



**The URBACT II Programme
2007 - 2013**

**JOINT
CONVENTION**

**JOINT CONVENTION BETWEEN LEAD PARTNER AND
PROJECT PARTNERS FOR THE URBACT II
OPERATIONAL PROGRAMME**

PROJECT ACRONYM: RE-Block

**PROJECT TITLE: Reviving high-rise Blocks for cohesive and green
neighbourhoods**

**EUROPEAN UNION
European Regional
Development Fund**



Having regard to

- the EU Regulations laying down provisions on the Structural Funds, in particular Council Regulation (EC) No 1083/2006 of 11 July 2006 (OJ L 210, 31.7.2006, p. 25), as last amended by Regulation (EC) No 1989/2006 of 21 December 2006 (OJ L 411, 30.12.2006, p. 6), Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006 (OJ L 210, 31.7.2006, p. 1), Commission Regulation (EC) No 1828/2006 of 8 December 2006 (OJ L 371, 27.12.2006, p. 1), No 643/2000 of 28 March 2000 (OJ L 78, 29.03.2000, p. 4);
- the EU legislation laying down provisions on public procurement, in particular Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 (OJ L 134, 30.4.2004, p. 1-113), as last amended by Council Directive 2006/97/EC of 20 November 2006 (OJ L 363, 20.12.2006, p. 107-128), Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 (OJ L 134, 30.4.2004, p. 114-240) as last amended by Council Directive 2006/97/EC of 20 November 2006 (OJ L 363, 20.12.2006, p. 107-128), Commission Regulation (EC) No 1564/2005 of 7 September 2005 (OJ L 257, 1.10.2005, p. 1-126), as last amended by Commission Regulation (EC) No 1792/2006 of 23 October 2006 (OJ L 362, 20.12.2006, p. 1-66), Commission Directive 2005/51/EC of 7 September 2005 (OJ L 257, 1.10.2005, p. 127-128), Council Directive 92/113/EEC of 25 February 1992 (OJ L 76, 23.3.1992, p. 14-20) as last amended by Council Directive 2006/97/EC of 20 November 2006 (OJ L 363, 20.12.2006, p. 107-128), Council Directive 89/665/EEC of 21 December 1989 (OJ L 395, 30.12.1989, p. 33-35) as last amended by Council Directive 92/50/EEC of 18 June 1992, OJ L 209, 24.7.1992, p. 1-24.
- the European Territorial Cooperation Operational Programme URBACT II (CCI No : 2007CB163PO048), approved by the European Commission on 02 October 2007 [ref: E/2007/2063-C(2007)4454]
- the Memorandum of Understanding between the EU Member States, the Managing Authority (Délégation Interministérielle à la Ville) and the Certifying Authority (Caisse des Dépôts et Consignations) on the implementation of the URBACT II OP.
- the *ad hoc* Memorandum of Understanding between Norway, Switzerland, the Managing Authority (Délégation Interministérielle à la Ville) and the Certifying Authority (Caisse des Dépôts et Consignations) on the implementation of the URBACT II OP.
- Programme specific guidance laid out in the URBACT II Technical Working Document (Programme manual) as approved by the Monitoring Committee on 21 November 2007.

- Article 20.1.a of Regulation (EC) No 1080/2006 that states that it is the responsibility of the lead beneficiary [Lead Partner] appointed for each operation to lay down the arrangements for its relations with the beneficiaries [project partners] participating in the operation in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid.

The following agreement shall be made between :

LEAD PARTNER

Budapest XVIII District Pestszentlőrinc-Pestszentimre Local Government
400 Üllői street, 1184 Budapest, Hungary

Represented by: Mr. Attila Ughy, Mayor

PROJECT PARTNERS

During the project development phase (phase I)

1. Iasi City Hall

STR. STEFAN CEL MARE SI SFANT, NO. 11, 700064, IASI, Romania
Represented by: Mr. Gheorghe Nichita, Mayor

2. City of Komotini

1 Vizyinou Square, 69100, Komotini, Greece
Represented by: Mr. Georgios Petridis, Mayor

3. City of Malaga

4 Avenida Cervantes, 29016, Malaga, Spain
Represented by: Mr. Francisco de la Torre Prados, Mayor

4. City of Gelsenkirchen

Gelsenkirchen, 45875
Represented by: Mr. Michael von der Mühlen, Town Director



During the project implementation phase (phase II)

1. Iasi City Hall

STR. STEFAN CEL MARE SI SFANT, NO. 11, 700064, IASI, Romania
Represented by: Mr. Gheorghe Nichita, Mayor

2. Region of East Macedonia and Thrace

1, Dimokratias Ave, 69100, Komotini, Greece
Represented by: Mr. Pavlos Damianidis, Deputy Regional Governor

3. City of Malaga

4 Avenida Cervantes, 29016, Malaga, Spain
Represented by: Mr. Francisco de la Torre Prados, Mayor

4. City of Gelsenkirchen

Gelsenkirchen, 45875, Germany
Represented by: Mr. Michael von der Mühlen, Town Director

5. City of Magdeburg

6 An der Steinkuhle, 39108, Magdeburg, Germany
Represented by: Mr. Dr. Dieter Scheidemann, City director for urban development, construction and traffic

6. Salford City Council

Salford Civic Centre, Chorley Road, Swinton, M27 5AW, Salford, United Kingdom
Represented by: Councillor Stephen Coen, Assistant Mayor International Relations

7. Municipality of Södertälje

26 Campusgatan, 151 89 Södertälje, Sweden
Represented by: Mr. Staffan Norberg, Vice Mayor & Chairman

8. Università di Tor Vergata - Dipartimento di Scienze e Tecnologie della Formazione

2 via Columbia, 00133, Roma, Italy
Represented by: Prof. Renato Lauro, Rector

9¹. Vilnius City Municipal Government

3 Konstitucijos ave., LT-0960, Vilnius, Lithuania
Represented by: Mr. Jonas Pinskus, Vice Mayor

for the implementation of the URBACT II thematic network / working group REblock, hereinafter referred to as 'the Project', whose phase I has been approved by the Monitoring Committee on 18 April 2008.

