



**SOUTH EAST  
EUROPE**

Transnational Cooperation Programme

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EK 16 - 3069/2012

## Subsidy Contract

Project Code: SEE/D/0180/2.4/X

Acronym: RE-SEETies

Project title: RE-SEETies: Towards resource efficient urban communities  
in SEE

European Territorial Co-operation 2007 – 2013



**Subsidy Contract**  
**for the implementation of the project**  
**SEE/D/0180/2.4/X - RE-SEETies**  
**RE-SEETies: Towards resource efficient urban communities in SEE**  
**within the**  
**South East Europe Transnational Cooperation Programme (SEE)**

The following Subsidy Contract (furthermore referred to as Contract) is concluded between

VÁTI Hungarian Nonprofit Limited Liability Company for Regional Development and Town Planning hosting the **Joint Technical Secretariat** of the South East Europe Transnational Cooperation Programme (hereinafter referred to as JTS),  
Address: 1016 Budapest Gellérthegy u. 30-32., Hungary  
Tax number: 18084922-2-41

on behalf of the National Development Agency acting as **Managing Authority** of the South East Europe Transnational Cooperation Programme (hereinafter referred to as MA)  
Address: 1077 Budapest, Wesselényi utca 20-22., Hungary

on one hand,

and

**The Local Government of Budapest District 18, Pestszentlőrinc-Pestszentimre**  
**400 Üllői út, 1184 Budapest, Hungary**

acting as Lead Partner (hereinafter referred to as LP)

on the other hand,

hereinafter jointly referred to as Parties

based on the following legal framework:

- COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;
- REGULATION (EC) No 1080/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund;
- COUNCIL REGULATION (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA);
- COMMISSION REGULATION (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA);
- the South East Europe (SEE) Operational Programme

The following regulations and guidelines have to be also respected in the framework of this contract:

- Community rules regarding Community horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement;
- National rules applicable to the LP and its Project Partners (hereinafter referred to as PPs);
- The SEE Programme Manual (relevant for the 4th call for proposals) and the SEE Implementation Manual laying down the programme specific rules for the implementation of the SEE projects.

**Article 1**  
**Award of subsidy**

1. In accordance with the decision of the Monitoring Committee, dated **28.09.2012** an earmarked subsidy is awarded to the LP from the European Regional Development Fund (hereinafter: ERDF) and from the Instrument for Pre-Accession Assistance (hereinafter: IPA) under the South East Europe Transnational Cooperation Programme for the implementation of the “**SEE/D/0180/2.4/X - RE-SEETies**” “**RE-SEETies: Towards resource efficient urban communities in SEE**” project.

<b>Total Project budget</b>	<b>2,249,103.66 Euro</b>
<b>Maximum ERDF contribution awarded</b>	<b>1,530,086.57 Euro</b>
<b>Maximum IPA contribution awarded</b>	<b>381,651.54 Euro</b>

2. The co-financing rates for Community Contribution (ERDF and IPA) per project partners are set in the Annex III. (Sources of funding) of the Contract. The co-financing rates for Community contribution per partners cannot exceed 85%.
3. The maximum amount of Community contribution awarded for the project cannot be exceeded.
4. Should the total eligible costs after the completion of the project be lower than the budgeted amount, the abovementioned Community contribution awarded under the South East Europe Transnational Cooperation Programme will be correspondingly reduced.
5. Reimbursement of the ERDF contribution is under the condition that the European Commission makes the funds available to the above-described extent and the Memorandum of Understanding is signed by each EU Member State of the South East Europe Transnational Cooperation Programme.
6. Reimbursement of the ERDF contribution in relation to the Article 21 of Commission Regulation (EC) No 1080/2006 is under condition that the Member State of the partner located outside of the South East Europe Programme set up a control system according to Article 16 of of Regulation (EC) No 1080/2006 and the compliance of the control system is confirmed by the Audit Authority of the South East Europe Transnational Cooperation Programme. In case this condition is not fulfilled by the Member State, the MA will reduce the total project budget of ERDF partners and the corresponding ERDF contribution in Article 1.1. by the amounts set for the given partner in Annex III.

7. Reimbursement of the IPA contribution is under condition that the Financing Agreement is signed and the control system is set up according to Article 108 of the Regulation (EC) No 718/2007 by the IPA Partner State and the compliance of the control system is confirmed by the Audit Authority of the South East Europe Transnational Cooperation Programme.
8. If the European Commission fails to make the funds available, the MA will be entitled to withdraw from this contract.

