



CALL FOR PROPOSALS

under the

SECOND SWISS-HUNGARIAN COOPERATION PROGRAMME

Water and wastewater management thematic area,

SM07-WWM

“Improving water quality in Hungary”
programme, drinking water objective,

**to perform the duties of Programme
Component Operators**

Applicable between: 02. October, 08:00 – 02. December, 12:00, 2024

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1. FRAMEWORK, PURPOSE AND BACKGROUND OF THE CALL FOR PROPOSALS

1.1 The implementation framework of the Second Swiss-Hungarian Cooperation Programme

This Call for Proposals, together with the General Guidelines for the Selection of Programme Components and Component Elements under the Second Swiss-Hungarian Cooperation Programme (hereinafter referred to as the General Application Guidelines), provides guidance on the general information, conditions and rules for the submission of proposals.

The basic regulatory, organisational and general framework of principles, the horizontal aspects and objectives for the implementation of the Swiss-Hungarian Cooperation Programme (hereinafter referred to as the Cooperation Programme) are set out in Chapter 1 of the General Application Guidelines.

The terms and conditions applicable to the scheme are set out in this Call for Proposals, which refers, in some cases, to the General Application Guidelines in view of the fact that the conditions set out therein also apply to the present scheme, unless derogations are permitted.

The specific provisions for the use of the grant for the implementation of the Programme Components selected are set out in the Grant Contract to be concluded with the Beneficiary (see Annex 12 for the Grant Contract template).

1.2 The purpose of the Call for Proposals

In many settlements of Hungary, the quality of drinking water still does not meet EU and complying national standards. Overall compliance with the legally set parameters for quality characteristics of drinking water remains a priority.

In terms of the quality of the drinking water supplied, the distribution of settlements with concentrations above the parametric limit values for iron (200 µg/l) and manganese (50 µg/l) is not uniform throughout the country. In some regions of Hungary, these settlements are numerous and dense. There are concentrations of settlements in the Northern Great Plain, Southern Great Plain, as well as Northern Hungary and Southern Transdanubia regions, where the drinking water supplied still does not comply with international and national legislation on iron and manganese parameters.

The support to be granted under the current scheme is aimed at improving the quality of drinking water supplied by the urban water supply system, in particular the reduction of the iron and manganese parametric values measured at the network intake point or end point, especially in the regions of Northern Hungary, Northern

Great Plain and Southern Transdanubia. In the evaluation of proposals, priority will be given to disadvantaged settlements¹ in these regions, thus contributing to the reduction of economic and social disparities within the European Union.

The objective of the Call for Proposals is to support water utility developments that improve the technical condition of the water utility systems, contribute to the sustainable operation of drinking water supply and wastewater sewage and treatment systems in an environmentally friendly manner, enhancing the supply security.

The above will be achieved through the present Call for Proposals under the Cooperation Programme, by which so-called Programme Components will be selected and implemented. A Programme Component is defined as a set of activities supported by the Swiss Contribution, aiming at achieving the objectives and outcomes of the Programme. The Beneficiary(es) of the Call for Proposals will be the Programme Component Operator(s), i.e. the legal entity(ies) entrusted by the Programme Operator with the implementation of a given Programme Component, concluding a Grant Contract to that effect.

The objective of the drinking water treatment part of the Programme supporting the improvement of water quality is to provide clean drinking water to the affected population, in line with the EU Directive 2020/2184 of the European Parliament and the Council on the quality of water intended for human consumption and the Government Decree 5/2023 (I. 12.) (together referred to as international and national legislation), specifically to improve the quality of piped drinking water due to its objectionably high iron and manganese content. For the iron and manganese parameters, the verification of the parametric value exceedance shall be based on the expert opinion of the National Centre for Public Health and Pharmacy (hereinafter referred to as NNGYK).

In line with the Framework Agreement, at least 80% of the funds available for the drinking water treatment part of the Programme must be used in the three most disadvantaged regions of Hungary - Northern Hungary, Northern Great Plain and Southern Transdanubia. Up to 20% of the funds to be allocated may be used in other regions of Hungary, where the proposal meets the other conditions.

Applicants for a grant under this Call for Proposals are required to establish a partnership with at least one NGO active in the disadvantaged region affected by the planned development. The involvement of civil engagement should be integrated into the proposal as a complementary activity with a comprehensive approach, focusing on the specific implementation sites. Eligible activities are set out in Chapter 5 of this Call for Proposals.

¹ Government Decision 1057/2021 (II. 19.) on the development programme necessary to reduce economic disparities among certain regions of Hungary and on the extension of the long-term programme of "Catch-up settlements": <https://njt.hu/jogszabaly/2021-1057-30-22>

1.3 The background of the Call for Proposals

In order to reduce economic and social disparities within the European Union and to improve bilateral relations, the Swiss Confederation has committed to provide to Hungary a non-refundable contribution of approximately 87.6 million Swiss francs to support measures in several thematic areas.

The Framework Agreement between the Swiss Federal Council and the Government of Hungary on the implementation of the Second Swiss-Hungarian Cooperation Programme sets out the conditions for the Programme "Improving Water Quality in Hungary".

The overall objective of the Programme is to improve the protection of the environment and climate, including the improvement of water quality in Hungary by strengthening municipal drinking water supply networks.

The objective of the drinking water quality improvement part of the Programme is to ensure that the improvement of the measured parametric values of the iron and manganese components indicating the adequacy of water quality as defined in the Government Decree 5/2023 (I. 12.), will provide the population with drinking water of adequate quality in the settlements concerned.

The scheme will contribute to Hungary's commitment under the EU Treaty of Accession to provide healthy drinking water to the end-users (population) concerned.

