe benefits, etc.)

Contributions on wages and salaries:

- contributions and social contribution taxes payable by employees.

Investment projects:

- acquisition and creation of intangible assets;
- acquisition of tangible assets;
- capitalised value of experimental developments (e.g. research costs);

- concessions and similar rights (e.g. leases, concessions, rights of use, licence fees, brand names, etc.);
- intellectual property (e.g. software, invention, manufacturing process, trademark).

Renovation (only for tangible assets):

- with all recognized costs included in the acquisition cost.

The total eligible amount of business entertainment costs (hospitality [food and beverages] 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 reconstruction costs may not exceed 30% 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 the project's implementation and leased by the beneficiary after the submission of the grant application – qualifies as an eligible cost, up to a maximum of 30% of total eligible costs for the project.**

The wage(s) of the applicant's executive(s) may only make up 20% of personnel costs (wage costs and wage contributions).

In the case of purchasing/procurement, 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 supporting purchases exceeding HUF 200,000 gross can only be concluded in writing (electronic confirmations, confirmed orders are as well acceptable). 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 to the features of products and services of various specification.

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

Grants cannot be given for deductible value added tax (VAT), and therefore any organization whose application is successful must make a statement about its right to deduct VAT when issuing the grant agreement. 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.

6. Submission of the application

6.1 Mode and deadline for submitting an application

Grant applications should be submitted through the online grant management system (<https://eptk.fair.gov.hu>). The submission statement 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 (see Chapter 6.2, Point 5.) The grant application cannot be submitted in person, by post or via email. Submission of the application is free of charge.

The grant application can be submitted between **6 November 2020** and **7 December 2020, 12:00 a.m.**

The deadline for the submission of the grant applications is 7 December 2020, 12:00 a.m. (CET).

6.2 List of documents to be attached

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

1. **support letter**/letter of intent (Annex 5.): issued by the national or local authority of the target country and its official English or Hungarian translation, if issued in another language, which certifies that the local authority has information about the project and is in favour of it (documents older than 90 days from the launch of this Call will be accepted in case they are valid until the implementation of the project);
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. **submission statement** automatically generated in the online grant management system;
4. **business plan**: in case of capacity building (group „B“) and business planning (group „C“);
5. **feasibility study** and cost-benefit analysis: in case of investment preparation (group „A“).

The documents specified in Points 2-4 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, the applicant must declare that there have been no changes in the data included in such document. The date of the signing of such declaration cannot precede the date of submission of the application by more than 30 (thirty) days.

6.3 List of mandatory statements

The following statements must be made upon submission:

- transparency statement;
- a statement on the availability of own funds;
- de minimis statement;
- statement on bank accounts;
- the applicant's statement on grounds for exclusion;
- statement of consent for data processing.

The above statements shall be made through the online grant management system. As of Point 2.2 of the Call, the applicant who fails to make the statements or submit the documents set out by law or who withdraws such declarations will be automatically spelled out of the given Call or the group of beneficiaries.

7. Processing of applications and decision

7.1 Examination of applications in terms of format and content

In the context of the examination of the grant application in terms of format, the compliance of uploaded documents 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;

- the added value of the project in terms of climate policy (based on the specified indicators);
- the applicant's 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's 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.

Impacts of the project on 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 utilization 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 within the past 5 years, 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** is 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 incomplete grant application, the Green Center will provide **7 (seven) days** to remedy the deficiency. Only a **single instance of remedy of deficiencies is allowed**. If the applicant cannot perform the remedy, the grant application will be rejected.

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

7.3 Assessment of applications, preparation of the grant decision

The valid grant applications received are forwarded to the Evaluation Committee after all applications have been processed, and the Evaluation Committee formulates its proposal for the grant decision towards the Managing Director of the Green Center.

7.4 Decision-making relating to the grant award

Based on the proposal of the Evaluation Committee, the Green Center will make its grant decision, 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.

7.5 Notification of the grant decision

The Green Center notifies applicants of the results of the award decision, and in given cases the scope of documents to be submitted for the preparation of the grant agreement as well as the deadline thereof, through the online grant management system. If the decision of the Green Center awards a grant to the applicant, as of the date of such decision the applicant qualifies as a beneficiary.

7.6 Option of withdrawing the grant application

The Green Center is entitled to withdraw the grant awarded, in part or in whole, particularly 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 grant period, or was not realised by the last day of the grant period, and the beneficiary does not initiate the amendment of the grant 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 arise or of which the Green Center 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, 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 and wealth established against the grant without preliminary written authorisation by the Green Center;
- 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 Green Center.

