

Tax number: 18188071-2-42

Registering body: Fővárosi Törvényszék

Registration number: 01/01/10819

CENTRAL EUROPEAN SERVICE FOR CROSS BORDER INITIATIVE

1067 Budapest, Teréz krt. 13.

**Balance Sheet to Simplified Account of Double-Entry Book-keeping Other
Public Utility Organizations**

The balance sheet date: 31st December 2013
Type of Balance Sheet Simplified Annual Report

Budapest, 17th April



Legal representative of the organization

The published data is not confirmed by audit of accounts

CENTRAL EUROPEAN SERVICE FOR CROSS BORDER INITIATIVE

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Balance Sheet to Simplified Account of Double-Entry Book-keeping Other Public Utility Organizations

The balance sheet date: 31st December 2013

	1000 HUF	Previous year	Changes of previous year	Base period
01.	A. Fixed assets	2623		8 899
02.	I. Intangible assets	1690		7 120
03.	II. Tangible assets	933		1 779
04.	III. Financial investments	0		0
05.	B. Current assets	21 607		18 083
06.	I. Inventories	50		0
07.	II. Amounts receivable	840		9 634
08.	III. Securities	0		0
09.	IV. Financial assets	20 717		8 449
10.	C. Deferred charges and accrued income	5		5
11.	TOTAL ASSETS (ACTUALS)	24 235		26 987
12.	D. Equity	-3 684	-596	-5 833
13.	I. Capital/Issued capital	0		0
14.	II. Capital adjustments/Profit	-4845	596	-3 087
15.	III. Provisions	0		0
16.	IV. Valuation reserves	0		0
17.	V. Operating results from actual year (activity of public utility)	0		563
18.	VI. Results from venture activity during actual year	1161		-3 309
19.	E. Provisions for liabilities and charges	0		0
20.	F. Amounts payable	12 511		17 979
21.	I. Subordinated liabilities	0		0
22.	II. Amounts payable after one year	0		0
23.	III. Amounts payable within one year	12 511	-596	17 979
24.	G. Accrued charges and deferred income	15 408		14 841
25.	TOTAL LIABILITIES	24 235	596	26 987

The published data is not confirmed by audit of accounts

Tax number: 18188071-2-42

Registering body: Veszprém Megyei Bíróság

Registration number: 01/01/10819

CENTRAL EUROPEAN SERVICE FOR CROSS BORDER INITIATIVE

1067 Budapest, Teréz krt. 13.

Profit and Loss Account to Simplified Account of Double-Entry Book-keeping Other Public Utility Organizations

Period: 2013-01-01 to 2013-12-31

Budapest, 17th April



Legal representative of the organization

The published data is not confirmed by audit of accounts

CENTRAL EUROPEAN SERVICE FOR CROSS BORDER INITIATIVE

Tax number: 18188071-2-42

Registration number: 01/01/10819

Profit and Loss Account to Simplified Account of Double-Entry Book-keeping Other Public Utility Organizations

Period: 2013-01-01 to 2013-12-31

	1000 HUF	Base period
A.	Incomes from total public utility activity	70 729
A.1.	Grants for public utility activity operations	68 568
A.1.A.	from founder	0
A.1.B.	from budget	68 568
A.1.C.	from local government	0
A.1.D.	from social security	0
A.2.	Grants awarded	0
A.3.	Proceeds from public utility activity	0
A.4.	Proceeds from party dues	1 445
A.5.	Other income	716
B.	Income from contracting activity	24 287
C.	Total income (A+B)	95 016
D.	Charges of public utility activity	70 166
D.1.	Material charges	31 790
D.2.	Personal charges	35 618
D.3.	Amortization	2 693
D.4.	Other charges	32
D.5.	Financial operations' charges	33
D.6.	Extraordinary charges	0
E.	Charges for contracting activity	27 547
E.1.	Material charges	4 025
E.2.	Personal charges	22 161
E.3.	Amortization	917
E.4.	Other charges	200
E.5.	Financial operations' charges	244
E.6.	Extraordinary charges	0
F.	Total charges (D+E)	97 713
G.	Profit before tax (B-E)	-3 260
H.	Tax payment obligation	49
I.	Base year contracting profit (G-H)	-3 309
J.	Base year public utility profit (A-D)	563

The published data is not confirmed by audit of accounts

Tax number: 18188071-2-42
Court of law: 01 Fővárosi Törvényszék
Number of registration resolution: PK 61.285/2003/
Registration number: 01/01/10819

Central European Service for Cross-border Initiatives

1067 Budapest, Teréz körút 13.

Annex of public utility report 2013

Introduction of activities realised in the year concerned according to the main objective

Introduction of public utility activities

About CESCI

The Central European Service for Cross-border Initiatives was established by natural persons in 2009 with the aim of providing professional support for cross-border cooperation along the Hungarian borders as well as in the Central and Southeast European area.