The scheme is in line with the National Water Strategy adopted by the Government of Hungary.

The institutional framework for the domestic implementation of the Cooperation Programme is made up of the following organisations and committees:

National Coordination Unit, Paying Authority, Audit Authority, Intermediate Body, Swiss Contribution Office, Programme Operator, Programme Partner, Programme Component Operator(s), the Advisory Committee and the Steering Committee.

The National Development Centre as the grant provider (hereinafter referred to as the Programme Operator), announces the present Call for Proposals.

The Programme Operator is supported by the Ministry of Energy as a technical partner.

The Programme Operator shall engage the services of an Intermediate Body for the management of the proposals (administrative, financial and operational tasks related to the preparation and implementation of the application procedure and the implementation of the supported proposals, as well as the operation of the supporting national IT system (hereinafter referred to as CHRIS). For the purposes of this Call for Proposals, the Intermediate Body of the Programme Operator is Széchenyi Programme Office Consultancy and Service Provider Non-Profit LLC. The role of each

organisation is described in detail in the General Application Guidelines.

2. AVAILABLE FUNDING

The source of support available under this Call for Proposals is provided by the Framework Agreement. The budget serves the improvement of the drinking water quality under the Programme "Improving Water Quality in Hungary" within the environment and climate protection objective of the Cooperation Programme.

The amount of the budget available for the drinking water treatment objective under this Call for Proposals is HUF 3 334 538 158.

Objective	Thematic area	Programme	Funding	Programme Operator
Environment and Climate Protection	Water and wastewater management (SM07-WWM)	Improving water quality in Hungary - drinking water treatment objective	3 334 538 158 HUF	National Development Centre

Procedure for the awarding of the grant: open, single-round application procedure.

The non-refundable grant can be awarded within the limits of the available budget.

3. ELIGIBILITY CRITERIA

3.1 Eligibility of applicants for submitting a proposal

The general requirements for the definition of the eligible applicants are set out in Chapter 3.1 of the General Application Guidelines, the conditions related to the partners are set out in Chapter 3.2 of the General Application Guidelines.

Under this Call for Proposals, the following independent legal personalities that are maintained by one or more companies, budgetary bodies and/or associations thereof (a); b)), may submit proposals in the framework of a partnership involving at least one NGO (c)), as follows:

- Enterprises with legal personality and other economic entities with GFO codes 113, 114;
- Budgetary and economic bodies under budgetary order with GFO codes 321,

327, 328, 381, 382;

- c) NGOs with GFO codes 517, 529, 561, 562, 569, 572, 573, 575, 576, 591, 599 and 699 may be involved as compulsory NGO partner(s).

Where relevant (see point 4.1), a professional partnership is hereinafter referred to as a contractual cooperation based on a Partnership Agreement between the applicant and one or more companies, budgetary bodies and/or associations thereof ((a); b)).

Only organisations having a branch in Hungary may apply for funding under this Call for Proposals.

Only organisations that meet the requirements set out in this Call for Proposals and are eligible for funding may be members of the partnership.

The cooperating entities must conclude a Partnership Agreement.

The Partnership Agreement must set out the rules of cooperation between the parties, the rights and obligations of the parties and, in case of receiving a grant for the submitted proposal, the parties shall implement the Programme Component as defined in the submitted application documentation (for a Partnership Agreement template, see Annex 13).

Direct payments are performed to partners in case there is an assignment of all payments to a given partner, as set out in the Partnership Agreement.

The Partnership Agreement shall not generate joint liability between the parties. The liability of the parties under the Partnership Agreement shall be without prejudice to the ultimate liability of the Programme Component Operator towards the Programme Operator for any financial or professional irregularity, infringement of the law, or any act contrary to the Grant Contract and its annexes committed by the Programme Component Operator under the Programme Component.

The Partnership Agreement must ensure that neither a legal relationship under the public procurement law, nor other subcontracting relationship is established between the parties. The partner may receive a grant from the allocation for the implementation of the Programme Component only in respect of its own eligible costs incurred. The Beneficiary Programme Component Operator concluding the Grant Contract shall bear full and unlimited responsibility towards the Programme Operator as the grant provider for the implementation of the Programme Component and for the regular and contractual use of the grant.

3.2 Economic conditions of eligibility

Criteria for eligibility which must be assessed and met for each company separately:

- a) The average statistical headcount of the organisation, as shown in its published annual accounts for the last closed full financial year (365 days), shall not be less

than 1 person.

- b) The organisation's equity capital, as shown in its published annual accounts for the last closed full financial year (365 days), shall not be negative.

3.3 The organisation does not have the right to submit an application

- a) which does not have a branch in Hungary;
- b) which does not have a Hungarian tax number;
- c) an official of which has taken the grant decision, or has participated in the preparation of the grant decision;
- d) which has overdue taxes or a public debt to be collected in the form of taxes of more than 60 (sixty) days, unless the tax authorities have authorised deferred payment or payment by instalments, or which has a debt under the heading of traditional own resources of the European Union;
- e) which does not comply with the requirements for budget aid laid down in Act CXCV of 2011 on Public Finances;
- f) which is subject to winding-up, bankruptcy, liquidation, debt adjustment or any other procedure for the termination thereof ordered by a final and binding decision, as provided for by law;
- g) whose activity does not comply with the environmental protection standards in force;
- h) against which a court of law has legally established the commission of a criminal offence within 3 (three) calendar years preceding the submission of the proposal, in accordance with Act CIV of 2001 on criminal measures against legal persons;
- i) which has been adjudged to have engaged in a conduct contrary to the prohibition of unfair market practices or restrictions on competition, pursuant to Act LVII of 1996 on the prohibition of unfair market practices and restrictions on competition, within 3 (three) calendar years preceding the submission of the proposal;
- j) with regard to whom a conflict of interest exists pursuant to Article (1) Paragraph 6 of Act CLXXXI of 2007 on the transparency of public funding, and has failed to comply with the obligation to disclose the circumstances justifying its involvement pursuant to Paragraph 8 within the time limit.