8. Establishment of the grant relationship, main elements of the grant agreement

The utilisation of the grant is based on the grant agreement drawn up following the decision. The Green Center 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 comply with the deadline specified in the notification, the applicant is requested to remedy the deficiencies with the deadline indicated. If the applicant fails to comply with the request to remedy the deficiencies, the Green Center may withdraw its prior notification on the award decision. The grant agreement is issued by the Green Center as Granting Authority to the selected applicants within 30 (thirty) days after the submission of all necessary documents.

The grant agreement comprises the following main elements:

- data identifying the beneficiary;
- grant ID;
- amount of the grant awarded, grant intensity;
- data of the supported project, activity;
- duration of the grant, deadline of the utilisation thereof;
- deadline and conditions of the use of the grant;
- information relating to reporting and audits;
- legal consequences of unlawfully utilised grants, rules of repayment;
- deadline for the retention of documents related to the grant, and of 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;
- the obligation of reporting to the Green Center the data required for data reporting as well as the changes of such data, the consequences of failure to fulfil reporting obligations;
- reasons for rescission, termination and withdrawal.

Following the entry into force of the award document, the beneficiary shall report to the Green Center any changes of its data recorded in the award document within 15 (fifteen) days of such change, electronically through the grant management system. After such report is made by the beneficiary, the Green Center takes the required measures.

All necessary information regarding the grant relationship are included in the General Terms and Conditions (Annex 1.).

9. Duration of project

The earliest starting date of project:	8 December 2020
The latest closing date of project:	31 March 2022

Applicants may commence project at their own responsibility from 8 December 2020. The Green Center assumes no liability for any damages and costs arising from a possible rejection.

10. Maintenance period

Under this Call, for procurements against the grant, a maintenance/retention period of 5 years is stipulated.

The beneficiary shall utilize all assets purchased from the grant in line with the rules of the grant agreement for 5 years from the deadline of submission of the final report, and within the same timeframe it is not entitled to sell it, rent it, charge it unless approved by the Granting Authority.

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 Green Center's benefit 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 declaration of authorisation was be valid until withdrawn, and such withdrawal prior to expiration must be subject to written authorisation by the Green Center. After the successful accounting for the grant or the expiration of the mandatory maintenance period, the Green Center 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 Green Center's logo (available at www.wbgc.hu) on information boards, related publications, and – during the entire implementation period of the project – on its printed and electronic communication materials, as well as the following sentence: *"Realised with support from the Western Balkans Green Center Nonprofit Llc."*. The beneficiary shall display the information board at a location relevant in terms of project implementation (e.g. its registered office or business site), in well-visible fashion, and shall keep it in said location until the end of project implementation. The Granting Authority provides information to the beneficiary regarding the content of the information board.

13. Accounting and audit

The Green Center as well as bodies mandated by legal regulations may audit the utilisation of the grant. The audit also covers the interim project report set out by the award document for the project period, as well as the final project report and financial accounts prepared after the completion of the project. The purpose of the interim report is to monitor the progress of the project. The details of the interim report are contained in the document entitled "Guide for the settlement of accounts" (Annex 2.). **The beneficiary shall submit a final project report and financial accounts on the project, the deadline for which submission is the 30th (thirtieth) day following the completion of the project, but 22 April 2022 at the latest.**

The accounting period of grant activity is between 8 December 2020 and 31 March 2022.

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 award document must also be completed and submitted to the Green Center through the grant management system.

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 report and the financial accounts is contained in the document entitled "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 Green Center calls on the beneficiary to remedy such deficiencies in order to resolve 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 Follow up report

Beneficiary shall provide information about indicators and their impacts, achievements and their impacts and about other activities, not necessarily part of the given grant fund in the project follow up report. The follow up report shall be signed officially by the applicant's legal representative or an agent and submitted through the online grant management system 1 year after the approval of the Final report and annually afterwards until the end of the maintenance period.

13.4 On-site inspection

In respect of the utilisation of the grant, the Green Center or the bodies or persons authorised by it, as well as the bodies with powers granted in legal regulations 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 entry into force of the award document and prior to the settlement of the accounts; and subsequent audits may be conducted at any time within 5 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 transaction

The final report submitted is evaluated, and consequently the Green Center 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 Green Center has concluded that the beneficiary 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 Green Center 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 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 interim report means that only a 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 final project 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.

16. Complaints

Applicants or beneficiaries are entitled to raise objections against the Grant Authority in case the grant management and decision making processes, grant agreement, transfer or reclaim of funds are considered unlawful or against the Call or the grant relationship. A detailed guide of complaint handling rules are available in Point 13. of General Terms and Conditions (Annex 1.)

17. Applicable law and public law regulatory instruments

- 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 exceptions⁵ – 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*

⁵Government 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.