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¹ Only in the case of thematic networks, up to 12 partners
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§ 1 Subject of the Agreement

- 1.1 The subject of this agreement is the organisation of a partnership in order to implement the Project supported by the URBACT II Operational Programme.
- 1.2 The terms of reference of the Project are indicated in the Declaration of Interest and in the Final Application which define the Project as sent to the URBACT II Secretariat, with its time schedule, work programme, detailed budget, and co-financing statements.

§ 2 Duration of the Agreement

- 2.1 This agreement will enter into force on the date of signature Partners. If the date of the signatures is different, the latter shall be the governing one. It shall remain in force until the Lead Partner has discharged in full his obligations toward the Managing Authority, and each Project Partner has received its quota of the final payment by the EU Commission [without prejudice to the conditions outlined in Regulation (EC) 1083/2006 Article 90 paragraphs 1 and 3].
- 2.2 This agreement applies to both Development phase (phase I) and Implementation phase (phase II) of the project. If the Final Application for phase II is not approved by the Monitoring Committee, this agreement applies only to phase I. In this case, the obligations, requirements and responsibilities ruled by this agreement will be only those concerning phase I, and the partners concerned by this agreement will be only the partners of phase I.

§ 3 Definition of partners

In this agreement the Partners shall be:

- The **Lead Partner**, as the organisation responsible for the overall Project [according to Article 20 of Regulation (EC) No 1080/2006]. This organisation is administratively, legally and financially responsible for the implementation of the project toward the URBACT Secretariat/ Managing Authority.
- The **Project Partners**, as the organisations responsible for the activities as stated in the Project, according to the work programme, the implementation schedule and the budget. As stated in Article 20.2a of Regulation (EC) No 1080/2006, each Project Partner remains liable for the sound financial management of its own expenditure (according to the financial management system set up – further details are available in the Programme Manual, Fact sheet 6b, section 7).



§ 4 Duties, obligations and responsibilities of the partners

The Lead Partner and Project Partners commit themselves to do everything in their power to foster the implementation of the Project as defined in the approved application. They shall accept the subsidy as presented to the Monitoring Committee and the obligations formulated in the agreement between the Managing Authority and the Lead Partner [Subsidy Contract].

4.1 Lead Partner

The **Lead Partner** represents a key element in the management of the Project. It bears overall financial and legal responsibility and its role is therefore critical to the success of the Project.

The Lead Partner acts as an administrative link between the Project and the Programme, and its tasks are summarised below in accordance to the different phases of a project life [according to the URBACT II Programme Manual, Fact sheet 6b, section 1.1.1]:

4.1.1 Project management and implementation

When it comes to general project management and implementation, the Lead Partner's obligations are the following:

- a. To sign all the required contractual agreements with partners and with the Managing Authority concerning Development phase (phase I)/ Implementation phase (phase II).
- b. To ensure implementation of the operation (including implementation of work programme and production of outputs, and more especially the baseline study during the development phase and the local action plans during the implementation phase) according to the description in the latest version of the Declaration of Interest/ Final Application approved by the Monitoring Committee.
- c. To be responsible for the division of tasks among the partners involved in the project;
- d. To ensure the coherence between activities defined in the work programme and the allocated budget;
- e. To ensure an efficient internal management and control system;



- f. To ensure that partners' tasks are fulfilled in compliance with the Declaration of Interest/Final Application, this Joint Convention and the Subsidy Contract;
- g. To request and receive payments of programme funding according to the procedures detailed in the Programme Manual – Fact sheet 6b - section 9;
- h. To transfer programme funding to the partners in compliance with the amounts reported in the progress report (according to the financial management system set up – further details are available in Article 7);
- i. When funds are incorrectly (or unduly) paid to a project, to repay the irregularly paid amount to the Managing Authority/Secretariat and to recover the amount from a partner responsible, according to the procedures defined in the URBACT II Description of Management and Control system;
- j. To inform the URBACT Secretariat immediately if project costs are reduced, if there is a change in the composition of partnership, in the project objectives, in the work programme or in the budget plan on which this contract is based, or if one of the disbursement conditions ceases to be fulfilled, or if circumstances arise which entitle the Managing Authority to reduce or demand repayment of the subsidy wholly or in part;
- k. To request approval from the Monitoring Committee if there are changes to the partnership, the actions as described in the work programme included in the latest approved version of the Declaration of Interest/ Application Form, the project budget (out of the flexibility rule) or in case of other major changes;
- l. To take part to the activities of the Thematic Pole to which the project will be assigned (which includes especially taking part to the Thematic Pole meetings – See Programme Manual, Fact sheet 3a);
- m. To ensure participation to activities at Programme level (i.e. initial training session, annual Lead Partner meetings, annual conference of URBACT cities, Thematic Regional Conferences, etc.);
- n. To ensure that the URBACT Local Support Groups are set up by each Project Partner and operating in relationship with the project work activities (See Programme Manual – Fact sheets 2a and 2c);
- o. To ensure production and dissemination of project's results and findings within the local authority administration, to the media, to local relevant stakeholders as well as to the wider urban policy-makers and practitioners;



- p. To define and to implement a communication plan for the implementation phase of the project in accordance with the guidance provided by the URBACT Secretariat;
- q. To use the URBACT website as the main internet tool to communicate on the project and to regularly update the space dedicated to the project (once every 3 month minimum). When it comes to the web-site, the project budget can finance only actions related to the use of the URBACT web-site;
- r. In public statements (reports, publications etc.) to point out that the project was implemented through financial assistance from funds of ERDF within the framework of URBACT II Programme in accordance with Chapter II, section 1, of Commission Regulation (EC) No 1828/2006, and with URBACT II Programme Manual (See Fact sheet 6a – section 5 and Fact sheet 6b – section 10.2.). It must be clearly stated that the project has been co-financed by ERDF through the URBACT II OP in addition to using the European flag and programme logo and slogan;
- s. To retain at all times, for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner at least until 31 December 2020. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected;
- t. To comply with the regulations referred to in the preamble to this contract as well as with relevant national legislation;
- u. Lead Partner guarantees that is has complied with all requirements under the law which applies to the Lead Partner and to its partners and that all necessary approvals have been obtained.