3.4 The grant cannot further be awarded to

- a) an entity wishing to implement a Programme Component the content of which is not in line with the professional objectives set out in the Call for Proposals;
- b) an entity which is the subject of pending proceedings initiated by the tax authorities at the time of submission of the proposal, unless the applicant declares that this procedure has been closed;
- c) a legal entity that has not fulfilled an obligation to repay the state aid

- imposed on it by a decision of the European Commission addressed to Hungary, or ordered to be repaid by the Hungarian authorities;
- d) an entity against which legal proceedings are ongoing at the time of submission of the proposal;
 - e) Programme Components that started before the date of submission of the proposal. The starting date of the Programme Component is the earliest of the following dates:
 - the start of construction work of the investment;
 - the first legally binding commitment related to ordering the equipment, which makes the investment irreversible, depending on whichever is the earliest.

The preparatory works such as obtaining permits and preparation of feasibility studies are not considered as the start of works, acknowledging that the costs of these documents are not eligible for support even if they were purchased within the eligibility period (see also Chapter 8).

3.5 Territorial and professional conditions for the submission of proposals

A. Territorial conditions:

Location of the Programme Components: the whole territory of Hungary

Under the Programme Component, developments in the settlement(s) with a population of over 2,000 persons served by the drinking water supply system are eligible. The number of population is determined on the basis of the data published by the Ministry of Interior in January 2024.²

B. Geographical conditions:

The support granted under this Call for Proposals may be used on the territory of Hungary.

Proposals for the implementation of Programme Components in the regions of Northern Hungary, Northern Great Plain, Southern Transdanubia will be given preference in the course of evaluation provided that the settlement(s) concerned are included in the list of "Catch-up settlements".³

C. Professional conditions:

Based on the data related to the measurements for the determination of iron and/or manganese content in the water supply system at the sampling point (network intake

² https://www.nyilvantarto.hu/letoltes/statisztikak/kozerdeku_lakossag_2024.xlsx

³ Government Decision 1057/2021 (II. 19.) on the development programme necessary to reduce economic disparities among certain regions of Hungary and on the extension of the long-term programme of "Catch-up settlements": <https://njt.hu/jogszabaly/2021-1057-30-22>

or end point), the occurrence ratio of the parameters above the parametric values in the water samples taken in the water samples in the years 2022, 2023 and 2024 reaches a minimum of 50%, for which a specific NNGYK expert opinion on the parametric values at the implementation site of the application is required to be submitted as part of the application.

D. Economic conditions:

Applications can only be submitted for developments that qualify as water utilities.

The investment must be technically feasible, operable and sustainable, and must comply with the applicable technical, safety and environmental standards, the relevant EU directives, standards and national legislation and standards harmonised with them.

The technical solution chosen must take into account the best available techniques (BAT) for the given technology concerned and the reference document (BREF⁴) accepted by the EU.

Cost-effectiveness, value for money and economic operability and sustainability shall be taken into account in the planning.

No grant may be awarded for a development that has been started before the date of application, or has already been financed by other development sources under the mandatory maintenance period.

In case of a physical connection with developments from other funding sources, the applicant must ensure that the demarcation separation is provided and demonstrated in the application.

Energy efficiency and climate protection considerations are expected to be taken into account during implementation and operation.

E. Conditions and deadlines for permits, technical documentation plan:

The following documents must be submitted by the applicant to the Intermediate Body via the CHRIS system as part of the application or by the deadline specified in the table below:

Type of document to be submitted:	Deadline for submission:
<ul style="list-style-type: none"> the documents specified in Chapter 9.2 of the Call for Proposals 	simultaneously with the submitted proposal
<ul style="list-style-type: none"> document justifying the launch of the purchase/public procurement procedure for the selection of the designer to start implementation 	until the Grant Contract conclusion

⁴ <https://eur-lex.europa.eu/legal-content/HU/TXT/HTML/?uri=CELEX:32012D0119&from=FI>

<ul style="list-style-type: none"> • a declaration by the person authorised to represent the applicant that the activity supported under the Programme Component is not subject to permits, in case the proposal does not include activities requiring a permit 	until the Grant Contract conclusion
<ul style="list-style-type: none"> • a legal water permit for construction⁵ 	within 180 days after the Grant Contract conclusion
<ul style="list-style-type: none"> • all relevant legal authorisations of public / professional authorities and/or service provider certificates, consents, if the proposal includes other activities requiring a permit 	within 180 days after the Grant Contract conclusion
<ul style="list-style-type: none"> • a document certifying the completion of the purchase/public procurement procedure for the selection of the contractor to start implementation 	within 365 days after the Grant Contract conclusion
<ul style="list-style-type: none"> • a new or modified legal water permit for operation for the drinking water infrastructure developed under the Programme Component 	by the closure date of the development-implementation at the latest

The plans must be prepared in accordance with the regulation entitled "Requirements for the content and form of the technical design documentation"⁶, which can be found on the website of the Hungarian Chamber of Engineers.

F. Mandatory civic engagement:

Civic engagement should be integrated through a comprehensive approach, focusing on each implementation site. The aim of civic engagement activities is to develop participatory structures and processes for the beneficiaries involved related to the design of the Programme in order to reduce economic and social disparities.

The involvement as partner of at least a civil society organisation (NGO) directly or indirectly involved in the design, implementation or maintenance of the development is mandatory. The involvement of local nature and environmental protection NGOs is recommended primarily in the implementation of the Programme Components.

