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European Union



MINISTRY FOR
NATIONAL ECONOMY

**Hungarian Economic
Development and Innovation OP
2014-20**

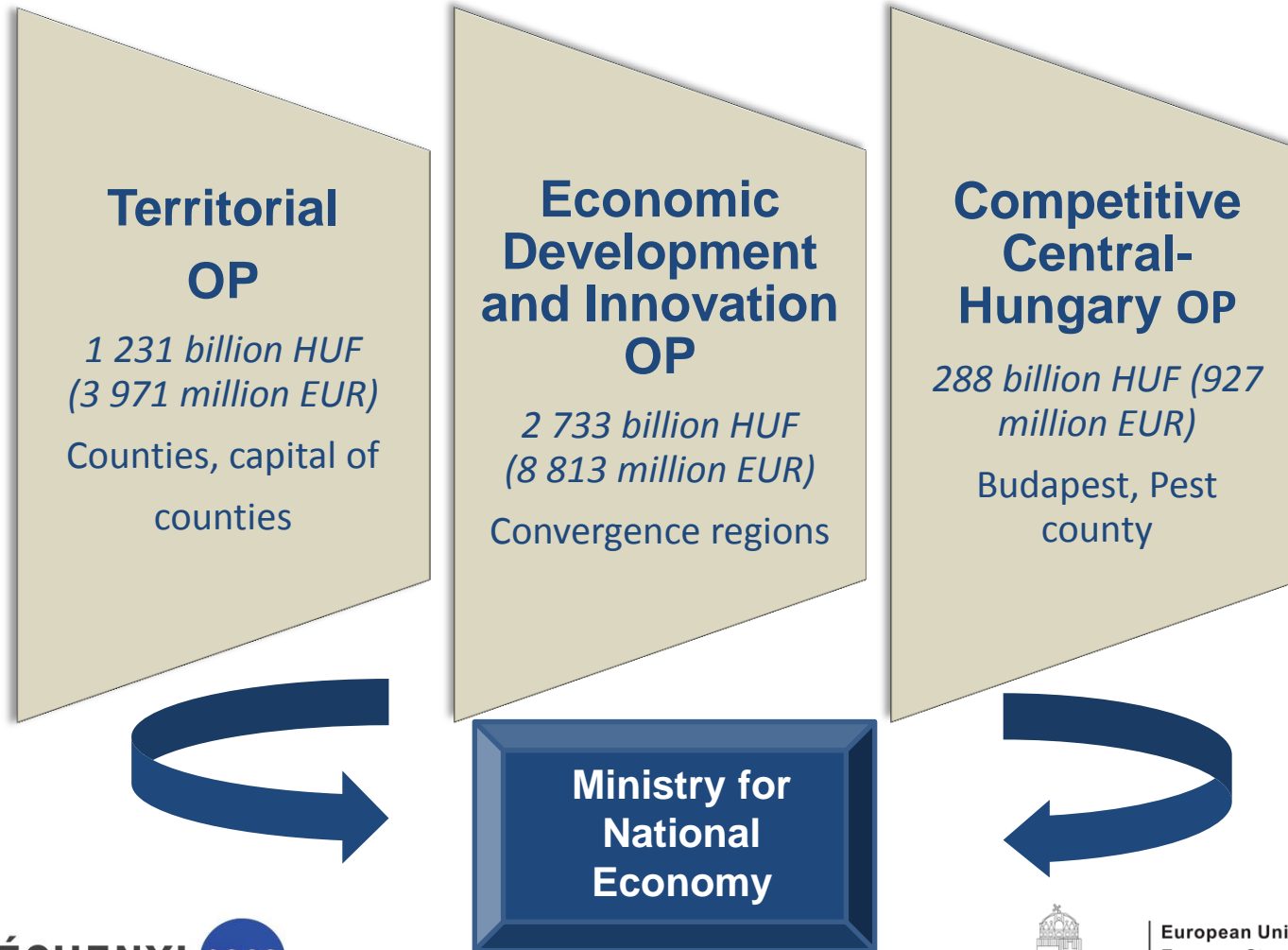
Tamás Karsai
Head of Managing Authority
Ministry for National Economy