CESCI is based in Budapest, but its operation covers several countries.

The honorary president of the association is prof. Szilveszter Vizi E., former president of the Hungarian Academy of Sciences.

The members of the board were in 2013:

- Dr Tamás Tóth associate professor, vice rector of Szent István University: Chairman
- Dr Rudolf Bauer mayor (Košice West, Slovakia)
- Dr József Benedek professor of geography, vice-president of the Senate of Babeş-Bolyai University (Cluj-Napoca, Romania),
- Zsolt Borkai mayor (Győr)
- dr András Levente Gál, manager of the G.A.L. and Partner Law Firm
- Judit H. Kovács head of Association of Christian Managers and Businessmen
- Iosif Matula member of the European Parliament (Arad, Romania)

The mandate of two members of the Board (Rudolf Bauer, Iosif Matula) was expired in 2013. Rudolf Bauer was re-elected for another three years on the General Assembly meeting in May. Iosif Matula announced before the General Assembly meeting of November that he did not wish to re-nominate himself. Hereby the Board had 6 members at the end of the year.

The main objectives of CESCI:

- providing professional support for cross-border cooperation along the Hungarian borders as well as in other states of Central and South-Eastern Europe
- incorporating the Euroregions, the EGTCs and the local and regional authorities participating in the cross-border cooperation into a network
- sharing good examples from Western Europe
- establishing strategic cooperation with the competent decision making and decision preparing institutes of the European Union as well as with European networks created with the same purpose
- strengthening the internal cohesion and mutual rapprochement within the region by establishing partnerships between the nations of Central and Southern Europe.

Leader of our Working Organisation is Gyula Ocskay, Secretary General. In course of 2013 the Working Organisation of CESCO was significantly broadened thanks to the support of the Ministry of Public Administration and Justice: at the planning department of Budapest five full-time employees worked at the beginning of the year, and seven at the end of it. The European Institute of Esztergom, opened in May, started its operation with two full-time workers and two employees with work assignment contract.

In addition, CESCO has an extended internship system with three different forms of employment; hereby 3-4 interns on the average helped our work during the last year.

In course of 2013 4 new members joined the association which has 48 members at the moment.

We give a detailed report on the 2013 activities in the followings.

Professional activity (2013)

The main mission of CESCO is to improve the efficiency of cross-border cooperation for the sake of weakening the separating function of the borders in Central Europe, hereby strengthening the understanding and appreciation among the people living in the region.

According to our experiences cross-border cooperation may contribute to this goal if it generates permanent relationships and also provides long-term institutional background. Based on this steady background, it is worth preparing the integrated strategy of the given region, which marks out the specific joint development directions. Strategic planning tends toward weakening the impacts of the separating function of the borders, therefore it also requires innovation. To this end it is practical to apply the newest results of spatial sciences.

Relating to the above CESCO offers the following services for the interested parties:

- (1) institution and project development, project management;
- (2) strategic planning and programming
- (3) scientific research
- (4) mediation.

The majority of our activity is of public utility which is supported by the Ministry of Public Administration and Justice in the measure defined in the state budgetary law. This is completed by grants.

CESCO also carries out business activities; the income coming from this serves the goals of public utility.

1. Institution- and project development, project management

The main area of activities of CESCO stands in specific assistance related to cross-border cooperation. Within the framework of this we offer professional support for cross-border institution development, and we help those institutions in launching and implementing their concrete developments, as well.