⁵ Access to general information on water permit licensing: <https://vizek.gov.hu/agazati-informaciok>

⁶ <https://www.mmk.hu/informaciok/dokumentumok/szabalyzatok/Hatalyos-szabalyzatok>

4. SUPPORT AVAILABLE

4.1 Amount of available support, means of financing

The total amount available at the publication time of this Call for Proposals is HUF 3 334 538 158, consisting of 85% Swiss Contribution of the Cooperation Programme and 15% national co-financing provided from the Hungarian national budget.

For a Programme Component, the amount of the support requested is **minimum HUF 200 000 000** for the SM07-WWM-PC1-A scheme, **minimum HUF 400 000 001** for the SM07-WWM-PC1-B scheme, **maximum HUF 400 000 000** for applicants where the applicant is required to enter into a mandatory partnership at least with 1 (one) NGO (SM07-WWM-PC1-A scheme),

or

maximum HUF 1 000 000 000 for applicants where the applicant has to conclude a compulsory partnership agreement with at least 2 (two) professional partners and at least 1 (one) NGO (SM07-WWM-PC1-B scheme).

In the CHRIS system, the call for proposals technically runs on 2 (two) codes due to the above breakdown of the available grant. Please use the table below to carefully select the relevant call for proposals scheme for your organisation.

Grant applied for		Mandatory partnership		Call for proposals scheme code in the CHRIS system
Minimum amount	Maximum amount	Professional partner	Civil partner	
200.000.000 HUF	400.000.000 HUF	Not required, optional.	At least 1 (one) NGO is mandatory.	SM07-WWM-PC1-A
400.000.001 HUF	1.000.000.000 HUF	At least 2 (two) professional partners are mandatory.	At least 1 (one) NGO is mandatory.	SM07-WWM-PC1-B

Form of the grant: Non-refundable grant

It involves state aid: No

No State aid in the sense of competition law is involved for the activities A, B, D in Chapter 5 given that the water utility infrastructure is subject to legal monopoly (both

at the level of the owner and the operator) and competition for the market for the operation of the infrastructure is excluded, the advantage granted by the State to the operator or owner of the infrastructure cannot distort competition and does not affect trade between Member States. In addition, users of water utility infrastructure do not benefit from State aid within the meaning of Article 107(1) TFEU, as they pay a market price for the use of the service and thus do not receive an economic advantage that they would not have obtained under normal market conditions.

The financing of the activity C in Chapter 5 does not qualify as State aid within the meaning of Article 107(1) TFEU either, as the activities to be supported do not constitute an economic activity in the meaning of competition law.

4.2 Intensity of the requested grant

To start the activities, 30% of the grant provided for in the Grant Contract may be requested as an advance.

Costs incurred during the implementation will be settled by ex-post financing, according to the progress reports and related payment claims submitted by the Beneficiary every 6 months.

The general requirements for the general conditions of grant application are set out in Chapter 3.3 of the the General Application Guidelines. Additional requirements for the application of advance payment are set out in Chapter 12.3 of this Call for Proposals.

5. ELIGIBLE AND NON-ELIGIBLE PROFESSIONAL ACTIVITIES

The objective of the support available under this Call for Proposals is to improve the quality of drinking water supplied by the urban water supply, in particular to reduce the iron and manganese parametric values measured at the network intake and end points at the implementation site(s), especially in disadvantaged settlements in the regions of Northern Hungary, Northern Great Plain, Southern Transdanubia, thus contributing to the reduction of economic and social disparities within the European Union.

Under the scheme, the range of activities eligible for funding under a Programme Component may be divided into individually eligible and non-eligible activities, as follows. The necessity for the activity(ies) for which funding is requested must be demonstrated in each case. A detailed description of the Programme Component, as set out in Annex 1, must be submitted as part of the application for support.

A. Individually eligible professional/technical activities:

Water treatment: If the application of water treatment technology is the preferred option, complex technology should be used to ensure that as a result of the development, the quality of the drinking water supplied meets all requirements of international and national legislation in a satisfactory way, in addition to reducing the priority parameters (iron and manganese) below parametric values. The proposal submitted must demonstrate that the technological solution chosen for implementation is cost-effective from an operational point of view as well by submitting, as an annex to the technical specifications, a simplified analysis of alternatives prepared within 1 (one) year. The technology includes the water treatment units and the storage capacity as well.

- **Upgrading the existing technology** to increase treatment efficiency;
- **Upgrading and capacity increase of existing technology** to improve treatment efficiency and supply security;
- **Establishing new treatment technology** to increase treatment efficiency and supply security

The general eligibility criterion is that the treatment technology to be established must essentially serve to meet the needs of the population as end users, while increasing treatment efficiency and supply security.

Mandatory core indicators for all professional/technical activities eligible for individual support:

- a. Reducing by at least 75% the number of samples non-compliant with the parametric values taken at the network intake and end point, which are uploaded into the Water for Human Use Information System (hereinafter referred to as the HUMVI system), but with the long-term objective of full compliance with the parametric values for iron and manganese;
- b. In case of existing technology, a measurable reduction in energy consumption of at least 10%.

The list of mandatory indicators is set out in Annex 3 to this Call for Proposals. Please note that the applicant is requested to make a commitment to each of the Mandatory Indicators listed in Annex 3.

B. The costs of the following additional professional/technical activities connected to the individual professional/technical activities are eligible:

- **Network cleaning within property:** During the implementation period, sponge-ball technology may be performed 1 (one) time in total on the piping systems connected to the water utility concerned by the development. Any additional washing procedures that may be necessary to meet the indicators will be financed by the applicant.
- **Cleaning and disinfection of the municipal distribution network:** It

can be performed once during the implementation period. To meet the Programme Component's outcome indicators, it is essential to ensure that the network is free of deposits and that the water of sufficient quality to be measured at the network intake or end point. The applicant will be responsible for financing any additional washing procedures that may be necessary to meet the indicators.