Budapest, 09 June 2016

Launching of the New Programme – Hungarian OPs 2014-2020

Name of the Operational Programme	EUR million
Economic Development and Innovation Operational Programme (GINOP)	8 813
Competitive Central-Hungary Operational Programme (VEKOP)	927
Territorial Operational Programme (TOP)	3 971
Integrated Transport Development Operational Programme (IKOP)	3 920
Environment and Energy Efficiency Operational Programme (KEHOP)	3 785
Human Resources Development Operational Programme (EFOP)	3 070
Public Administration and Services Operational Programme (KÖFOP)	935
Rural Development Programme (VP)	4 174
Hungarian Fisheries Operational Programme (MAHOP)	51
OP for Supporting Socially Disadvantaged Persons (RSZTOP)	111
+ direct Single Area Payment Scheme	7 643
Total	37 400

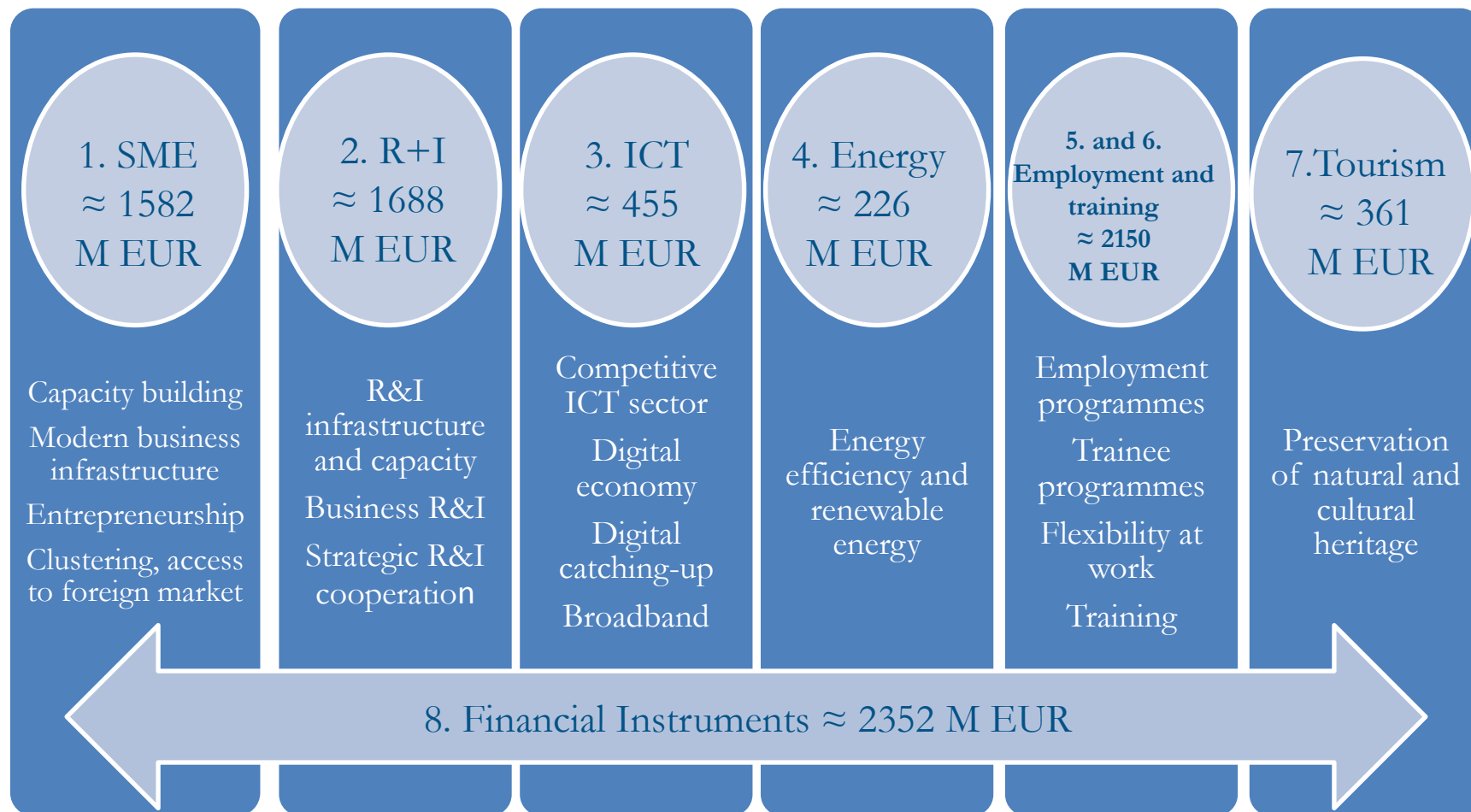
Role of Ministry for National Economy



Main changes compared to previous period

- No fragmented economic development programmes;
- Economy and enterprise development is in the focus;
- Focusing on SME development (manufacturing sector);
- Investment in less developed areas (Special Enterprise Zone);
- **Almost 1700 m EUR for R&D&I (double amount compared to 2007-13);**
- ESF sources integrated into the competitiveness OP;
- May be the largest priority for Financial Instruments in the EU28;
- Separate ICT priority

Economic Development and Innovation OP - Priorities



General rules at Economic Development and Innovation OP



NO REPLACEMENT INVESTMENT!

Only extension of product and service portfolio are eligible

TOURISM: Capacity extension of accommodation is not eligible!

IT: purchasing single IT tools are not eligible. Only in frame of launching complex IT systems!

SENSITIVE SECTORS: coal-, steel, shipbuilding, transportation, airports, agriculture, nuclear power plants, tobacco industry.

LARGE COMPANIES: logistic developments, supplier integrator, cluster development, ICT, R+I

Food industry: Using non-refundable grants must be justified

Service sector: using refundable grants but there are exceptions.

National priorities: priority sectors, growth zones, less-developed areas, RIS3, employment

EXPORT: Products and services developed by the project are suitable for export.

Production: manufacturing industry, development of productive infrastructure

R&I: market driven developments, international projects, cooperation between SMEs, large enterprises, research institutes

Energy: energy efficiency of buildings, focusing on renewable energy

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EDIOP results – 1.

Since 2014 48 calls for tenders were launched with 3 billion EUR budget

- closed/ suspended: 16 calls for tenders (1.4 billion EUR budget)
- Now available: 32 calls for tenders (2,4 billion EUR budget)

Main results:

- More than 9,500 submitted applications (≈4 billion EUR)
- The project selection process was finished in case of 4,300 applications (1.6 billion EUR)
- 2,800 supported projects (1.3 billion EUR)
- 2,500 contracted project (0.8 billion EUR)
- 143 million EUR payment disbursed to beneficiaries