1.1 Setting up of EGTCs

Establishment of European Grouping of Territorial Cooperation (EGTC) in the European Union has been possible since 2007, according to the 1082/2006/EC Regulation. Until the end of 2013, 46 EGTC have been registered all over the Union, 19 out of them have Hungarian members and 14 are based in Hungary. CESCO plays an active role in setting up and launching these innovative institutional solutions and in implementing successful professional work. The main part of these activities consists in preparing and reconciliation of the founding documents, as well as the coordination of the approval and registration process, in all concerned countries. Colleagues of CESCO have managed successfully the founding process of 7 EGTCs.

In 2013 one EGTC, supported by CESCO, was registered (Sajó-Rima/ Slaná-Rimava), and we were involved in the foundation process of the followings:

- we have been coordinating the founding process of the European Border Cities EGTC with the participation of Nyíregyháza and Satu Mare (Romania) for two years
- we took starting steps toward the establishment of the Sopron-based, Hungarian – Austrian EGTC, the Fertő / Neusiedl in 2013
- we helped again the foundation process of the Central European Transport Corridor EGTC, matching South Sweden and the Adriatic Sea. The process is drawing to an end; its strategic-development centre are going to be established in Zalaegerszeg, while the seat will be in Poland according to the recommendations of the study made by CESCO
- one of our members, Bács-Kiskun County initiated the establishment of a European networking EGTC improving the population retention capacity of rural areas. We also offer professional support for it.

1.2 EGTC workshop

We organize workshops on a quarterly basis for the managers of the already existing EGTCs (with Hungarian participation) where they may get actual information on regulation changes, grants and cooperation opportunities on the one hand, and they also could share their experiences, best-practices, and initiate joint projects on the other.

In course of 2013 four workshops were organized.

In February the EGTCs met in Budapest where they got direct information on the preparation of the European territorial cooperation programmes from Imre Csalagovits (Office for National Economic Planning).

In May in Piliscsaba the financing of EGTCs was in the focus. Concerning the topic the participants shared their good practices and discussed further solutions which support the operation. The colleagues of the Ministry of Public Administration and Justice held presentation on the regulation and programming issues concerning the EGTCs, while those of the Office of Public Administration and Justice talked about the reporting rules of EGTC subsidies.

In August we organized the workshop in Veľký Meder (Slovakia) where Györgyi Nyikos (Permanent Representation of Hungary to the EU), desk officer of the ETC programmes and EGTC issues reported on the ETC programming process, the news of Brussels and the amendment of the EGTC Regulation; Edina Csányi and Péter Kiss-Parciu (European Investment Bank Budapest Danube Contact Point) talked about the Danube branding and the financial opportunities of the integrated projects within the framework of the EU Strategy for Danube Region.

The last workshop was held in Alsóörs where Dóra Bányai colleague of the Széchenyi Programme Office told about the cross-border cooperation programmes.

On the website of CESCO we set up an own internal forum where the information flow may be provided during the periods between the single workshops among the EGTCs.

1.3 Policy cooperation

Regarding the EGTC development, strong cooperation took shape between CESCO and the Department of Cross-Border Co-Operation for Territorial Public Administration of the Ministry of Public Administration and Justice, further departments of Ministries, as well as the Committee of the Regions. (see chapter 4, Mediation)

1.4 Professional support for development

CESCO not only actively take part in EGTC foundation but it offers professional support for launching joint developments, too.

The new innovative instruments provided by the Cohesion Policy (such as the integrated territorial investment: ITI) enhance the implementation of cross-border integrated developments. The work team of CESCO coordinated the preparation of five ITIs in 2013:

- within the framework of the development strategy of the Rába-Duna-Vág EGTC we worked out an ITI which aims at rehabilitating the common Hungarian-Slovak Danube area
- in the case of the Ister-Granum EGTC the strategic document and the ex-ante justification of a cross-border enterprise-logistic zone were prepared and presented at the Open Days in Brussels

- in the case of the Novohrad-Nógrád EGTC we prepared a draft for the integrated development of the cross-border geopark managed by the grouping
- as part of the development strategy of the Banat-Triplex Confinium EGTC we proposed more integrated interventions, out of them the Agro-Climate agrarian innovation and energetic programme was identified as an ITI
- the Gate to Europe EGTC initiated an ITI also on the field of agrarian innovation and energy. We provided professional support for the preparation of that document, as well.