- **Well cleaning:** The wells are cleaned by mechanically removing dirt, accumulated sludge and other pollutants that have been accumulated during operation.
- **Renovation of an existing well, or direct sideboring:** Well renovation activity is essential to ensure that groundwater is extracted in sufficient quantity and quality. If justified in detail, it may be eligible for energy efficiency or repair work on water treatment plant facilities.
- **Improving the energy efficiency and/or the unsatisfactory technical condition of water treatment plant facilities:** In addition to interventions aimed directly at improving the quality of drinking water, any activity that leads to energy savings of at least 10% (kWh/year) per year, in case the condition of a water treatment unit or the demonstration of energy efficiency is justified by a survey, is eligible as far as existing technology is concerned.
- In the framework of **network reconstruction**, the replacement or renovation of obsolete water piping infrastructure with modern, efficient systems, cannot exceed 20% of the total eligible costs of the Programme Component.
- **Installation of automated monitoring systems** on modern, efficient systems, which shall not exceed 5% of the total eligible costs of the Programme Component.

The general condition for eligibility is that the developments to be made must be related to the professional/technical activities that are eligible individually. The applicant may choose a minimum of 1 (one) and a maximum of 3 (three) additional activities from the above B professional/technical activities which are not individually eligible.

Mandatory core indicator for all individually non-eligible professional/technical activities:

A minimum 10% reduction in operating and maintenance costs related to the development.

C. Eligible civil activities related to the eligible professional/technical activities

In addition to the eligible professional/technical activities, the mandatory NGO partner(s) may carry out the following activities in order to reduce economic and social disparities in the region concerned by the proposed intervention:

- **Activities to support social inclusion:**
 - activities supporting social acceptance of the results of the proposal (e.g. promotional events, elaborating publications)
- **Activities to promote environmental awareness:**
 - activities to promote environmental awareness among the population living in the regions concerned by the investment (e.g. awareness-raising lectures, school competitions)
 - activities to strengthen the participation ability in local environmental decision-making processes of the population living in the regions concerned by the investment (e.g. public fora)
 - promoting the environmental awareness of the population living in the region concerned by the investment, shaping their attitudes towards conscious water consumption
 - organising awareness-raising campaigns highlighting the importance of reducing water losses for the population living in the region concerned by the investment
- **Activities to strengthen dialogue and cooperation:**
 - strengthening dialogue and/or cooperation between water suppliers and the population living in the regions concerned by the investment in order to raise their awareness and make decisions related to drinking water (e.g. encouraging the consumption of tap water instead of bottled water)

For each NGO involved by the applicant, the application must define at least 1 and no more than 5 civil activities.

Mandatory core indicator for all eligible civil activities:

Number of local people reached/involved by the civil activity

D. Mandatory activities to be undertaken:

- (Programme Component) Management (only the applicant may carry out management activities)
- Publicity
- Civil activity (see under point C)

E. Non-eligible activities:

- Connecting previously unserved holiday areas to the drinking water supply;
- Utility installation for planned urban areas;

- Demolition and rehabilitation of old abandoned water treatment plants and pipelines;
- Construction of capacities and network elements the future use and economic operation of which is not realistically justified in the Annex 1. Appendix 1.;
- All activities not included under the eligible activities.

6. EXPECTED RESULTS AND INDICATORS

The implementation of the water quality improvement objectives in the settlements concerned in the framework of the Cooperation Programme will lead to direct positive impacts in the medium term.

The use of modern water treatment technologies instead of obsolete ones will contribute to the energy efficiency targets in the context of improving drinking water quality. Modern, properly functioning water treatment technologies will also reduce the amount of water extracted, as less technological water will be required, resulting in cost savings.

Improving the quality of piped water can encourage local people belonging to disadvantaged groups in terms of access to drinking water to use tap water instead of bottled water. With clean and healthy water supply, the settlements and regions concerned offer the population the opportunity to enjoy a decent and healthy quality of life, thus maintaining the population and developing socio-economic activities for local SMEs.

6.1 Expected results at Programme level:

- The quality of clean and healthy drinking water in the area concerned by the investment will improve in line with EU and national directives, specifically for iron and manganese parameters;
- The number of persons and households with improved water quality increases;
- Energy efficiency of the water supply system concerned increases;
- NGOs involved as partners can indirectly be empowered through their activities/ the number of the population informed about improved drinking water quality increases;
- By establishing new technology the use of technological water is reduced, thus making the operation more environmentally friendly;
- The new operational technology may allow for continuous monitoring;
- The introduction of new technology will reduce the use of chemicals, thus making the operation more environmentally friendly.

6.2 Expected indicators at Programme Component level:

The progress of the activities carried out under the Programme Components will be measured by mandatory indicators to be undertaken by the applicant.

The list of mandatory and optional indicators is set out in Annex 3 to this Call for Proposals. Please note that the applicant is requested to make a commitment to each of the Mandatory Indicators listed in Annex 3.

7. THE IMPLEMENTATION PERIOD

The implementation of the Programme Component will start on the date specified in the Grant Contract.

The period available for the implementation of the granted Program Component is 36 months which can be amended in accordance with Paragraph 38 section (6) point b) and section (7) of the Government Decree 563/2022 (XII. 23.) on the Implementation of the Second Swiss-Hungarian Cooperation Programme.