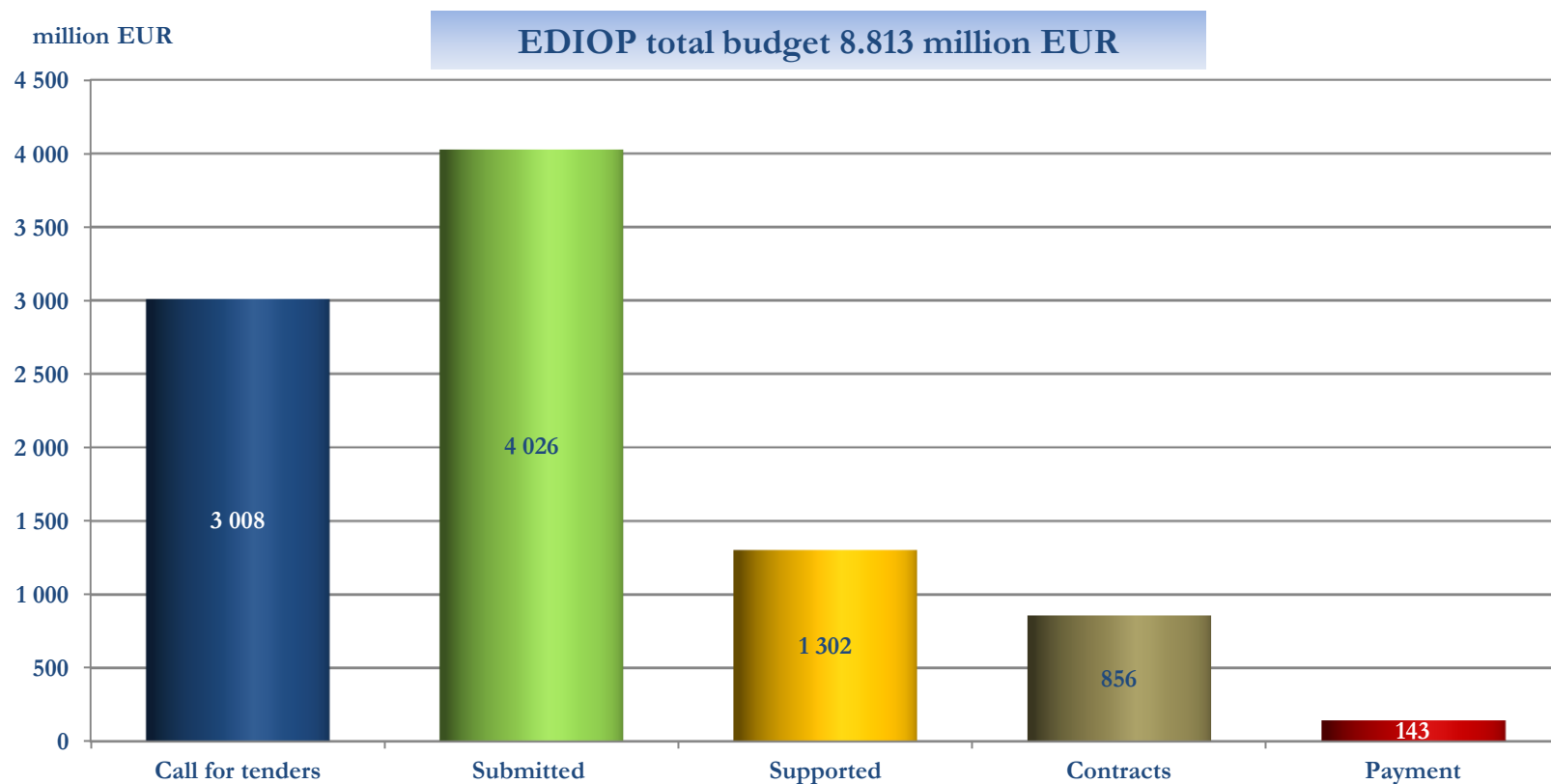


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EDIOP main results -2