## **Article 2** **Duration of the project**

1. Project starting date: 01/10/2012  
Project end date: 30/09/2014
2. The project activities have to be carried out and finalised within the project period. Project expenditure – with the exception of costs outlined in Articles 2.3. and 2.4. – has to be incurred and paid between the starting date of the project and the project end date as defined in Article 2.1.
3. Preparation costs can only be eligible:
  - For ERDF Partners: if they were incurred on or after 1<sup>st</sup> January 2007 and before the final approval date of the Application Form by the Monitoring Committee ("Second step in case of "Two Step" procedure, date of endorsement of the results of the condition clearing exercise in case the application was approved under conditions) and paid before the end date of the first reporting period.
  - For IPA-I Partners: if they were incurred on or after the date of signature of the Financing Agreement by the IPA Partner State of the given partner and before the final approval date of the Application Form by the Monitoring Committee ("Second step in case of "Two Step" procedure, date of endorsement of the results of the condition clearing exercise in case the application was approved under conditions) and paid before the end date of the first reporting period.
4. Costs incurred in the last reporting period and control costs related to the Final Progress Report have to be paid within 60 days from the project end date at the latest.

## **Article 3** **Object of use**

1. The Community contribution is awarded exclusively for the implementation of the Project as it is described in the Application Form approved by the Monitoring Committee. The Application Form and the Partnership Agreement signed between the Project Partners are integral parts of this Contract.
2. Project expenditure, including preparation costs, which qualifies for the Community contribution awarded according to Article 1.1., consists exclusively of project expenditure related to the project activities listed in the Application Form approved by the Monitoring Committee. The rules for the eligibility of expenditure are set in the SEE Programme Manual of the third call for proposals of the South East European Territorial Cooperation Programme. The relevant EC Regulations, in particular the Article 56 of Regulation (EC) No 1083/2006, Article 7 and Article 13 of Regulation

(EC) No 1080/2006, Article 48-53 of Regulation (EC) No 1828/2006 and Article 34 and 89 of Regulation (EC) No 718/2007 without prejudice to the eligibility rules set by the IPA Financing Agreement, and national eligibility rules have to be also respected. In case of contradiction between the abovementioned rules, the stricter rule shall apply.

#### **Article 4**

### **Reporting and Application for Reimbursement**

1. The LP can only submit Application for Reimbursement to the Joint Technical Secretariat by providing proof of progress of the project. Therefore the LP has to submit a Progress Report – with each Application for Reimbursement – consisting of the description of the activities carried out and their outputs and results during the reporting period and a financial report presenting the financial progress of the project in accordance with the approved application.
2. The LP has to submit the Progress Report and the Application for Reimbursement twice a year, on a 6 months basis, with exception of the first and the last reporting periods which can be shorter or longer than 6 months depending on the time plan of the project. The Progress Report and the Application for Reimbursement have to be submitted to the Joint Technical Secretariat within 3 months from the end date of each reporting period. The deadlines for submission are set in Article 4.13.
3. Additional obligatory deadlines to submit an Application for Reimbursement may be set by the MA in order to avoid decommitment of ERDF and / or IPA contribution at programme level. The additional deadlines may be set explicitly in the Contract and/or communicated in advance to the LPs.
4. The first Progress Report and Application for Reimbursement have to cover the preparation costs incurred until the final approval date of the project and paid before the end date of the first reporting period and the project expenditure incurred and paid within the starting date of the project and the end date of the first reporting period.
5. The final Progress Report and final Application for Reimbursement have to be submitted to the Joint Technical Secretariat within three months after the end date of the project.
6. The language of each report is English. The forms and tools of the Progress Report, Application for Reimbursement and the Declarations on validation of expenditure are defined for the SEE Programme and are obligatory to use. The LP has to fill in and submit the Progress Report and the Application for Reimbursement online through the Front Office surface of the IMIS 2007-2013 (the monitoring and information system of the SEE Programme; hereinafter referred to as the system). Access to the system is only permitted by means of an individual username and password. The Rules of Use of the system are set in Annex VI. of this contract. Further rules on reporting – including the documents to be submitted with the Progress Report – are set in the SEE Implementation Manual.
7. The Application for Reimbursement submitted by the LP shall contain only validated expenditure and shall be supported by the Declarations on validation of expenditure issued by the Controllers of the Project Partners. The LP shall ensure that the expenditure presented by the project partners participating in the project have been incurred for the purpose of implementing the project and corresponds to the activities agreed between those partners.



