



MFOI Advisory

Hungarian Development Promotion Office

Expert on EU Funding



PRIME MINISTER'S OFFICE



The European Union's seven-year budget – which is a significant part of the Multiannual Financial Framework- is mainly made up of payments based on the Gross National Income (GNI) of the Member States, which are complemented by traditional own funds (e.g. external customs) and value-added tax (VAT) based contributions.

The EU budget for **2021-2027** is set at over **€1,100 billion**, which is complemented by an estimated **800 billion** "Next Generation" EU credit line, with the aim of mitigating the economic consequences of the COVID pandemic.

MFF
€1,100 billion



NGEU
€800 billion

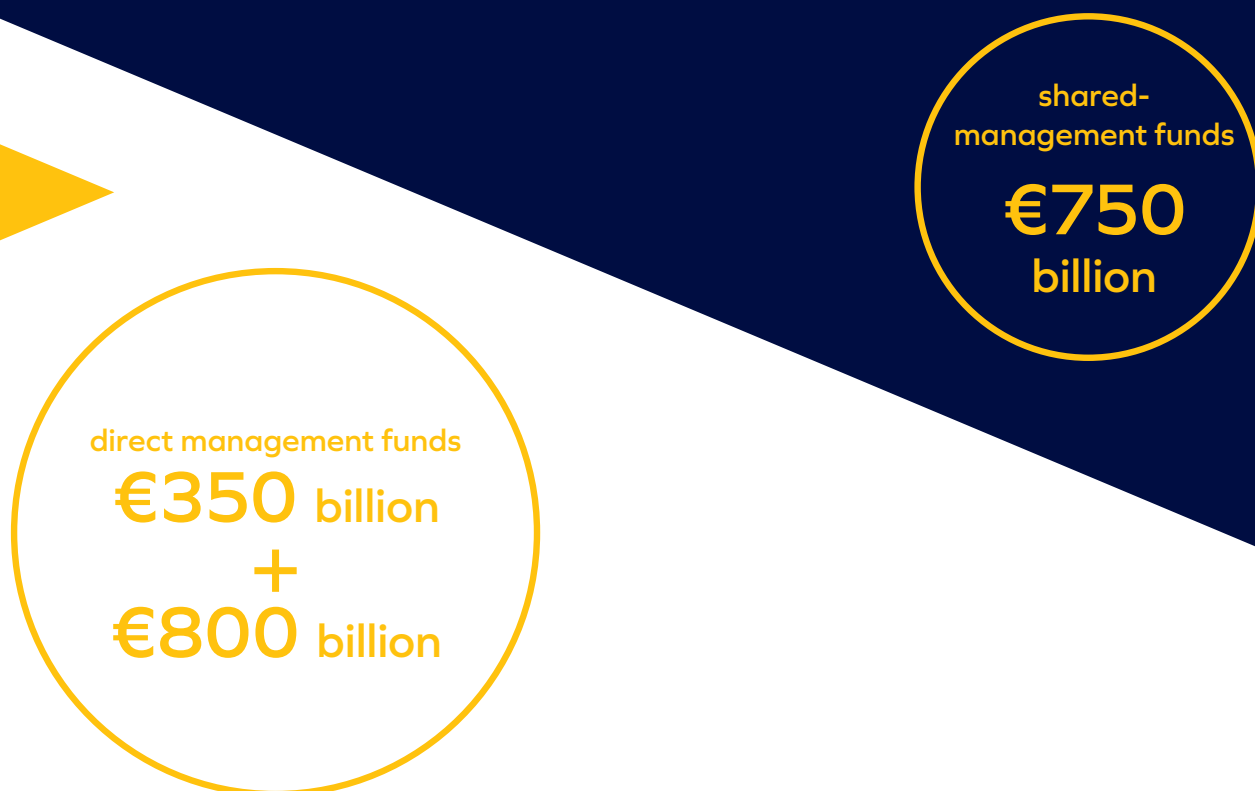
2021-2027
7 years

TOTAL
BUDGET
€1,900 billion

During the budget negotiations, EU member states jointly set out a plan deciding which policy areas will benefit from the common budget, defining its proportion and structure.

WITHIN THE EU FRAMEWORK WE DISTINGUISH BETWEEN TWO TYPES OF FUNDING: **FUNDS UNDER SHARED MANAGEMENT** AND **DIRECTLY MANAGEMENT FUNDS**.

In the case of **SHARED-MANAGEMENT FUNDS** – such as instruments financing the **Common Agricultural Policy** (CAP) and **Cohesion Policy**- the amount of support which a Member State will receive over the seven-year cycle is pre-determined. Afterwards, it is up to the Member States to decide on the way the financial resources are spent; how they open the call for tenders, how they accept and approve applications, within the framework of the so-called **operational programmes**. As might be expected, Member States are being held accountable by the European Commission with regards to these financial resources as well, however, they possess more leeway when it comes to allocating the resources aligning them to the needs of national development programs. These shared management funds currently make up two-thirds of the current EU budget, altogether 750 billion euros.