About financial instruments



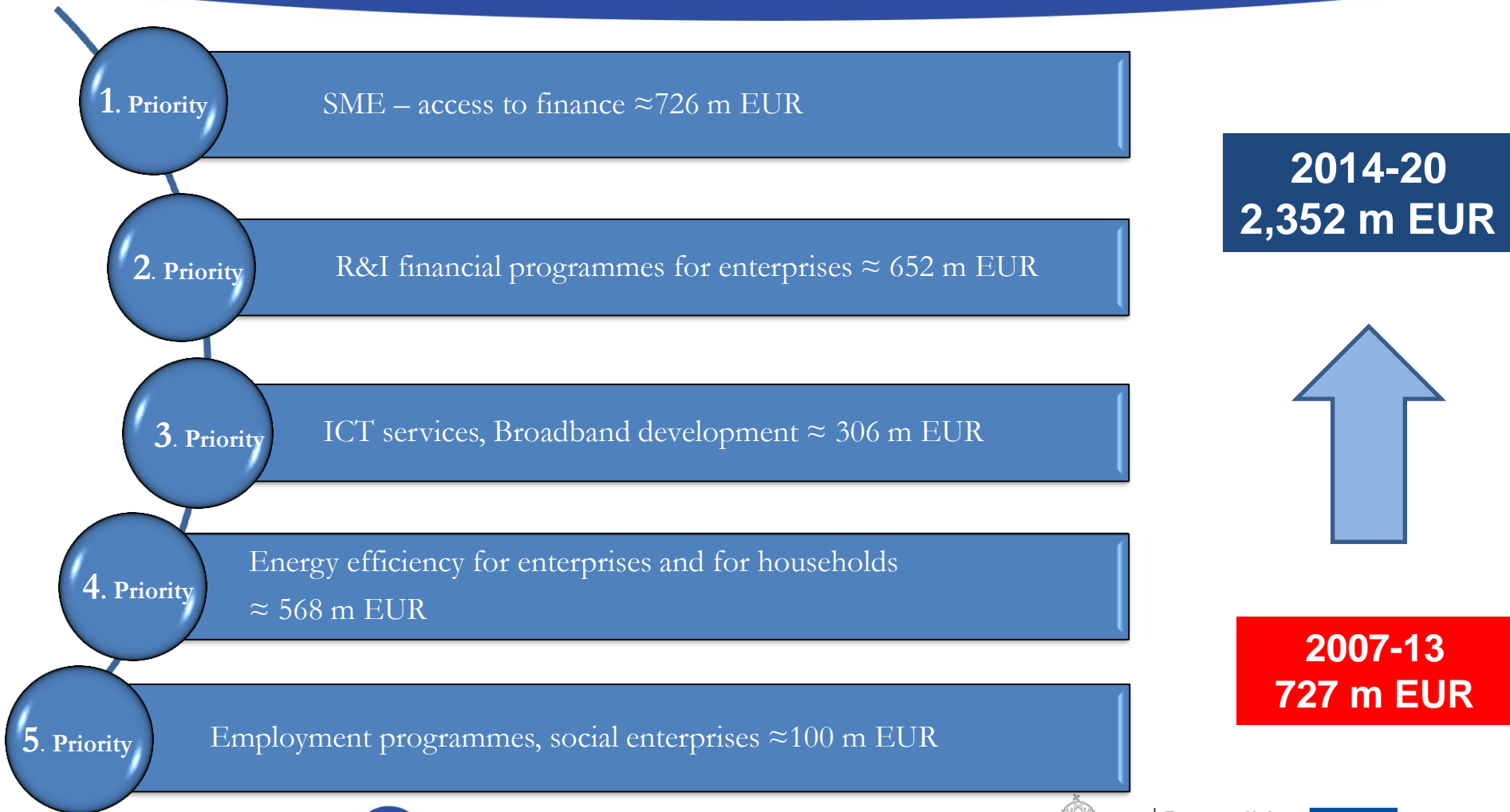
Financial instruments (FI) – Central Europe region