8. RANGE OF ELIGIBLE AND NON-ELIGIBLE COSTS

For the accountability rules related to the implementation of the Programme Component see

- Chapter 4.2 of the General Application Guidelines,
- the detailed rules on eligibility are set out in the Implementation Guide and its Appendix 1 the Eligibility Guide in Annex 1 to the General Application Guidelines.

The total amount of the grant awarded for the implementation of the Programme Component and the provisions relating to the rights and obligations of the parties are set out in the Grant Contract.

Only costs incurred during the period between the start and the end date laid down in the Grant Contract and closely linked to the implementation of the eligible professional/technical, civic, publicity and management activities and in accordance with the principles of the Cooperation Programme and the objectives of this Call for Proposals are eligible. Costs incurred after the submission of the final report and final payment claim are not eligible.

Preparatory activities⁷ carried out before or outside the eligibility period laid down in

⁷ E.g. feasibility study, business plan, preparation of technical design plans, obtaining permits, the NNGYK expert

the Grant Contract do not constitute the start of the Programme Component and are therefore not eligible.

In accordance with the eligibility principles and on the basis of the budget template agreed with the Swiss authorities, the activities eligible under the Programme Component are as follows.

- a) (Programme Component) Management (only the applicant may account for management activity),
- b) Supported professional/technical activity(ies),
- c) Supported civil activity(ies),
- d) Publicity

The costs incurred can be allocated to the following cost lines within the activities indicated above:

- a) Staff cost (personnel),
- b) Office and administration,
- c) External expertise and related services,
- d) Information and communication (costs related to information and publicity can be accounted here),
- e) Travel and accommodation,
- f) Equipment and IT system,
- g) Infrastructure and works

The applicant must draw up a budget accordingly and submit it as part of the proposal.

The grant amount awarded for the implementation of the Programme Component is based on the maximum amount of the total eligible budget of the Programme Component under Chapter 4 of this Call for Proposals, according to which

- up to 5% - i.e. maximum HUF 20 000 000 (in the case of the Call for Proposals scheme SM07-WWM-PC1-A) or HUF 50 000 000 (in the case of the Call for Proposals scheme SM07-WWM-PC1-B) - may be used to cover **management costs** (only the applicant may account for management activity),
- up to 3% - i.e. maximum HUF 12 000 000 (in the case of the Call for Proposals scheme SM07-WWM-PC1-A) or HUF 30 000 000 (in the case of the Call for Proposals scheme SM07-WWM-PC1-B) - to cover the costs of the mandatory **civil engagement** in the partnership,
- up to 5% - i.e. maximum HUF 20 000 000 (in the case of the Call for Proposals

scheme SM07-WWM-PC1-A) or maximum HUF 50 000 000 (in the case of the Call for Proposals scheme SM07-WWM-PC1-B) - to cover the **publicity** of the Programme Component.

The remaining amount shall be used to cover the costs of implementing the professional/technical activity(ies) applied for.

9. MEANS AND DEADLINE OF SUBMITTING THE APPLICATION

The general conditions for submitting a proposal are set out in Chapter 6.1 of the General Application Guidelines.

9.1 Means of submitting a proposal

Applications for this SM07-WWM Call for Proposals may be submitted electronically via the CHRIS IT system (<https://chris-system.hu>) available on the official website of the Cooperation Programme (www.svajcialap.hu), together with the necessary annexes, by the deadline specified in point 9.3 of this Call for Proposals, in accordance with the requirements set out below:

- a) The electronic application form with relevant data, in English, completed in full.
- b) The annexes required by this Call for Proposals have been submitted in the manner and by the deadline specified and are complete.
- c) The applicant's declaration has been uploaded in CHRIS and has been signed by the person authorised to make the declaration as being certified by AVDH.
- d) The planned implementation period of the Programme Component in the proposal fits within the implementation timeframe specified in the Call for Proposals (to be implemented within the timeframe specified in this Call for Proposals).

Only 1 (one)-time completion of the formal requirements can be made via the CHRIS application interface. In the event that the submitted proposal does not comply with the formal requirements, the Intermediate Body will request the applicant to submit a completion. The deadline for completing the application is 5 (five) working days. Further conditions for the completion are set out in point 6.2.2 of the General Application Guidelines.

9.2 Mandatory documents to be submitted as part of the proposal

The specifications for the submission of the proposal, the content of the application form and the mandatory annexes are set out in Chapter 6.1 of the General Application Guidelines and in the online guide available on the CHRIS interface. The table below summarises the mandatory annexes to this Call for Proposals.

	Annex type	Applicant	Civil partner	Professional partner
1	Declaration by the applicant accepting the terms of the Call for Proposals (automatically generated in CHRIS when the application form is submitted). The declaration must be certified by the person authorised to represent the applicant by AVDH.	x		
2	Notarised signature of the person(s) authorised to sign on behalf of the applicant or the partner, or a specimen signature issued or certified by a bank, not older than 90 days, in Hungarian	x	x	x
3	Certificate of incorporation /deed of foundation/statutory registration certificate, not older than 90 days, in Hungarian	x	x	x
4	Accounts for the past two financial years, in Hungarian	x	x	x
5	A declaration of eligibility and other conditions signed by the persons authorised to sign, in Hungarian *	x	x	x
6	Description of the Programme Component according to Annex 1, in English	x		
7	Quotations, published price lists, supporting the conformity of the cost items presented in the budget with market prices, in Hungarian	x	x	x
8	Designing cost estimate, in Hungarian	x		x
9	Expert opinion issued by the National Centre for Public Health and Pharmacy (NNGYK) on the iron and manganese parametric values measured at the network intake or network end point(s) at the site or sites of implementation, not older than 30 days, in Hungarian (see point 3.5 C)	x		x
10	Title deed or other documents (e.g. owner's consent, lease agreement, pre-contract for the sale and purchase of the property, etc.), confirming the property's orderly legal ownership, in Hungarian	x		x
11	Copy of the existing water permit (in PDF)	x		x
12	Letter of intent for partnership cooperation submitted at the same time as the application from the partner(s) named in the application *		x	x
13	CVs of the professionals involved in the implementation of the Programme Component, in English	x	x	x
14	Name of the engineer(s) and auditor(s) carrying out the technical preparation of the application,	x		

