

Guidelines for Light Partner Applicants (GfA)

B Light 2

**(Fostering cross-border business cooperation of SMEs
operating on different sides of the Hungary-Croatia border)**

Interreg VI-A Hungary-Croatia Programme 2021-2027

Lead Partner: Croatian Agency for SMEs, Innovation and Investments (Ksaver 208, 10000 Zagreb)

Contents

Contents.....	2
1. Introduction.....	5
1.1. Programme background	5
1.1.1. SME development in the Programme.....	5
1.1.2. Expected results and outputs of the B Light 2 Scheme.....	6
1.2. Legal background	6
1.2.1. B Light 2 – what is new in the scheme?	6
1.3. Purpose and structure of the Guidelines for Light Partner Applicants	7
2. Implementation structure	7
2.1. Programme level bodies	7
2.2. The main project partners – HAMAG-BICRO and SME development agencies	9
2.3. Light Partners	13
3. Eligibility of Light Partner Applicants.....	14
3.1. Legal status	14
3.2. Geographical location	15
3.3. Professional and financial background	15
3.4. Partnership requirements	16
3.5. Exclusion criteria.....	18
4. State aid rules.....	19
4.1. Relevance of state aid rules in case of the different project partners	19
4.2. Application of de minimis rules	19
5. Eligibility of activities of Light Partners.....	20
5.1. Eligible activities	20
5.2. Eligible levels of cooperation	22
6. EU Co-financing of Light Projects.....	24
6.1. Type of EU co-financing.....	24
6.2. EU co-financing rate	24
6.3. Own contribution.....	24
6.4. Light Project size	24
7. Eligibility of costs of Light Partners	25
7.1. Simplified Cost Options	25
7.2. Preparation costs.....	26
7.3. Staff costs	27



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7.4.	Office and administrative expenditure.....	28
7.5.	Travel and accommodation expenses	28
7.6.	External expertise and services.....	29
7.7.	Equipment.....	30
7.8.	Infrastructure and works	31
7.9.	Non-eligible expenditure	32
8.	Application, Assessment and Contracting Procedure.....	33
8.1.	Light Partner search and Light Project generation.....	33
8.2.	Submission of Light Project Applications (LPAs).....	34
8.3.	Questions and Answers.....	37
8.4.	Light Project activities and outputs	37
8.5.	Light Project objective.....	37
8.6.	Light Project result.....	38
8.7.	Light Project Indicators	38
8.8.	Activities outside of the Programme area	39
8.9.	Horizontal principles	39
8.10.	Assessment and selection of Light Project Applications (LPAs).....	40
8.11.	Steering Committee	42
8.12.	Resolution of Complaints.....	42
8.13.	Fulfilment of conditions and contracting.....	43
9.	Implementation and monitoring	44
9.1.	Light Project duration.....	44
9.2.	Sustainability period.....	44
9.3.	Advance payment.....	45
9.4.	Financial guarantee	45
9.5.	Reporting procedures	45
9.6.	Procurement rules	47
9.7.	Communication requirements.....	47
	LIST OF ANNEXES.....	51
	ANNEX I.....	52

List of abbreviations

LP – Lead Partner (HAMAG-BICRO)

TP/TPs – Territorial Partner / Territorial Partners

MA - Managing Authority

NC – National Controllers

JS - Joint Secretariat

SC – Steering Committee

LPA / LPAs - Light Project Application/Light Project Applications

PA - Partnership Agreement

VAT – value added tax



1. Introduction

1.1. Programme background

1.1.1. SME development in the Programme

Recognising poor economic performance of the border region, low export-import and weak cross-border business activities between companies, as well as poor innovation performance, the programme strategy of the 2021-2027 Interreg programme aims at fostering cross-border business cooperation between SMEs operating on different sides of the border.

Priority 1 of the Interreg VI-A Hungary-Croatia Programme, within the Specific Objective 1.3 aims at enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments.

Analysis has clearly shown that the economic performance of the border area has been characterised with stagnation, in some counties even decline, that resulted in a continuous increase of territorial disparities. Despite relatively favourable situation on the western periphery of the Croatian side, the majority of the border area is way below EU averages in terms of economic performance figures. Export-import performance of the border area is below the respective national averages, with extremely low cross-border business activities among companies. Also, innovation performance of the border region is poor which is shown by low figures of R&D expenditure compared to GDP. This is particularly true for R&D activity of businesses.

The large distances between border crossing facilities bring low economic performance, weak cross-border trade and poor presence on foreign markets. Therefore, complementary business cooperation of SMEs on two sides of the border should be strengthened with focus of joint appearance on each other's and third markets. SME business cooperation shall have a positive effect on competitiveness, generation of value added, and improvement of employment situation.

Due to poor entrepreneurial innovation performance, cooperation-based innovative product-, service- and technology development of SMEs operating in the border area should be promoted in which partner SMEs play a complementary role in the joint innovative development with clear division of tasks according to their professional competences.

Joint innovation of the SMEs in the programme area needs to be supported by the involvement of R&D organisations mainly in cross-border project generation and development.

Given the size of the financial envelope, the specificities of Interreg programmes (for example the nature and size of the planned operations) and the limited experience with financial instruments, the programming authorities chose to use only grants.

The crucial element of the scheme is the built-in territorially targeted project generation support to the SMEs operating in the border area, with involvement of development agencies and enterprise development foundations located in the territory. The 'B Light 2' scheme enlarges the scope of existing SME support schemes (like mainstream national programmes) in the two Member States in a complementary way: the scheme focuses on cross-border innovation and business cooperation activities.

1.1.2. Expected results and outputs of the B Light 2 Scheme

Indicator	Measurement unit	Milestone 2024	Final target 2029
RCO 01 Enterprises supported (of which: micro, small, medium, large)	Enterprises	0	48
RCO 02 Enterprises supported by grants	Enterprises	0	48
RCO 87 Organisations cooperating across borders	Organisations	0	56
RCR 25 SMEs with higher value added per employee	Enterprises	-	28
RCR 84 Organisations cooperating across borders after project completion	Organisations	-	33

1.2. Legal background

The 'Beneficiary Light Scheme' (B Light) was an SME development funding scheme specially designed for the Interreg V-A Hungary-Croatia Cooperation Programme for the period of 2014-2020. 'B Light 2' is a continuation of the scheme, to be implemented now in the Interreg VI-A Hungary-Croatia Programme.

Technically, 'B Light 2' acts as one single project implemented by a consortium of Project Partners that changes (grows) throughout the implementation period. The project proposal is developed and submitted by the Lead Partner (LP), HAMAG-BICRO and the Territorial Partners (TPs) which are enterprise development agencies from the two sides of the border. The LP and the TPs were invited to a restricted call to submit the 'B Light 2' project proposal. After the project was approved by the Monitoring Committee, the LP signed a Subsidy Contract with the Managing Authority (MA). Prior to that, during pre-contracting phase, the LP and the TPs signed the Partnership Agreement as an Annex to the Subsidy Contract.

After that, following a selection procedure via Calls for proposals, **SMEs or SMEs and R&D organisations will enter the project as so-called Light Partners** by signing the initial Partnership Agreement (Addendum) with the LP. As more SMEs and/or R&D organisations enter the project B Light 2, the partnership grows bigger and bigger.

In the project B Light 2, the LP and the TPs manage the scheme and provide project generation support to the SMEs and R&D organisations (see Chapter 2.2) who, as Light Partners, implement joint innovation and business cooperation Light Projects for the sake of fostering cross-border economic cooperation.

The B Light 2 scheme is planned and implemented within the Interreg VI-A Hungary-Croatia Programme as an Operation of Strategic Importance. The national implementation regulations are also to be applied for the national level procedures.

1.2.1. B Light 2 – what is new in the scheme?

The current scheme relies on the premises of the 2014-2020 programme's similar strategic project which was a highly innovative instrument that has been transferred to several cross-border programmes in Europe. In line with the lessons learnt, the following changes are to be mentioned as the most important:

- Better tailored areas of intervention: business cooperation and joint innovation of SMEs, as new levels of cooperation, with different focuses;
- More targeted assistance: hands-on support to potential applicants from the TPs for Light Project

generation, focusing on less active geographical areas;

- Easier implementation on Light Project level: simpler financial provisions, less administration.

1.3. Purpose and structure of the Guidelines for Light Partner Applicants

The purpose of this Guidelines is to serve as a basis for all activities of the Light Partners: their selection procedure, the eligible activities and costs of the Light Projects and all other relevant information on the calls for proposals.

During the preparation of the Light Project Application, Light Partners are required to study the complete Call documentation which are published on the official B Light 2 project platform: <https://cbchb.eu/cbc-hu-cro/b-light-2/project-documentation>.

However, the Guidelines for Light Partner Applicants are not designed to provide the totality of the information necessary for the implementation of the Light Projects. Additional information necessary for the implementation of the Light Projects can be found in the Programme implementation documents, as well as in all relevant community and national legislation (including, among others, the rules governing ERDF and ETC implementation, State aid, and public procurement). Applicants and Light Partners are especially required to familiarise themselves with the conditions of the Partnership Agreement, which elaborates the rights and obligations of the applicants and Light Partners as beneficiaries of the funds. The template of the Addendum to the Partnership Agreement is an integral part of the Call.

2. Implementation structure

2.1. Programme level bodies

In respect of the 'B Light 2' scheme project, the following bodies have responsibilities in the implementation:

- **Monitoring Committee**

The Monitoring Committee (MC) is the main decision-making body of the Programme and is composed of the representatives of the programme area's counties, the responsible state bodies and civil society organisations. The MC is responsible to approve the whole scheme as an Operation of Strategic Importance (i.e. the Project Form and the Implementation Manual), and it monitors its implementation, making decisions on the level of the scheme, in line with the Subsidy Contract (SC).

- **The Managing Authority**

The Managing Authority (MA) is the Croatian Ministry of Regional Development and EU Funds (Sector for Implementation of Interreg Programmes and Joint Secretariats), based in Zagreb, Croatia.

The MA bears overall responsibility for the implementation of the Programme, including the 'B Light 2' scheme and the relevant project. The MA acts as signatory of the Subsidy Contract, having responsibility and competences in monitoring its implementation.

The MA is delegating a non-voting member to the Steering Committee.

- **National Authorities**

National Authorities (NAs):

- Hungarian NA: Ministry of Foreign Affairs and Trade of Hungary
- Croatian NA: Ministry of Regional Development and EU Funds of the Republic of Croatia, Sector for Coordination of European Territorial Cooperation Programmes and Macro-Regional Strategies

The NAs are responsible for the strategic monitoring of the Programme, including the 'B Light 2' scheme and the relevant project at national level.

Representatives of the NAs take part in the Steering Committee as voting members.

- **Counties (Territorial Partners – TPs)**

One representative of the County of each of the seven bordering counties (Međimurska, Koprivničko-križevačka, Virovitičko-podravska, Osječko-baranjska, Zala, Somogy and Baranya) takes part in the Steering Committee of the 'B Light 2' project as voting members.

- **Steering Committee**

The Steering Committee (SC) is the main decision-making body of the 'B Light 2' project and is responsible for the operational monitoring of the scheme. The SC has its own Rules of Procedures and is composed of 9 voting members: one representative of the Hungarian NA, one of the Croatian NA, and one representative of each of the seven bordering counties (TPs). The SC also has non-voting members: one representative of the MA, one representative of the Joint Secretariat and one representative of the LP.

The SC shall have the following tasks:

- approval of its Rules of Procedure on its first meeting;
- decision on selection of the Light Project Applications (LPAs) for subsidy;
- decision on breakdown of 'B Light 2' funds available between the Calls;
- half-yearly supervision of the B Light 2 scheme and project implementation and proceedings, especially in terms of meeting the indicators and absorption of funds available;
- proposals on any initiatives on changes on level of the scheme, including changes of the B Light Scheme 2 Implementation Manual;
- preparation and submission of annual reports to the MC on the progress of 'B Light 2'.

- **Body with accounting function (BAF)**

The Body carrying out the accounting function (BAF) in the Programme is the Sector for Budget, Finances and Accounting in the Ministry of Regional Development and EU Funds and is responsible for drawing up and submitting Applications for Payment and annual accounts to the EC and executing payments to the Lead Partner.

- **Audit Authority (AA) and Audit Body (AB)**

The Croatian Agency for the Audit of European Union Programmes Implementation System as AA, supported by the Hungarian Directorate General for Audit of European Funds as AB, is independent from the MA and the BAF, and is responsible for verifying the effective functioning of the management and control system of the Programme, including control of the 'B Light 2' scheme and the Light Projects as well.

- **Joint Secretariat (JS)**

The JS is the administrative body supporting the MC and the MA. Set up within Széchenyi Program Office LLC, it has its headquarters in Budapest but the JS has members located in Pécs, Osijek and Čakovec as well.

As the scheme is technically a project in itself, the JS is responsible for its administrative monitoring. Scheme level project reports (including final report) and applications for reimbursement, to be submitted after each project period shall be sent by the LP to the JS, followed by a procedure of approval as regulated in the Subsidy Contract. The JS has also responsibilities in approving changes on the level of the project, as stipulated by the Subsidy Contract. The JS shall be supported by the LP who shall provide all necessary information on the proceedings of the 'B Light 2' project.

The JS is delegating a non-voting member of the SC.

In connection to the selection of the Light Project Applications, the JS supervises the selection procedure and can also set conditions, subject to SC approval, that are to be met by the Light Project Applications before contracting.

- **National Controllers**

The verification of expenditures and the approval of the partner level reports is performed by the territorially competent National Controllers (NC). The NC function is performed by the following bodies:

- In Hungary: Széchenyi Program Office LLC at 7621 Pécs, Rákóczi út 62-64., furthermore at 8900 Zalaegerszeg, Petőfi u. 24;
- In Croatia: Ministry of Regional Development and EU Funds of the Republic of Croatia, Sector for First Level Control at 10000 Zagreb, Miramarska cesta 22.