(according to own calculation using public information)

	Budget of Competitiveness OP (m EUR)	Budget of FI (m EUR)	Proportion of FI in Comp. OP (%)
CZ	4,331	433	10
SK*	2,266	70	3
PL	10,200	900	9
HR	1,923	250	13
HU	8,800	2,352	27

* 3% of each OP's budget. Total FI budget 457m EUR

Indicative proportion of financial instruments (Larger budget compared to 2007-13)



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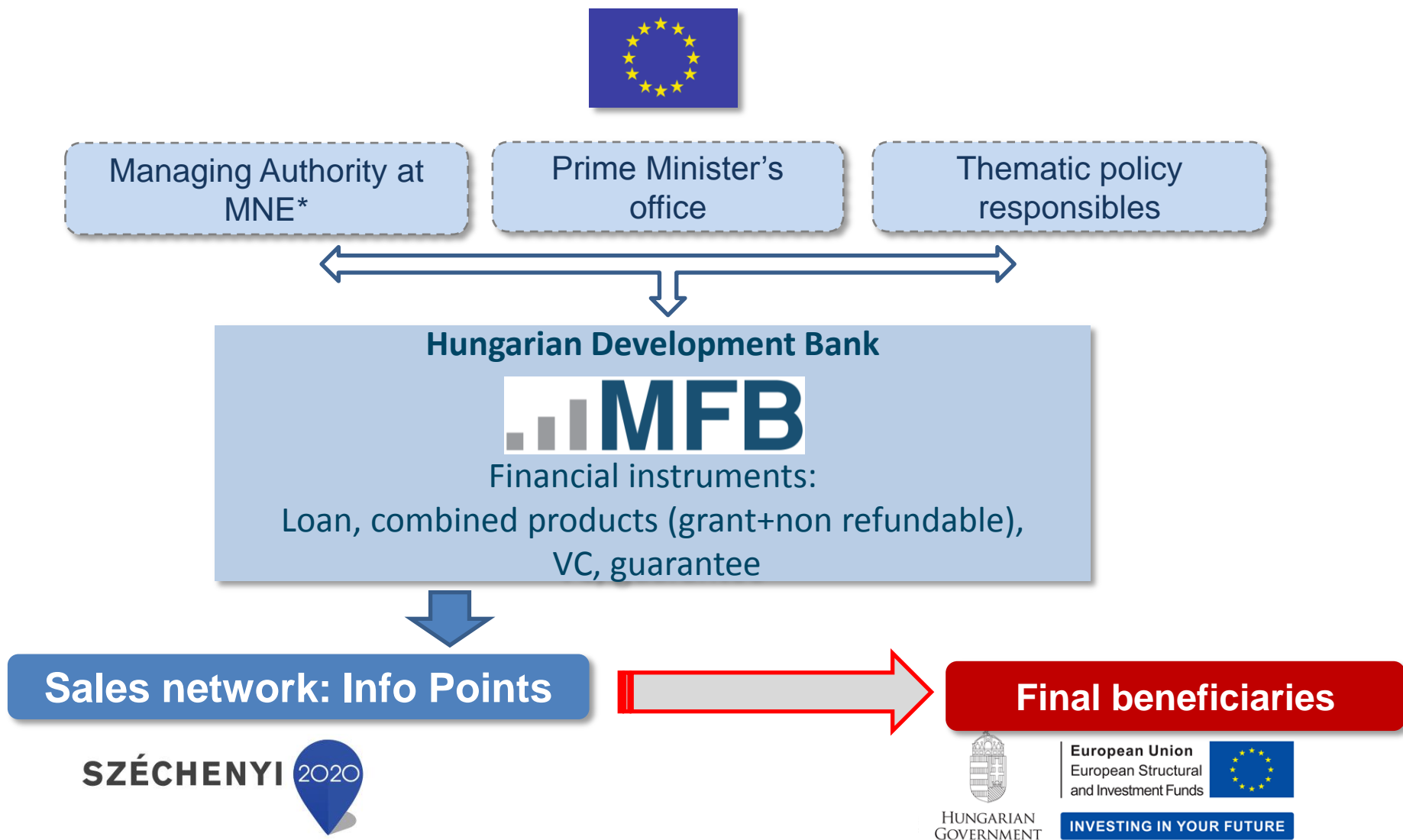