CESCI not only participated in the preparation of ITIs but it also undertook the charge of external experts if it was necessary, and we also conciliated with the professionals of Ministries responsible for the single operative programmes and the Partnership Agreement. In addition we prepared the financing construction of the planning and implementation of ITIs in association with the representatives of the EIB. Finally, cross-border ITIs were excluded from the Partnership Agreement, hereby the prepared integrated developments shall be realised by single projects similarly to the former period.

Besides the above we also help the EGTCs by planning their developments (e.g. local product programme of the Ister-Granum EGTC) and co-organising professional events.

1.5. Support of further institutional cooperation

The EGTC does not mean an appropriate solution for cross-border partnerships in each case. Consequently, CESCI helps the local actors by exploiting further opportunities.

ECG in the Hungarian – Serbian – Croatian border region?

In 2013 small cities situated in the Hungarian – Serbian – Croatian border region initiated cooperation, the institutional background of which (regarding the status of Serbia) can be provided by the framework established by the Council of Europe. We coordinate the steps necessary for founding the euroregional cooperation grouping, together with the experts of the Council of Europe.

Development partnership in the Hungarian – Slovenian border region

Within the framework of the REG-NET project we prepared an overall analysis on the regional developmental organization to be established in the Hungarian – Slovenian border region, and we made a proposal for founding a development partnership.

The best cooperation practices in the Hungarian –Slovakian border region: Frontier Value project

The goal of the Frontier Value project, launched in 2012 and closed in 2013 was the identification and promotion of the best projects of the Hungarian – Slovak border region. The analysis covered the period since the launch of the Phare CBC programme (1999). We collected 10 long-term, strategic partnerships in total which could be exemplary for other project owners too. As a result, a project database was built up, which is available on the website of the project (<http://frontier-value.eu/>), we published a magazine presenting the best practices, and series of movies on the projects was also made. The movies are available on the website of CESCO and they were sent to local and national level media agencies.

Our experts take part in the Hungarian – Slovak capacity development project, called HUSKI whose main mission is to improve the preparedness of the local actors at the beginning of the new programming period.

- Cooperation of self-governments in the Hungarian – Slovenian – Austrian border region

In course of the last years a close cooperation was formed between CESCO and the Slovenian coordinator of ALADIN (Alpe Adria Danube Initiative), Mr Jože Gričar. Within the framework of this we did not only participate in a wider macro-regional capacity building but also contributed to the matchmaking between Hungarian, Austrian and Slovenian settlements and professional organizations. CESCO primarily supports the bilateral and networking cooperation of self-governments, with the contribution of the National Association of Local Governments.

- Network development in Câmpie, the Romanian landscape region

We have supported the establishment of a development network in the Romanian Câmpie region for years by involving Hungarian experts. As a result of our work a workshop getting together regularly was founded where the local experts conciliate on the development potentials of the extremely disadvantaged region, a new diaspora residence launched its work in Sărmașu, a beekeepers' club was founded and a website was prepared for promoting local products. CESCO, in association with the Civitas Foundation operating in Cluj-Napoca, contributes to the employment of two part-time development agents in the region.

- Border portal

The new structure of the website of CESCO and the European Institute were prepared at the end of the year. In addition the structure of border portal is also got ready, it is planned to be installed in 2014. Its goal is to facilitate the administrative processes for the Hungarians on the other side of the borders; and for the citizens coming from the neighbouring countries in Hungary. In parallel it will provide information on cross-border employment, business, education, marriage, etc. in 8 languages.

2. Programming, strategic planning

CESCI – mostly as a subcontractor – takes part in strategic planning work of border regions. In all these cases we try to apply the principles of our cohesion-based planning methodology worked out in 2012.

We have the intent on that particular cross-border developments be implemented according to reasoned, long-term strategic plans (instead of ad-hoc deliberations) and to use the most recent methodologies of spatial and economic sciences during strategic planning. For the sake of the latter one we not only follow the professional work of different think-tanks and networks but also work out own methodologies, based on which we promote certain topics and support the decision-makers' work.

2.1. Programming

The participation in the preparation of the new programming period meant the main challenge for our planning capacity: we are involved in concrete planning, as well as we prepared professional proposals to several planning documents in order to enforce the viewpoints of cross-border cooperation.

