



Nemzeti Közzolgálati Egyetem Víz tudományi Kar		
érkeztetés száma: <i>ENKE</i> <i>63413819-20171213</i> <i>0949-028412/2017</i>		iktatószám: <i>ENKE/9946-1/2017</i>
melléklet:	előszám: <i>1602/12/0014</i>	ügyintéző: <i>Gabi Lilla</i>

INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia

Subsidy Contract for EU contribution

PROJECT ID	HU-SRB/1602/12/0014
PROJECT ACRONYM	SWeM-PaL
PROJECT TITLE	Sustainable wetland management of the transboundary Palic-Ludas catchment area



SUBSIDY CONTRACT

(hereinafter referred to as "the Contract")
FOR THE IMPLEMENTATION OF THE PROJECT:

Project ID: **HUSRB/1602/12/0014**

Project Acronym: **SWeM-PaL**

Project Title:

Sustainable wetland management of the transboundary Palic-Ludas catchment area

(hereinafter referred to as "the Project")

within the

Interreg – IPA Cross-border Cooperation Programme Hungary – Serbia

(hereinafter referred to as "the Programme")

BETWEEN: **MINISZTERELNÖKSÉG (PRIME MINISTER'S OFFICE)** as the **Managing Authority** of the Programme (hereinafter referred to as "the Managing Authority")

Address: Kossuth Lajos tér 1-3.
1055 Budapest,
Hungary

National tax number: 15775292-2-41

Represented by: Adrián Savanyú, Head of Department of the Managing Authority

AND: **Univerzitet u Novom Sadu, Građevinski fakultet Subotica** (University of Novi Sad, Faculty of Civil Engineering Subotica - GFS) as the **Lead Beneficiary organisation** (hereinafter referred to as "the Lead Beneficiary")

Address: Kozaračka 2a
2400 Subotica
Serbia

National tax number: 100843783

Represented by: dr. Miroslav Bešević, Dean

jointly referred to as "the Parties"

LEGAL FRAMEWORK:

1. REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
2. COMMISSION DELEGATED REGULATION (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
3. Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II);
4. Commission Implementing Regulation (EU) No 447/2014 of May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II) (hereinafter referred to as the IPA Implementing Regulation);
5. Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
6. Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal (hereinafter referred to as the ETC Regulation);
7. Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter referred to as the Common Provisions Regulation, CPR);
8. Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation Programmes;
9. COMMISSION REGULATION (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;
10. COMMISSION DECISION 2011/9380/EC of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest;

11. COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

The following official documents and guidelines have to be also respected in the framework of the present Contract:

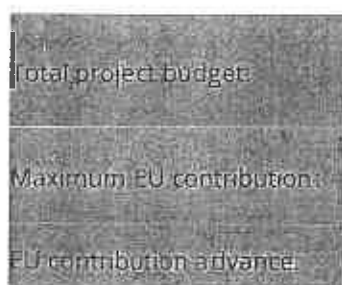
12. The Interreg - IPA Cross-border Cooperation Programme Hungary - Serbia Programme (Interreg - IPA CBC Hungary - Serbia), approved by the European Commission on 15 December 2015 by Decision No C(2015) 9488 with Programme reference number CCI 2014TC16ISC001;
13. Financing Agreement between the Republic of Serbia and European Commission for the Programme;
14. EU rules regarding EU horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities, equality between men and women and public procurement;
15. Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (2012/C 8/02).
16. national rules applicable to the Lead Beneficiary and the Beneficiaries;
17. documents of the relevant Call for Proposals of the Programme (HUSRB/1602), published on 03 October 2016 on the Programme website (hereinafter referred to as the Call for Proposals);
18. the Project Implementation Handbook for the Interreg - IPA CBC Hungary - Serbia Programme, laying down the Programme specific rules for the implementation of the projects (hereinafter referred to as the Project Implementation Handbook);
19. Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg - IPA CBC Hungary - Serbia Programme, laying down the Programme specific rules on information and publicity measures of the projects;
20. the relevant national level legislation governing the rules of public procurement procedures in Hungary and Serbia.

Article 1 **Award of Subsidy**

1. The purpose of the present Subsidy Contract for the EU Contribution (hereafter: Contract) is to award a subsidy for the implementation of the project entitled Nature Protection from Invasive Plant Species according to the decision of the Joint Monitoring Committee on 18th May 2017.
2. The Contract is signed between the Managing Authority of the Programme and the Lead Beneficiary of the Project.
3. The Lead Beneficiary will be awarded the funding on the basis of the provisions of the Contract and its Annexes. The Lead Beneficiary declares that it has noted and accepted the provisions of the Contract in its entirety.
4. The EU contribution is awarded solely and exclusively for the implementation of the Project as it is described in the Application Form attached to the present Contract as Annex I (hereafter Annex I). The Lead Beneficiary accepts the EU contribution and takes responsibility for implementation of the project as described in Annex I.

Article 2 **Amount of Subsidy**

1.



Total project budget
Maximum EU contribution
EU contribution advance

€ 448 189,81

(Four hundred forty-eight thousand one hundred eighty-nine Euro and eighty-one cent)

€ 380 961,32

(Three hundred eighty thousand nine hundred sixty-one Euro and thirty-two cent)

€ 57 144,20

(Fifty-seven thousand one hundred forty-four Euro and twenty cent)

2. The amount of reimbursed EU contribution for the Project cannot exceed the maximum EU contribution specified in the Article 2.1.
3. The EU co-financing rate per Beneficiaries cannot exceed 85% of the eligible expenditures. The EU co-financing rates per Beneficiary are set in Annex I.
4. The obligation of the Beneficiaries is to finance their respective own contribution as stipulated in Annex I.
5. Should the total eligible costs after the completion of the Project be lower than the budgeted amount, the awarded EU contribution will be correspondingly reduced according to the EU co-financing rates per Beneficiary set in Annex I.
6. The payment of EU contribution to the Lead Beneficiary will be authorised by the Certifying Authority. In case the Programme single bank account handled by the Certifying Authority

does not contain the sufficient funds for the transfer of the payment to the Lead Beneficiary, the payment will be suspended until the EU funding transferred from the European Commission is available on the Programme single bank account.