On the other hand, the **DIRECTLY MANAGEMENT FUNDS** are made up of funds that cover each EU policy area; centrally managed by the European Commission. This means that the Commission calls for proposals and ensures their evaluation, while monitoring their implementation.

During the budget negotiations, the amount of money assigned to each policy area - new priorities - is determined, alongside with the amount of funds and priorities allocated to them. However, the proportion of support dedicated to each Member State is not pre-determined, neither are the calls for applications in the upcoming seven years.

THE **EU'S MAIN OBJECTIVES AND STRATEGIES** CAN BE DERIVED FROM THE FOLLOWING PRIORITIES



EUROPEAN GREEN DEAL

Europe aims to become the **first climate neutral continent** by becoming a modern, resource-efficient economy.



ADAPTING THE EU TO THE DIGITAL AGE

The EU's **Digital Strategy** aims to provide people with a new generation of **technologies**.



ECONOMY THAT SERVES THE PEOPLE

The EU needs to create a more attractive investment environment and economic **growth** which creates **quality jobs**, especially for **young people** and **small enterprises**.



A STRONGER EUROPE IN THE WORLD

The EU aims to make its voice heard in the world by strengthening **multilateralism** and a rule-based **global order**.



PROMOTING THE EUROPEAN WAY OF LIVING

Europe must defend the **rule of law** if it aims to stand up for **justice** and the EU's **core values**.



NEW MOMENTUM FOR THE EUROPEAN DEMOCRACY

Increased opportunity for Europeans to have a say in decision-making; **protection of democracy** against external interference, fight against disinformation and online hate speech.

EU direct funds cover all EU policies, including transport, energy, culture, voluntary actions, environment protection, research and innovation, digitalization, administrative/civil service cooperation, healthcare, or even nuclear and space development. **Their joint characteristic is that they directly support the common European objectives.** It is essential to highlight that they must incorporate a European dimension as a prerequisite; meaning that in order for an initiative to receive support it has to perform some sort of European added value.

CHARACTERISTICS AND CONDITIONS OF APPLYING FOR DIRECT EU FUNDING

Characteristics of direct funds

- **EU AS A WHOLE** – you can apply from any EU Member State
- **OBJECTIVES** – supporting EU objectives and EU policies
- **EU-LEVEL** – European added value, EU assessment, EU-level competition
- **DISSEMINATION** – potential for international applicability

Necessary conditions and skills

- **LANGUAGE** – the language of calls for application and proposals is English
- **APPROACH** – project-based thinking is essential
- **CONTRIBUTION** – the EU does not usually provide 100% funding, depending on the fund and the call for proposals applicants need to present own contributions ranging from 20% to 60%.
- **INTERNATIONAL PARTNERS** – having an international consortium is usually a prerequisite prior of submitting the application

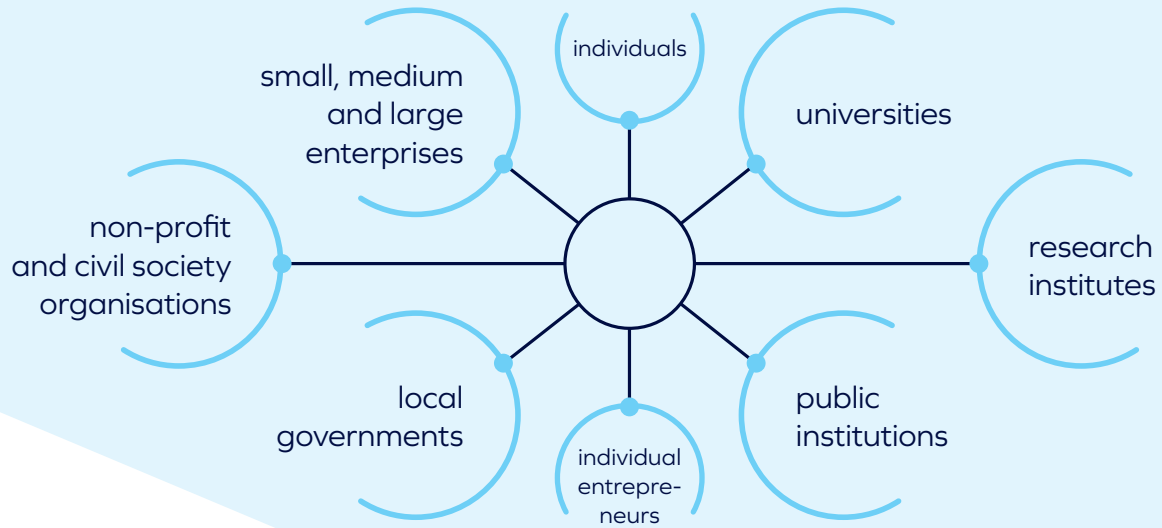
Conditions for the civil sector

- **OBJECTIVES** – the objectives of the organisation must be in line with the aims and priorities of the application
- **STABILITY** – sound financial background, orderly management of grants (reports, accounting, etc.)
- **EXPERIENCE** – experience and references are required in the areas covered by the application (previous projects, partnerships, etc.)