- Planning of the Hungarian-Slovakian cross-border cooperation programme (HUSK CBC)

CESCI, in association with the HBF Hungaricum Ltd. and the Slovakian Centre Ltd., prepares the Hungarian – Slovak CBC ETC programme for the period of 2014-2020. Within the framework of the commission launched in August 2013 our association worked out the territorial analysis of the programme, and we are also participating in the preparation of the OP. We took part in the planning by organizing workshops, preparation of interviews and background papers, in addition we provide a leader for the programming.

- Planning of the Danube transnational programme (ETC Danube Programme)

The Danube programme, including 14 countries, is going to provide a sort of financial background for the transnational projects to be implemented in the territory of the Strategy for the Danube Region. CESCI was charged with the preparation of the territorial analysis covering the Danube River Basin, the first version of which was discussed in Zagreb in December by the programming joint committee.

- Contributions to the Hungarian national operative programmes

We took part in the social dialogue process of the national operative programmes in Hungary. We prepared longer evaluations to the following OP-s in order to enforce the cross-border aspect:

- Human Resource Development OP

- Economic Development and Innovation OP
- Integrated Transport Development OP
- Environmental and Energy-efficiency OP
- Regional and Settlement Development OP
- Rural development OP.

Contributions to further long-term strategic documents

Several background papers were prepared related to the programming and certain developments. CESCO contributed to some of them.

We made proposals to the National Transport Development Strategy, and we actively participated in the programming of transport infrastructure development under preparation along the Hungarian borders. On the one hand we built up databases for the planning consortia; on the other hand we submit our professional opinion to the firstly prepared Hungarian – Slovak studies (overall more than 10000-page documents). Similarly we plan to make proposals to other papers under preparation in order to display the territorial aspect.

Impact assessment of the ETC programmes

CESCO – as a subcontractor – took part in the project launched by the Ministry of Public Administration and Justice which examined how the ETC programmes during the period of 2007-2013 contributed to the economic and social development of the Hungarian border regions. We took an inventory of the implemented projects and made surveys and field-work related to the exemplary projects. A summarizing study was prepared based on them.

Financing proposal for cross-border integrated developments

CESCO in association with the colleagues of the European Investment Bank and the Budapest Danube Contact Point made a financing proposal which may help the preparation, implementation and pre-financing of cross-border integrated developments. Since in the case of the ETC programmes ERDF pre-financing is not possible, and these projects always concern more countries, the involvement of the EIB is necessary and also rational. Thanks to our proposal there is an opportunity to resort to the technical assistance facility for the purposes above since 2014.

2.2. Strategic Planning

Besides the overall programming tasks further strategic documents helping the development of a single border region were also born in the atelier of CESCO in 2013. What is common in these strategies is that they were prepared according to the cohesion-based planning model developed by CESCO, as well as they were always based on serious field-work. In these cases our colleagues “move” to the given region in order to be able to give the most adequate answers to territorial challenges.

- Development strategy of the RDV EGTC

In course of 2012 we participated in the preparation of the state-of-play analysis of the Hungarian – Slovak EGTC, Rába-Danube-Váh. As a continuation of this work we – as a subcontractor – were involved in the elaboration of the strategy, within the framework of which we compiled an ITI, aiming at the integrate rehabilitation of the Danube area, with the help of external experts.

- Development strategy of BTC EGTC

The development strategy of the EGTC founded in the Hungarian-Romanian-Serbian border region was completed in February within the framework of a Hungarian – Romanian cross-border project. Since this version could not contain the ideas related to the Serbian partnership by the nature of the project, we completed the original paper during the spring, then based on the comments we reworked the document. The strategy drafts integrated development opportunities in 4 fields.

- Development strategy of the Gate to Europe EGTC

We worked out the cohesion analysis of the development strategy of the Hungarian – Romanian EGTC in order to make it prepared for the next programming period, and we also made proposal for the implementation of three integrated actions.

- Development strategy of the Arrabona EGTC

We launched the preparation of the development strategy of the Arrabona EGTC at the end of the year which in the first phase meant data collection. The strategy must be completed in the summer of 2014.

- Development strategy of Győr-Moson-Sopron County

Each Hungarian county is mandated to prepare a development strategy for 2014-2020 which gives the base of the implementation of the regional and settlement development operative programme.

Thanks to our proposal addressed the Office for National Economic Planning coordinating professionally the planification process, in the case of every county located along the border, cross-border aspects must be taken into consideration. CESCO was charge of the preparation of the state-of-play analysis of the cross-border development chapter of the strategy by Győr – Moson – Sopron County. In addition we are also working out the related parts of the strategy and the operative chapter by the spring of 2014.