4.1.2 Project development

When it comes to project development, the Lead Partner's obligations are the following:

- a. To finalise the partnership,
- b. To carry out a baseline study concerning all partners included in the completes partnership (phase I plus phase II),



- c. To ensure all partners included in the completed partnership set up the URBACT Local Support Groups,
- d. To agree a detailed work programme for the implementation phase (phase II),
- e. To collect all documents necessary for the submission of the Final Application: signed letters of commitment from all project partners, signed project audit trails from all project partners (see Programme Manual, Fact sheet 6b – section 11), signed Joint Convention, signed letters of intent from all associated Managing Authorities.
- f. To complete and submit the Final Application for the implementation phase (phase II), along with all requested documents.

This development phase shall receive active support from the URBACT Secretariat and must involve the Lead expert attached to the project.

4.1.3 Project reporting

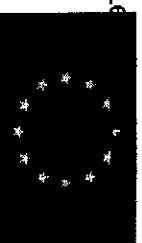
When it comes to project reporting, the Lead Partner's obligations are the following:

- a. To deliver, within the deadlines, progress reports (activity and financial) and all other required documentation to the Managing Authority/URBACT Secretariat on behalf of the project;
- b. To inform the Managing Authority/URBACT Secretariat through the six-monthly progress reports on changes in the contact information, the rescheduling of activities and on budget deviations;
- c. To ensure that the partners report expenditure that have been checked and confirmed according to their Member State control requirements.

4.1.4 Project closure

When it comes to project closure, the Lead Partner shall provide the following documents within the fixed deadlines:

- a. The final project payment claim;
- b. The final certificates and statements of expenditure of the project partners;



- c. The administrative closure report;
- d. The Match Funding Sheet (summary of the match funding contributions from all partners) signed by Lead Partner and certifying body² of the Lead Partner;
- e. The project's final outputs as defined in the Declaration of Interest/Final Application shall be handed in to the Managing Authority/URBACT Secretariat in paper and electronic formats, and uploaded on the project's space on the URBACT website;

All of these documents shall be submitted to the Managing Authority/URBACT Secretariat no later than 3 months after the project's official end date (indicated in the Declaration of Interest/ Final Application).

In addition to these obligations, the Lead Partner has the opportunity to submit a proposal of project reprogramming once per year, normally in September. The deadline for the submission of the reprogramming proposals by the Lead Partner shall be fixed each year by the Managing Authority/URBACT Secretariat according to the date of the last Monitoring Committee meeting of the same year, following the procedures defined in the Programme Manual, Fact sheet 6b, section 8. The Managing Authority/URBACT Secretariat shall submit the proposals of project reprogramming to the Monitoring Committee for approval. The Managing Authority/URBACT Secretariat shall inform the concerned Lead Partner about the Monitoring Committee decision after the meeting.

4.2 Project Partners

The **Project Partners** and the Lead Partner (in his function as a project partner) shall accept the following duties and obligations:

- a. appoint a Lead Partner for the parts of the project for which it is responsible and give the Lead Partner the authority to represent the partners in the project;
- b. implement the part of the project for which it is responsible in due time according to the descriptions of individual components outlined in the application;
- c. commit to keeping separate accounts of transactions related to the project implementation including an agreed audit trail;

² The certifying body is the first level controller, according to **REGULATION 1080/2006** of the European Parliament and of the Council¹ European Regional Development Fund



- d. notify the Lead Partner immediately of any event that could lead to a temporary or final discontinuation or any other change to the project;
- e. retain at all times for audit purposes all files, documents and data about the part of the project for which it is responsible on customary data storage media in a safe and orderly manner at least until 31 December 2020. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected;
- f. be responsible for their proportion of the budget (including the reclamation of funds by the Monitoring Committee in case of failure) up to the amount as to which the partner participates in the programme;
- g. In case of irregularities in the declared expenditure, to repay the irregularly received ERDF to the Lead Partner according to the procedures defined in the URBACT II Description of Management and Control system
- h. provide the independent assessors (carrying out the URBACT II mid term and ex post evaluations for the programme) any documents necessary to assist with this task;
- i. respect all rules and obligations laid down in the Declaration of Interest/Final Application, in this joint convention and in the letter of commitment each partner has signed;
- j. react promptly to any request by the bodies implementing the URBACT II Programme;
- k. comply with EU and national legislation;
- l. to cooperate and duly provide all the information to the Lead Partner necessary to the latter to fulfil all its obligations set forth in the present contract or in the attached Subsidy Contract between Lead Partner and the Managing Authority.

In addition to this, being a Project Partner in URBACT II implies a strong commitment with regard to a series of role and tasks. These relate to:

4.2.1 Administrative tasks:



- a. To sign the documents related to the creation and implementation of the project such as the Joint Convention, the letter of commitment and the audit trail;
- b. To provide the Lead Partner with the required information for the redaction of the progress reports (activity and financial);
- c. To account in PRESAGE-CTE the expenditure incurred by the partner's institution in the framework of its participation to the project (according to the financial management system set up – further details are available in the Programme Manual, Fact sheet 6b, section 7);
- d. To set up and implement the first level control (certification of the expenditure) and to submit the signed certificate and statement of expenditure to the Lead Partner within the fixed deadlines.

