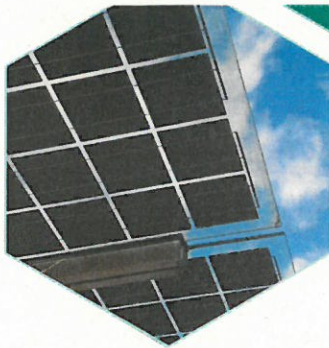
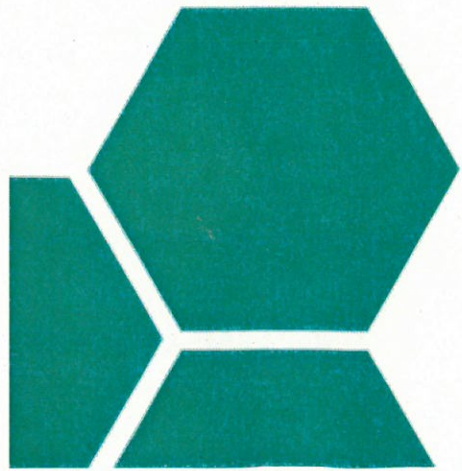


Pénzügyminisztérium  
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# Action Plan



March, 2019



European Union  
European Regional  
Development Fund

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## Background information for the Action Plan

In the previous programming period, **NORDA Regional Development Agency of North-Hungary** (original project partner for REBUS from Hungary) was appointed for being the **Intermediary Body for the North-Hungarian Regional Operational Programme 2007-2013** and was supposed to continue programming and planning activities in the new period as well. However, due to a major restructuring of the regional development system of Hungary, by the end of 2016, according to the Government Decree 272/2014 (XI. 5), the Hungarian State Treasury was appointed to fulfil the Intermediary Body tasks for the Territory and Settlement Development Operational Programme 2014-2020 (TSDOP, which is the most significant Operational Programme of this period, with approx. 3.9 Mrd EUR for the whole country) instead of NORDA, which was officially closed on the 30<sup>th</sup> of November 2016.

**BORA 94 Borsod-Abaúj-Zemplén County Development Agency** (current project partner for REBUS from Hungary) is one of the legal successors of NORDA and is 100% owned by the Borsod-Abaúj-Zemplén County Municipality, dealing with territorial development issues on local, national and international levels. Therefore BORA 94 – though its owner, which was a key partner in the TSDOP-related county-level inputs – can still indirectly influence territorial development planning and implementation processes.

It should be also noted that in Hungary, all Operational Programmes had been planned centrally for the 2014-2020 period, but the TSDOP features a technical annex for the selection of projects, called “**Territory-specific criteria**”, that can differ from county to county. This way, in an ideal case, territory-specific demands and needs can be met also and projects can be prioritized accordingly.

Since it can be considered as a national programme, a ministry, namely the Ministry of Finance (formerly Ministry for National Economy), is the Managing Authority (MA) for this policy instrument and is responsible for the planning and implementation of TSDOP-3.2.1. calls, covering the whole Hungary.

**The MA was and still is deeply involved in the REBUS project right from the preparation phase.** Their representatives participated in the project meetings (Kick-off and Dissemination events in Florence) as well as at the Local Stakeholder Group meetings. Thus they have received first-hand information about the aim and the good practices of the project, which have created a good base for the close cooperation with BORA 94 staff and other important international and local actors involved in the project in order to continuously assess the possibilities to make improvements on the targeted policy instrument, which in some cases of a call that was published in 2016, is already in the monitoring phase.



Conclusively, this entire situation in 2016 (when REBUS project started), with all these changes and the already advanced state of the TSDOP 3.2.1 calls has made it rather difficult for the project to intervene significantly in the content of the selected policy instrument. Besides, most likely there will be no more funding available in this programming period for this particular ERDF funding tool.

Therefore the MA and BORA 94 had to come up together with an idea to improve such processes **that was still possible to influence while participating in REBUS project**; based on the REBUS good practices exchanges and the first round call-related experiences, it seemed that the monitoring system on how to gather data from the beneficiaries on their project progress (e.g. reduction of CO2 emissions, reduced primary annual energy consumption in public buildings in kWh/year, etc.) was the only option.