3. Scientific research

In parallel with the progress of different disciplines the scientific terminology becomes more and more complex which generally reduces the number of potential contributors in scientific debates. Nevertheless, in case of spatial sciences this progress has to develop hand-in-hand with the practice, otherwise, the results of the former one cannot be utilized in daily life.

Our organisation aims at incorporating the most recent scientific results in spatial planning in order to make our work reasonable and reliable. Hence scientific research can be considered as the third field of our activity which has led to the establishment of the CESCO's European Institute in May 2013. The institute is located in Esztergom and it employs two academic researchers and two masters of geography. We hope CESCO becomes a more influencing actor in the discourse of border studies thanks to the operation of the European Institute.

The Working Organisation considered as its most important mission to expand international relations of the association and to strengthen its presence in the international discourse on border issues. Hence we have tried to take part in several events and conferences, strengthen our relations with other stakeholders in spatial planning, and compile scientifically based spatial plans and strategies.

3.1 International events

In 2013 CESCO took part in nearly 50 conferences and professional events, including the following ones:

- 4th–7th April: Conference of Art Media in Sovata, Romania

This conference, organised by the Romanian Art Media Ltd., was held on second time. We gave a presentation on the Hungarian regional policy.

- 30th May: Opening of the European Institute, Esztergom

On 30th May we opened the European Institute. The opening ceremony was followed by an international "mini-conference". Besides the employees of the Institute and CESCO, Jens Gabbe (chairman of the Advisory Committee of AEBR), Jean Peyrony (director of MOT), Hynek Böhm (Euroschola, Czech Republic) and Sebastian Rihm (Euro-Institut Kehl, Germany) held a performance. They were state secretary Bence Rétvári (Ministry of Administration and Justice, Hungary) and councillor of cooperation Didier Haguenaer (Embassy of the French Republic in Budapest) who

officially opened the institute. The main mission of the Europe Institute consists in implementing researches in border studies and maintaining cooperation with other research centres.

- 2nd July: seminar of Budapest Platform in Brussels

It was the first professional event of the Platform (established in 2010) where all European countries and several institutes were invited to. The representatives of the Benelux Cooperation, France, Germany, Hungary and the Netherlands presented their experiences about the engagement of their government in cross-border cooperation. Representatives of 9 countries, the European Committee, the Committee of the Regions, and the European Council participated in the seminar.

- 27th August: Closing conference of Frontier Value project, Šamorín

The common project with the Slovakian Fórum Institute was closed by this conference. We reported on the results of the project, and shared our experiences within the framework of a workshop after the conference.

- 5th –7th September: EUGEO conference, Rome

The yearly summit conference of the European Association of Geographers was held in Rome which discussed some issues about cross-border cooperation. CESCO's Director of Planning Mátyás Jaschitz performed about the topic, and he received the possibility to publish in the periodical European Journal of Geography. Another consequence of this success that EUROGEO asked CESCO for organise a panel on the next yearly conference in Malta on the subject of border studies.

- 7th –10th October: Open Days, Brussels

The considerable event of towns and regions attracting 6000 participants was held in October. The panel of Integrated Territorial Investment (ITI) was one of the most popular ones as 200 participants were interested in it. In this panel CESCO's Secretary General Gyula Ocskay showed the planned ITI of the Ister-Granum EGTC at the Slovak-Hungarian border.

- 18th –19th October: Conference on tools, methods and practices in the field of cross-border cooperation, Gorizia

The conference was organised by the European Council and ISIG (Institute of International Sociology in Gorizia). Gyula Ocskay (CESCI) and Nóra Ivády (Ministry of Public Administration and Justice, Hungary) presented the Hungarian model on cross-border cooperation.

- 20th–21st October: Conference of Euro-Institut on its 20th anniversary, Kehl

On this considerable conference organized on the occasion of the 20th anniversary of the Euro-Institut two researchers of the Europe Institute, Zsolt Bottlik Director and Márton Pete Assistant Research Fellow represented our association.