The LP and the TPs are responsible to submit their partner level report after the end of each period to these bodies that carry out the control and verification procedure (including document-based and on-the-spot checks), according to the stipulations of the Subsidy Contract, the rules of the Eligibility of Expenditure document and according to the national level eligibility guide (if relevant).

Both SMEs and R&D organisations as Light Partners will also be responsible to compile their partner level reports and submit them to the territorially competent NC. Reporting will take place through the Interreg plus system operated by Interreg VI-A Hungary-Croatia Programme. After verification of the expenditures of a given partner, the NC shall issue a Declaration on the Verification of Expenditure (DoVE), available in the Interreg plus system for the LP, who shall prepare the project level report with the application for reimbursement and submit it to the JS for approval.

2.2. The main project partners – HAMAG-BICRO and SME development agencies

The scheme consists of the LP and of further Project Partners: in this case the Territorial Partners (TPs) and the Light Partners (the SMEs, R&D organisations). As a general rule, the SC selects Light Projects through a one-step call for applications; this applies to the current call and all future selection rounds.

- **Lead Partner (LP): HAMAG-BICRO**

The LP bears responsibility for overall coordination of the implementation of the scheme, in line with the Subsidy Contract signed with the MA.



The LP is responsible for the sound and prudent management of the one-step open Light Project Call(s): it is responsible for elaborating the Calls and for preparing their modifications, both of which are to be decided upon by the SC.

The LP operates the online B Light 2 platform (<https://cbchb.eu/cbc-hu-cro/>) as the official web portal of the Scheme. The Light Project Applications can be submitted online through this platform for the two types of Light Projects under Light Project Call: business cooperation of SMEs and joint innovation between SMEs and R&D organisations.

The LP is responsible for the quality assessment of the Light Project Applications. The LP is responsible for ensuring the evaluators and appointing them to the Light Project Applications to be quality assessed.

The LP is responsible for coordinating the decision-making of the SC on the Light Project Applications and notifies the Light Partner Applicants on the decision. Light Partner Applicants of the selected Light Projects shall sign a Partnership Agreement with the LP. The LP is responsible to keep contact with the Light Partners.

The LP is obliged to ensure the sound administrative and financial management of the scheme, including submission of its own partner level reports to the Croatian NC, just like submitting the project level reports (and final) reports, accompanied with the applications for reimbursement to the JS.

- **Territorial Partners (TPs): county level SME development agencies**

TPs are responsible for coordinating the project activities in their respective counties. Seven TPs are involved, from each of the bordering counties of Hungary and Croatia. As in Croatia only the directly bordering counties' (Međimurska, Koprivničko-križevačka, Virovitičko-podravska, Osječko-baranjska) SME development agencies/business support organisations and regional development agencies are involved as TPs, the responsibility of coordinating activities in the further eligible counties (Varaždinska, Bjelovarsko-bilogorska, Požeško-slavonska, Vukovarsko-srijemska) are to be divided among them.

The main task of the TPs is to promote and raise awareness about the scheme among potential Light Partners (SMEs and R&D organisations) in the border area and to play an active role in B Light 2 Project generation. **These tasks involve organisation of promotional and B2B events for the target groups, providing information to potential Light Partners and assisting in partner search and facilitation of the joint understanding of the scheme.** This may take place in form on live and online information events (regional, national, cross-border), B2B consultations between the TPs and the potential Light Partners. TPs will organise awareness raising and B2B partner search events for SMEs prior to each call in order to provide information related to the call and eligibility conditions, as well as assisting in finding Light Partners. These events will take place in the whole programme area with aim of presentation of the B Light 2 project itself, announcement of each Call for submission of Light Project Applications and B2B meetings (per each call: at least 3 in Hungary, 4 in Croatia). Besides public events, TPs will provide opportunities for consultation with potential Light Partners in their premises and assistance in understanding the concept of the entire B Light 2 project.

TPs will organise promotion events and B2B meetings, and provide information to Light Partners, in order to orient and improve the LPAs. This activity should be particularly focused on the more rural and lagging behind parts of the programme area. Additionally, the TPs will provide information and support to the Light Partners through workshops/training on reporting during the implementation period. TPs will support Light Partners in their reporting process by providing guidelines and instructions on how to report properly, what documentation to attach and how to make corrections if needed.

Each TP shall enhance the generation of Light Projects with SMEs (and R&D organisations) located in the



county where the TP is located (and/or in the southern neighbouring county of the respective bordering county¹, in case of a Croatian TP).

In addition, the administrative-eligibility assessment will be carried out by the TPs and will be coordinated by the LP.

TPs are also responsible for the sound management of their project parts, including submission of their partner reports to the territorially responsible NC, and to support the LP in the preparation of the project level reports and the applications for reimbursement.

The following organisations are in the B Light 2 project as TPs:

Hungary
<i>Baranya County:</i> Baranya Vármegyei Fejlesztési Ügynökség Nonprofit Kft. (Baranya County Development Agency Non-profit Ltd.) Address: 7621 Pécs, Széchenyi tér 9. Phone: +36 30 469 0916 E-mail: egry.dora@investinbaranya.hu
<i>Somogy County:</i> Somogy Társadalmi Felemelkedéséért Fejlesztési, Kommunikációs, Oktatási Nonprofit Kft. (Social Ascension of Somogy Development, Communication and Education Nonprofit Ltd.) Address: 7400 Kaposvár, Fő u. 10. Phone: +36 30 217 5448 E-mail: jelenka.gyorgy@somogy.hu
<i>Zala County:</i> Zala Megyei Vállalkozásfejlesztési Alapítvány (Zala County Foundation for Enterprise Promotion) Address: 8900 Zalaegerszeg, Köztársaság útja 17. Phone: +36 92 316033 E-mail: halaszeszter@zmva.hu

¹ TP county / southern neighbouring county pairs: Međimurska County / Varaždinska County; Koprivničko-križevačka County / Bjelovarsko-bilogorska County; Virovitičko-podravska County, Požeško-slavonska County; Osječko-baranjska County / Vukovarsko-srijemska County.



Croatia
<i>Osječko-baranjska and Vukovarsko-srijemska counties:</i> Centar za poduzetništvo (Centre for Entrepreneurship) Address: 31000 Osijek, J.J. Strossmayera 341, Zgrada B, 1 kat I Phone: 0800 345 345 I E-mail: info@czposijek.hr
<i>Virovitičko-podravska and Požeško-slavonska counties:</i> Poduzetnički inkubator Virovitičko-podravске županije (Business Incubator of Virovitičko-podravсka County) Address: 33000 Virovitica, Vinkovačka cesta 14. Phone: +385 33 638-288 E-mail: info@inkubatorivpz.hr
<i>Koprivničko-križevačka and Bjelovarsko-bilogorska counties:</i> PORA Regionalna razvojna agencija Koprivničko-križevačke županije (PORA Regional Development Agency of Koprivnica Križevci County) Address: 48000 Koprivnica, Florijanski trg 4 Phone: +385 48 621978 E-mail: info@pora.com.hr
<i>Međimurska and Varaždinska counties:</i> Javna ustanova za razvoj Međimurske županije REDEA (Public Institution for the Development of the Međimurje County REDEA) Address: 40000 Čakovec, Bana Josipa Jelačića 22 Phone: +385 40 395560 E-mail: reda@reda.hr

2.3. Light Partners

The Light Partners are the SMEs and R&D organisations whose Light Projects have been selected for support through the Call for Light Project Applications. The Light Partners have to be registered or have to have a branch operating in the eligible programme area. Once the Light Partners' Light Projects have been selected, the Light Partners sign a Partnership Agreement with the LP (Addendum to the already signed Partnership Agreement between the LP and the TPs). Light Partners are mainly responsible for the implementation of their own Light Project part, and they should closely cooperate with their fellow Light Partner(s) from the other side, so as to meet the Light Project level indicators set out in their Light Project documentation.

Light Partners are responsible for the sound administrative management of their Light Project parts, including submission of their partner level reports to the territorially responsible NC, and for providing in-depth information on the Light project part's activities to the Project reports of the Light Project.

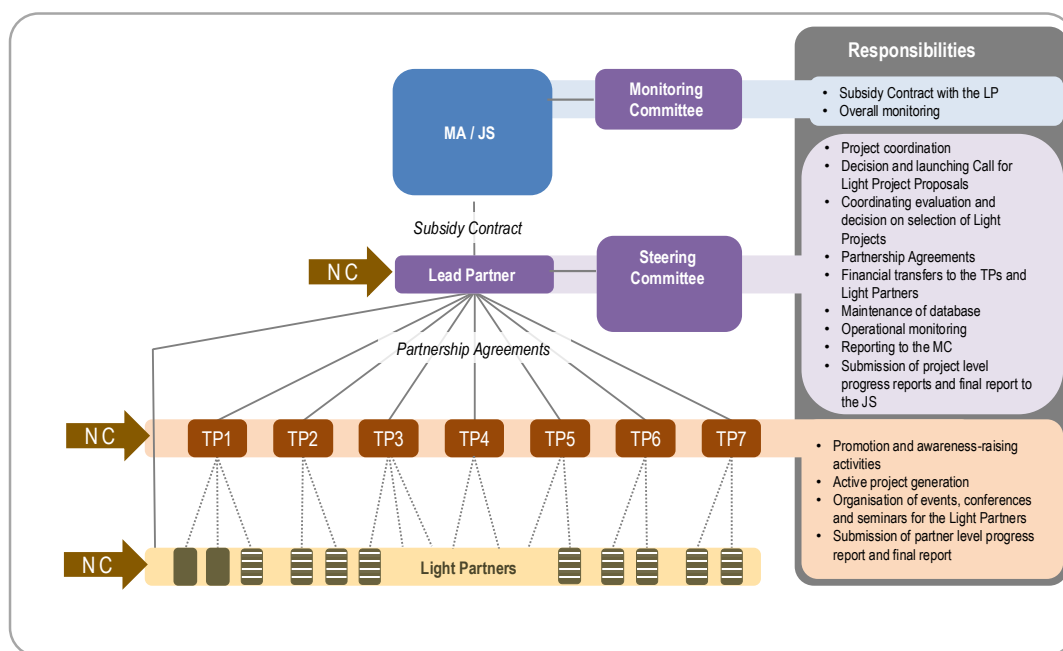


Figure 1: Implementation structure of B Light 2 scheme

3. Eligibility of Light Partner Applicants

3.1. Legal status

Eligible applicant Light Partner is:

- **micro, small and medium-sized enterprises (SMEs)** stipulated in 651/2014/EU Regulation, Annex 1, and **R&D organisations** referred to as “research and knowledge-dissemination organisations” under Commission Regulation (EU) No 651/2014, (Article 2) if they bring innovative added value to the Light Project concerned.

R&D organisations can be eligible Light Partners only if at least two SMEs are also included in the Light Project as Light Partners, at least one SME from each side of the border.

Micro, small and medium-sized enterprises (SMEs)

In Hungary SMEs are considered enterprises falling under the criteria stipulated under § 3 of the Act on Support for Growth of Small and Medium Enterprises (2004. évi XXXIV. törvény a kis- és középvállalkozásokról, fejlődésük támogatásáról). For Croatia SMEs are defined by the Article 2 of the Act on Incentives for the Development of Small Economy (Zakon o poticanju razvoja malog gospodarstva – NN 29/02, 63/07, 53/12, 56/13, 121/16). According to these regulations, medium, small and micro enterprises may all be Light Partners of the scheme.

Classification of enterprises:

Micro enterprise (<10 employees and annual turnover ≤ EUR 2 million, or annual balance sheet ≤ EUR 2 million);

Small enterprise (10-49 employees and annual turnover >EUR 2 million ≤ EUR 10 million or annual balance sheet in > EUR 2 million - ≤ EUR 10 million).

Medium enterprise (50-250 employees and annual turnover ≤ EUR 50 million, or annual balance sheet ≤ EUR 43 million)

Owner interweaves should be excluded among Light Partners applicants of each Light Project. This means that Light Partner applicants cooperating under a single Light Project should be ‘autonomous enterprises’ from each other, stipulated under 651/2014/EU Regulation, Annex 1, Article 3. Partner or linked enterprises cannot be granted under a single Light Project.

R&D institution/s

SMEs can apply jointly with the **R&D organisation/s** which has to be a Croatian or Hungarian-based legal person inside of programme area (seat and/or branch):

- higher education institution (public universities and universities maintained by public-benefit trust carrying out public service functions, faculties, and higher education institutions), research centre, research institution, budgetary institution, an institution (public institutes and laboratories) thereof having a legal personality that qualifies as a research and knowledge-dissemination organisation under Article 16 ff. of the [Framework for State aid for research and development and innovation](#) (2022/C 414/01;

- non-profit organisation that qualifies as a research and knowledge-dissemination organisation under Article 16 ff. of the [Framework for State aid for research and development and innovation](#) (2022/C 414/01);

Note: Organizations must demonstrate active engagement in R&D activities and operate in compliance with Croatian or Hungarian and EU research and development regulations.

TPs who are partners in the B Light 2 project, or their affiliated companies/institutions, are not eligible Light Partners.

3.2. Geographical location

Each Light Partner should have its seat or branch registered and acting in the eligible programme area (NUTS 3 level counties):

Hungarian side:

- Zala county (HU223),
- Somogy county (HU232),
- Baranya county (HU231).