### Part I – General information

<b>Project</b>	<b>REBUS</b>
<b>Partner organisation</b>	BORA 94 Borsod-Abaúj-Zemplén County Development Agency
<b>Other partner organisations involved (if relevant)</b>	Managing Authority (Ministry of Finance), TSDOP 3.2.1 call beneficiary municipalities (at least 5), Local Stakeholder Group members of REBUS, especially Borsod-Abaúj-Zemplén County Self-Government
<b>Country</b>	Hungary
<b>NUTS2 region</b>	Alföld és Észak
<b>Contact person</b>	Katalin Hall
<b>Email address</b>	<a href="mailto:hall.katalin@mfu.hu">hall.katalin@mfu.hu</a>
<b>Phone number</b>	+36202523542

### Part II – Policy context

**Policy instrument addressed:**

**Territorial and Settlement Development Operational Programme 2014-2020 of Hungary**

The policy instrument that the Action Plan aims to impact is part of the **Investment for Growth and Jobs programme.**



## ACTION 1

### Improved monitoring for the specific call TSDOP-3.2.1

#### Need addressed

The TSDOP-3.2.1 call was first published in 2016 (the same year, when REBUS project started), allocating cca. 70% of the total TSDOP funding sources in the first year of publication, containing general instructions according to EU guidance <sup>1</sup> – including the so called “indicator definition sheets (IDS) <sup>2</sup>” as annexes - for beneficiaries on **how to collect and report data on the progress of their projects**. These data collection definition sheets are necessary to monitor whether the approved projects will achieve their energy efficiency goals.

**REBUS project learning- and knowledge exchanges and examples of other, more advanced regions on monitoring, data collection and processing and also the first round of call experiences has made the MA realize that the data collection method could be improved by better specifying these IDSs. The aim was to receive energy efficiency indicator data as soon and as precisely as possible from the beneficiaries, so that they can report partial achievements on energy efficiency of Hungary through the dedicated OPs to the European Union by the end of 2018.** This way the whole monitoring process for this specific call can reach a higher quality. Therefore, during the 1<sup>st</sup> Phase of the REBUS project, the MA, together with BORA 94 (Hungarian project partner) has further developed the monitoring methodology, by:

- General review of indicator definition datasheets
- Modification and specification of indicator data sheets,<sup>3</sup>
- Introducing partial delivery,
- Publication on [www.szechenyi2020.hu](http://www.szechenyi2020.hu)<sup>4</sup> website.

<sup>1</sup> Guidance Document on Monitoring and Evaluation – European Regional Development Fund and Cohesion Fund 2014-2020

<sup>2</sup> PO24 Reduction of primary energy consumption achieved by energy efficiency improvements; PO26 Energy produced from renewable energy sources; CO30 Renewable Energy: Further capacity for renewable energy production; CO32 Energy Efficiency: Reduction of annual primary energy consumption in public buildings; CO34 Estimated annual reduction in greenhouse gases

<sup>3</sup> As a concrete example: in the case of CO34 - Estimated annual reduction in greenhouse gases, which is an indicator of the effectiveness of TSDOP energy calls the reference time, the calculation method, special considerations and the supporting documents were better specified. Concerning “Special considerations”, e.g. “project elements” and in relation to this “partial fulfillment data providing possibility” were introduced.

<sup>4</sup> Website dedicated to central publication of calls



Now that the modification is done, there is a need to carry out an assessment process, involving both sides (authority and beneficiaries) to prove that the change was successful and is indeed able to achieve the results that were expected. By implementing the steps of this action, MA – together with BORA 94 - aims at achieving further improvements in the relevant policy instrument, which might create a better planning environment for potential future call elaboration as well, in terms of e.g. better specifying the “Territory-specific criteria” for the selection of projects in B-A-Z County in the next programming period.

## Overall Topic and Description of the proposed Policy Improvement

<b>Overall Topic</b>	The proposed policy improvement refers to the <u>assessment of a modified monitoring (data collection) system and its results for the specific calls related to measure TSDOP-3.2.1</u> , which funds municipality-owned energy efficient public building renovations to achieve energy savings mainly through infrastructural investments.
<b>Specific Description</b>	In REBUS project, the Hungarian partner, BORA 94 Nonprofit LLC addresses the “ <b>Territorial and Settlement Operational Programme (TSDOP)</b> ”, which aims at territorial, decentralized economic development, increasing employment, ensuring the local population’s well-being in the less developed regions. It provides resources primarily for the development of municipalities and municipal-owned companies. The territorial representative counties and the cities with county-rights implement the objectives of the OP through their integrated territorial programs (ITP). More specifically the project addresses <b>Priority Axis 3 of TSDOP: “Shift towards a low-carbon economy with special focus on urban areas”</b> This Axis originally had two measures: 3.2.1. “ <b>Improvement of energy efficiency-</b> ” and 3.2.2. “ <b>Increase the proportion of renewable energy consumption of the local governments</b> ”. Out of these two, measure <u>TSDOP-3.2.1 was selected for the project, because this particular policy instrument deals specifically with energy efficient renovations in public buildings</u> (e.g. external insulation, window and door replacement, installation of biomass boiler, etc.). Regarding TSDOP-3.2.1., 3 calls were published in 2016-2017-2018. In the first rounds of these calls that were published in 2016-2017,



there was already a monitoring methodology applied to collect data from the beneficiaries on their energy related performances.