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, in particular, it may not be used for grants supporting export-related activities to third countries or to Member States, namely grants directly linked to the quantities exported, to the establishment and operation of a sales network or to other current expenditure linked to the export activity; or – in accordance with 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.

19. Related information

For information concerning the Call, the application process, the grant agreement, the report preparation and other related issues please contact wbgc@wbgc.hu.

20. Annexes

- Annex 1: General Terms and Conditions (available in Hungarian, English translation is coming soon)
- Annex 2: Guide for the financial settlement (available in Hungarian, English translation is coming soon)
- Annex 3: Outline of activities and eligible entities
- Annex 4: Climate protection indicators
- Annex 5: Support letter / Letter of intent

Annex 3: Outline of activities and eligible entities

Activity (one can be selected)	Grant intensity	Compulsory attachment (besides statements)	Eligible entities
<p>“A” – Preparation of investment projects (more can be selected):</p> <ul style="list-style-type: none"> • 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. 	80%	feasibility study and cost-benefit analysis	<p>Entities registered in Hungary, with legal personality and with at least one closed financial year, if based on the indicators of its last closed financial year the given entity meets the following criteria: its average statistical headcount is between 2-250 persons; its net sales revenue is at least 125% of the grant amount applied for, but does not exceed HUF equivalent of EUR 10 million; its total assets does not exceed HUF equivalent of EUR 10 million; it has positive earnings before tax. Companies with majority state ownership can only submit grant applications in consortia with companies with majority private ownership or involving companies with majority private ownership as subcontractors in at least 50% of the technical implementation of the project.</p>
<p>“B” – Capacity building (more can be selected):</p> <ul style="list-style-type: none"> • 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. 	80%	business plan	<p>Entities registered in Hungary, with legal personality and with at least one closed financial year, if based on the indicators of its last closed financial year the given entity meets the following criteria: its average statistical headcount is between 2-250 persons; its net sales revenue is at least 125% of the grant amount applied for, but does not exceed HUF equivalent of EUR 10 million; its total assets does not exceed HUF equivalent of EUR 10 million; it has positive earnings before tax. Companies with majority state ownership can only submit grant applications in consortia with companies with majority private ownership or involving companies with majority private ownership as subcontractors in at least 50% of the technical implementation of the project.</p> <ul style="list-style-type: none"> • High education institutes; • associations; • foundations; • research centers.

<p>“C” – Business planning (more can be selected):</p> <ul style="list-style-type: none"> • 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 <i>pilot project</i> promoting the market introduction of own product/service; • additional activities aligned with local partner needs. 	70%	business plan	<p>Entities registered in Hungary, with legal personality and with at least one closed financial year, if based on the indicators of its last closed financial year the given entity meets the following criteria: its average statistical headcount is between 2-250 persons; its net sales revenue is at least 125% of the grant amount applied for, but does not exceed HUF equivalent of EUR 10 million; its total assets does not exceed HUF equivalent of EUR 10 million; it has positive earnings before tax. Companies with majority state ownership can only submit grant applications in consortia with companies with majority private ownership or involving companies with majority private ownership as subcontractors in at least 50% of the technical implementation of the project.</p>
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Annex 4: Climate protection indicators

Target	Indicator		Measure
Improved performance	Reduction of greenhouse gas emissions (GHG)	CO2	tons / year
		Methane	tons / year
		Other GHG (please specify)	tons / year
	Improved air quality	Air pollutants (please specify: NOx, PM, etc)	ppm
	Reduction of substitution of dangerous substances	Irritant / Corrosive / Toxic	(gr/kg/tons) / year
		Mutagenic / Carcinogenic	(gr/kg/tons) / year
		Persistent / Bioaccumulative	(gr/kg/tons) / year
	Waste management	Waste reduction	tons / year
	Water	Improved resilience to flooding	inhabitants (improved conditions)
			hectars (improved conditions)
Improved water quality		m3 / year	
Improved efficiency	Reduced resource consumption (excluding energy)	Raw materials	tons / year
		Water	Reduced water consumption
	Energy	Renewable energy generation	kwh / year
		Reduced energy consumption	kwh / year
Sustainable land use, agriculture and forestry	Forestry	Reforested areas; increase in area under sustainable forest management	ha
	Agriculture	Areas under sustainable farming	ha
	Soil / Land	Improved soil quality	ha
Improved natural conditions, species and biodiversity	Habitats	Areas restored and falling under better nature protection status	ha
	Indigenous species	Number of threatened species in improved or secured status	population (specify unit)
	Non-native species	Reduction of invasive, non-native species	population/ha
Other (please specify)			

Annex 5: Support letter / Letter of intent

LETTER OF SUPPORT

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

date, place

name

signature