Croatian side:

- Međimurska county (HR 061),
- Varaždinska county (HR 062),
- Koprivničko-križevačka county (HR 063),
- Bjelovarsko-bilogorska county (HR 021),
- Virovitičko-podravska county (HR 022),
- Požeško-slavonska county (HR 023),
- Osječko-baranjska county (HR 025),
- Vukovarsko-srijemska county (HR 026).



Figure 2: The eligible programme area.

Light Project activities – as a main rule - **have to be implemented in the eligible programme area listed above.**

In case the Light Partner's seat is not registered in the eligible programme area listed above but only **its branch**, the organisation has to prove the operation of said branch of **at least one year** counted back from the date of submitting the Light Project Application (examined by company registry document).

3.3. Professional and financial background

To gain a better understanding of the real economic position of SMEs and to remove from that category groups of enterprises whose economic power may exceed that of genuine SMEs, a distinction should be made between various types of enterprises, depending on whether they are autonomous, whether they have holdings which do not entail a controlling position (partner enterprises), or whether they are linked to other enterprises. **In order to achieve this, SMEs are obligated to fill in relevant data in the Joint Statement that is an obligatory annex**



to the LPA.

Basic eligibility criteria for Light Partners are as follows (examined by company register extracts/company annual financial reports):

- Light Partner (and/or its owner company having more than 50% of ownership rights over the Light Partner, and/or its linked enterprise/s within the meaning of Commission Recommendation 2003/361/EC) is an SME (micro, small and medium sized enterprise);
 - NOTE: Eligibility criterium above is not applicable to R&D organisations
- **Light Partner must have at least one closed business year for seat and/or branch in the programme area;**
- Light Partner must employ at least one employee in its last closed business year in the programme area;
- Light Partner equity is positive for the last closed business year for seat and/or branch in the programme area.
- the economic activities consisting of offering goods or services on a given market do not exceed 20% of the total annual capacity of the research organisation
 - NOTE: Eligibility criterium above is only applicable to R&D organisations.

Furthermore, Light Partners need to comply with the following set of criteria related to their professional and financial background:

- Light Partners have to take direct responsibility for the preparation and management of their Light Project part both from a professional and financial point of view and may not act as intermediaries.
- Light Partners must be experienced and able to demonstrate their capacity to manage their share of activities in the Light Project.
- Light Partners must prove their financial and administrative capacity to manage their share of the Light Project (ensuring pre-financing and own contribution).
- Light Partners must have at least one employee in the last closed business year
- De minimis aid shall not be granted to undertakings active in the sectors listed in Article 1 paragraph 1 of the De minimis Regulation, taking into account Article 1 paragraph 2 which contains additional provisions for undertakings active in sectors falling within the scope of the De minimis Regulation and sectors excluded from the scope of the De minimis Regulation as well.

The professional and financial background mentioned above is a part of the LPA and subject of evaluation. This step is necessary to assess the capacity of the SMEs and R&D organisations to implement Light Project activities.

All the following criteria are included in the Light Project Checklist for eligibility criteria that can be found in a separate document (Annex 8 of this GfA).

3.4. Partnership requirements

Each Light Project must involve **at least two (2)** cooperating Light Partners, with **at least one (1) SME from each side of the border (one from Croatia and one from Hungary)**. The **maximum number** of Light Partners in a single Light Project **is four (4)**.

Requirements for SME Light Partners:

- Hungarian SME Light Partner/s should have its seat or its branch and should operate in the Hungarian programme area (in one of the following counties: Baranya, Somogy, Zala),
- Croatian SME Light Partner/s should have its seat or its branch and should operate in Croatian programme area (in one of the following counties: Bjelovar-Bilogora, Koprivnica-Križevci, Međimurje, Osijek-Baranja, Požega-Slavonia, Varaždin, Virovitica-Podravina, Vukovar-Srijem).

The minimum form of cooperation in Light Projects eligible for financing within B Light 2 project includes:

- **Business cooperation between SMEs** in the development of business models based on the creation of products and services with added value and jointly engaging into each other's market and/or foreign markets with new or modified products or services of cooperating Light Partners
- or
- **Joint innovation between SMEs and/or R&D organisation/s:** value-added cross-border joint product, service, process or technology development of cooperating Light Partners with introduction of newly developed products or services to the market.

In case of Light Projects under the **Joint innovation between SMEs and/or R&D organisations'**, R&D organisations are also eligible Light Partners if they bring innovative added value to the Light Project concerned.

R&D organisations should also have their seat or branch and operating in the Hungarian or Croatian part of the programme area.

Necessity of involvement of R&D organisations, as above, should be duly justified, highlighting their added value in the innovation value chain.

R&D organisations can be eligible Light Partners only if at least two SMEs are also included in the Light Project as Light Partners, at least one SME from each side of the border. The R&D organisations, with the role of professional supporting partners, will be granted a limited amount of budget within a Light Project.

The maximum amount of the budget of each R&D organisation in the Light Project is 20% of the total Light Project budget.

By signing the Partnership Statement sheet of the Light Project Application form, Light Partners make a statement on the partnership in the Light Project. After selection of the Light Project for granting by the SC, the B Light 2 Partnership Agreement shall be annexed by a Partnership Agreement Addendum signed by the LP (HAMAG-BICRO) and the Light Partners, to clarify the roles and responsibilities on the level of the Light Project, including the commonly defined Light Project level indicators and the breakdown of indicators by Light Partners.

Like regular cross-border cooperation project partnerships, partnership of each Light Project should be balanced with a rational and efficient division of tasks and responsibilities among Light Partners. A Light Project partnership shall be composed of Light Partners that may be linked professionally to the Light Project and that may have significant contribution and impact within the partnership. For sake of an operable and effective partnership, it must aggregate partners with common needs and objectives, while specific knowledge and expertise have to be ensured throughout.



3.5. Exclusion criteria

All potential Light Partners shall prove their professional and financial liability by not falling under any of the cases presented below.

In order to ensure the fulfilment of conditions for receiving the de minimis aid, Light Partners cannot receive funding in any case listed in the [COMMISSION REGULATION \(EU\) 2023/2831](#) of 13 December 2023 on the application of Articles 2 of the Treaty on the Functioning of the EU to de minimis aid.

The Light Projects, containing the development of the following activities, or Light Partners, if one or more of the following cases apply to them, are not eligible:

Enterprises active in the following sectors (gaining more than 50% of their annual turnover from these sectors in their past closed business year) are excluded:

- NACE code² A – Agriculture, forestry and fishing (01 – 03).

Light Projects containing development of the following activities are not eligible:

- fishery and aquaculture,
- primary production, processing and marketing of agricultural products listed in Annex I to the Treaty (see Annex 1 of this Guidelines for Light Partner Applicants).

Light Partners cannot receive funding if one or more of the following cases apply to them:

- the establishment and operation of a distribution network towards third countries or Member States;
- Eligible activities of Light Project business cooperation do not belong to the NACE codes representing the target economic sectors of B Light 2 scheme (**see Chapter 5.1.**);
- Their business is in difficult situation (according to COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014);
- They are bankrupt, being wound up, liquidated or having their affairs administered by the courts;
- They have entered into an agreement with creditors;
- They have suspended business activities;
- They are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- They do not have valid registration to pursue their activities or they have been convicted of an offence concerning their professional conduct by a judgement which has the force of 'res iudicata', further they have been guilty of grave professional misconduct proven by any means which the LP/MA/NA can justify;
- They have not fulfilled their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the national legal provisions;
- They have been the subject of a judgement which has the force of 'res iudicata' for fraud, for corruption, for severe breach of contract in connection to obligations stemming from public procurement rules or from rules governing the use of Community funding or national subsidies, for involvement in a criminal organisation or for any other illegal activity detrimental to the Community's financial interests;
- They are subject to a conflict of interests connected to their participation in the present B Light 2 project.
- They are guilty of misrepresentation in supplying the information required by the LP/MA/NA as a condition of participation in the B Light 2 or in failing to supply information;
- They have attempted to obtain confidential information or to influence the Steering Committee during the

² See: [NACE Rev 2.1](#) Statistical classification of economic activities in the European Union – 2026 edition

assessment process of their Light Project Application.

- The applicant has received or is in the process of receiving co-financing from other sources for the same expenses, funds from the EU, state or local budget (Statement on used grants).
- The EU co-financing amount for each Light Partner is not compliant with the permitted de minimis aid threshold under Commission Regulation (EU) 2023/2831; that is, Light Partner has already received more than EUR 300,000 in the period of previous 3 years from the date of granting the aid s or will exceed this amount through the B Light 2 Light Project Application in Croatia in de minimis aid.

By signing the Partnership Statement sheet of the Light Project Application form that refers to the non-existence of the above listed circumstances, Light Partners express they do not fall under any of the above written exclusion criteria.

4. State aid rules

4.1. Relevance of state aid rules in case of the different project partners

LP and TPs

The funding received by the LP and the TPs to cover the costs related to their tasks to manage the B Light 2 project is not state aid.

SMEs

The funding received by Light Partners for implementation of their eligible activities within the Light Project is granted under the **de minimis rule** where the beneficiaries of the aid are the SMEs. This implies that undertakings will receive grants under the Interreg VI-A Hungary-Croatia Programme only if they have not received public aid under the de minimis rule totalling more than 300,000 EUR in the last three years from the date of granting the aid.

R&D organisations

R&D organisations are eligible for receiving aid under the Framework for State aid for research and development and innovation (2022/C 414/01) which does not fall under Article 107(1) of the Treaty on the Functioning of the European Union. This implies there is no state aid for them.

This Call also provides for non-state aid support which is granted to partners that are Research and Knowledge-dissemination Organisations according to the Framework for State aid for research and development and innovation (2022/C 414/01) which does not fall under Article 107(1) of the Treaty on the Functioning of the European Union.

4.2. Application of de minimis rules

EU and state contribution provided by the B Light 2 scheme to Light Partners will be granted solely under the de minimis rule, according to Commission Regulation (EU) No 2023/2831 of 13 December 2023, in line with the application of Articles 107 and 108 of the TFEU. Titles under the General Block Exemption Regulation (GBER) will not be applied.

Detailed rules on de minimis aid to be found in the Regulation, the main consequences important to highlight in the selection phase of Light Projects are as follows:

The total de minimis aid granted to each Light Partner shall not exceed EUR 300,000 over period of previous three years from the date of granting the aid. Meaning that the Light Partner can be granted a de minimis aid of maximum EUR 300,000 in Croatia.

The de minimis ceiling applies to “single undertaking”. In case a Light Project Partner is part of a group, the entire group is considered as one single undertaking and the de minimis ceiling applies to the entire group e.g. one company owns (or controls) one or more companies.

As part of the selection process for Light Projects each Light Partner shall declare (using the “Declaration on the de minimis aid for Light Partners”) the total amount of de minimis aid granted to the Light Partner and its linked enterprises over the previous three years in Croatia. This amount will be deducted from the 300,000 EUR threshold in Croatia to define the maximum aid grantable to the Light Partner.

Croatia as Managing Authority and as aid provider grants the aid to Light Partners.

The Lead Partner shall inform the Light Partner about the prospective amount of the aid (expressed as gross grant equivalent) and of its de minimis character and the Member State granting the aid, making express reference to Commission Regulation (EU) No 2023/2831 and citing its title and publication reference in the Official Journal of the EU.

Records regarding de minimis aid shall be maintained for 10 years from the date on which it was granted, and upon invitation of the granter the Light Partner is obliged to present all the documents. On request of the EC and/or Programme bodies information shall be provided on de minimis aid within 20 workdays.

As the B Light 2 scheme provides de minimis grant to SMEs as Light Partners, Light Projects containing development of the following activities are excluded:

- fishery and aquaculture;
- processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market;
- primary production, processing and marketing of agricultural products listed in Annex I to the Treaty (see Annex 1 of this Guidelines for Light Partner Applicants);
- the establishment and operation of a distribution network towards third countries or Member States;
- aid contingent upon the use of domestic goods and services over imported goods and services.

5. Eligibility of activities of Light Partners

5.1. Eligible activities

Eligible activities of Light Project business cooperation should belong to the following NACE codes³ representing the target economic sectors of B Light 2:

C – Manufacturing (10 - 33);

³ See: [NACE Rev 2.1](#) Statistical classification of economic activities in the European Union – 2026 edition

D – Electricity, gas, steam and air conditioning supply (35);

E – Water supply; sewerage; waste management and remediation activities (36 - 39);

F – Construction (41 - 43);

J - Publishing, broadcasting, and content production and distribution activities (58 – 60);

K - Telecommunication, computer programming, consulting, computing infrastructure and other information service activities (61 – 63);

O - Administrative and support service activities only the following activity:

- Investigation and security activities (80);

Q – Education only the following activity:

- Tertiary education (85.4)

R – Human health and social work activities (86 - 88);

All eligible activities of each Light Partner should belong to any of the above listed NACE codes. Activities outside these NACE codes are ineligible.

Independently eligible activities of cooperating Light Partners supported within B Light 2 project:

- Development of business models based on the creation of products and services with added value.
- Joint innovation between SMEs and R&D organisations.
- Development of new technology, service or product.
- Purchase of new equipment for the sake of joint technology, service and product development.
- Purchase of new equipment for the sake of moving materials, packaging and storing in the phase of joint technology, service and product development (purchase of vehicles is prohibited).
- ICT development: purchase and installation of new hardware and software equipment (with the exception of general office use).
- Activities for entering new markets of jointly developed technology, service and product:
 - Appearance on events, fairs, business meetings, international project development workshops organised outside programme area;
 - Organisation of business seminars, workshops, conferences;
 - International market surveys;
 - Development or upgrading of marketing tools and materials in foreign language (design, layout, elaboration);
 - Marketing actions targeting markets outside the programme area.
- External expertise for the sake of developing joint technology, service and product.