However in the meantime, **REBUS project learning activities and also the experiences based on the first round of call have influenced the MA to make an improvement on the existing monitoring system.**

As a result of the modification process, in total **5 indicator definition sheets were changed** by mid-Semester 6 (December 2018), which now ensures e.g. an accelerated data collection process, by introducing **partial fulfillment-type of data providing possibility** in terms of certain **project elements** that can be considered as a whole system by themselves within the project to provide energy efficiency data before the whole project ends. Thus beneficiaries can report partial indicator data before they reach their targeted indicators by the end of the project. This way, the **MA can reduce the time for collecting data and can more precisely predict the overall energy efficiency performance of projects.**

In the planned assessment action both the MA and the project beneficiaries will be involved, with the mediation of BORA 94 in order to evaluate the success of the changed methodology, whether it will achieve the desirable and expected results or there are some hindrances that should be further explored and corrected.

## Contribution from REBUS

Details of proposed Policy improvement	Links with interregional input (including details of activities, good practices and knowledge shared)
Inspiration from the partners on clear and reliable monitoring methodologies of renovated public buildings for long-term planning, including well defined data collection.	Bilateral Exchange Rounds with <b>ARRR (former AFE, Lead Partner)</b> and <b>SERDA (Romanian partner)</b> has given us the opportunity to review their <b>regional operational programmes</b> and to discuss their monitoring methodologies, including how data is collected and how could it be potentially improved, which reflects in the data collection methodology improvement of the TSDOP call.



Also the **County of Durham**<sup>5</sup> and the **City of Malmö**<sup>6</sup> examples were very convincing at the times of staff exchanges and study visits about the importance of **long term planning** (e.g. City of Malmö and its overall strategy of 2020 energy goal, the Environmental programme for the city of Malmö 2009 – 2020 (aiming at being climate neutral by 2020) or how the Climate Change strategy of Durham tackles county-level challenges, such as the shift towards low-carbon economy in a case of a territory, where – similarly to B-A-Z county -, mining used to be the most important industry). Further good examples were introduced on **monitoring methodologies** e.g. energy efficiency data collection alternatives (e.g. in the case of Malmö: the Mercury project; or the application of the Citect SCADA system for municipality building automation. Or in Durham, the Systems Link example). **These examples also highlighted the importance of why a clear and reliable data collection methodology application is inevitable in cases of any types, but especially in the case of building renovation projects.** These types of data collecting and processing systems are still not so common in Hungary, especially in our county, and in public buildings, so it was a great inspiration for us to see what can possibly be achieved by installing such systems.

At the time of staff exchange and bilateral exchange round with the **Region of Crete**<sup>7</sup>, we could see a good example for a **prioritization methodology in regional buildings** for renovation that was based on a **well-developed data collection method**, elaborated in the frame of **SHERPA project**.<sup>8</sup>

Last, but not least **PNEC (Polish Partner)**, who has

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<sup>5</sup> [https://bora94.hu/web\\_h/2018/05/24/7539/](https://bora94.hu/web_h/2018/05/24/7539/)

<sup>6</sup> <https://www.interregeurope.eu/rebus/news/news-article/4548/staff-exchange-bora-94-se-rda-to-region-of-crete/>

<sup>7</sup> <https://www.interregeurope.eu/rebus/news/news-article/4548/staff-exchange-bora-94-se-rda-to-region-of-crete/>

<sup>8</sup> <https://sherpa.interreg-med.eu/>



provided valuable inputs to the action plan discussion session at the Berlin project meeting<sup>9</sup> that has made us realize how to better define our concrete policy improvement actions in terms of drafting and implementing the specific actions.

## Activities and Timeframe

Activity Number	Activity Description	Timing
1	Approval of the modified sheets and publication on the dedicated website on the 14th of December 2018 on this link: <a href="https://www.palyazat.gov.hu/top-indikatorok-adatlap">https://www.palyazat.gov.hu/top-indikatorok-adatlap</a>	December 2018
2	Monitoring of approved projects under the specific call TOP-3.2.1 with data collection for energy efficiency indicators defined in the modified monitoring sheets	from December 2018 ongoing
3	Meeting with the MA representative in order to receive information on how the monitoring method has improved/worked after the change, based on the results of the 2018 indicator sub-target data collection and checking on REBUS (TSDOP) indicator fulfilment	April 2019
4	Meeting with the beneficiary municipalities to receive information about how satisfied they are with the overall call for proposal and also the improved monitoring methodology (indicator data collection)	May 2019
5	Preparation of a report on the findings based on the MA and beneficiary meetings	June 2019
6	Review of the modified monitoring sheets and gained monitoring results for phase 2 of REBUS	January – March 2021