3.2 Studies, publications

- Geopolitical study

According to our contract with the National University of Public Service concluded in the last year we worked out three studies also applicable as educational materials. The elaboration of one of them, an overall geopolitical study remained to 2013 to be completed within the framework of which we analysed the Central-European spatial processes in the light of the European integration.

- EUGEO study

Our colleague, Mátyás Jaschitz Director of Planning got invitation to publish a study in the high prestigious European Journal of Geography. The study was published in December and has become a referred professional paper by now.

- Project entitled *Crossing the borders*

The project, aiming to discover cross-border cooperation of the Danube River Basin, to collect and to present good practices, as well as to establish permanent professional networks is included in the action plan of the priority area 10 of the EU Strategy for Danube Region. CESCO was invited to coordinate the project. Accordingly we prepared the introduction material of the project and the draft of the research plan to the meeting of the task force in Wien in March. The document was approved by the working group. During the year of 2013 colleagues of the European Institute have worked out the research methodology hereby the project may be implemented in 2014 involving 7 professional partners.

4. Mediation

In order to make the long-term, strategically well-founded, institutionalised cooperation successful the claims of local actors have to be displayed at national and European level, and the expectations drafted on national and European level are to be included in local plans. To this end CESCO has put emphasis on the mediation between the different levels since the beginnings.

4.1. Mediation at national level

- Ministry of Public Administration and Justice

Similarly to the previous years the most important strategic partner of the association was the Ministry of Public Administration and Justice which involves CESCO in the work of the interministerial

EGTC task force and the ex-ante evaluation of the draft legal provisions related to cross-border cooperation.

We are regularly invited to the events on this subject (e.g. the annual meeting of the approval authority and the EGTC Forum), and the colleagues of the Ministry are also permanent participants of our EGTC workshops.

- The office of Government Commissioner for EUSDR

CESCI is permanent member of the Hungarian Danube Strategy working group, which involves the representatives of the ministries and professional organizations interested in the realisation of the Strategy.

- Relations with further ministries and organizations

In course of our activity related to cross-border cooperation we managed to built up professional relationships with certain Offices of the Ministers of State and departments of the Ministry of National Economy, The Prime Minister's Office, the Ministry of National Development and the Ministry of Human Resources. At the end of the year we contacted the National Association of Local Governments with the intention of establishing strategic partnership.

4.2. Networking at Central European level

- EU Strategy for Danube Region

CESCI takes part in the activities of the 3rd working group (regional cooperation) of priority area 10 of the Strategy for the Danube Region. According to the action plan adopted by the working group our association's task is the coordination of the project which aims at revealing the cross-border cooperation of Danube River Basin and promoting the best practices. The project, called *Crossing the borders* covering 14 countries can be implemented in 2014 with the involvement of 7 professional partners from the region.

- Professional relations

Our relations within the Danube River Basin are broadening. In the last year we bound the cooperation closer with the initiative, called ALADIN. Within the framework of this cooperation we took part in a conference on cross-border health care cooperation organized by the initiative in April in Ljubljana, we organized a delegation to the second Danube e-Region conference of Ljubljana, and participated in the section of the Danube Business Forum organized by the ALADIN.

By means of the European Institute we officially contacted the EURAC of Bolzano and the Euro-Institut of Kehl.

4.3. Networking at European level

- Budapest Platform

The platform was founded by the French Mission Opérationnelle Transfrontalière (MOT); the Dutch Ministry of Home Affairs and Kingdom Relations; the Working Communities Galicia North-Portugal and Castilla y León-North Portugal (CCDRN) and CESCO in 2010. The network unites entities which support cross-border cooperation. The first professional event of the platform was held in Brussels on 2nd July which was prepared on the meeting related to the General Assembly meeting of the MOT in Strasbourg on 24th April.

- CECICN

The General Assembly of our association (foremost from the Central- European Region) decided to join the CECICN (Conference of European Cross-border and Interregional City Networks) in 2012 (the network unites the Mediterranean, Adriatic, Baltic, Atlantic and Iberian city associations). The Executive Committee of CECICN approved our affiliation on 17th June which entered into force a month later. Thanks to this we could actively participate in the preparation and finalization of contribution documents (Single Market, integrated territorial instruments, small project funds in ETC programmes) submitted by CECICN to different institutions of the EU. CESCO is represented by the Secretary General in the Executive Committee and by the Chairman in the Political Board of CECICN. In course of the year another meeting of the Executive Committee was held related to the Open Days on 8th October. The network organized a panel and a networking event in association with the Committee of the Regions next day. The network uniting more than 500 cities and regional municipalities is good at lobbying related to the European policies.