Eligible activities to be combined with independently eligible activities:



- Investment in basic infrastructure development and construction, enlarging, restructuring, refurbishment or modernisation of building for the sake of operating equipment for joint technology, service and product development.
- Purchase of equipment for general office use.
- Purchase of intangible fixed assets: purchase of patent and other kind of intangible assets (licence, protection), purchase of utilisation rights for intangible assets.
- Organisation of trainings, seminars for improving knowledge on developing joint technology, service and product.
- Employment of new and existing employees for the sake of developing joint technology, service and product.
- Light Project administration and management: organisation of Light Partner meetings, collection of documents of expenditure, maintenance of files, procurement activities on level of the Light Partners.

5.2. Eligible levels of cooperation

The minimum level of cooperation expected from the Light Projects is described in detail in Section 3.4.

Furthermore, reaching the following additional eligible levels of cooperation means more valuable Light Projects:

- Previous record of development activities and cross-border business cooperations of the Light Partners;
- Human capacities of Light Partners and their competences in relation to the Light Project content;
- Methodology of market development and promotion;
- Business potential and the rate of sales of product or service to be engaged into each other's market and/or foreign markets;
- Innovative character of joint product, technology or service development;
- Business potential of joint product, technology or service development;
- Methodology of project implementation;
- Relevance and preparedness of Light Project budget.

The B Light 2 project encourages Light Projects that are clearly oriented towards innovation and demonstrate added value through the development and implementation of new or significantly improved solutions. **High level innovation** defined as: *the Light Project delivers a clearly novel solution addressing identified gaps at programme area or sector level. Strong value-added impact is demonstrated, supported by solid justification, evidence, and clear potential for sustainability, scalability, or wider replication.*

In the context of the Light Project, **innovation** is understood as the development and implementation of a **new or significantly improved solution — such as a product, service, process, methodology, or cooperation model — that creates measurable added value compared to existing practices**. The innovation is primarily relevant at **company level**, providing clear benefits to the participating organisations, while also demonstrating potential positive effects at **regional or programme area-wide level**.

The innovative content of the Light Project lies not only in technological advancement but also in novel approaches to collaboration, knowledge transfer, efficiency improvement, and sustainable value creation. Innovation addresses clearly identified needs, introduces measurable improvements, and generates benefits that go beyond routine activities or purely incremental changes. By delivering value-added results for stakeholders, the Light Project contributes to economic or environmental progress at the relevant programme area and sectoral level.

The level of cooperation is measured following the marketing concept of the Ansoff matrix, determining the Light

Project's product, service or technology (see Figure 3).

		Product	
		Present	New
Market	Present	MARKET PENETRATION Placing an existing product to an existing market – NOT ELIGIBLE	PRODUCT DEVELOPMENT Introduction of a new product to an existing market
	New	MARKET DEVELOPMENT Finding a new market to an existing product	DIVERSIFICATION Development of a new product to a new market

Figure 3: Application of the Ansoff matrix in measuring level of cooperation of Light Projects.

According to the Ansoff matrix the following levels of business cooperation intensity may be identified concerning the Light Projects (from the lowest to the highest intensity):

PENETRATION: Placing existing product, technology or service to existing markets of Light Partners, without entering into each other's market or third markets. Provision of only promotional intervention that may result a better knowledge about the product, technology or service on the existing markets. – This is INELIGIBLE for granting from B Light 2 project.

MARKET DEVELOPMENT: Finding a new market to an existing product: an already developed product, technology or service will be placed on a new market (the partner country's market or a third one), which can be made possible through this cooperation. In this case one of the Light Partners is the owner of the product, the other one provides an access to the new market (in its own or third country). – This is CONDITIONALLY ELIGIBLE if entering the new market does not mean parallel reduction of market presence in the Light Partner's existing markets but increase in total selling.

PRODUCT DEVELOPMENT: Introduction of a new product to an existing market: a new product, technology or service will be developed to a market where one of the Light Partners are already present. In this case both Light Partners are co-developers of the product that will be placed on one of their existing markets. In this type of cooperation, the product know-how represents the added value of cooperation. This is ELIGIBLE for granting from B Light 2 project.

DIVERSIFICATION: Development of a new product to a new market: both the developed product, technology or service and the gained market are new. This represents the most advanced level of cooperation that may involve several modality options: one (or more) of the Light Partners do the product development, other Light Partner(s) give the access to the new market which may be in the partner countries or in third countries. This is the level of cooperation intensity where cooperation of more than two Light Partners may be necessary. This is the MOST PREFEREABLY ELIGIBLE for granting from the B Light 2 project.

If a new product/technology/service is developed, Light Partners are obliged to sign a contract with a detailed distribution of ownership of the service/product/technology.

6. EU Co-financing of Light Projects

6.1. Type of EU co-financing

EU contribution to Light Partners financed from B Light 2 project is non-repayable grant.

6.2. EU co-financing rate

Payment of the EU contribution takes place upon approval of the B Light 2 scheme's periodical project reports and final report. Payment is carried out by the BAF to the bank account of LP (HAMAG BICRO). The LP is obliged to transfer the appropriate sum of EU co-financing to the TPs and the Light Partners.

Up to 80% of the total eligible expenditure can be requested as grant from the B Light 2 project. The rest shall be covered as own contribution of Light Partners.

Pre-financing is not possible.

6.3. Own contribution

Each Light Partner should provide minimum 20% of the total eligible expenditure as own contribution for implementation of the Light Project.

Own resources can be composed of any kind of financial resources (e.g. money on bank account, bank loan and other fund donors) with the exception of grants requested from the European Union or from National co-financing resources.

6.4. Light Project size

Minimum and maximum size of Light Projects in the Light Project Proposals:

Light project size	Total eligible costs (100%)	Maximum ERDF co-financing (80%)
Minimum per Light Project	EUR 75,000	EUR 60,000
Maximum per Light Project	EUR 375.000	EUR 300.000

As the most of funded bodies are SMEs, implemented activities being considered as state aid relevant, the maximum grant will be calculated applying the de minimis rule, where the maximum grant for previous three years from granting the aid shall not go beyond EUR 300,000 (see Chapter 4.).

The maximum amount of the total budget for each R&D organisation under Joint innovation between SMEs and R&D organisations is 20% of the total Light Project budget (up to 80% ERDF + 20% own contribution).

The minimum amount of the total budget of each SME in the Light Project is 30% of the total Light Project budget. However, in cases where a Light Project has four partners and all of them are SMEs, each partner's

budget must be minimum 20% of the total Light Project budget.

The total value of EU contribution in the Light Project cannot exceed 300.000 EUR regardless of the number of Light Partners.

The total allocation for the Light Partners within B Light 2 project is 7.502.101,88 EUR (EU contribution). Indicative allocation for the 1st call for Light Project Proposals is a total of 3.751.050,94 EUR (EU contribution).

The SC reserves the right to modify the allocation per Call and decide on the Call modality depending on the quality of the LPAs. In case of low-quality LPAs, the SC has the right not to use all available funds of the indicative Call allocation. On the other hand, in case of high-quality LPAs, the SC has right to finance additional high-quality LPAs to the extent of the available funds for Light Partners.

7. Eligibility of costs of Light Partners

This Chapter is based on the Eligibility of Expenditure document of the Programme with the aim to present its content in a comprehensive manner to the Light Partner Applicants. Nevertheless, the GfA might narrow the use of these Programme rules in case of different types of Applicants.

7.1. Simplified Cost Options

The Programme decided to use Simplified Cost Options (SCOs) for specific cost categories to ensure an easy reporting process, swift money flow, and proper verification of expenditures:

Cost category	Form of reimbursement for SMEs	Form of reimbursement for R&D organisations
Staff costs	10 % or 20 % flat rate of direct costs (real costs)	Real costs
Office and administrative costs	15 % flat rate of staff costs	40 % flat rate of direct costs (real costs)
Travel and accommodation costs	15% flat rate of staff costs	
External expertise and services costs	Real costs	
Equipment costs	Real costs	
Costs of infrastructure and works	Real costs	

For SMEs

External expertise and services costs, and/ or Equipment costs and/ or Costs of infrastructure and works have to be used in the Light Project budget, the related Staff, Office and administrative costs and Travel and accommodation costs will be calculated with flat rates mentioned in the table above. External expertise and services costs, and/ or Equipment costs and/ or Costs of infrastructure and works cost categories have to be used for the purpose of Light Project activity implementation!

For R&D organisations

Staff costs have to be used in the Light Project budget. All other costs will be calculated with flat rates mentioned in the table above. All costs categories have to be used for the purpose of Light Project activity implementation!

7.2. Preparation costs

Preparation costs represent a special eligible expenditure that is automatically granted to the Light Partners who successfully sign Partnership Agreement with the LP for implementation of their Light Project, but only if the Light Partner is an SME. The amount of preparation costs is **total EUR 4,000 per Light Project as a lump sum cost** related to the preparation of the LPA. Preparation costs need to be planned in the budget, in a division between the partners which is agreed between them when planning the budget.

The lump sum shall cover the following costs:

1. Staff costs of the Light Partner involved in developing the Light Project;
2. Administration costs (e.g. office costs such as internet, electricity, paper, etc.);
3. External services costs such as translation and consultation (e.g. external expert contracted for supporting the preparation of LPA);
4. Travel costs for meetings and other events such as: internal preparatory meeting/s, workshops, etc.

The following eligibility rules apply to preparatory costs:

- The lump sum of EUR 4,000.00 per Light Project is acceptable;
- Preparatory costs need to be planned in budget of each SME as Light Partner;
- Light Partners are responsible for using the granted lump sum only for the preparatory activities of the respective Light Project;
- Reallocations of preparatory costs are not acceptable;
- In the occurrence that the Light Project is not implemented following the signature of the Partnership Agreement with the LP, Light Partners will have to recover in full the amount granted as preparatory costs.

Certain conditions must be fulfilled in order for the LP to pay a lump sum for preparatory costs:

- The Light Project is selected for funding by the SC;
- The Addendum to the Partnership Agreement (PA) for the implementation of Light Project is signed with the LP.

During submission of **the first partner report** Light Partners need to indicate their costs – exempt the preparatory costs - in the report, upon approval of the partner report alongside other verified costs the respective amount of the lump sum for preparatory cost (i.e. 80%, representing the EU contribution) as indicated in the Light Project

Application will be transferred to the bank account of each Light Partner.

Any difference between the granted lump sum and the costs occurred in reality for these activities is neither checked nor further monitored by the Programme implementing structure including national controllers or the LP / TPs. Light Partners do not need to document that the expenditure has been incurred and paid or that the expenditure corresponds to reality.

7.3. Staff costs

For SMEs as Light Partners

Staff costs for Light Partners are eligible for both existing and newly hired employees, employed for the purposes of the implementation of the Light Project.

Staff costs will be planned and reimbursed on a **flat rate basis**. The applicable flat rate is defined as the percentage of direct costs that includes the costs of external expertise and services, equipment, infrastructure and works. This means that all costs other than office and administrative costs, travel expenses and preparation costs covered by the applicable simplified cost option are direct costs. The applicable flat rate at Light Partner level is either 10% (in case of project parts with works component) or 20% (in case of project parts without works).

Each Light Partner shall appoint one contact person, Light Project manager for communication with LP (HAMAG-BICRO). When nominating Light Project manager, recommendations to be considered are experience in EU project management and fluent in English.

The following documents must be available for verification purposes as an audit trail (at the beginning of the implementation and if a change within personnel occurs):

List of personnel who will work on the Light Project (free form) should be enclosed in precontracting process (FoC phase) or in the first partner report. At least one employee must be involved in the implementation of an operation (a declaration issued by the Light Partners legal representative is obligatory for each partner report for audit trail purposes).

It is not possible to introduce external project management staff in the budget, except for special expertise e.g. procurement expert, technical inspector/supervisor.

For R&D organisations as Light Partners

In the case of R&D organisation/s where staff costs represent the majority of expenditure in the Light Project part (e.g. where a significant number of internal experts work on the project), they are **planned and reimbursed on real cost basis, and all remaining costs will be covered by applying a 40% flat rate** on direct staff costs, in line with Article 56 of the CPR. (In this case no flat rate for office and administration and for travel and accommodation applies – the 40% shall cover those costs as well.) Staff costs shall consist of gross employment costs of staff employed by the R&D organisation/s in one of the following ways:

- **Full-time employee:**

Employees who work 100% of their work time on a Light Project, regardless of the number of hours they were hired for; the total gross employment costs incurred by the employer are to be considered as eligible.

- **Part-time employment with fixed percentage of time per month dedicated to the Light Project:**



Individuals employed by the Light Partners to work part of their time on the Light Project according to a fixed percentage of time per month. Reimbursement of staff costs shall be calculated by applying the percentage stipulated in the employment contract (and/or an official assignment of the employee to the project) to the monthly gross employment cost.

More detailed guidelines, including the types of documents needed for proving the eligibility of cost items, are included in the Eligibility of Expenditure and the national level guidelines regarding the eligibility of expenditure / instructions on reporting (if relevant).

7.4. Office and administrative expenditure

As regard to the eligibility of office and administrative expenditure, it is **automatically calculated as a flat rate of 15% of the staff costs for SMEs as Light Partners.**

Office and administrative expenditure shall be limited to the following elements:

- Office rent;
- Insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, safety, theft insurances);
- Utilities (such as electricity, heating, water);
- Office supplies;
- General accounting provided inside the Light Partner organisation;
- Archives;
- Maintenance, cleaning and repairs;
- Security;
- IT systems (operating/administrative IT services of general nature, linked to the implementation of the Light Project);
- Communication (e.g. telephone, fax, internet, postal services, business cards);
- Bank charges for transnational financial transactions.

Cost items reimbursed under the office and administration cost category cannot be reported under any other cost category.