8. In case the Declarations on validation of expenditure are not received from each project partner for a given reporting period, the LP shall submit the Application for Reimbursement on the basis of the Declarations on validation of expenditure available for the reporting deadline. The expenditure of the project partners not validated for the given reporting period within the deadline can be requested only for the next reporting deadline to the reporting period concerned. The MA is entitled to authorize derogation from this rule in order to reduce possible losses at programme level in case of problems identified in the operation of the control systems and in other duly justified cases.
9. In compliance with Article 20(1)d of the Regulation (EC) No. 1080/2006, the LP shall ensure that the expenditure of its PPs has been verified by the designated controller of the PP, including the expenditure within the meaning of Article 21 of Regulation (EC) No 1080/2006. The designated controllers and the national level control requirements for each Member State/Partner State are available at the Programme's website: [www.southeast-europe.net](http://www.southeast-europe.net).
10. The LP shall submit the Application for Reimbursement in Euro, based on the Declarations on validation of expenditure in Euro issued by the designated controllers of the PPs.
11. In case PPs from Member States/Partner States, which have not adopted the Euro as their currency, are participating in the project, the PPs shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for validation to the responsible controller of the Member State/Partner State. The expenditures shall be converted into Euro using the monthly accounting exchange rate of the Commission in force in the last month of the reporting period.<sup>1</sup>
12. The exchange rate risk is borne by the project partner concerned.
13. The LP shall request the reimbursement of Community contribution by the reporting deadlines of the following table:

Period ID	Reporting period (dd/mm/yyyy)	Deadline for submission of the Progress Report and Application for Reimbursement	Spending forecast EUR
period 1	28/09/2012 <sup>2</sup> - 31/03/2013	01/07/2013	346,213.63 ✓
period 2	01/04/2013- 30/06/2013	01/10/2013	445,571.65 ✓
period 3	01/07/2013- 31/12/2013	01/04/2014	649,321.45 ✓
period 4	01/01/2014- 30/06/2014	01/10/2014	629,188.76 ✓
period 5	01/07/2014- 30/09/2014 <sup>3</sup>	01/01/2015 <sup>4</sup>	178,808.17 ✓
Total Project budget			2,249,103.66 ✓

<sup>1</sup> The monthly exchange rates of the Commission are available at the following website:

<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

<sup>2</sup> Approval date of the project

<sup>3</sup> End date of the project

<sup>4</sup> 3 months after the end date of the project

14. The spending forecasts of the project are set out in Article 4.13. The LP has the possibility to deviate from the spending forecasts considering that in case of underspendings compared to the spending forecasts, the MA – based on the decision of the Monitoring Committee – is entitled to decommit the project by reducing the original project budget and the corresponding Community contribution.
15. In case of decision on the decommitment of the project, the MA initiates the amendment of the Subsidy Contract. The Addendum to the Contract has to be signed by both Parties.

#### **Article 5**

##### **Reimbursement of Community contribution to the LP**

1. The reimbursement of Community contribution to the LP will be initiated only after the verification and acceptance of the Progress Report and its annexes, the Application for Reimbursement and the Declarations on validation of expenditure.
2. The LP may be requested for completion of the Progress Report and the Application for Reimbursement during the verification process by the JTS. After the second unsuccessful completion, the Application for Reimbursement and the Progress Report will be rejected. A rejected Progress Report and Application for Reimbursement can be resubmitted only once and for the next reporting deadline following to the reporting period concerned.
3. The reimbursement of Community contribution will be eventually authorised by the Certifying Authority. In case the ERDF balance of the programme single bank account handled by the Certifying Authority does not cover the amount to be reimbursed, the reimbursement process will be suspended till the transfer of the ERDF contribution from the EC is credited to the programme single bank account. In case the IPA balance of the IPA programme single bank account handled by the Certifying Authority does not cover the amount to be reimbursed, the reimbursement process will be suspended till the transfer of the IPA contribution from the EC is credited to the IPA programme single bank account.
4. For receiving the reimbursement of Community contribution and both for the transfers of ERDF contribution to the ERDF PPs and for the transfers of IPA contribution to the IPA-I PPs, the LP has to open a separate EUR bank account exclusively for the project or in case of single EUR bank account at the LP organisation to ensure a sub-account or a separate accounting code/ technical code/ budget line or other technical arrangement allowing to identify, track and report all financial transfers and expenditure related to the project (hereinafter referred to as separate project bank account).
5. The Community contribution will be reimbursed in Euro only and transferred to the following separate project bank account indicated by the LP:

IBAN account number	<b>HU85 1091 8001 0000 0002 3995 0598</b>
SWIFT Code	<b>BACXHUHB</b>
Bank name	<b>UniCredit Bank Hungary Zrt.</b>
Bank address	<b>Szabagsag ter 5-6, 1054 Budapest (HU)</b>

6. The LP has to notify officially the JTS in written form in case of change of the separate project bank account the latest before the submission of the following Application for Reimbursement.