<sup>9</sup> <https://www.interregeurope.eu/rebus/news/news-article/4738/8th-international-exchange-event-berlin-germany/>



Players involved

Name of Organisation	Role in Action Plan Implementation
<b>Managing Authority</b>	<p>Participating in a meeting that assesses the success of the modified TOP 3.2.1 monitoring methodology.</p> <p>Negotiating with BORA 94 on potential changes, improvements and implementing rationalization process regarding TOP 3.2.1 call monitoring methodology</p>
<b>BORA 94</b>	<p>Managing action implementation incl. moderating the meetings, preparing the assessment questions, methodology; preparing the report and providing feedbacks and recommendations to the MA, Negotiating with the MA on potential changes, improvements regarding TOP 3.2.1 call monitoring methodology</p>
<b>TOP 3.2.1 Beneficiary municipalities</b>	<p>Providing feedbacks on TOP implementation and monitoring issues</p>

Risk and Contingency Plans

Description of Risk	Level of probability (High, Medium, Low)	Description of Contingency Plan
<p>Change in personnel at the MA</p>	<p>Medium</p>	<p>In case personnel change may occur, we contact the new representative and explain REBUS project, the role of MA and the AP obligations</p>
<p>Beneficiary municipalities have no time to attend a meeting in the same time</p>	<p>Medium</p>	<p>BORA 94 manages more than 5 TOP-3.2.1 projects, thus we have good contacts with these municipalities. However if there would be a very low interest, due to time issues to</p>



participate in a joint meeting, BORA 94 staff will visit them and make a personal, deeper interview, based on specific questions.

**Risk of not being able to improve the targeted policy instrument due to timing issues** High

Although the targeted call text and content itself could not be changed during the 1<sup>st</sup> phase of the project because of timing issues (most of it was already approved by the relevant authorities on HU and EU levels), however there was still a chance to improve the monitoring methodology by rationalizing the way data is collected.

## Costs

### Staff costs:

- e.g. preparation for the meetings with MA, beneficiaries, organization of and participation in meetings, drafting minutes, reports, recommendations, etc. (approx. 5 days/month x 150 EUR = 750 EUR x 4 months = 3 000 EUR)

### Other costs:

- 1 meeting with MA representative in Budapest at the Ministry of Finance (Travel costs: 30 EUR)
- 1 joint meeting with the beneficiary municipalities in Miskolc, or several meetings at their locations (meeting costs (coffee break): 5 EUR/person x 5 = 25 EUR or travel costs (if necessary): 100 EUR)

In total cca. 3.100 EUR

Indirect costs: the budget specific call TOP-3.2.1 for those approved projects which are monitored with the updated methodology (taking into consideration only those projects that are managed by BORA 94 in B-A-Z county) cca. 2.2 M EUR.

## Funding sources

BORA 94 will provide own financial resources to cover the necessary human resources, travel and meeting costs.



## Monitoring

**Monitoring tools** We will define milestones. The 1st milestone will be the completion of the “Report on MA and beneficiary meetings”. The 2nd will be at the completion of the “Feedback and recommendations” document to the MA. We will also regularly monitor our expenses related to the implementation of the action.

Indicators	target amounts	Means of Verification
1 Number of improved policy instrument	1	Modified indicator definition sheets published on the TOP 3.2.1. call related website
2 Number of monitored projects with the updated methodology (we consider B-A-Z county only)	119	MA data provision
2 Local municipalities (TOP 3.2.1 beneficiaries who’s projects are managed by BORA 94 staff)	5	list of participants, meeting minutes, report



Part IV – Official Signatures

Date and place: 05.06.2019., Miskolc

Name, title and organisation: **András Lenártek, Director**  
**BORA 94 Borsod-Abaúj-Zemplén County Development Agency Nonprofit LLC**

Signature

Stamp of the organisation



**BORA 94 Nonprofit Kft.**  
3525 Miskolc, Városháztér 1.  
Cg: 05-09-017021  
Adószám: 22248848-2-05

*On behalf of the Managing Authority for the Territorial and Settlement Development Operational Programme (targeted policy instrument of the REBUS project for Hungary), we acknowledge the content of the Action Plan.*

Date and place:

27.06..... 2019., Budapest

Name, title and organisation:

*Gábor Oláh*  
.....  
*GÁBOR OLAH, deputy state - secretary*  
*Ministry of Finance*  
*(Managing Authority for Regional Development Programmes)*

Signature

Stamp of the organisation