Any difference between the calculated flat rate and the costs occurred in reality for these activities is neither checked nor further monitored by the Programme implementing structure (including national controllers).

Light Partners do not need to document that the office and administration expenditure has been incurred and paid or that the flat rate corresponds to the reality.

Taking into account that staff costs are used as calculation basis for determining office and administration costs, if staff expenditure is found to be ineligible, the determined office and administration costs must be re-calculated and reduced accordingly.

For R&D organisations as Light Partners, office and administrative expenditures are already included in the 40% flat rate of eligible staff costs.

7.5. Travel and accommodation expenses

For SMEs as Light Partners

Travel and accommodation expenses of the staff – being employed by the Light Partners – involved in the implementation of the Light Project are eligible costs if they are incurred for performing tasks directly related to the Light Project activities.

Travel and accommodation costs are automatically calculated as a **flat rate of 15% of the staff costs**.

Travel costs shall be limited to the followings:

- travel costs (such as tickets, travel and car insurance, fuel, car mileage, toll and parking fees),
- the costs of meals,
- accommodation costs,
- visa costs,
- per diems (daily allowances).

Per diems generally cover meal, accommodation, visa costs and travel costs. In case of receiving per diem other subsistence costs are not eligible.

Any difference between the calculated flat rate and the costs occurred in reality for these activities is neither checked nor further monitored by the Programme implementing structure (including national controllers). Light Partners do not need to document that the travel and accommodation expenditures has been incurred and paid or that the flat rate corresponds to the reality.

When preparing partner reports about Light Project implementation progress, Light Partners shall prepare description about conducted travel with supporting documents (not related to costs), such as signature lists and photos which will serve as assurance that the activity (e.g. workshop, meeting) has been performed.

Taking into account that staff cost used as calculation basis for determining travel and accommodation, if staff expenditure is found to be ineligible, the determined travel and accommodation must be re-calculated and reduced accordingly.

For R&D organisations as Light Partners travel and accommodation costs are already included in the 40% flat rate of eligible staff costs.

7.6. External expertise and services

For SMEs as Light Partners, external expertise and service costs are **eligible costs on real cost basis** including the following services and expertise provided by a public or private body or a natural person other than the Light Partners of the project:

1. Studies or surveys: e.g. evaluations, strategies, design plans, handbooks necessary for the cooperation of the Light Partners.
2. Events, conferences, seminars, trainings, Light Project meetings – the budget line shall include all service costs emerging related to a Light Project event, including fees of lecturers / performers / trainers / experts, as well as costs like interpretation, translation of documents, rental costs, technical background, catering – exempt the catering cost of Light Project staff, which is reimbursed from travel flat rate, travel costs of members of the target group⁴ etc. Activities closely related to the organisation of events can be externalized separately based on the activity type as well (e.g. transportation, translation, rental activities etc.); travel and accommodation for external experts, speakers, chairpersons of meetings and service

⁴ The travel cost of the Light Project staff is not eligible on this budget line, because it is reimbursed from travel flat rate.

providers.

3. Costs of supervisor of engineering, architect's site supervision: in case of Light Project with works components.
4. Cost related to publicity, promotion, information and communication,
5. Participation in events (e.g. registration fees),
6. IT systems and website development (only specialised websites creation/development of which is one of the professional activities of the Light Project), modifications and updates of existing web page is not eligible;
7. Other: intellectual property rights; provision of guarantees by a bank or other financial institution where required by EU- or national law; other specific expertise and services needed for the Light Project;

The 'external expertise and services' category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers, sub-contracted to carry out certain tasks or activities directly linked to the implementation of the Light Project.

In order to verify the costs during the LPA

, the Light Partners will be required to submit with the LPA:

- For costs **having a value below 10.000 EUR (excluding VAT)** the principles of sound financial management must be applied. Light Partners do not have to provide evidence of a special selection procedure, i.e. no specific proof of the market price is required to be submitted by the Light Partners.
- For costs **having a value equal to or above 10.000 EUR (excluding VAT)**, Light Partners shall conduct and document adequate market research (e.g. at least three different offers requested). This shall allow Light Partners to collect sufficient information on the relevant market and perform a sound comparison of offers in terms of price or quality, and a comprehensive assessment of the adequacy of the price.

Other requirements necessary to verify the costs to be reported are mentioned in the Eligibility of Expenditures document.

For R&D organisations as Light Partners external expertise and services costs are already included in the 40% flat rate of eligible staff costs.

7.7. Equipment

For SMEs as Light Partners

Purchase of new equipment is eligible only if the items are essential and directly related to the implementation of the Light Project, and if they are listed in the approved Light Project budget.

All equipment shall be other than those covered by the expenditures of cost categories 'Office and administration' and 'Infrastructure and works' and are necessary and shall exclusively be used for Light Project implementation, having a clear contribution to the achievement of the Light Project's objectives.

Equipment shall be directly linked to (or forming part of) the Light Project outputs or deliverables which will be used by Light Partners and target groups in line with the Light Project objectives. Purchase of the following types of equipment is **eligible costs on real cost basis**:

- IT hardware and software (clear Light Project relevance is necessary);
- Furniture and fittings;
- Laboratory equipment;
- Machines and instruments;



- Tools or devices;
- Other specific equipment needed for the Light Project.

Please be noted, that those expenditures, which are covered by office and administration flat rate, are not eligible as equipment.

Depreciation costs are not eligible, equipment for Light Project sustainability can be charged in its full amount to the Light Project.

Eligibility of costs for equipment is subject to the full respect of procurement rules, according to the thresholds defined in this document (see 9.6 Procurement rules). For all equipment purchased, the relevant visibility and publicity requirements of the Programme must be respected.

In order to verify the costs during the LPA, the Light Partners will be required to submit with the LPA:

- For costs **having a value below 10.000 EUR (excluding VAT)** the principles of sound financial management must be applied. Light Partners do not have to provide evidence of a special selection procedure, i.e. no specific proof of the market price is required to be submitted by the Light Partners.
- For costs **having a value equal to or above 10.000 EUR (excluding VAT)**, Light Partners shall conduct and document adequate market research (e.g. at least three different offers requested). This shall allow Light Partners to collect sufficient information on the relevant market and perform a sound comparison of offers in terms of price or quality, and a comprehensive assessment of the adequacy of the price.

Recommendation:

Applicants are strongly encouraged to initiate the equipment procurement process at the earliest possible stage of Light Project implementation, preferably at the very beginning of the Light Project. This approach is recommended in order to minimise the risk of delays or unsuccessful procurement in the final implementation period, which could jeopardise the timely and effective implementation of the planned Light Project activities.

Expenditure of second-hand equipment may be eligible, under the following conditions:

- no other assistance has been received for it from the Interreg funds or from the funds listed in point (a) of Article 1(1) of Regulation (EU) 2021/1060;
- its price does not exceed the generally accepted price on the market in question; and
- it has the technical characteristics necessary for the project and complies with applicable norms and standards.

Other requirements necessary to verify the reported costs are mentioned in the Eligibility of Expenditures document.

For R&D organisations as Light Partners equipment costs are already included in the 40% flat rate of eligible staff costs.

7.8. Infrastructure and works

For SMEs as Light Partners, Infrastructure and works are **eligible costs on real cost basis** comprising the following activities:

- Reconstruction, renovation of buildings, works and infrastructure – these costs comprise expenditure related to works needed for the alteration, reconstruction, expansion of a used building.



- These costs are only considered eligible if they are directly linked to the Light Project and are proven to be essential for its effective implementation.
- Small scale infrastructure – **up to 10% of total budget per Light Partner.**

In order to verify the costs during the LPA, the LPs will be required to submit with the LPA:

the proof of legal interest (proof of ownership or lease contract) and submit a technical description with pro-forma offers

- For costs **having a value below 10.000 EUR (excluding VAT)** the principles of sound financial management must be applied. Light Partners do not have to provide evidence of a special selection procedure, i.e. no specific proof of the market price is required to be submitted by the Light Partners.
- For costs **having a value equal to or above 10.000 EUR (excluding VAT)**, Light Partners shall conduct and document adequate market research (e.g. at least three different offers requested). This shall allow Light Partners to collect sufficient information on the relevant market and perform a sound comparison of offers in terms of price or quality, and a comprehensive assessment of the adequacy of the price.

It is important to point out that developed infrastructure cannot be sold and must be kept free of all liens and claims **for 3 years after the final payment to the Lead Partner.**

Other requirements necessary to verify the to be reported costs are mentioned in the Eligibility of Expenditures document.

For R&D organisations as Light Partners infrastructure and works costs are already included in the 40% flat rate of eligible staff costs

7.9. Non-eligible expenditure

The following costs are not eligible for Light Partners:

- finances, financial penalties and expenditure on legal disputes and litigation;
- costs of gifts;
- costs related to fluctuation of foreign exchange rate;
- interest on debt;
- value added tax (VAT);
 - if the total cost of the project (including VAT) is at least EUR 5.000.000 and it is recoverable under national VAT legislation;
 - in case the total budget of the project (including VAT) is below EUR 5.000.000 if it is recoverable under national legislation and is not eligible based on national legislation/rules;
 - If it is VAT of a State aid relevant activity, based on Article 7(1) of Regulation (EU) 651/2014
- bank charges, unless a separate bank account is opened for the Light Project;
- conversion costs, charges and exchange losses, as well as other purely financial expenses, except for charges for transnational financial transactions;
- fees between partners of the same project for services and work carried out or equipment purchased within the Light Project;
- the purchase of land;
- tips;



- k) costs of guarantees and similar charges, unless that the guarantees are required by national or EU legislation;
- l) contributions in kind (e.g. free use of room, equipment or other facilities, unpaid voluntary work, generally any contribution without money flow)⁵;
- m) ad hoc bonuses⁶.

Furthermore, the following expenditures are not eligible:

- any costs incurred after the implementation period of the Light Project as defined in the PA (Partnership Agreement);
- commissions and dividends, profit payment;
- purchase of business shares and stock exchange shares;
- expenses of private consumption;
- cost of subcontracted activities increasing the cost of the project without adding proportionate value to it;
- cost of activities subcontracted by Light Partners to other Light Partners of the same Light Project;
- unpaid invoice amounts or undrawn reduction of the price (cash discount, discount);
- services provided by contractors with whom there is conflict of interest in the meaning of Commission Notice Guidance 2021/C121/01;
- cost of subcontracts in which the payment is defined as a percentage of the total cost of the project (e.g. success fee);
- cost of any services, purchase of goods, construction works or movable assets, not directly related to the project;
- any expenditures not directly associated with the Light Partner;
- any form of double financing: expenditure, which is already supported by an EU or other international or national grant.
- compensatory payments and factoring payments related to the implementation of Light Projects.

Expenses not included in the list above are not automatically eligible. The national or regional funds or subventions, which do not relate directly to the Light Project or to its approved activities, do not influence the amount of the verified eligible expenditures. This Light Project or its parts does not have to be classified as subject to this normative financing and is not to be declared in the relevant reports.

8. Application, Assessment and Contracting Procedure

8.1. Light Partner search and Light Project generation

LPAs are results of a partner search and light project generation activity, which is the main task of the TPs of the B

⁵ Benefits like vouchers / gift cards for grocery stores, gym, vacation, the use of company car, lunch vouchers which might appear on payslip but for which no transfer of financial resources / payment from employer/Light Partner to employee/project staff member occurred are considered in kind contribution and are ineligible.

⁶ Benefits appearing on payslips (e.g. cafeteria elements in Hungary, and e.g. holiday pay, Christmas- and Easter pay, gift for children (Saint Nicolas), aid for new child in family (birth), aid for death in family etc. in Croatia) are eligible.

Light 2 project. In the targeted counties the TPs will carry out the following project generation activities:

- Active promotion of the B Light 2 scheme among SMEs and R&D organisations operating in the programme area.
- Providing first level information to SMEs and R&D organisations interested in the B Light 2 project, via local consultations.
- Organisation of promotional and B2B events in all counties for promoting B Light 2.
- Organisation of awareness raising and B2B partner search events in the border region for establishing SMEs/ SMEs and R&D organisations Light Project cooperation.

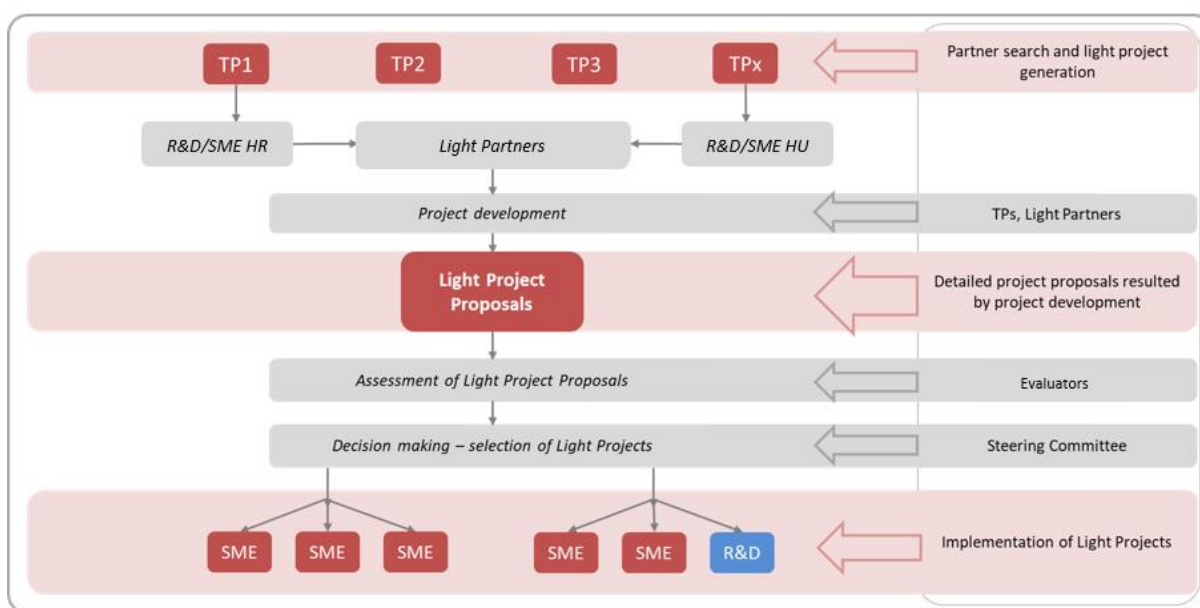


Figure 4: Generation, application and selection of Light Projects.