7. The LP is responsible for transferring the Community contribution to the project partners participating in the project according to the approved Application for Reimbursement, within the timeframe agreed in the Partnership Agreement.
8. Bank statements proving the management of the separate project bank account have to be presented to the JTS according to the rules specified in the Implementation Manual.
9. In case the LP fails to properly inform the JTS on the details of its separate project bank account, all consequences, including those of financial nature shall be borne by the LP.

#### **Article 6**

##### **Representation of PPs, liability and additional obligations of the LP**

1. The LP represents the partnership as defined in the Partnership Agreement and is the only direct contact between the project and the programme management bodies (MA, JTS, Certifying Authority, Audit Authority). The LP shall be responsible for ensuring the implementation of the entire project. To this end, the LP shall undertake:
  - a) to co-ordinate the start of the project according to the Application Form approved by the Monitoring Committee;
  - b) to co-ordinate the implementation of the project within the time schedule stated in the approved Application Form;
  - c) to inform the JTS immediately in written form if the project budget has to be changed, if the partners, the project objectives, the activity plan, on which this contract is based have to be changed, or one of the reimbursement conditions cannot be fulfilled, or circumstances arise, which entitle the MA to reduce or demand repayment of the Community contribution (wholly or in part);
  - d) to comply with European Union regulations and programme-level regulatory documents, as referred to in the preamble to this contract, and to the relevant national legislation for the whole partnership.

#### **Article 7**

##### **Information and Publicity**

1. The LP undertakes to fulfill the information and publicity measures set out in Regulation (EC) No. 1828/2006, and to respect the information and publicity requirements of the SEE Programme according to the SEE Implementation Manual with the aim to promote the fact that financing is provided from the European Union funds in the framework of the South East Europe Transnational Cooperation Programme and to ensure the adequate promotion of the project.
2. The LP shall ensure that all project official communications (e.g. any notice, publication, website or project event, including conferences or seminars) specify that the project has received funding from the EU, within the framework of the South East Europe Transnational Cooperation Programme, by proper display of the EU logo, the SEE Programme logo and slogan and the name of the funds concerned.
3. The LP shall develop and implement a communication plan which includes the realisation of at least the following mandatory outputs:
  - a) creation and use of a project logo;



- b) setting up of a project website (whereby the respective activities shall start before the submission of the first Progress Report) and keeping it online for a period of at least two years after project closure;
- c) publication and dissemination of at least one brochure presenting the project results;
- d) organisation of a public final event.

The communication plan should be submitted with the first Progress Report.

- 4. Any notice or publication by the LP or the project partners, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's views and that the MA is not liable for any use that may be made of the information contained therein.
- 5. The MA/JTS shall be authorised to publish, in any kind of form and on or by any kind of medium, including the Internet, the following information:
  - a) the name of the project;
  - b) the name of the project partners;
  - c) the amount granted and the Community co-financing rate;
  - d) the purpose of the Community contribution (i.e. project's overall objective);
  - e) the geographical location of the project;
  - f) progress reports;
  - g) project results, evaluations and summaries;
  - h) other information about the project, if considered relevant.
- 6. The LP shall ensure the proper means of communication between the project and the programme, including:
  - a) participation, whenever requested, in LP trainings organized by the JTS;
  - b) participation, whenever requested, in other events organised by the programme with the purpose of presenting/discussing/developing/sharing project results and creating synergies with other projects and relevant organisations;
  - c) providing a visible link on the project's website to the programme website – [www.southeast-europe.net](http://www.southeast-europe.net).

## **Article 8**

### **Amendments of the Subsidy Contract and other project changes**

- 1. The LP has to request the modification of the Subsidy Contract in case of substantial changes in the project, which are the followings:
  - a) changes in the partnership;
  - b) substantial changes in the content of the project;
  - c) budget reallocation between project partners;
  - d) budget reallocation between budget lines and/or workpackages exceeding 10% of the total project budget (as referred to in Article 1.1.);
  - e) prolongation of the project duration.