4.2.2 Project implementation:

- a. To contribute to the implementation of the work programme and to the production of expected outputs in compliance with the calendar and methodological framework defined in the Final Application form;
- b. To set up an URBACT Local Support Group (See Programme Manual, Fact sheets 2a and 2c), which shall contribute to the project activities and allow for an impact of these activities on local policies, especially through contributing to the production of the Local Action Plans;
- c. To actively take part to the exchange and learning activities such as project seminars, site visits, peer reviews, etc., by preparing input, sending delegates who are in a position to contribute to the exchange (both in terms of language skills and content), by ensuring reporting back to the URBACT Local Support Group, etc.
- d. To produce the outputs expected from each partner as defined in the Declaration of Interest/Final Application (especially case studies and the Local Action Plan) and contribute to the production of all collective project outputs.

4.2.3 Communication activities:

- a. To contribute to the contact list according to the relevant target groups. Each partner must provide the Lead Partner with the contact list at his/her local level.
- b. To contribute to the media list. Each partner must provide the Lead Partner with the contact list of relevant journalists and media at his/her local level.
- c. To set up a dissemination plan at his/her local level.

4.2.4 Lead Partner and Project Partners responsibilities

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- a. The Lead Partner is the sole administratively, legally and financially responsible party toward the Managing Authority of the URBACT II Operational Programme concerning the due implementation of the project and compliance with obligations arising from the approval of the grant.
- b. Each Project Partner is directly and exclusively responsible to the Lead Partner for the due implementation of its respective part of the project and for the proper fulfilment of its duties and obligations as set out in this agreement and its annexes. Each Project Partner remains liable for the sound financial management of its own expenditure.
- c. Each Project Partner, including the Lead Partner (being the organisations, not the individual representatives), shall be liable to the other Project Partner and shall indemnify other partners against any liabilities, damages and costs resulting from the non-compliance of its (and its local partners) duties and obligations as set out in the work programme of the Declaration of Interest/Final Application.

§ 5 Working languages

The official language of the partnership shall be English as for the URBACT II Operational Programme.

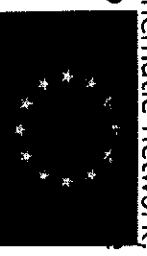
Internal agreements must be made regarding provisions for interpreting between English language and other languages at seminars and workshops if necessary. The URBACT communication language is English. This applies as a general rule to all communication tools/ material.

§ 6 Budgetary principles

6.1 The Lead Partner is the sole responsible party toward the Managing Authority for the budgetary and financial management of the project. It shall be responsible for the realisation and the transfer of the project's payment claims to the Managing Authority/URBACT Secretariat and requests for modification of the budget to the URBACT II Monitoring Committee.

6.2 The project budget approved by the Monitoring Committee shall determine the sum total of eligible expenditure, as well as its breakdown into the various items of expenditure.

6.3 As indicated in the URBACT II Programme manual (section 4.2 of fact-sheet 2a and section 4.2 of fact-sheet 2c), if the Final Application for the implementation phase (phase II) is not approved by the Monitoring Committee, the project will be allowed to declare up to a maximum of € in the case of a thematic network, and to a maximum of € in the case of a thematic network.



expenditure incurred during the development phase (phase 1). The ERDF co-financing will be calculated applying the project funding rate to the claimed eligible expenditure.

6.4 The Lead Partner must ensure the correctness of the accounting and financial reports and documents drawn up by the Project Partners. The Lead Partner may request further information, documentation and evidence from the Project Partners to that effect.

6.5 Every Project Partner shall be held responsible for its budget up to the amount as to which it participates in the operation and pledges to release its part of the co-funding.

6.6 Every Project Partner commits to keeping separate accounts solely used for the project as defined in the application. The accounts shall provide for registration in Euros (EUR; €) of total expenses (expenditure) and of the return (income) related to the project.

6.7 All partners, including the Lead Partner, are obliged to have their accounting certified by a controller independent of the project's activities [i.e. the certifying body³]. The signed certificates and statements of expenditure shall be submitted by the Project Partners to the Lead Partner, in accordance with the schedule and requirements stipulated by the Lead Partner. These documents shall include one authentic copy (counterpart) of all pieces of evidence (invoices, documents related to tender, bank statements, etc.) - (according to the financial management system set up – further details are available in the Programme Manual, Fact sheet 6b, section 7).

6.8 The Lead Partner is responsible for sending to the Managing Authority/URBACT Secretariat the project's certificates and statements of expenditure and the payment claim in accordance with the timing and procedures described in Fact sheet 6b, section 9, of the Programme manual. The Lead Partner is also responsible for receiving the ERDF payment by the Certifying Authority and for refunding in a due time the PP on the basis of their certified expenditure. Project Partners shall submit their invoices and other required documents to their competent Certifying Authority within 15 days from the end of each reporting period, and in the middle of each reporting periods as well in the form of internal communication. (mid-term reports, shall be submitted within 15 days after the first 3 months of each reporting period).

6.9 In default of evidence or in the event of non-fulfilment of the rules concerning eligibility of expenditure, the Lead Partner shall ask the Project Partners to redraft the submitted financial documents. In case of repeated non-fulfilment, the Lead

³ according to Article 16 of Regulation (EC) 1080/2006 of the European Parliament and of the Council.



Partner shall inform the URBACT Secretariat who shall provide its assistance to solve the issue. If necessary, and with the consensus of the URBACT Secretariat, the Lead Partner may be entitled to deny the expenditure declared by a Project Partner. When taking this decision, the Lead Partner is obliged to inform both the Project Partner concerned and the URBACT Secretariat regarding the denial of the expenditure declared and the reasons behind.