- AEBR

The annual meeting of the General Assembly of the Association of European Border Regions was held in Liège in Belgium and in Maastricht in the Netherlands on 7th-8th November. The association admitted 6 new members at the meeting, CESCO was one of them. Our association was represented by the Secretary General, the Director of Planning and the Legal Director, dr. Norbert Jankai.

- EGTC Platform

CESCO also participates in the work of the EGTC Platform established by the Committee of the Regions which unites the registered EGTCs and the professional organizations dealing with the subject. In this capacity, we took part in the EGTC panel of the Open Days. The information exchange with the department operating the platform is permanent considering the large number of Hungarian EGTCs.

Basic data for determining the legal status of public utility

1) Contribution to meet the joint needs of the society and the individual

According to the data of the annex of public utility on year 2013 considering the target group the services of the organization are available for other person beyond the board members, employees and volunteers.

2) Availability of appropriate resource in terms of the previous two closed financial years (2012, 2013)

Out of the alternative criteria the followings has been met:

a) the average annual income exceed the amount of one million forint (effectively: 2012-2013: 71.256 thousand Ft)

c) the amount of the personnel costs – without the payments to the senior officials – reaches the quarter of the amount of the total costs (effectively: 2012-2013: 58,98%)

3) Statement of the appropriate social support in terms of the last two closed financial years

Out of the alternative criteria the followings has been met:

c) According to the Act of LXXXVIII 2005 on voluntary activities in the public interest the performance of the task of public utility was permanently (average of two years) supported by at least ten volunteers of public interest.

The activity of CESCİ was supported by 4 volunteers of public interest on average in terms of years 2012-2013.

Statement of earmarked allocations

Our organization supported the Civitas Foundation with an amount of 600 000 Ft (2.051.56 EUR).

Statement on payments made to CESCİ's senior officials

No payments were made to CESCİ's senior officials in 2010

Expenses of public benefit activity

Equity Value: -5.833 thFt Goal of usage: activity of public utility

Indicators of access to resources and social support

Indicators of access to resources	Fulfilment of indicator	Value
Ectv.32.par.(4) a) $(B1+B2)/2 > 1.000.000$ Ft	Yes	71.256 th Ft
Ectv.32.par.(4) b) $K1+K2 >= 0$	No	-793 th Ft

Ectv.32.par.(4) c) $(I1+I2-A1-A2)/(H1+H2) \geq 0,25$	Yes	0,5898
Indicators of social support	Fulfilment of indicator	Value
Ectv.32.par.(4) a) $(C1+C2)/(G1+G2) \geq 0,02$	No	0,0
Ectv.32.par.(4) b) $(J1+J2)/(H1+H2) \geq 0,5$	Yes	0,8088
Ectv.32.par.(4) c) $(L1+L2)/2 \geq 10$ persons	No	4 persons

Basic data for determining the legal status of public utility

	Previous year	Year concerned
B. Total annual income:	47.498 th Ft	95.014 th Ft
D. Income of public utility:	19.392 th Ft	70.729 th Ft
E. Normative grant:	0 th Ft	0 th Ft
F. Support from the EU Structural Funds and Cohesion Fund	0 th Ft	0 th Ft
G. Corrected turnover	28.106 th Ft	24.355 th Ft
H. Total expenditure	46.337 th Ft	97.713 th Ft
I. Personnel charges	27.186 th Ft	57.779 th Ft
J. Expenditure of public utility	46.337 th Ft	70.166 th Ft
K. Profit or loss after taxation	1.161 th Ft	-2.746 th Ft
L. Number of the volunteers of public utility participating in the activity of the organization (According to the Act of LXXXVIII 2005 on voluntary activities in the public interest) (person)	3 persons	5 persons

Personnel charges

	1000 EUR	Previous year	Year concerned
A.	Personnel charges	27 186	57 779
A.1.	Wage charges	18 989	38 707
A.1.A.	out of it: commissions	0	0
A.1.B.	out of it: honorarium	0	0
A.2.	Other personnel charges	2404	7 888
A.3.	Social Security charges	5793	11 184