8.2. Submission of Light Project Applications (LPAs)

Detailed elaboration of LPAs is managed by the Light Partners, through the online [B Light 2 Platform](#) established by LP.

Minimum content requirements of LPAs should be:

1. Administrative data of Light Partners;
2. Light Project summary;
3. Introduction of Light Partners: their former and present activities, main markets of their products and services, export-import relations, human capacities;
4. Description of the Light Project: rationale of cooperation of Light Partners, objectives in terms of value-added cross-border joint product, service or technology development or in terms of business cooperation, expected outputs, sustainability, risk management, cross-border impact;
5. Competences of selling of Light Partners, places and predicted value of selling, business potential of existing or jointly developed product, service or technology, innovative character, sustainability and capitalisation of Light Project results;
6. List and description of activities, including communication activities, timeframe;

7. Light Project indicators: contribution to programme-level indicators, general indicators, horizontal indicators, communication indicators and Project specific indicators (scheme-specific indicators: number of contractual business agreements with third parties; target value of selling of jointly developed new or upgraded product, service or technology and self-defined indicators);
8. Detailed budget by Light Partners;
9. Sources of funding by Light Partners;
10. Payment forecast by reporting periods and by Light Partners;
11. Location of works activities and required permits (if relevant);
12. Information and publicity activities;
13. Supplementary documentation in annexes

LPA is prepared jointly by the cooperating Light Partners (SMEs or SMEs and R&D organisations). **Required language of LPA is English.**

Submission of LPAs should take place after launching the Call for LPAs within the submission deadline defined by the Call for Light Project Proposals.

The following documents will be requested when applying:

- **Documentation in English language:**
 1. **Light Project Application form** (completely filled in English in MS Excel, signed, stamped (if applicable), and scanned in pdf format) – filled in jointly.
 2. **Joint Statement** (filled in, signed, stamped (if applicable), and scanned in pdf format) – for each SME as Light Partner
 3. **De minimis declaration** (filled in, signed, stamped (if applicable), and scanned in pdf format) – for each SME as Light Partner
 4. **Pro-forma offers / price quotations / indicative price offer**⁷ for external expertise and services costs and equipment costs (not older than 30 days) – for each Light Partner
 5. In case of small-scale infrastructure costs: Light Partners will be required to submit with the LPA the **technical description (brief description of works, cost estimate in excel format) with pro-forma offers / price quotations / indicative price offer**⁸ of the planned works according to the national laws and acts for each country if Light Project includes small scale infrastructure costs (not older than 30 days) – for each Light Partner

⁷ • For costs **having a value below 10.000 EUR (excluding VAT)** the principles of sound financial management must be applied. Light Partners do not have to provide evidence of a special selection procedure, i.e. no specific proof of the market price is required to be submitted by the Light Partners.

• For costs **having a value equal to or above 10.000 EUR (excluding VAT)**, Light Partners shall conduct and document adequate market research (e.g. at least three different offers requested). This shall allow Light Partners to collect sufficient information on the relevant market and perform a sound comparison of offers in terms of price or quality, and a comprehensive assessment of the adequacy of the price.

⁸ • For costs **having a value below 10.000 EUR (excluding VAT)** the principles of sound financial management must be applied. Light Partners do not have to provide evidence of a special selection procedure, i.e. no specific proof of the market price is required to be submitted by the Light Partners.

• For costs **having a value equal to or above 10.000 EUR (excluding VAT)**, Light Partners shall conduct and document adequate market research (e.g. at least three different offers requested). This shall allow Light Partners to collect sufficient information on the relevant market and perform a sound comparison of offers in terms of price or quality, and a comprehensive assessment of the adequacy of the price.

6. Curriculum vitae of the Light Project staff (preferably Europass in English) – for each Light Partner
 7. Declaration of the Light Partner Applicant on non-economic activities (filled in, signed, stamped, if applicable, and scanned in pdf format) – for each R&D organisation as Light Partner
 8. DNSH statement (filled in, signed, stamped, if applicable, and scanned in pdf format) – for each Light Partner
- **Documentation in national language:**
 9. **Tax Administration Certificate (Croatia) / tax clearance certificate (issued by the national tax authority, NAV, in Hungary)** (not older than 30 days) – for each Light Partner
 10. **Statute of the R&D organisation or another legal act serving as proof of the legal status** of the R&D organisation in accordance with the definition of a R&D organisation- if the applicant/partner is an R&D organisation.
 11. In case of small-scale infrastructure costs: Light Partners will be required to submit with the **LPA the proof of legal interest (proof of ownership or lease contract valid at least until the end of the Light Project sustainability period)** – for each Light Partner

The application and mandatory annexes (statements/declarations, pro-forma offers) have to be written in English, while the other accompanying documentation (additional documentation) can be either in English or in national languages and scripts, but HAMAG-BICRO as LP reserves the right to request an authorized translation into English from applicants if something will not be understandable should the documentation be sent in national language or script.

Submission of the LPA shall be carried out **by one of the involved Light Partners, as agreed internally, on behalf of all Light Partners at the level of the entire Light Project.**

The Light Project Application form filled-in MS Excel version, the signed scanned version of the Partnership statement sheet (sheet 10. Partnership statement in Light Project Application Form) together with all the needed supplementary documents, shall be submitted exclusively via upload to the official [B Light 2 Platform](#) operated by the LP HAMAG-BICRO.

After uploading the LPA and all supporting documents, the applicant is obliged to perform the “**Submit**” action.

Upon execution of the “Submit” action, the system automatically notifies the applicant that, in order to complete the submission procedure, the application must be **confirmed via the verification link** sent to the applicant’s **e-mail address** provided in the application.

The LPA shall be considered timely and validly submitted **only after successful confirmation via the aforementioned verification link.**

LPAs that are not confirmed via the verification link or that are submitted after the deadline specified in the Call shall not be considered for evaluation and are automatically rejected.

Each Light Partner can apply only for one Light Project per Call. If a Light Partner is in the partnership of a contracted Light Project within the 1st Call, it cannot apply for the 2nd Call.

There cannot be a concurrent submission with another LPA.

If an applicant submits more than one LPA, only the first application will be considered for evaluation.



8.3. Questions and Answers

During the Call period, potential applicants may submit questions to request clarifications on the Call provisions. Answers will be published on the B Light 2 platform / Project documentation.

Questions referencing the Call may be sent via e-mail to: blight@hamagbicro.hr

Questions will be accepted no later than 7 days before the call closes. Any questions and answers received after that deadline will not be published.

Applicants may also contact the Territorial Partners; contacts are available at <https://cbchb.eu/cbc-hu-cro/b-light-2/contact/>

To ensure equal treatment of all applicants, no prior opinions or guidance on the award procedure, whether general or Light Project-specific, will be provided.

8.4. Light Project activities and outputs

Light Project activities must be defined to outline the implementation steps that the Light Project will undertake to achieve the Light Project specific objective. They must be jointly designed and implemented by Light Partners. Light Project outputs are the result of Light Project activities.

Light Project outputs are expected to contribute to the achievement of expected results defined in the Light Project Application form. Examples of project outputs are value-added cross-border joint product, service or technology development. Light Project outputs must be of high quality, relevant and properly defined.

They must be of cross-border value and:

1. be the result of intense cross-border cooperation of several Light Partners;
2. be of practical use for the defined Light Project target group in Light Partners regions;
3. be usable as a potential model solution that can be transferable to other locations within existing Light Partner territories or in the longer term to other regions or countries.

Within the Light Project description, having the ability to include as many Light Project activities and deliverables as needed provides Light Projects with the space to express their work plan in detail. However, having too many activities and deliverables can also lead to confusion rather than clarity. Light Partner applicants are asked to be as focused and efficient as possible when designing their Light Projects activities.

8.5. Light Project objective

A (overall) Light Project objective is a qualitative description of the desired change that the Light Project partnership will implement on the programme area during the Light Project.

- The Light project objective outlines the overall goal of the Light Project, specifically the change it wants to bring about in the programme area.
- It defines the benefits or improvements that the Light Project partnership expects to achieve on the programme territory (or parts of it).

A well-formulated Light Project objective:

1. Is clear and concise;
2. Provides a concrete description of the Light Project's outcome;
3. Is not a description of Light Project activities;

4. Is developed in a participatory process by the Light Partners;
5. Addresses the Light Project's target groups and stakeholders and is accepted by them;
6. Is realistic and achievable by the end of the Light Project.

The Light Project objective should be clear and leave no room for misinterpretation. Technical jargon and acronyms should be avoided. It should be easy to understand by external readers and non-experts in the themes tackled by the Light Project. The Light Project objective should fit within the Programme Specific Objective 1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments under which the Light Project has been submitted.

8.6. Light Project result

The Light Project result is the societal benefit of the Light Project outputs. It measures the ultimate change that the Light Project partnership aims to accomplish in programme area by the end of the Light Project and relates to the challenges tackled. The Light Project result is tied to the Light Project objective and quantifies the degree to which the Light Project objective has been achieved during the Light Project lifetime.

The Light Project result provides an answer to:

1. Is anyone in better off?
2. Has anything been improved?

The desired Light Project result must be measurable, in line with the Light Project indicators. It must have a target value to be reached by the end of the Light Project.

The Light Project result is the impact of the development or upscaling of Light Project output/s.

8.7. Light Project Indicators

Light Projects are required to contribute to the B LIGHT 2 indicators.

Required Light Project indicators include:

- Programme Output Indicator (values are defined on the Programme level)

RCO02 Number of enterprises receiving monetary support in the form of grants, target value: 48

The indicator counts all enterprises that receive monetary support from the ERDF. The enterprise is defined in GfA under 3. Eligibility of Light Partner applicants.

- Programme Result Indicators (values are defined on the Programme level)

RCR84 Organisations cooperating across borders after project completion, target value: 33

The indicator counts the organisations cooperating across borders after the completion of the supported projects. The organisations are legal entities involved in project implementation, counted within RCO87 (by the Lead Partner HAMAG-BICRO on B Light 2 project level). The cooperation concept should be interpreted as having a statement that the entities have a formal agreement to continue cooperation after the end of the supported project. The cooperation agreements may be established during the implementation of the project or within one year after the project completion. The sustained cooperation does not have to cover the same topic as addressed by the completed project. Formal agreements have to be provided latest by the end of the project. Through the follow-up reports, the LP will monitor the existence of the continued cooperation.

RCR25 SMEs with higher value added per employee, target value:28



Number of enterprises supported which achieve higher value added per employee. The indicator counts enterprises for which the value added per employee for the fiscal year after the year of completion of output is at least 2% higher than the value added per employee in the year before the project started.

The total value added is measured at factor cost as the gross income from operating activities after adjusting for operations subsidies and indirect taxes. The value added per employee is calculated as the ratio between the total value added and the annual FTEs employed in the respective year. (ESTAT2007 in references)

Programme Output and Result Indicators listed above are mandatory for each Light Project.

Reflecting on the minimum required cooperation level, **two scheme-specific indicators should be met by each Light Project proving their value-added cooperation:**

- Documentary evidence of **signed contractual business agreement with third parties for selling the jointly developed new or upgraded product, technology or services** by either or all of the Light Partners within the implementation and the period of max. 2 years after the completion of the Light Project, proven by signed business agreement(s).
- **Reaching the minimum value of selling of jointly developed new or upgraded product, technology or services** by either or all of the Light Partners within the implementation and the period of max. 2 years after the completion of the Light Project proven by trial balance of the Light Partners. Required minimum value is 20% of the total grants allocated to the Light Project.

Beside required Programme indicators and scheme-specific indicators, the Light Project partnership is obliged to choose from the offered options (in Light Project Application form sheet 5. Indicators) at least:

- 2 different general indicators,
- 1 horizontal indicator,
- 1 communication indicator

A maximum of 2 additional Light Project self-defined indicators can be defined by the Light Project on an optional basis, where considered relevant by the Light Partners.

8.8. Activities outside of the Programme area

Light Project partners may implement activities outside the Programme area under the following conditions:

1. **The activity contributes to the objective of the Programme;**
2. **The activity is essential and is for the benefit of the Programme area.**
3. **Activities are for entering new markets of jointly developed technology, service and product.**

These activities have to be included and described in the LPA.

8.9. Horizontal principles

The Light Partners have to describe in their LPAs (which will be the subject of assessment), how their proposed Light Project contributes to the horizontal principle of equality between men and women, equal opportunities and



sustainable development taking into account the UN Sustainable Development Goals⁸, the Paris Agreement⁹ and the 'do no significant harm' (DNSH) principle¹⁰. Light Projects will integrate these principles throughout their implementation.

Light Project activities will be designed to be accessible to target groups, stakeholders and participants from diverse social groups, ensuring inclusivity.

Light Project teams will aim for gender balance, promoting equality between men and women and fostering a diverse and inclusive working environment.

Light Projects will prioritize sustainable development, particularly in sensitive border areas, ensuring minimal environmental impact while promoting long-term regional benefits.