2. Budget reallocation between project partners not connected to partnership changes, budget reallocation exceeding the 10% reallocation limit, and prolongation of the project duration can be requested only once during the project period and only in an exceptional case modification of these types of changes can be allowed by the MA / MC once more. Further detailed rules describing each case of Subsidy Contract modification are set in the SEE Implementation Manual.
3. Any request for modification of the Subsidy Contract has to be justified and submitted by the LP to the JTS in a written form, as regulated in the SEE Implementation Manual. The JTS will review the request of modification and submit it for decision to the MA or the Monitoring Committee according to the type of the modification requested. The Addendum to the Subsidy Contract has to be signed by both Parties according to the approval of the MA/Monitoring Committee.
4. The last request for modification of the Subsidy Contract shall be submitted two months before the end date of the project.
5. Other changes in the project than listed in point 1. will not require Subsidy Contract modification, but the LP has to notify the JTS in each case at the latest through the Progress Reports, except the change of the separate bank account, which has to be notified as given in Article 5.6 of this contract. The JTS will verify that the project change does not fall under cases regulated in Article 8.1 and will inform the LP without any delay if it requires Subsidy Contract modification.
6. The LP can request amendment of the spending forecasts set in Article 4.13., only in relation to substantial changes in the project (as referred in Article 8.1.), affecting the project budget.

#### **Article 9 Assignment, legal succession**

1. The MA is entitled at any time to assign its rights under this contract. In case of assignment the MA will inform the LP without delay.
2. The LP is allowed to assign its duties and rights under this contract only after prior decision of the Monitoring Committee and written consent of the MA.
3. In case of legal succession, e.g. where the LP changes its legal form, the LP is obliged to transfer all duties under this contract to the legal successor. The LP shall notify the MA about any change beforehand.

#### **Article 10 Audit rights**

1. The responsible auditing bodies of the EU, and, within their responsibility, the auditing bodies of the participating EU Member States and Partner States as well as the Audit Authority, MA, JTS and Certifying Authority of the programme are entitled to audit the proper use of funds by the LP or by the project partners or arrange for such an audit to be carried out by authorised persons.
2. The LP will produce all documents required for the audit, provide necessary information and give access to its business premises. The LP is obliged to retain for audit purposes all files, documents and data about the project for at least until 31 December 2022. The list of the documents to be retained is listed in Annex V.

3. The LP is obliged to guarantee fulfilment of the above stipulated duties in relation to all other PPs of the project.

### **Article 11 Irregularities**

1. In case of irregularities identified during the project implementation the MA reserves the right to claim the repayment of Community contribution in full or in part from the LP and has the right to reduce the amount of the Community contribution awarded.
2. Therefore the LP is always responsible for securing repayment of the Community contribution unduly paid to the project.
3. If a project partner commits an irregularity and the LP cannot recover the Community contribution unduly paid to a project partner on the basis of the partnership agreement existing between them, the LP shall inform the JTS in written form within the deadline for the repayment set in Article 12.2.

### **Article 12 Right of withdrawal and repayment, suspension of reimbursement**

1. The MA is entitled to withdraw from this contract and to demand repayment of Community contribution in full or in part, if:
  - a) the LP has obtained the Community contribution through false statements or incomplete statements to bodies/appointees of the European Commission, the MA or any other authorities involved in the implementation of the programme; or
  - b) a precondition for the approval of the project is lost, e.g. the minimum requested number of project partners is not given any longer; or
  - c) the LP becomes insolvent or subject to bankruptcy proceedings; or
  - d) in case of identified irregularities; or
  - e) the LP fails to fulfil a condition or an obligation resulting from this contract; in particular
  - f) the LP does not submit Progress Report and Application for Reimbursement within 3 months after the end of the first period; or
  - g) the LP repeatedly fails to submit Progress Reports and Application for Reimbursements within the reporting deadlines; or
  - h) the project has not been or cannot be fully implemented by carrying out the planned activities, the planned outputs and results and by achieving at least 75% spending of the total project budget, or the project cannot or could not be realized in due time; or
  - i) the LP fails to provide immediate information about circumstances that delay, hinder or make impossible the realization of the project, as well as about any circumstances that mean a change of the reimbursement conditions and frameworks as laid down in this contract or entitle the MA to reduce or demand repayment of the Community contribution wholly or in part; or
  - j) the regulations of the EU and national law (including provisions concerning public procurement rules and in case of IPA contributions the PraG rules for procurement procedures, state aid rules, publicity, rules on environmental protection, and rules on equal opportunities,) have been infringed; or

