

Current events of the Széchenyi2020 Program and a description of a tender soon to be available

As is widely known, the Széchenyi2020 Program is coming to an end, Hungary has used HUF 12,000 billion in development funds with the support of the European Union and the domestic budget until 2020.

The Széchenyi2020 Program was a framework program of the EU and the Hungarian State running between 2010 and 2020, which supported companies, enterprises and projects in the form of tenders. The application period of 2014-2020 of the the support program will be still available for a minimum of +3 years. During this time, further calls for proposals are expected at the expense of the Széchenyi2020 support framework, and calls for proposals are currently available in many sectors, for example; support for the complex development of small and medium-sized enterprises with high growth potential, support for the development of micro and small enterprises operating in disadvantaged settlements or the development of integrated products and services in tourist-frequented areas. The operational programs for the new financial cycle starting in 2021 are expected to be available in the second half of 2021 at the earliest. It can be seen that in the period between 2021 and 2027 the policy objectives and priorities will be similar to the previous cycles, especially in the following areas; research and development, agriculture and rural development, employment and social inclusion, regional and urban development, maritime and fisheries policy, humanitarian aid.

In Hungary, fashion and design companies with Italian ownership are well represented, and our own clients include many such companies. In view of this, we would like to present in this study the project *“Supporting Developments to Help Micro, Small and Medium-sized Enterprises in the Fashion and Design Industry to Adapt to Modern Business and Production Challenges”* (Call code number: GINOP-1.2.14-20). The special topicality of the tender is that it is possible to submit grant applications under the call from the 15th December 2020!

### **General Information**

The Government of Hungary calls for applications to support technological developments in the fashion and design industry to promote the renewal of micro, small and medium-sized enterprises. At the time of announcing the Call, the planned budget available for support is

HUF 7 billion. The expected number of supported support applications is 200-350. The amount of the non-refundable support that can be applied for: minimum HUF 5,000,000, maximum HUF 150,000,000. Maximum amount of support: 70% of all eligible costs. The amount of the mandatory advance for a micro, small and medium-sized enterprise beneficiary is 100% of the awarded repayable support, but not more than HUF 150 million. **Grant applications under this call are open from 9:00 on 15 December 2020 to 12:00 on 4 March 2021. The grant application is to submit Online via the electronic filing program.**

### **Independently supportable activities**

Acquisition of new devices and machines, development of new technological systems and capacities, including the development of automated production systems, development of production technologies, development of process automation devices, sensor and control technologies, application of robot technology, procurement of intelligent manufacturing solutions. Only the activity registered in the company statement with a date before 30 July 2020 may be indicated in the grant application as an activity to be developed.

### **General criteria**

Applications may be submitted by micro, small and medium-sized enterprises,

- (a) which have at least one closed (supported by a report / PIT) full (365 days) business year;
- (b) whose annual average statistical headcount was at least 1 person on the basis of the approved (members's resolution, members 'meeting or owners') closed annual accounts for the full financial year prior to the submission of the grant application;
- c) whose activities is specified in Annex 1 according to the NACE number;
- d) for which the amount of personnel expenses per capita was at least HUF 2,500,000 based on the approved (members's resolution, members 'meeting and the owners' closed annual report for the entire business year prior to the submission of the grant application);
- e) companies with bookkeeping by double entry, sole proprietors or sole proprietorships established in Hungary;
- (f) which are indicated in the public debt-free taxpayer database -pursuant to Section 260 (1) of the Taxation Act n 150 of 2017- when the aid application is submitted.

Applicants must meet all of the above criteria.

**Frame**

Reimbursable aid is up to a maximum of 70% of the total cost, and in case of adequate completion of the aided project (project implementation period) partial or full conversion of the aid is possible in case of achievement of pre-defined performance targets measured after year 1 of the maintenance period. If the applicant does not fulfill the conditions at the end of the project, 30% of the reimbursable aid will not be reimbursed, but this does not preclude the remaining 70% from being reversed in case of meeting the performance criteria

**Duration of the project**

The physical completion of the project shall be concluded in 12 months after the start of the project or, if the project has not started before the entry into force of the Grant Document, 12 months after the entry into force of the Grant Document. The deadline for submitting the financial statement (final payment claim) for the project shall be 60 days after the physical completion, but no later than 31 December 2022, whichever is earlier.

**Location**

Development in the Central Hungarian region can not be supported. The location of the development may be the registered headquarters, site or branch of the applicant in Hungary. The applicant can only implement the development at the registered office, site or branch of the registered office. The location must be registered before 30 July 2020 and must be already for the implementation of the project or, in case of real estate investment, as a result of the project, shall be suitable for the implementation. The site is considered suitable if the activity that is the subject of the project can be carried out on site, the appropriate infrastructure for the implementation of the project is already provided at the time of submitting the grant application, unless the project to be implemented under this Call includes real estate investment. In this case, the implementation site must become suitable for the implementation of the project and the performance of the activity that is the subject of the project after the implementation of the real estate investment.

If you are interested in this project or other application, our colleagues familiar with application writing are ready to help.