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Institutional background for the management of financial instruments 2/1



* Ministry for National Economy

Institutional background for the management of financial instruments 2/2

Info points of the Hungarian Development Bank

1st level Info Point

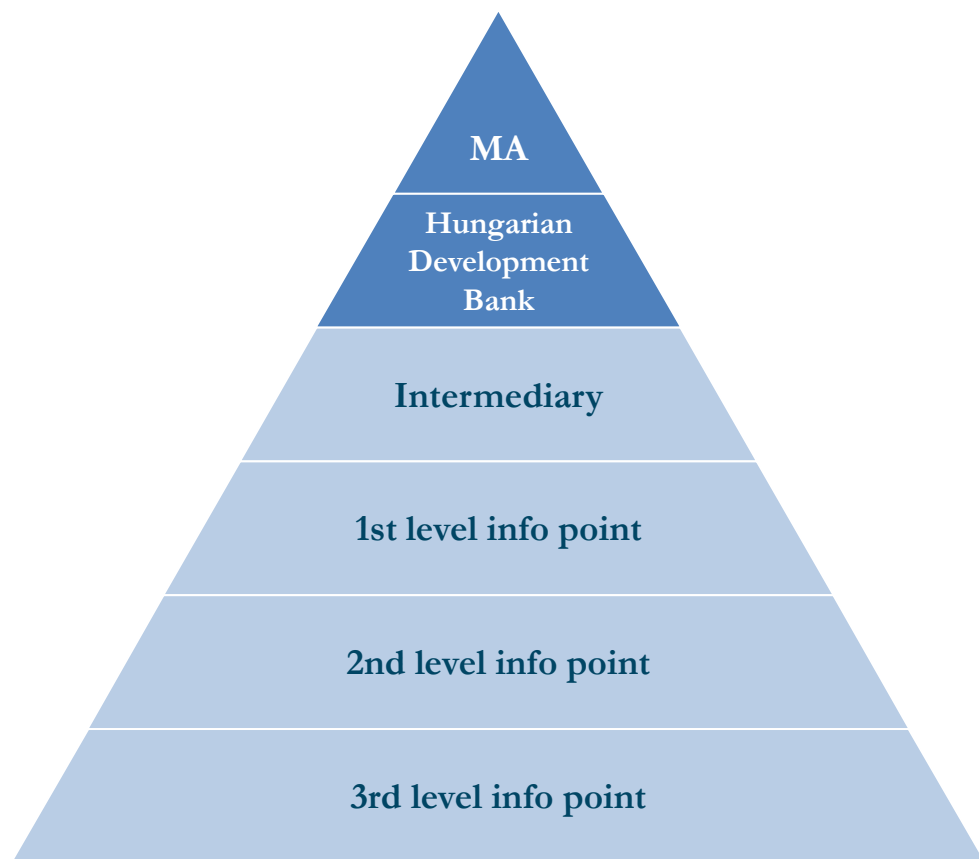
- No. of 1st level info points at launch: 26, at least 1 in each county and 3 in Budapest
- Tasks: sales, lending activity, monitoring, portfolio handling, client management