	Annex type	Applicant	Civil partner	Professional partner
	their chamber ID, contact details in English, and their reference statement and insurance policy in Hungarian			
15	Management organisation chart and description, in English	x		
16	Communication plan ⁸ in English	x		
17	Simplified analysis of alternatives, in English, prepared within 1 (one) year (see Appendix 1 of Annex 1)	x		
18	Declaration of the existing permits *	x		x
19	Declaration by the applicant that the development is part of the water utility system, in English *	x		

The templates for the annexes marked with an asterisk (*) in the table above are available at the URL <https://svajcialap.hu/en/documents/water-and-wastewater-management> and must be completed and submitted in the language indicated.

The application form must be completed in English.

9.3 Deadline for submission of proposals

Deadline for electronic submission of proposals: 60 days, 02. December 2024. 12:00 after the publication of this Call for Proposals.

9.4 Request for additional information

Further questions about the application can be asked in writing in Hungarian, or more information can be requested by sending an e-mail to svajcialapwwm@szechenyiprogramiroda.hu. In the subject line of the e-mail, please quote the application reference SM07-WWM. The questions will be answered by the Intermediary Body within 3 (three) working days of receipt by e-mail as supplementary information, which will be uploaded on the official website of the Cooperation Programme (<https://svajcialap.hu/>) as well.

Attention!

The requested additional information will only be guaranteed by the Intermediate Body before the deadline for submission of the proposal if the request is made at the latest 5 (five) working days before the deadline for submission of the proposal. It is the sole responsibility of the applicant to ensure that the request for information reaches the e-mail address provided in time.

⁸ For conditions related to its contents see Chapter 13.

The Programme Operator draws the attention that the information provided in the above manner only contains additional information and does not mean a modification of this Call for Proposals, and that the Programme Operator or the Intermediate Body shall not be held responsible for the responses.

10. SELECTION CRITERIA, DECISION AND COMPLAINT MECHANISM

Please note that when completing the application form, care must be taken to ensure that the content and length requirements set out in this Call for Proposals and in the online filling guidelines. The order in which applications are received will in no way affect their evaluation.

If the format of the application form is changed, the application will not be processed.

The evaluation of the proposal and the decision to approve it, as detailed in this chapter, will only apply to the start of the implementation of the Programme Component. The eligible Programme Component based on the submitted application must be carried out at the Beneficiary's own expense, with reimbursement of costs in the form of ex-post financing, according to the submission of the payment claim and progress report schedule for the implementation of the Programme Component as defined in the application, up to the amount of the grant awarded, as described in Chapter 12.4.

The provisions on the selection process (verification of the eligibility criteria, formal evaluation and professional evaluation), decision-making and objection handling are set out in Chapters 6.2 and 6.3 of the General Application Guidelines.

Eligibility criteria:

Eligibility criteria	Yes	No
The applicant and its partner(s) must have a branch in Hungary		
The applicant falls within the categories set out in point 3.1 a) or b) of this Call for Proposals		
The Beneficiary professional partner(s) of the applicant fall(s) within the scope of point 3.1 a) or b) of the Call for Proposals (if relevant)		
The Beneficiary civil society organisation(s) involved as partner(s) of the applicant fall(s) within the scope of point 3.1 c) of the Call for Proposals		
Under the Programme Component, the planned development is targeted at drinking water supply system(s) serving at least 2,000 people		
In the case of the SM07-WWM-PC1-A Call for Proposals scheme, the applicant organisation has submitted a letter of intent for a mandatory partnership cooperation with at least 1 (one) NGO as defined in the application		

Eligibility criteria	Yes	No
In the case of the SM07-WWM-PC1-B Call for Proposals scheme, the applicant organisation has submitted letters of intent for the mandatory partnership cooperation with at least 2 (two) professional partners and at least 1 (one) NGO as specified in the application		
The applicant's declaration of acceptance of the conditions of the Call for Proposals has been uploaded to CHRIS		

There is no possibility to complete for missing eligibility criteria.

The following annexes are required for the assessment of the eligibility criteria:

- Certificate of incorporation/deed of foundation/statutory registration certificate, not older than 90 days, in Hungarian (to be attached for both the applicant and the partner(s))
- Letter of intent for partnership submitted by the partner(s) named in the application

Formal criteria:

Formal criteria	Yes	No
The submitted application form is complete and formally correct		
The set of annexes attached electronically is complete and formally correct		
The declarations uploaded in the CHRIS system were signed by the person(s) authorised to represent the applicant		
The amount of support requested is in line with the minimum and maximum amounts of grant that may be awarded under the Call for Proposals		
The duration of implementation and the closure date of implementation are in line with the deadline set out in the Call for Proposals		
The application form was completed in the language (English) specified in the Call for Proposals		
Mandatory activities have been undertaken*		
The applicant has chosen a minimum of 1 (one) and a maximum of 3 (three) additional professional/technical activities which are not individually eligible		
Mandatory indicators have been committed (see Annex 3)		

*A. Choice of at least 1 (one) *individually eligible professional/technical activity*; B. Choice of minimum 1 (one), maximum 3 (three) additional professional/technical activity(ies); C. Choice of at least 1 (one) civil activities; D. *Management*; D. *Publicity*

If the application does not comply with the formal requirements set out in the Call for Proposals, the Intermediate Body shall request the applicant to submit a completion

within 5 (five) working days in accordance with the General Application Guidelines.