- k) the LP has impeded or prevented the auditing of the project as referred to in Article 10.; or
  - l) the Community contribution awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
  - m) it has been impossible to verify that the final Progress Report is correct and thus the eligibility of the project by funding from the South East Europe Transnational Cooperation Programme.
2. If the MA sends a request for repayment on the amount of Community contribution paid unduly and the corresponding interest chargeable, the LP is obliged to secure repayments from the PPs concerned and repay the amount specified by the MA before the due date. The repayment by the LP is due within two months following the receipt date of the request for repayment. The rate of such interest shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the date at which the breach of this contract emerged.
  3. The MA has the right to recover the amounts specified in the request for repayment by deducting them from the Application for Reimbursement submitted by the LP.
  4. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment, starting on the due date and ending on the actual date of repayment. The rate of interest on late payment shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the due date.
  5. If the MA exercises its right of withdrawal, offsetting by the LP is excluded unless its claim is undisputed or recognised by declaratory judgement.
  6. The LP is entitled to exercise the right of withdrawal if implementation of the project becomes impossible caused by circumstances independent from the LP. In this case, the LP shall repay the whole amount of Community contribution reimbursed with the interest chargeable within two months from the date of notifying the MA on the withdrawal from the contract. The rate of interest shall be the rate applied by the European Central Bank in its main refinancing operations on the date of notification of withdrawal.
  7. In case of delays in submitting the Progress Report or Application for Reimbursement or request for project modification, or in case multiple completions of the Progress Report and/or Application for Reimbursement are required attributable to the LP and/or any of the PPs, the MA is entitled to apply a proportional reduction to costs related to project management up to 25%.
  8. The MA may decide to suspend the reimbursement of the Community contribution if the provisions laid down in the Memorandum of Understanding are not respected by the Member States concerned, or if the provisions laid down in the Financing Agreements are not respected by the Partner States concerned. The LP shall be informed on the suspension.

### **Article 13**

#### **Ownership/use of results, revenues generated**

1. The project retains the contribution from the Community funds only if that project does not, within five years from the completion of the project, undergo a substantial modification:



- a) caused by a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which
  - b) affects the nature or the implementation conditions or gives to a firm or a public body an undue advantage.
2. Ownership, title and industrial and intellectual property rights in the outputs of the project and the reports and other documents relating to it shall vest in the LP and PPs.
  3. The use of the results of the project will be agreed by the LP and the Joint Technical Secretariat in order to guarantee a widespread publicity of such results and to make them available to the public.
  4. The LP and the JTS shall find individual arrangements in those cases where intellectual property rights (such as for data acquired for the project, which do not belong to public domain) already exist.
  5. The amount of net revenues generated by the project must be deducted from the eligible costs in full or pro-rata depending on whether it was generated entirely or partly by the co-financed project, in accordance with the provisions of Article 55(1) of Regulation (EC) No 1083/2006 for ERDF contribution and Article 35 of Regulation (EC) No 718/2007 for IPA contribution respectively.
  6. Where, at the latest three years after the closure of the programme, it is established that a project has generated revenue that has not been taken into account, such revenue should – in line with Art 55 (4) of the aforementioned regulation - be refunded to the general budget of the European Union in proportion to the contribution from the ERDF funds.

#### **Article 14 Concluding provisions**

1. Should any provision in this contract be wholly or partly ineffective, the remaining provisions remain binding for the Parties. The Parties to the contract undertake to replace it by an effective one which comes as close as possible to the purpose of the ineffective provision.
2. Amendments and supplements to this contract must be in written form.
3. All correspondence with the MA / JTS under this contract must be in English language and has to be sent to the following address:  

SEE Joint Technical Secretariat  
Gellérthegy u. 30-32.  
1016 Budapest, Hungary
4. This contract is concluded in English. In case of translation of this contract and its annexes into other language, the English version shall prevail.
5. This contract is governed by Hungarian law and all matters not regulated in this contract are subject to the legal understanding laid down in the Hungarian Civil Code (Act No. IV. of 1959.). In case of differences that are not ruled by this contract, the Parties agree to find an amicable and mutually acceptable solution. If the Parties fail to do so, all disputes arising in connection with this contract shall be settled by the Buda Central District Court.

6. The Subsidy Contract is signed in three original copies, of which one remains at the LP and two original copies have to be returned to the Joint Technical Secretariat.
7. The contract enters into force on the date of signature by the last of both Parties.
8. The contract shall remain in force until the LP has discharged in full its obligations arising from the Subsidy Contract towards the MA.

2012 NOV. 26

Place and date: Budapest,

The Local Government of  
Budapest District 18,  
Pestszentlőrinc-Pestszentimre  
(Lead Partner) represented by



Mr. Attila Ughy  
Mayor

*[Handwritten signature]*

2012 OKT 19.

Place and date: Budapest,

VÁTI Hungarian Nonprofit Limited Liability Company for  
Regional Development and Town Planning  
(JTS) represented by

*[Handwritten signature]*  
Ivan Curzolo  
Head of JTS

*[Handwritten signature]*

Beáta Marczis  
Head of Unit

VÁTI  
Magyar Regionális Fejlesztési  
és Urbanisztikai Nonprofit  
Korlátolt Felelősségű Társaság