6.10 In the event of total or partial incompleteness of the obligations of any of the Project Partners or in the event of material errors in the effective execution of project activities, each cosignatory member of the present Joint Convention undertakes to reimburse the Lead Partner any funds that have been unduly received, within the month following notification. In this case, Project Partner shall refund for Lead Partner the sum involved forthwith or within the declared term marked on the call.

6.11 Every Project Partner is obliged to promptly inform the Lead Partner and to provide the latter with all the useful details should there be events that could jeopardise the implementation of the project.

6.12 Should one of the Project Partners be in default, the Lead Partner shall require them to comply within a reasonable period of time (one month maximum).

6.13 Should the non-fulfilment of obligations continue, the Lead Partner may decide to debar the Project Partner concerned from the project. The Managing Authority shall be promptly informed of such a decision. The debarred partner is obliged to refund to the Lead Partner any Programme funds received which they cannot prove on the day of debarring that they used for the implementation of the project according to the definition of eligible expenses stated in the Programme rules.

6.14 In cases where the non-fulfilment of a partner's obligations has financial consequences for the funding of the project as a whole, the Lead Partner may demand compensation to cover the sum involved.

6.15 Should the Managing Authority be forced to reduce or discontinue the grant and should this entail full or partial refunding of the URBACT II Operational Programme funds already transferred, every Project Partner is obliged to refund the funds (by way of the Lead Partner) according to the final financial settlement.

6.16 In order to avoid that in the situation described under Article 6.15 only the Lead Partner has to bring the financial consequences of the budget reduction, the final financial settlement, drawn up on the basis of the final expenditure certificate approved or denied by Managing Authority, shall show, both for the overall project as well as for every partner, the status of the eligible expenses approved by the Monitoring Committee. This determines the amount every partner and the Lead Partner must refund should the Managing Authority claim such funds from the project (by way of the Lead Partner).

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§ 7 Financial management system

Lead Partner and Project Partners decided the type of project financial management that should be set up as decentralised system suggested at Fact sheet 6b, section 7.2. of the Programme manual, with the alteration as below:

Decentralised management system consists in a decentralised financial management where all partners keep, spend and certify their own costs. Every project partner spends and accounts in PRESAGE-CTE its own expenditures. The first level control on the expenditure shall be done at the level of each partner.

Since in the framework of the URBACT II Programme there are not "partner budgets" (in fact each project has a unique budget that is made up by all local, national and ERDF contributions), this system requires an effective follow up by the Lead Partner. In particular, the Lead Partner shall ensure that each partner:

- spends, accounts and certifies its own contribution in compliance with the national and EU regulations and respecting the Programme internal rules;
- spends, accounts and certifies its own contribution according to the project's payment forecast;
- provides the Lead Partner with the certificate and statement of expenditures signed by the appointed first level controllers during each reporting period. This must be sent within 45 days after the end of each six-months reporting period and in the middle of each reporting periods as well in the form of internal communication. (mid-term reports, within 45 days after the first 3 months of each reporting period) to allow the Lead Partner to produce a global payment claim within the fixed deadlines;
- Ensures that the expenditure accounted and certified by the partners is entered into the correct budget categories without exceeding the maximum available amount (Keeping in mind the flexibility of 20% in each budget category).

In order to guarantee the contribution in staff by the Project Partners and the funding of the URBACT Local Support Groups at Project Partners' level, a mixed system could be assumed. If this is the case, the majority of expenditures will be managed by the Lead Partner while the expenditures incurring by the Project Partners (e.g. contributions in staff and costs for the URBACT Local Support Groups) shall be accounted in PRESAGE-CTE by the Project Partners and certified by the designated first level controllers at Project Partners' level.

Both in a centralised, decentralised and mixed financial management system, the Lead Partner shall be able to inform the Secretariat on:

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- the level of ERDF underspending;
- systemic or non-systemic irregularities found at partners' level;
- weak management and control systems set up at partners' level;
- other information which could be relevant to the well functioning; of the project management and control system.

§ 8 Modification to Work Programme and budget reallocation

8.1 According to the subsidy contract, the Lead Partner shall be obliged to request approval from the Managing Authority if the partnership, the activities or the budget of the project change. The URBACT Secretariat is responsible for the practical administration of changes within the running operations.

8.2 All minor changes (e.g. change in contact information, rescheduling of activities, small budget deviation) shall be reported to the URBACT Secretariat through the progress report.

8.3 Any major changes related to partnership (e.g. drop out or replacement of partners, etc.), to activities (e.g. extension of duration, change on the work programme, etc.) and to budget should as much as possible be avoided. However, when duly justified, these changes may be approved by the Monitoring Committee through a reprogramming procedure [according to the procedures described in the Programme manual, Fact sheet 6b, section 8].

8.4 As a basic rule, Lead Partner should inform the URBACT Secretariat as soon as they are aware of a possible major change in their operation.

8.5 Before applying for a financial reallocation from one budget line to another, a change in the work programme, or any other major change in the framework of a reprogramming procedure, the Lead Partner shall obtain the approval of its Project Partners.

8.6 Any request for amendment of the subsidy contract presented by the Lead Partner to the Monitoring Committee shall be authorised by the Project Partners beforehand.

§ 9 Progress Reports



9.1 Every Project Partner commits to provide the Lead Partner with the information needed to draw up progress reports (activity and financial), payment claims and other specific documents as required by the Monitoring Committee and Managing Authority. The Lead Partner must send to the Managing Authority the progress report, certificates and statements of expenditure of all partners and a global project payment claim within 3 months after the end of the six-month reporting periods. For this purpose, each partner commits itself to submit to the Lead Partner its certificates and statements of expenditure and the information needed to draw up progress reports within 45 days after the end of the six-month reporting periods, and in the middle of each reporting periods as well in the form of internal communication. (mid-term reports, within 45 days after the first 3 months of each reporting period).. In order to ensure the accuracy of the provided documents and information, the Lead Partner shall make comments to the partners within two weeks after reception of the documents.