2nd level Info Point

- No. of 2nd level info points at launch: 159, at least 1 in every municipality with more than 10,000 inhabitants.
- Task: sales, lending activity, client management

3rd level Info Point

- No. of 3rd level info points at launch: 257, at least 3 in each county in the municipalities with less than 10,000 inhabitants
- Task: consultation, promotion, acquisition of new clients



First product at Info Points of the Hungarian Development Bank: Loan program for enhancing competitiveness for SMEs

The program has kicked off in May 2016

Aim

- Technological modernisation
- Modern business infrastructure
- Investment and related inventory financing

Amount

- Min. 3 230 EUR
- Max. 1.9 mEUR
- Meets the requirements of SMEs

Conditions

- Max. 15-year tenor
- Max 12 month-long availability period
- +12 month-long grace period for principal repayment
- Also open for start-ups

Loan application

- Simplified approval process if the loan amount is less than 0.5 mEUR
- No business plan is needed
- Principally without additional collateral

Intrest rate

0 %

ELI-ALPS phased major project in Szeged -2/1

Basic information

- Intensity rate:100%
- Beneficiary: ELI-HU Research and Development Non-profit Ltd.
- Preparation phase: 2011-2013
- Implementation: 01.01.2013 – 31.05.2018
- Total budget: 231.4 mEUR

Phase	Approved budget (mEUR)	Status
Phase 1. 2007-13 (EDOP)	97.9	Finished
Phase 2. 2014-20 (EDIOP)	133.5	In progress

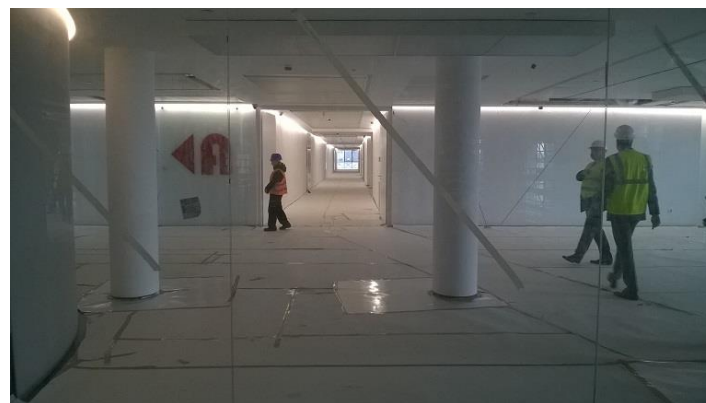
Current status

- **Building and infrastructure** (Planned date for closing all engineering works: 06.12. 2016)
 - 5 buildings (total 24 462 m²) in 10 hectare are ready
 - Roads, public utilities and a rainwater pond in 6.6 hectare,
 - 3.5 km long water channel and sewage pipes
- **Research technology:**
 - Procurement and manufacturing of the laser systems progress at good pace. Instalment of laser systems is scheduled to start in December 2016 and finish in September 2017.
- **ELI ERIC:** Setting up the responsible organization for joint operation of 3 ELI projects (CZ, RO, HU) is in progress at expert level



ELI-ALPS phased major project in Szeged -2/2

<http://www.eli-alps.hu/?q=en>





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Thank you for your kind attention!

Tamás Karsai

**Ministry for National Economy
Managing Authority for Economic
Development Programmes**

www.palyazat.gov.hu