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## **ANNEXES to the Subsidy Contract**

- I. Approved Application Form
- II. Partnership Agreement
- III. Sources of funding (maximum Community contribution, Community co-financing rate per Partners)
- IV. Project Budget (per Partners, per Work Packages, Budget Lines)
- V. List of documents to be retained
- VI. Rules of Use of the Front Office surface of IMIS 2007-2013

**Annex III**  
**Sources of funding**

<b>Project Partner</b>	<b>Maximum ERDF contribution EUR</b>	<b>ERDF co-financing rate %</b>	<b>Total eligible Budget EUR</b>
LP - BP18	384,313.90	85.00	452,134.00
ERDF PP1 - CRES	213,649.20	85.00	251,352.00
ERDF PP2 - CNR-IMAA	148,013.21	85.00	174,133.19
ERDF PP3 - EGALEO	121,066.12	85.00	142,430.73
ERDF PP4 - Potenza	207,544.50	85.00	244,170.00
ERDF PP5 - Energiaklub	120,288.36	85.00	141,515.72
ERDF PP6 - NITRA	117,435.33	85.00	138,159.21
ERDF PP7 - Hemps	102,069.70	85.00	120,082.00
ERDF PP8 - ZRS Bistra Ptuj	115,706.25	85.00	136,125.00
<b>Total budget of ERDF PPs</b>	<b>1,530,086.57</b>		<b>1,800,101.85</b>

<b>Project Partner</b>	<b>Maximum IPA contribution EUR</b>	<b>IPA co-financing rate %</b>	<b>Total eligible Budget EUR</b>
IPA-I PP1 - SK	111,407.46	85.00	131,067.60
IPA-I PP2 - REGEA	183,502.42	85.00	215,885.20
IPA-I PP3 - MACEF	86,741.66	85.00	102,049.01
<b>Total budget of IPA-I PPs</b>	<b>381,651.54</b>		<b>449,001.81</b>



**Annex IV**  
**Project budget**

**IV. 1. Total Project budget of ERDF partners and IPA-I partners per Work Packages and partners**

PPs role and abbreviation	WP0	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
LP - BP18	27,650.00	140,056.00	68,844.00	22,560.00	59,664.00	51,084.00	82,276.00	0.00	0.00	452,134.00
ERDF PP1 - CRES	0.00	33,515.00	34,227.00	46,345.00	55,352.00	60,672.00	21,241.00	0.00	0.00	251,352.00
ERDF PP2 - CNR-IMAA	0.00	29,030.00	22,533.20	11,178.00	54,457.19	38,679.20	18,255.60	0.00	0.00	174,133.19
ERDF PP3 - EGALEO	0.00	11,706.08	20,413.44	13,544.40	41,960.24	28,468.65	26,337.92	0.00	0.00	142,430.73
ERDF PP4 - Potenza	0.00	28,980.00	37,340.00	24,000.00	54,990.00	48,090.00	50,770.00	0.00	0.00	244,170.00
ERDF PP5 - Energiaklub	0.00	11,076.16	71,175.20	6,480.00	18,097.92	15,225.12	19,461.32	0.00	0.00	141,515.72
ERDF PP6 - NITRA	0.00	11,248.00	23,030.41	12,048.00	33,835.20	30,574.40	27,423.20	0.00	0.00	138,159.21
ERDF PP7 - Hemps	0.00	8,626.00	17,612.00	7,564.00	39,232.00	28,122.00	18,926.00	0.00	0.00	120,082.00
ERDF PP8 - ZRS Bistra Pltj	0.00	13,140.00	25,060.00	8,600.00	36,900.00	26,460.00	25,965.00	0.00	0.00	136,125.00
<b>WP Total of ERDF PPs</b>	<b>27,650.00</b>	<b>287,377.24</b>	<b>320,235.25</b>	<b>152,319.40</b>	<b>394,488.55</b>	<b>327,375.37</b>	<b>290,656.04</b>	<b>0.00</b>	<b>0.00</b>	<b>1,800,101.85</b>
IPA-I PP1 - SK	0.00	11,826.40	24,679.21	6,970.00	42,787.19	25,236.20	19,568.60	0.00	0.00	131,067.60
IPA-I PP2 - REGEA	0.00	20,034.00	42,762.41	20,838.00	49,129.19	52,008.00	31,113.60	0.00	0.00	215,885.20
IPA-I PP3 - MACEF	0.00	12,955.01	19,782.00	4,415.00	34,092.00	19,630.00	11,175.00	0.00	0.00	102,049.01
<b>WP Total of IPA-I PPs</b>	<b>0.00</b>	<b>44,815.41</b>	<b>87,223.62</b>	<b>32,223.00</b>	<b>126,008.38</b>	<b>96,874.20</b>	<b>61,857.20</b>	<b>0.00</b>	<b>0.00</b>	<b>449,001.81</b>
<b>TOTAL</b>	<b>27,650.00</b>	<b>332,192.65</b>	<b>407,458.87</b>	<b>184,542.40</b>	<b>520,496.93</b>	<b>424,249.57</b>	<b>352,513.24</b>	<b>0.00</b>	<b>0.00</b>	<b>2,249,103.66</b>