9.2 If required by Project Partners, the Lead Partner shall make available to Project Partners copies of progress reports, payment claims and other specific reports submitted to the Managing Authority.

9.3 The Lead Partner can require every Project Partner to provide additional information necessary or appropriate to draw up a report or to comply with a Monitoring Committee request for information or a request for information from any other authorised body.

9.4 The Lead Partner shall keep the Project Partners informed on a regular basis about all relevant communication between the Lead Partner and the Managing Authority/URBACT Secretariat, the Monitoring Committee and the Certifying Authority.

9.5 The reporting procedure shall be done according to the information provided in Fact sheet 6b, section 9.1, of the Programme manual.

9.6 The first reporting period will coincide with the length of the development phase (phase I).

§ 10 Verification and Record Keeping

10.1 Every Project Partner is obliged to keep the documents required for the verification of the implementation of the project and eligible expenses and to make them available for control to the competent bodies and institutions (audit trail).

10.2 The Lead Partner as well as every Project Partner shall be, individually, obliged to keep and file all accounting documents and other documents on customary data storage media for a period of three years as from the date of the last payment of ERDF from the Commission to the URBACT II Operational Programme, according to Regulation 1083/2006 Article 84 paragraph



10.3 The national rules concerning the verification or the keeping of documents, from which the PP may never deviate, shall remain applicable if they set forth stricter obligations.

§ 11 Information and Publicity Measures

11.1 The Lead Partner and the Project Partners shall implement jointly a communication plan to ensure production and dissemination of project's results and findings within the local authority administration, to the media, to the local relevant stakeholders as well as to the wider community of European urban policy-makers and practitioners;

11.2 The URBACT website is the main internet tool to communicate on the project and to regularly update the space dedicated to the project (once every 3 month minimum). When it comes to the web-site, the project budget can finance only actions related to the use of the URBACT web-site;

11.3 Any notice or publication by the project, including at a conference or a seminar, must specify that the project has received a subsidy from the ERDF funds, and that it has been funded in the framework of the URBACT II Operational Programme. The use of the EU logo shall be obligatory on all communication materials and tools produced within the framework of the co-financed projects. It is also necessary to indicate on all documents/products/reports that the project has been co-financed by ERDF through the URBACT II Operational Programme in addition to using the European flag and programme logo and slogan.

11.4 Information and publicity measures included in Regulation (EC) No 1828/2006 must in any case be observed.

11.5 The partners agree that the Managing Authority/SURBACT Secretariat shall be authorised in the framework of the URBACT II Operational Programme to publish, in whatever form and on or by whatever medium, including the Internet, the following information:

- the name of the Lead Partner and its partners,
- the purpose of the subsidy,
- the amount granted and the proportion of the total cost of the project accounted for by the funding,
- the geographical location of the project,
- progress reports including the final report and all final outputs,

whether and how the project has previously been published and

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European Regional
Development Fund



§ 12 Co-operation with third parties

12.1 In the event of co-operation with third parties (public or private bodies), of delegation of part of the activities or of outsourcing, the Project Partners shall remain the sole responsible parties to the Lead Partner and through the latter to the Managing Authority, concerning compliance with their obligations by virtue of the conditions set forth in this agreement.

12.2 The Project Partners can, should they deem it necessary or sensible, notify their local partners of this agreement.

12.3 No partner shall have the right to transfer his rights and obligations under the terms of this protocol without the prior consent of the other partners.

§ 13 Insurance

The Project Partners are advised to make provisions for the entire duration of this agreement to insure themselves against all damages incurred by third parties caused by the implementation of the project and the implementation of this agreement.

§ 14 Confidentiality

14.1 Although the nature of the implementation of this project is public, it has been agreed that part of the information exchanged in the context of its implementation between the Project Partners themselves or with the Monitoring Committee, can be confidential. Only documents and other elements explicitly provided with the statement "confidential" shall be regarded as such.

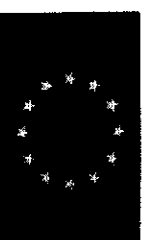
14.2 This mainly concerns studies that have been made available to one of the parties in the context of the project concerning methods, know how, files or any other type of document labelled confidential. This information can only be used by the partners according to the provisions of this agreement.

14.3 The Project Partners commit to taking measures so that all staff members carrying out the work respect the confidential nature of this information, and do not disseminate it, pass it on to third parties or use it without prior written consent of the Lead Partner and the partner institution that provided the information.

14.4 The Project Partners commit to taking the same measures to maintain the confidential nature of the information, as they would do should it concern their own confidential information.

14.5 The information below is not covered by the confidentiality clause:

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- information that is publicly disseminated without the publication being caused by default on the part of one of the P concerning his obligation to observe confidentiality;
- information which, with all appropriate means, the disseminating partner can prove that it possessed prior to the project.

14.6 This confidentiality clause shall remain in force for two years following the termination of this agreement.

§ 15 Results of joint activities

15.1 The result of the joint activities covered by the agreement concerning reports, documents, studies, electronic data and other products, be they disseminated free of charge or commercially, are the joint property of the partners but remain freely available for Programme use.

15.2 The Project Partners dispose of the property in accordance with rules mutually agreed upon, based on the prevailing rules of co-authorship.

15.3 The Project Partners explicitly commit themselves, and without a time limit, to state that the implementation has taken place with the co-operation of the URBACT II Operational Programme.

§ 16 Legislation in force

This agreement is governed by the Hungarian Law, being the law of the country of the Lead Partner.