Paperless communication will be encouraged through digital platforms and ICT solutions, reducing paper use and environmental impact. Application and reporting processes will be fully digital, minimizing paper documentation.

Light Project activities will adopt a sustainable approach by reducing travel and emissions through the use of ICT tools for communication and by limiting physical meetings where possible. Light Projects will be assessed against sustainability criteria, including environmental impact and compliance with relevant regulations. Through these measures, Light Projects will contribute to economic development, cross-border cooperation, and environmental sustainability.

Light Projects must also contribute to climate resilience by ensuring that planned activities and outputs are adapted to current and future climate risks, including extreme weather events and long-term climate changes. Where relevant, projects should incorporate mitigation and adaptation measures that strengthen the resilience of communities, ecosystems and infrastructure.

In addition, all Light Projects must comply with the "Do No Significant Harm" (DNSH) principle. This means that no Light Project activity or investment should cause significant harm to any of the six environmental objectives as defined in the EU Taxonomy Regulation. Light Partners are required to assess and demonstrate that their proposed activities do not adversely affect climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Compliance with the DNSH principle will be considered throughout the project lifecycle, including planning, implementation, monitoring and reporting.

For Interreg VI-A Hungary Croatia, it is crucial that horizontal principles are integrated in the planning, implementation, monitoring, reporting and evaluation of the Light Project activities. During the whole life cycle of the Light Projects, Light Partners should take into account the horizontal principles of the EU. More precisely, actions should be planned, implemented and reported considering the horizontal principles of equal opportunities and non-discrimination, gender equality and sustainable development.

8.10. Assessment and selection of Light Project Applications (LPAs)

The assessment of and decision-making on LPAs takes place in line with the following process:

- Independent assessment of the LPAs is carried out according to pre-set transparent assessment criteria.
- **Assessment of the administrative and eligibility criteria** of the LPAs is carried out by the TPs under the supervision of the LP based on the criteria defined in the checklists for administrative and eligibility criteria (ANNEX 7 and ANNEX 8 of this GfA). TPs will check if the Light Project Application form has been properly completed and if all the required documentation has been submitted. **Evaluators may request additional information or clarification of the Light Project documentation.**
- After positive administrative and eligibility evaluation, each LPA shall be further subject to content evaluation (assessed for quality) against the criteria measuring the relevance and the feasibility of the Light Project.
- **Quality assessment** of the LPAs is carried out by the LP. The LP is responsible for appointing

⁸ <https://sdgs.un.org/goals>

⁹ <https://unfccc.int/process-and-meetings/the-paris-agreement>

¹⁰ https://reforms-investments.ec.europa.eu/integration-environmental-dimensions-public-finances_en



evaluators in the separate internal sector (Sector for Evaluation and Contracting Projects) to perform the quality assessment.

- **In the event that the evaluators responsible for the quality assessment identify an issue related to the administrative and/or eligibility assessment phase, the application shall be returned to the administrative and/or eligibility evaluation phase for reassessment.**
- Based on the average scores given by the evaluators and the grant allocation available for the given Call, the LP compiles a decision-making proposal to be submitted to the SC.
- Based on the decision of the SC the LP will sign Partnership Agreements (Addendums) with the Light Partners of the granted Light Projects.

For evaluation of LPAs, a total of 100 points can be achieved.

LPA is ineligible for granting if total score of LPA is under 60 points.

QUALITY ASSESSMENT CRITERIA
PROJECT RELEVANCE maximum score is 14 points 14% (14/100)
How well is the need for the Light Project justified?
To what extent will Light Project outputs/deliverables have an impact beyond the Light Project's lifetime?
To what extent is the Light Project intervention logic plausible?
What added value does the cooperation bring?
PARTNERSHIP RELEVANCE maximum score is 14 points 14% (14/100)
To what extent is the partnership composition relevant for the proposed Light Project?
ACTIVITIES maximum score is 55 points 55% (55/100)
Market entry strategy and demand
Planned value of selling
Innovation
To what extent is the work plan realistic, consistent and coherent?
Definition of indicators
To what extent are communication activities appropriate to reach the relevant target groups and stakeholders?
BUDGET maximum score is 15 points 15% (15/100)
To what extent is the Light Project budget proportionate to the Light Project activities and results?
To what extent is the Light Project budget balanced between Light Partners?
HORIZONTAL PRINCIPLES maximum score is 2 points 2% (2/100)
Consistency and synergy

Assessment criteria in detail are provided under ANNEX 9 of this GfA.



8.11. Steering Committee

The B Light 2 project's main decision-making body is the SC. The SC is responsible to make selection of the granted LPAs. The SC is composed of 9 voting members, delegated by the NAs and the 7 TPs. Non-voting members are the MA, the JS and the LP. The SC makes its decisions based on its Rules of Procedures.

8.12. Resolution of Complaints

Each Light Partner has the right to file a complaint if their submitted LPA has been rejected due **to administrative or eligibility reasons**, and after receiving notification of the results of the administrative or eligibility verification.

A formal complaint may be submitted after receiving the notification of the administrative or eligibility verification. Complaints must be submitted to the LP (HAMAG-BICRO) within 5 calendar days of receiving the notification, via email to blight@hamagbicro.hr.

The complaint letter must clearly specify any errors or shortcomings during the administrative or eligibility assessment of the LPA and provide references to relevant documents (Call for Light Project Proposals, GfA, or other Call-specific documents) and the LPA in question.

The complaint has to comply with the following minimum requirements:

- the name and address of the Light Partner/s are indicated,
- the reference number of the LPA in question is stated,
- reasons for the complaint are clearly described,
- the complaint is signed by the legal representative of the Light Partner/s.

If a complaint does not comply with the above stated requirements or includes an incomplete description of a case that does not allow Lead Partner (LP) to perform a thorough assessment of a complaint, the LP may request further information from the Light Partner.

Complaint must be submitted in writing in English.

If a Light Partner/s submits a complaint regarding the administrative verification, the LP is required to make a decision and notify the Light Partner/s.

Once notifications regarding complaint resolutions have been sent and the deadline for submitting complaints has passed (if any complaints were received), the remaining LPAs will proceed to the eligibility check. LPAs that meet the eligibility criteria will subsequently move on to the Quality assessment phase.

Please note that notifications regarding the completion of each evaluation phase will be sent to Light Partners only if, upon completion of the relevant phase, it is determined that they have not met the required criteria and are therefore excluded from further evaluation.

Light Projects that successfully pass the quality assessment phase will then be submitted to the SC, which is responsible for making the final decisions with respect to financing, based on the evaluation results.

The SC makes the decision on the final ranking list of applications selected for funding, applications placed on the reserve list and rejected applications.

Following the SC's decision on Light Project selection for EU co-financing, all Light Partners whose Light Projects passed the Quality assessment phase will be informed by the LP as to whether their Light Projects have been selected for funding or placed on the reserve list. Light Projects which are rejected based on the SC decision due to not reaching the minimum Quality Assessment points threshold, will be informed by the LP with the possibility to have an insight into their Quality Assessment Grid.

Each Light Partner has the right to request a review of the evaluation procedure following the decision of the Steering Committee. Such a request may only concern alleged procedural irregularities in the evaluation or selection process, including whether the evaluation was carried out in accordance with the Call for Light Project Proposals and the applicable selection rules. Requests challenging the assessment of the project's quality, the scores awarded by the evaluators, or the Steering Committee's funding decision shall not be considered.

Upon request, the Lead Partner (HAMAG-BICRO) may provide the applicant with the evaluation results and the evaluation sheet, subject to the applicable confidentiality rules.

Requests for review must be submitted to the Lead Partner (HAMAG-BICRO) within 8 calendar days of receipt of the notification of the Steering Committee's decision by email to blight@hamagbicro.hr. The request has to comply with the minimum requirements detailed under the formal complaints.

A request for review may not be based on new facts, nor may it be supported by new evidence that was not available to the evaluation body at the time the contested decision was adopted. The request for review following the decision of the Steering Committee shall not entail a reassessment of the professional judgement of the evaluators as such, nor shall it result in a fresh assessment of the project proposal or the award of a different score on the basis of a different professional opinion of the Light Partner.

The review shall be carried out by a Complaint Board composed of representatives of the Lead Partner and the Joint Secretariat. The composition of the Complaint Board may be expanded by decision of the Steering Committee. The Complaint Board shall examine whether the evaluation procedure was conducted in accordance with the applicable rules. Its findings shall be final and shall not result in a re-evaluation of the project or a revision of the scores awarded, unless a procedural error that materially affected the evaluation outcome is identified.

A list of Light Projects selected for EU co-financing will also be published on the B Light platform.

8.13. Fulfilment of conditions and contracting

The JS and LP can stipulate conditions to be met by the LPAs during the pre-contracting phase.

Once an LPA is selected for funding, it may have to fulfil conditions for approval, set forth by the JS or LP, before a contract (the signing of the Partnership Agreement Addendum with the LP) is offered. In such cases, this requires revisions of the LPA form, submitted by the Light Partners, within a given deadline. This contracting phase ends upon confirmation by the JS or LP that all conditions for approval were fulfilled by the Light Project.

If one or more Light Partners withdraw from the partnership at any point of the fulfilment of conditions phase, the LPA will be ineligible for funding. In this case, LPA that is next on the Rank List of evaluated applications should be recommended for funding.

All costs related to the precontracting meetings **must be financed by Light Partners**.

Regarding contracting, it needs to be emphasized that the whole B Light 2 scheme is one project under the Interreg VI-A Hungary-Croatia Programme. Therefore, one Subsidy Contract has been signed with the partnership as a whole, at the time when the B Light 2 project proposal was approved by the MC. The entering of the Light Partners

in the scheme does not change the Subsidy Contract, only the Partnership Agreement will be extended by Addendums signed by the LP with the newly entering Light Partners.

When Light Partners of a Light Project enter the B Light 2 project, the following contracting process of the EU contribution is as follows:

- The Partnership Agreement (PA) is modified by an Addendum to include the Light Partners, the information on the Light Project, the respective activities and outputs.
- The PA Addendum is signed by the LP and the newly entered Light Partners of the Light Project.
- The PA Addendum, together with the de minimis self-declarations from the Light Partners are sent to the JS.
- The responsible programme manager of the JS prepares and sends a note on the compliance of the documentation to the MA.

9. Implementation and monitoring

Light Projects monitoring will be conducted in order to check the implementation of the Light Project after any Light Project reporting period has ended. The Light Project reporting periods (every 4 months) will be defined by the Interreg plus system.

9.1. Light Project duration

Duration of a single Light Project shall be between 6 and 12 months. All Light Projects must be completed by the end of September 2028. Closure of Light Project may take additional 4 months subsequently to the end of implementation period.

The period of implementation of Light Project may not start before the date of the LPA submission but can start after what should be indicated in the LPA together with the final date of the Light Project implementation period. Light Partner Applicants may start implementing their Light Project activities immediately after the LPA submission, but they do so at their own risk, as the Light Project may not be selected for funding.

9.2. Sustainability period

Sustainability period of a Light Project shall be 3 years after completion of Light Project. Completion date of a Light Project is the last day of Light Project implementation.

Light Partners are obliged to sustain and operate developments of the Light Project until the end of sustainability period. Purchased equipment and outputs of works and infrastructure activities **cannot be sold, cannot be subject of any claim** within the Light Project's sustainability period.

Durability of Light Project outputs and results is crucial for ensuring territorial impact and long-term benefits which continue after the Light Project end, in order to reach the Light Project's overall objectives. Therefore, Light Projects have to ensure that Light Project outputs obtained and Light Project results achieved are durable and suitable to be continued after Light Project closure. This may include Light Project follow-up activities, handover to the policy level, ownership, financing through other initiatives or funds, leverage of investments, etc. In order to achieve durability, Light Projects need to adopt from the beginning a long-term, strategic perspective that leads to desired Light Project results for the target groups over an extended time frame. In order to achieve such long-term benefits, it is essential to consider the needs of key stakeholders as well as the institutional context already when designing

the Light Project. In particular, key stakeholders should be actively involved from the early stages of the Light Project development. The ownership of the investment in the Light Project is to be retained by the Light Project partner.

Light Project Partner responsible for Light Project part comprising investment in infrastructure or productive investment shall repay the Programme contribution if within three (3) years of the final payment to the Lead Partner (HAMAG-BICRO) for the Light Project – or within the period of time set out in State Aid rules, where applicable, it is subject to any of the following:

- a) cessation or transfer of a productive activity outside the NUTS 2 region in which it received support;
- b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

The follow-up activities reporting period (sustainability period) **shall last three (3) years** after the official completion of the Light Project. During this period, Light Partners are obliged to provide, upon request, all information, documentation, and evidence related to continued cooperation and project results as requested by the LP and/or the Programme bodies. Light Partners shall ensure that all requested information is accurate, complete, and submitted within the deadlines set by the LP or the relevant Programme bodies for the purpose of monitoring, reporting, and verification of continued cooperation after Light Project completion.

9.3. Advance payment

Light Partners cannot require advance payment of EU grants from the B Light 2 project.

9.4. Financial guarantee

Light Partners will have to **provide a financial guarantee** when contracting their Light Project parts on the full amount of the requested EU funds for each Light Partner's Light Project part. If a Light Project will be selected, Light Partners will be obliged to **submit** to the LP:

- 1 (one) blank promissory note (zadužnica) of the Light Partner and 1 (one) personal blank promissory note (zadužnica) of the founder, up to the full amount of the Light Partner's requested EU funds (for Light Partners based in the Republic of Croatia)
- Unconditional and irrevocable consent to issue a prompt collection order on all bank accounts of the Light Partner covering the full amount of the requested EU funds (for Light Partners based in Hungary)

The Light Partner and the guarantor (for Light Partners based in the Republic of Croatia) allow the Lead Partner (HAMAG-BICRO), in case of non-fulfilment of contractual obligations, to fill out a blank enforceable debenture and submit it for collection to the Financial Agency or any other financial institution that is responsible for its payment.