The professional evaluation:

The criteria for the professional evaluation of proposals submitted under this Call for Proposals are set out in Annex 2. The scoring of the content of the proposals must achieve the minimum score for granting indicated for each evaluation criterion.

The specifications for the professional evaluation of the proposals that meet the eligibility and formal criteria are set out in Chapter 6.2.3 of the General Application Guidelines.

The granting will be decided on by the Steering Committee of the SM07-WWM Programme, composed of one representative of each of the following organisations:

- National Development Centre, Deputy State Secretariat for the Coordination of European Union Development (National Coordination Unit)
- Széchenyi Programme Office (Intermediate Body)
- National Development Centre, Programme Operator Unit (Programme Operator)
- Swiss Contribution Office (Swiss authority)
- Ministry of Energy (programme partner)
- MaVíz Hungarian Water Utility Association (professional interest group)

11. GRANT CONTRACT

The Grant Contract will be concluded between the Programme Operator and the Beneficiary as the Programme Component Operator selected on the basis of this Call for Proposals.

The Grant Contract will be countersigned by the Intermediate Body.

The conclusion of the Grant Contract shall be subject to the submission of the signed Partnership Agreement(s), as well as the permits, design documentation specified in Chapter 3.5 E.

The additional conditions required for the conclusion of the Grant Contract are set out in Chapter 7.2 of the General Application Guidelines.

12. FINANCIAL CONDITIONS

Financial conditions for the conclusion of the Grant Contract:

12.1 Composition and provision of own contribution

The general requirements for the composition and provision of own contribution are set out in Chapter 5.2 of the General Application Guidelines.

No own contribution is required under this Call for Proposals.

12.2 Obligations relating to the provision of guarantees

The general requirements for the provision of guarantees which may be requested by the Programme Operator are set out in Chapter 5.3 of the General Application Guidelines.

As a guarantee for the total amount of the grant awarded per Programme Component under this Call for Proposals, the Beneficiary shall provide the National Coordination Unit a direct debit order (collection) letter for all its legally debitable payment accounts, and shall proceed as provided for in the relevant provisions of the General Application Guidelines.

12.3 Advance payment

Under this Call for Proposals, the applicant may apply for an advance payment of 30% of the grant awarded.

The minimum conditions for the payment of the advance are set out in Chapter 5.4.1 of the General Application Guidelines, and further rules for the settlement of the advance are set out in the Grant Contract. Further rules on the use of the advance and the accounting of the advance shall be laid down in the Grant Contract to be concluded with the Beneficiary.

12.4 Application for and payment of the grant

The rules for applying for and receiving the grant are set out in Chapter 5.4.2 of the General Application Guidelines.

Grants awarded under this Call for Proposals may be disbursed through ex-post financing on the basis of a payment claim and progress report submitted in accordance with the reporting schedule specified in the Grant Contract. No supplier financing is possible.

As a general rule, the payment claim and progress report will be submitted electronically via the CHRIS system, as specified in the Grant Contract.

12.5 Monitoring and controlling the implementation of the Programme Component

General provisions for monitoring and controlling the implementation of the Programme Component are set out in Chapter 8 of the General Application Guidelines. This Call for Proposals requires the submission of a progress report and a payment claim by the Beneficiary every 6 (six) months.

12.6 Maintenance period

The Beneficiary is obliged to ensure the maintenance of the investments under the Programme Component at the address indicated in the application, as stipulated in the Grant Contract, for a minimum period of 5 (five) years.

The Programme Operator requests the establishment of a maintenance fund for the maintenance of the supported activities by opening a separate bank account, to which the Beneficiary concluding the Grant Contract shall annually pay 1% of the total eligible costs of the Programme Component, as specified in the Grant Contract. During the maintenance period, the maintenance fund may be used for activities to ensure the preservation and proper functioning of the assets, and the maintenance of the results, excluding regular expenditure of a general nature necessary for the ongoing operation.

The Grant Contract may provide for additional maintenance obligations for all supported activities. Compliance with the maintenance obligation shall be verified by the Programme Operator with the involvement of the Intermediate Body, until the end of the maintenance period specified in the Grant Contract. Failure to comply with the maintenance criteria may give rise to the opening of an irregularity procedure and/or the obligation to repay the grant.

13. PUBLICITY AND INFORMATION REQUIREMENTS

The general provisions regarding the obligations of the Beneficiary with regard to ensuring publicity are contained in Chapter 4.1.1 of the General Application Guidelines.

After the approval of the first payment claim, an information board with the visual elements defined in the Communication Manual and Communication Guide shall be placed at the site(s) where the Programme Component is implemented.

Beneficiaries are required to organise at least one opening and one closing event for each Programme Component. Several Beneficiaries may jointly organise an opening event or a closing conference.

14. ANNEXES OF THE CALL FOR PROPOSALS

The application documents are available at <https://svajcialap.hu/en/documents/water-and-wastewater-management> :

1. Description of the Programme Component
2. Professional evaluation criteria for the selection of the Programme Component
3. Indicators
4. Data protection and data management information
5. Sample declaration that the development is part of the water utility system
6. Declaration on the existing permits
7. Declaration on eligibility and other conditions
8. Letter of intent for partnership cooperation

Regulatory documents containing further information to assist in the preparation of the application, available at <https://svajcialap.hu/en/documents/general> :

9. General Application Guidelines for the selection of Programme Components and Component Elements under the Second Swiss-Hungarian Cooperation Programme
10. Implementation Guidelines and Annexes
11. Communication and Information Manual
12. Template of Grant Contract
13. Template of Partnership Agreement