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IV. 2. Total project budget of ERDF partners and IPA-I partners per Work Packages and Budget Lines

All ERDF and IPA-I PPs	WP 0	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Staff costs	1,150.00	123,358.00	148,958.00	112,430.00	220,472.00	176,137.00	159,471.00	0.00	0.00	941,976.00
Overheads	0.00	12,810.65	15,300.87	12,862.40	23,574.93	18,032.57	16,342.24	0.00	0.00	98,923.66
Travel and accommodation costs	800.00	44,100.00	28,200.00	0.00	52,800.00	68,000.00	35,800.00	0.00	0.00	229,700.00
External expertise and services	25,700.00	131,424.00	215,000.00	59,250.00	223,650.00	158,080.00	140,900.00	0.00	0.00	954,004.00
Equipments	0.00	0.00	0.00	0.00	0.00	4,000.00	0.00	0.00	0.00	4,000.00
Small scale investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial charges and guarantee costs	0.00	20,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,500.00
<b>Total</b>	<b>27,650.00</b>	<b>332,192.65</b>	<b>407,458.87</b>	<b>184,542.40</b>	<b>520,496.93</b>	<b>424,249.57</b>	<b>352,513.24</b>	<b>0.00</b>	<b>0.00</b>	<b>2,249,103.66</b>

**Annex V**  
**List of documents to be retained**

No.	Document
1.	Approved Application Form
2.	Partnership Agreement (and its amendments)
3.	Subsidy Contract
4.	Amendments of the subsidy contract
5.	Progress Reports
6.	Applications for Reimbursement
7.	Partner Reports
8.	Declarations on validation of expenditure
9.	Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)
10.	All supporting documents related to project expenditure (e.g. payslips, bank statements, public procurement documents, etc.) to be retained at the premises of the project partner concerned
11.	All project deliverables (materials produced during the project period, including project communication related documents and materials)
12.	If relevant, documentation related to on the spot checks of the controllers (to be retained at the premises of the project partner concerned)
13.	If relevant, documentation of monitoring visits of the JTS
14.	If relevant, documentation related to audits reports

## ANNEX VI

### Rules of Use of the Front Office surface of IMIS 2007-2013

This regulation lays down the requirements of secure application of the IMIS 2007-2013 system (hereinafter referred to as the system).

#### 1. General rules

- The LP (hereinafter referred to as the User) is obliged to learn the rules of the proper use of the system and to apply the system according to the User Manual.
- The User is only allowed to complete tasks in line with his/her role within the system.
- The User is obliged to cooperate with the Joint Technical Secretariat in case any examination related to system events becomes necessary.
- The User is responsible for the accuracy of the data entered into the system.

#### 2. Security rules

- It is prohibited to use any programmes, applications or devices that may affect the operation of the system.
- The User is responsible for the secure use of the system.
- In order to guarantee the safe operation of the system the User is obliged to use a client computer that is sufficiently protected: equipped with central or local firewall, regularly updated antivirus system and well-protected user accounts for the workstation.
- The User is obliged to use a complex password that is kept confidential. The User has to select a password with a length of at least 8 characters, containing lower case letters, capital letters and digits as well. The password shall be changed regularly.
- In case of any activity that endangers the safe operation of the system the access of the affected User will be suspended and IT security examination will be started.

#### 3. Rules for suspicion of misuse

- In case of unauthorized usage the owner of the user name has to take the responsibility.
- In case of reasonable suspicion of unauthorized usage all the tasks accomplished by the User in the system can be examined during the security examination without preliminary notification.
- In case of a suspicion that the password could be learned by another unauthorized person the User has to change it immediately and he/she has to inform the Joint Technical Secretariat about this event.
- If the client computer used for accessing the system is infected by a virus the User is not allowed to log into the system until the infection is eliminated. The Joint Technical Secretariat shall be informed of the virus infection immediately in order to eliminate the virus infection of files uploaded.
- It is prohibited to provide information on any system error or vulnerability to third persons; these issues shall be reported immediately to the Joint Technical Secretariat.