Applications can be submitted from all EU Member States, and in some cases even from outside of the EU. Given that the EU funds are intended to provide financial support for projects that include a European dimension and importance, in most cases it is a prerequisite that partners from more EU member states apply as a consortium.

Direct funding is a major financial opportunity, **as it amounts to about one-third of the EU budget for the period between 2021-2027, meaning €350 billion. Also, they cover a wide range of areas through the 24 dedicated funds.** Priority has been given to one horizontal and two vertical areas of funding between 2021-2027: Horizon Europe - the largest fund - with €95 billion support for research, development and innovation across a wide range of policy areas, while proposals aiming for sustainability and digitalisation can apply for funding from several other funds.

Another objective of DIRECT EU FUNDS is to cover not only policy areas but also as wide a range of target groups as possible: small, medium and large enterprises, non-profit and civil society organisations, local governments, universities, research institutes, public institutions and, in some cases, even individual applicants.



THE HUNGARIAN DEVELOPMENT PROMOTION OFFICE NONPROFIT LTD (MFOI Advisory) was established by the Hungarian Government at the end of 2020 with the aim of increasing Hungarian participation in programmes concerning direct EU funds, including assisting the Hungarian and Central-Eastern European actors during the application process.

The mission of MFOI Advisory is to provide tailor-made support to its clients from the first step of developing an idea and vision until the final step of submitting their applications for funds managed directly. In many cases, the success of the application depends on the (international) partners and the structure and design of the proposal.

MFOI Advisory

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MFOI Advisory therefore places particular interest in building and maintaining a valuable and active international network, in order to enhance the potential of successful Hungarian applications by involving the most suitable international partners. Another priority is - thanks to MFOI's permanent representation office in Brussels - to have a detailed knowledge of current and future call for proposals including gaining first-hand experience regarding the expectations of the European Commission.

To ensure a successful application, the MFOI has established a database of proposal writers complementing its own capacity with Hungarian and international experts in order to support the applicants with the most experienced experts in their own respective fields; thus ensuring the high quality during the entire application process.

Most important direct EU funds and programmes

Horizon Europe	Creative Europe	Just Transition Fund
Connecting Europe Facility – transport, energy, digital	Justice Program	Asylum, Migration and Integration Fund
Digital Europe	Citizens, Equality, Rights and Values Program	Border Management and Visa Instrument
Single Market Program	European Social Fund +	Internal Security Fund
RescEU	European Maritime and Fisheries	European Defence Fund (research and non-research)
EU4Health	NDICI (Neighbourhood, Development and International Cooperation Instrument)	Euratom
Interreg		Space
Erasmus+		EIT
European Solidarity Corps	LIFE Program	EIC – Pathfinder, Accelerator

Competences of MFOI Advisory – what we can help you with

- **Providing guidance** on the ecosystem and the logic of direct EU funds, policy objectives and expectations of the European Commission's related to them
- Providing an **overview** of the **application process**, milestones, administrative, formal, and substantive requirements, proposing solutions to frequently recurring problems.
- **Identifying** relevant funds and applications based on our clients' development ideas, contributing to the development of the project, ensuring the success of the application
- Building on our contacts in Brussels, we provide **detailed** and **immediate information** and answers to any questions that may arise
- Providing **expert support** on the formation of the project concept considering the priorities of the direct EU funds, while also acting as a driving force for consortium building; relying on our international network
- We work closely with selected **international** and **Hungarian tender writing** firms to ensure the high quality of proposals
- In addition to direct EU funding, we also provide an overview of **additional funding opportunities**

Why should you apply? What is the added value of participating in a call for direct EU funds?

Participating in an EU call for application does not uniquely mean financial support. The preparation and implementation phase including the entire process provides endless benefits for tendering corporations and organisations.

- It helps to **understand** the **EU's vision** and **approach** to effectively obtain financial resources
- It **sheds light** on **EU policy orientations**, thus helping to envision the future prospects of EU legislation
- It enables **international market access** and effective **building of networks**, with the potential of establishing **long-term partnerships**
- It provides opportunities for **strategic thinking, business development and organisational development**
- It helps to **develop** your **financial** and **entrepreneurial mindset**
- It provides **insight into other areas of business** while exploring possibilities of synergies
- It is an opportunity to **achieve a certification of excellence** that provides you with benefits when it comes to acquiring funds or entering the international market.




How to get started? Let's go step by step!

It is advised to take a gradual approach when it comes to involvement. Concerning applications with a smaller budget, with less administration, it is beneficial to start with the so called "cascade" funding (a form of financial support for third parties; a Commission mechanism to distribute public funding in order to assist beneficiaries, such as start-ups, scale-ups or mid-caps in the uptake or development of digital innovation) and then move up from level to level until reaching the role as an international consortium leader. The reason for this is that the complexity of the proposals, the responsibility of the applicant, the amount of administration and the level of competences required gradually increase when one is approaching the leading role in a consortium.








Follow the latest news on EU programmes, tenders and calls for applications on our social media platforms and contact us through the following details:

-  @Magyar Fejlesztésösztönző Iroda (MFOI Advisory)
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