§ 17 Disputes between partners

17.1 Should a dispute arise between Project Partners of the project, every partner shall be obliged to submit the dispute to the Steering Committee in order to reach a settlement. The Lead Partner will inform the other Project Partners.

17.2 Should a compromise through mediation of the Steering Committee not be possible, every partner shall be obliged to request and accept arbitration carried out by an ad-hoc arbitration committee after having asked the Monitoring Committee for advice through the Lead Partner. This will consist of three expert arbitrators of three different nationalities, one of which being the same as the partner involved in the dispute, appointed by the Steering Committee. If the Steering Committee has not appointed all the expert arbitrators within one month of the Lead Partner's request to it to decide on such appointment, the Lead Partner shall have the authority to appoint all three expert arbitrators. Every partner shall be obliged to accept and apply the decisions of the arbitration committee.



applicable law hereby agreed upon and in compliance with the provisions of Community law.

§ 18 Amendment of this agreement

18.1 This agreement shall only be amended by means of an annex to that effect signed by all parties involved.

18.2 Modifications to the project (time schedule, budget) that have been approved by the Monitoring Committee can be carried out without amending this agreement.

18.3 Modifications to the official programme documents this agreement refers to (e.g. Operational Programme, Programme manual, etc.), if approved by the Monitoring Committee and, when relevant, by the European Commission, automatically apply to this agreement without amending it.

§ 19 Legal succession

19.1 The Lead Partner is allowed to assign its duties and rights under this contract only after prior written consent of the Managing Authority and the Monitoring Committee.

19.2 In cases of legal succession (e.g. where the Lead Partner changes its legal form), the Lead Partner is obliged to transfer all duties under this contract to the legal successor. The Lead Partner shall notify the Managing Authority about any change beforehand.

§ 20 Force majeure

20.1 According to the present contract, the "force majeure" represents any unpredictable and insurmountable event, occurred after the signing of the present contract and that prevents the total or the partial execution of the contract.

20.2 There are specific cases of "force majeure": wars, natural calamities, general strikes, insurrections, revolts, epidemics, earthquakes, floods and other similar events.

20.3 The "force majeure" exonerates the parties of the responsibility for not executing partially or totally the obligations stipulated in the present contract during the period they appear and only if the events were properly notified.

20.4 It is not considered to be "force majeure" an event similar to those presented above, that, without creating an impossibility of execution, makes the execution of the obligations very expensive for one of the parties.

§ 21 Nullity

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21.1 Should one of the provisions of this agreement be declared null or void in the national law of one of the parties or the law governing this agreement, this shall not render the remaining provisions null and void.

21.2 The fact that one of the parties should not demand application of one of the provisions of the agreement does not imply that this party waives such provision.

§ 22 Lapse of time

Legal proceedings concerning any issue ensuing from this agreement may not be lodged before the courts more than three years after the facts. In the event of legal proceedings concerning a claim to refund funds, a period of three years following the last transfer shall be applied.

§ 23 Translation languages

This agreement and its annexes shall be provided in English. In case of translation of this document into another language, the English version shall be the binding one.

§ 24 Domicile

To the effect of this agreement, the Project Partners shall irrevocably choose domicile at the address stated in their letterhead where any official notifications can be lawfully served. Any change of domicile shall be forwarded to the Lead Partner within 15 days following the change of address by registered mail.

§ 25 Final statement

25.1 The European Commission's guidelines and the distributed financial and legal obligations are considered to be integral part of this contract between the Lead Partner and the Project Partners.

25.2 The number of copies equals the number of signatories to the agreement. Every signatory institution shall declare to have received a copy hereof.

Drawn up at Budapest Date 01 March 2013



§ 26 Signatures

Lead Partner

Budapest XVIII District Pestszentőrirnc-Pestszentimre Local Government

Phase I Development Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

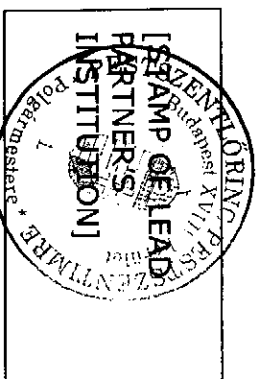
Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013		2014		2015	Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature:

Name of the signatory person⁴: Mr. Attila Ughy

Position of the signatory person: Mayor

Date: 2013 MARC 01



⁴ The signing person of Lead Partner must be an elected member. In case the lead Partner elected representatives, the signing person must be in the position of committing the institution engaged in the project (staff, budget, etc.).



W

Partner 1 Iasi City Hall

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

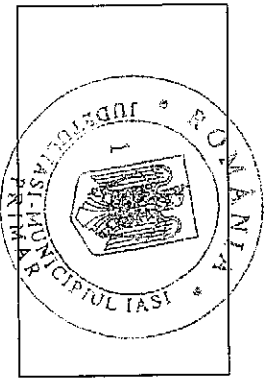
Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013		2014		2015	Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature: 

Name of the signatory person⁵: Mr. Gheorghe Nichita

Position of the signatory person: Mayor

Date: 28/02/2013



⁵ The signing person of Lead Partner must be an elected member. In case the Lead Partner Institution has no elected representatives, the signing person must be in the position of committing the Institution's resources to be engaged in the project (staff, budget, etc.).



Partner 5 City of Magdeburg

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013		2014		2015	Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature: *[Handwritten Signature]*

Name of the signatory person⁹: Mr. Dr. Dieter Schneidemann

Position of the signatory person:

City director for urban development, construction and traffic

Date: 25.02.2013

Landeshauptstadt Magdeburg
 IS-DEPARTMENT FÜR
 URBANENTWICKLUNG
 UND VERKEHR
 INSTITUT FÜR
 URBANENTWICKLUNG
 UND VERKEHR
 An der Steinkuhle 6
 39128 Magdeburg

⁹ The signing person of Lead Partner must be an elected member. In case the Lead Partner has no elected representatives, the signing person must be in the position of a representative of the Lead Partner (staff, budget, etc.).