9.5. Reporting procedures

Reporting will take place through the Interreg plus system operated by Interreg VI-A Hungary-Croatia Programme.

As the scheme acts like any other projects financed by the Interreg VI-A Hungary-Croatia Programme, reporting requirements match those in case of projects in other Priorities.



- Partner level reporting of the LP and the TPs

The LP and the TP-s are obliged to deliver their partner level reports within 15 days (30 days in case of the final partner report) after closure of the project period (trimester) to the territorially competent National Controller, NC (see Chapter 2.3). The NC control and in case necessary - raise clarifications and issue the Declaration on the Verification of Expenditure (DoVE) to the LP and the TP-s. The Project Reports and the Applications for Reimbursement have to be submitted to the Joint Secretariat within 90 calendar days from the end date of each reporting period (and 100 calendar days from the end date of the final reporting period). During the time of project implementation besides regular document-based checks the NC may carry out on-the-spot checks as well. (LP, TP-s and Light partners will be subject to OTSC checks performed in line with EoE and programme and national level risk assessment methodology.)

- Partner level reporting of the Light Partners

As the Light Partners are to be considered as regular project partners having signed the Addendum to the Partnership Agreement, they are also required to report (every four months) their activities and expenditures to the relevant NC. Partner level control focuses on activities implemented by the Light Partner in the project period and related expenditures occurred. Detailed guidelines, including the types of documents needed for proving the eligibility of cost items, are included in the Eligibility of Expenditure and the national level guidelines regarding the eligibility of expenditure / instructions on reporting (if relevant) and are to be communicated to the Light Partners.

- Project level reporting

Payment of the EU co-financing is linked to submission and approval of regular project reports. Reporting in case of the B Light 2 scheme is also in line with the LP principle.

As the partnership is composed of Light Partners as well, reporting procedure should be speeded up in order to make four-month periods applicable and avoid overlapping between the consecutive reporting periods. Submission and approval of the project and final project reports shall take place through the Interreg plus system.

The project level report is based on the verified costs declared in the DoVEs of the LP, the Territorial Partners and the Light Partners and detailed description shall be provided about the implemented activities in the given period, including the achievement of relevant indicators. The content of the report has to be justified with the relevant evidences. In case of missing or unclear information the JS issues request for clarification.

Light Partners are responsible for the sound administrative management of their Light Project parts, including submission of their partner level reports to the territorially responsible NC, and for providing in-depth information on the Light project part's activities to the Project reports of the Light Project.

The JS has the right to ask for additional reports in between reporting periods and request information on the progress of the project in general at any time during the implementation from the LP. If spending of the funds available for the Light Project is not carried out in line with the Light Project payment forecast, the MA may also ask for interim project reports from the LP. Consequently, LP can ask Light Partners for information on a Light Project implementation. In case of a severe deviation from the planned spending forecast, budget of the scheme may be reduced, including the budget of the problematic Light Projects (see the decommitment rule, Articles 105-107 of the Common Provisions Regulation).

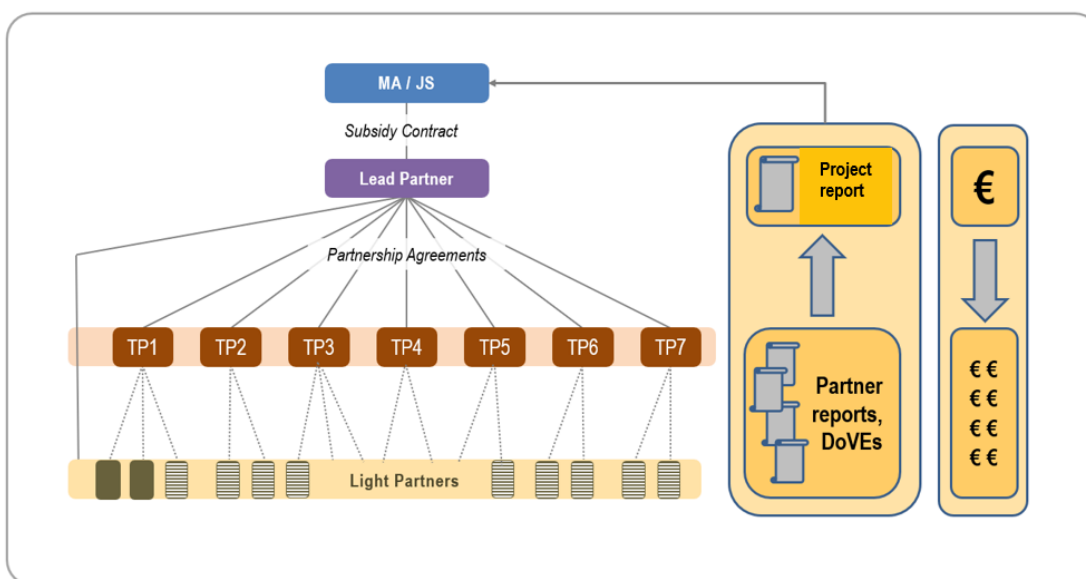


Figure 5: Flow of reporting and payment of EU co-financing.

9.6. Procurement rules

Selection procedures must be in line with latest EU, programme or national (including institutional) public procurement rules, depending on the type of entities and the estimated value of the contract.

In case of procurements that are not subject to public procurement (e. g. below the financial threshold for public procurement) but in which the value of the procurement is equal to or above EUR 10,000 (excluding VAT), the Project Partners – also including Light Partners – are required to conduct the relevant procedure mentioned in the Eligibility of Expenditure document and in the national eligibility guide (if relevant).

Under the value of EUR 10,000 (excluding VAT) proof of market price is required. However, the principles of sound financial management must be applied. In case of differences between national and programme rules, project partners must follow the stricter rules.

More detailed rules on procurement are to be found in the Eligibility of Expenditures document and the national level guidelines regarding the eligibility of expenditure (if relevant) of the programme.

9.7. Communication requirements

Communication is an essential part of the Light Project and should be implemented continuously during the Light Project lifecycle. Communication of Light Project activities and results supports the achievement of the Light Project objectives and fosters the transfer of the Light Project results. Light Partners should therefore automatically strive for integrating information, communication and visibility measures on results and added value of support from the EU funds to their Light Projects.

Communication activities should support the Light Projects by bringing their results and benefits to the awareness of the target groups. The language of information and communication may be selected according to the language of the target audience, bearing in mind that the programme language is English. In addition to English, partners may also use bilingual communication, particularly for written and printed materials.

Each Light Partner is responsible to ensure that all information material distributed by the operation are properly labelled and contain all the necessary information about the Light Project co-financed under the Programme under B Light 2 project according to the rules. Therefore, each Light Partner must devote adequate time and resources to Light Project's communication in all phases of the implementation.

The Light Partners are required to:

- when communicating on all the matters related to the Light Project, the Light Partners should use their normal stationery but should always use the logo of the B Light 2 project, as well as the Interreg EU logo.

The Light Partners are obliged to:

- use the B Light 2 project, Programme and the Interreg logo with the ERDF reference (as described in the visibility and communication guidelines for the Light Partners' under B Light 2 project and Communication and Visibility Guide of the Interreg VI-A HU-HR Programme) and in the English language when using any of the communication tools and whenever communicating and promoting Light Project results as well as the results of the B Light 2 project and the Programme;
- place at least one poster with information about the Light Project (minimum size A3), including the financial support from the EU, also with B Light 2 logo at a location readily visible to the public such as the entrance area of a building.



Figure 6: The B Light 2 logo



Figure 7: The combined programme logo to be used on communication tools.

The Light Partners shall be authorised to publish, in whatever form and on or by whatever medium, including the Internet, the following information:

- B Light 2 logo;
- Name of the LP (HAMAG-BICRO);
- Name of the Light Project and name of Light Partners working on the Light Project;
- Description of the Light Project, including its aims, results, expected achievements, outputs, activities, etc;
- Total Light Project budget (in EUR);
- The amount of EU co-financing (in EUR);



- Duration of the Light Project (dd.mm.yyyy. – dd.mm.yyyy.);
- the location of the Light Project and the countries concerned;
- A reference to the B Light 2 website (for example, as a hyperlink on the B Light 2 logo);
- A reference to relevant Funds as described in visibility and communication guidelines for the Light Partners;
- Disclaimer, as described in visibility and communication guidelines for the Light Partners.

Among communication tools, **each Light Project has to:**

- have at least one communication event;
In addition to the English language as the Programme official language, Light Partners can use national languages and Latin alphabets when developing promotional and communication materials, depending on
- the target groups for whom the materials are intended. In these cases, appropriate translation of the Programme name must be used in materials.
- B Light 2 project acronym /name must be used in materials.
- produce promotional material (leaflet, brochure) written in English, but with English it can also be on Hungarian and/or Croatian;
- share information on their Light Project on the Light Partners' websites or social media interfaces;
- have at least one media activity (press release, media broadcast etc.) during the Light Project.

It is strongly recommendable at the beginning of the Light Project to establish a sub-page on the Light Partners' websites or social media interfaces for continuous information sharing about the cooperation Light project activities.

The Interreg VI-A Hungary-Croatia Programme has got a detailed Communication and visibility guide for projects that has to be applied during the implementation of the Light Projects, together with visibility and communication guidelines for the Light Partners under B Light 2 project developed by LP.



Glossary

Managing Authority (MA): the public body responsible for implementation of the Interreg VI-A Hungary-Croatia Programme. It is established at the Ministry of Regional Development and EU Funds of the Republic of Croatia.

Joint Secretariat (JS): the operational body responsible for implementation of the Programme. It is established at Széchenyi Program Office LLC in Hungary.

National Controllers (NC): the nationally competent authorities in Hungary and Croatia responsible for the verification of expenditures declared in the partner level reports.

Lead Partner (LP): HAMAG-BICRO, bearing responsibility for the overall coordination of the implementation of the scheme, in line with the Subsidy Contract signed with the MA (see Chapter 2.2.).

Territorial Partners (TPs): the seven county level SME development agencies responsible for coordinating the promotional and project generation activities in their respective counties (see Chapter 2.2.).

Light Partners: SMEs or R&D organisations taking part in a Light Project Application submitted to the respective Call for Light Project Proposals and SMEs or R&D organisations as Project Partners (PP) of the B Light 2 project.

Project Partners (PPs): all partners participating in the implementation of the B Light 2 scheme: the LP, the TPs and the Light Partners.

Light Project Application: Light Project proposal submitted by cooperating Light Partners (SMEs or R&D organisations) for the B Light 2 Call for Light Project Proposal.

Light Project: project part of the B Light 2 project selected and granted through a Call for Light Project Proposals, comprising eligible activities of cooperating Light Partners.

Subsidy Contract: Contract signed by the LP and the MA on the implementation of the B Light 2 project, implemented under Priority 1 of the Interreg VI-A Hungary-Croatia Programme.



LIST OF ANNEXES

ANNEX 1 Annex I to the Treaty
ANNEX 2. Light Project Application Form
ANNEX 3 De minimis declaration
ANNEX 4 Joint Statement
ANNEX 5 Declaration of the Light Partner Applicant on non-economic activities
ANNEX 6 Partnership Agreement addendum
ANNEX 7 Checklist for administrative criteria
ANNEX 8 Checklist for eligibility criteria
ANNEX 9 Quality assessment grid
ANNEX 10 DNSH statement



ANNEX I.

7.6.2016

EN

Official Journal of the European Union

C 202/331

ANNEX I

LIST REFERRED TO IN ARTICLE 38 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION

(1) No in the Brussels nomenclature	(2) Description of products
Chapter 1	Live animals
Chapter 2	Meat and edible meat offal
Chapter 3	Fish, crustaceans and molluscs
Chapter 4	Dairy produce; birds' eggs; natural honey
Chapter 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
Chapter 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
Chapter 7	Edible vegetables and certain roots and tubers
Chapter 8	Edible fruit and nuts; peel of melons or citrus fruit
Chapter 9	Coffee, tea and spices, excluding maté (heading No 09.03)
Chapter 10	Cereals
Chapter 11	Products of the milling industry; malt and starches; gluten; inulin
Chapter 12	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruits; industrial and medical plants; straw and fodder
Chapter 13	
ex 13.03	Pectin
Chapter 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oil, of fish and marine mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified



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(1)	(2)
No in the Brussels nomenclature	Description of products
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
Chapter 16	Preparations of meat, of fish, of crustaceans or molluscs
Chapter 17	
17.01	Beet sugar and cane sugar, solid
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
17.03	Molasses, whether or not decolourised
17.05 (*)	Flavoured or coloured sugars, syrups and molasses (including vanilla sugar or vanillin), with the exception of fruit juice containing added sugar in any proportion
Chapter 18	
18.01	Cocoa beans, whole or broken, raw or roasted
18.02	Cocoa shells, husks, skins and waste
Chapter 20	Preparations of vegetables, fruit or other parts of plants
Chapter 22	
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.07	Other fermented beverages (for example, cider, perry and mead)
ex 22.08 (*) ex 22.09 (*)	Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex I, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
22.10 (*)	Vinegar and substitutes for vinegar
Chapter 23	Residues and waste from the food industries; prepared animal fodder
Chapter 24	
24.01	Unmanufactured tobacco, tobacco refuse



(1)	(2)
No in the Brussels nomenclature	Description of products
Chapter 45	
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
Chapter 54	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
Chapter 57	
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

(*) Entry added by Article 1 of Regulation No 7a of the Council of the European Economic Community of 18 December 1959 (OJ No 7, 30.1.1961, p. 71/61).