Partner 2 Region of East Macedonia and Thrace

Region of East Macedonia and Thrace is partner only for Phase II.

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):


Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

		Maximum Total Expenditure							
Budget Category	2012	2013		2014		2015		TOTAL	
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II
Project Coordination									
Personnel									
Meetings Organisation									
Travel and Accommodation									
Communication									
Expertise									
Equipment									
URBACT Local Support Groups									
Managing Authorities									

Signature: 

Name of the signatory person⁶: Mr. Pavlos Damianidis

Position of the signatory person: Deputy Regional Governor

Date: 19.2.2013



⁶ The signing person of Lead Partner must be an elected member. In case the Lead no elected representatives, the signing person must be in the position of **ERDF/URBACT** to be engaged in the project (staff, budget, etc.).



Partner 3 City of Malaga

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Budget Category	Maximum Total Expenditure								
	2012	2013		2014		2015		TOTAL	
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II
Project Coordination									
Personnel									
Meetings Organisation									
Travel and Accommodation									
Communication									
Expertise									
Equipment									
URBACT Local Support Groups									
Managing Authorities									

Signature: 

Name of the signatory person⁷: Mr. Francisco de la Torre Prados

Position of the signatory person: Mayor

Date: 18/02/2013



[STAMP OF PARTNER'S INSTITUTION]

⁷ The signing person of Lead Partner must be an elected member. In case the Lead no elected representatives, the signing person must be in the position of a partner to be engaged in the project (staff, budget, etc.).



Partner 4 City of Gelsenkirchen

Phase I Development Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013		2014		2015	Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature: *Mr. Michael von der Mühlen*

Name of the signatory person⁸: Mr. Michael von der Mühlen

Position of the signatory person: Town Director

Date: *2/2/2013*

Stadtdirektor
Der Stadtverwalter

[STAMP OF PARTNER'S INSTITUTION]

⁸ The signing person of Lead Partner must be an elected member. In case the Lead no elected representatives, the signing person must be in the position of a representative to be engaged in the project (staff, budget, etc.).



Partner 6 Salford City Council

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

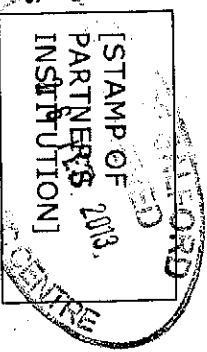
Budget Category	Maximum Total Expenditure									
	2012	2013		2014		2015		TOTAL		
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination										
Personnel										
Meetings Organisation										
Travel and Accommodation										
Communication										
Expertise										
Equipment										
URBACT Local Support Groups										
Managing Authorities										

Signature: *Stephen Coen*

Name of the signatory person¹⁰: Councillor Stephen Coen

Position of the signatory person: Assistant Mayor International Relations

Date: *4/2/13*



¹⁰ The signing person of Lead Partner must be an elected member. In case the Lead Partner is not an elected representative, the signing person must be in the position of a representative who is directly involved in the project. The signing person must be engaged in the project (staff, budget, etc.).



Partner 7 Municipality of Södertälje

Phase I Development Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013		2014		2015	Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature: *Staffan Norberg*

Name of the signatory person¹¹: Mr. Staffan Norberg

Position of the signatory person: Vice Mayor & Chairman

Date: 20/02/13

[STAMP OF PARTNER'S INSTITUTION]
Södertälje kommun
Kommunstyrelsens kontor

¹¹ The signing person of Lead Partner must be an elected member. In case the Lead no elected representatives, the signing person must be in the position of a person to be engaged in the project (staff, budget, etc.).



**Partner 8 Università di Tor Vergata - Dipartimento di Scienze e Tecnologie della
Formazione**

Phase I Development Phase
Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

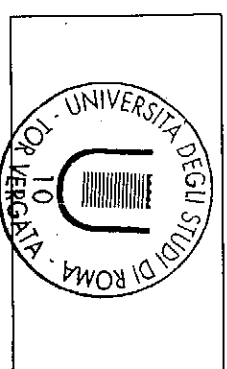
Budget Category	Maximum Total Expenditure						TOTAL	
	2012	2013	2014		2015		Ph I	Ph II
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination								
Personnel								
Meetings Organisation								
Travel and Accommodation								
Communication								
Expertise								
Equipment								
URBACT Local Support Groups								
Managing Authorities								

Signature: *Renato Lauro*

Name of the signatory person: Prof. Renato Lauro

Position of the signatory person: Rector

Date: *25/02/2013*



Partner 9 Vilnius City Municipal Government

Phase I Development Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

Phase II Implementation Phase

Local co-financing (in €):

ERDF contribution (in €):

Norwegian or Swiss national contribution (in €):

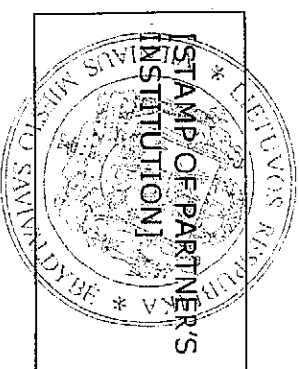
Budget Category	Maximum Total Expenditure									
	2012	2013		2014		2015		TOTAL		
	Phase I	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	Ph I	Ph II	
Project Coordination										
Personnel										
Meetings Organisation										
Travel and Accommodation										
Communication										
Expertise										
Equipment										
URBACT Local Support Groups										
Managing Authorities										

Signature: 

Name of the signatory person¹³: Mr. Jonas Pinskus

Position of the signatory person: Vice Mayor

Date: *February 20, 2013*



¹³ The signing person of Lead Partner must be an elected member. In case the Lead no elected representatives, the signing person must be in the position of OPERATIVE in