7. If the European Commission fails to make the EU funding available or if the Memorandum of Understanding signed by the Participating Countries is no longer in force, the Managing Authority is entitled to withdraw from the Contract.
8. Subject to availability of funds as specified in the Article 2.6, the amount of the advance specified in Article 2.1. is transferred to the Lead Beneficiary's separate bank account within 60 (sixty) calendar days from the date of registration of the signed Contract in the electronic monitoring system.
9. In line with Article 43(4) of the IPA Implementing Regulation that refers to Article 61 of the CPR, potential net revenue of the Project shall be determined in advance by the method defined in the Call for Proposals. The eligible expenditure of the Project to be co-financed from the Programme shall be reduced by the net revenue not taken into account at the time of approval of the Project directly generated only during its implementation, not later than at the Final Application for Reimbursement submitted by the Lead Beneficiary. Where not all the costs are eligible for co-financing, the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the cost. In case net revenue is generated by the Project after its completion Article 61 of the CPR shall apply.

Article 3 **Project implementation period**

1. Project start date: **01/10/2017**
2. Project end date: **30/09/2019**
3. The project activities have to be carried out and finalized **within** the Project implementation period as defined in the Articles 3.1 and 3.2.

Article 4 **Eligible Expenditures**

1. Project expenditure which qualifies for the EU contribution consists exclusively of project expenditure related to the project activities approved by the Joint Monitoring Committee.
2. The expenditures related to the Project are eligible, only if they are in compliance with the applicable European and national legislation in force and if they observe the terms and conditions stipulated in the Contract.
3. Activities and related costs for the operation are eligible if they are stipulated in the budget (Annex I), provided that they are necessary for the project implementation, are carried out during the implementation period of the project and are paid. In case of the final payment, the expenditures are eligible if they incurred during the respective reporting period and are paid not later than 30 (thirty) calendar days after the end date of the implementation period.

4. Project preparation costs are eligible from 1st January 2014 the earliest for the Beneficiaries from Hungary and 6th May 2015 for the Beneficiaries from the Republic of Serbia until the project start date as specified in Article 3.1.
5. The project preparation costs can be validated and requested only in the first reporting period (the first Application for Reimbursement).
6. The Beneficiaries must observe the rules set in the 'Guidelines for Applicants', the 'Eligibility Rules' and national eligibility guidelines.

Article 5

Reporting and Applications for Reimbursement

1. The Lead Beneficiary receives the reimbursement based on the submitted and approved Application for Reimbursement.
2. The Application for Reimbursement must be accompanied by a Project Report which contains proof of progress of the Project. Project Report must contain the description of the implemented activities and their outputs and results and must also contain information about financial progress of the Project. The Lead Beneficiary submits the Project Report even if no expenditures incurred in a reporting period. The Project Report and the Application for Reimbursement together with supporting documents shall be submitted electronically via the Monitoring System of the Programme or, upon request, in printed version to the Joint Secretariat.
3. The Lead Beneficiary submits the Project Report, including the Final Report, and the Application for Reimbursement within 90 (ninety) calendar days from the end date of each reporting period. The reporting periods and the deadlines for submission of Project Reports and Applications for Reimbursement are defined in Annex I.
4. The Lead Beneficiary has the possibility to deviate from the indicative spending forecast considering that in case of n+3 decommitment resulting from underspending compared to the spending forecast specified in Annex I., the Managing Authority is entitled to decommit the Project by reducing the original project budget and the corresponding EU contribution. In that case, the Managing Authority initiates the amendment of the present Contract. The Addendum to the Subsidy Contract has to be signed by both Parties.
5. The Managing Authority may set additional obligatory deadlines for submission of an Application for Reimbursement in order to avoid decommitment of EU contribution at Programme level.
6. The applicable template of the Project Report, Application for Reimbursement and the Declaration on validation of expenditure are defined for the Programme and are obligatory to use. The Lead Beneficiary has to complete and submit the Project Report and the Application for Reimbursement online through the electronic monitoring and information system of the Programme, in English language.
7. The Lead Beneficiary ensures that the expenditure presented by the Beneficiaries is incurred for the purpose of implementing the Project and that it corresponds to the activities defined

and described in Annex I. The Lead Beneficiary ensures that the submitted Application for Reimbursement contains only validated expenditures supported by the Declarations on validation of expenditure issued by the designated Control Bodies. The designated Control Bodies and the national level control requirements for each Participating Country are defined and regulated in the respective national eligibility guidelines.

8. The Lead Beneficiary shall not submit the Project Report unless they have collected the Declaration on validation of expenditures of each Beneficiary, or at least a document proving that a Beneficiary did not have any costs validated for the given reporting period (the document can be 'The rejection of late submitted documents', 'ZERO DOVE', 'Notification about the Beneficiary Report closure without declaration', or similar) issued by the designated Control Bodies.
9. The Lead Beneficiary submits the Application for Reimbursement in Euros, based on the Euro amounts verified in the Declarations on validation of expenditure issued by the designated Control Bodies.
10. The expenditures must be converted into Euro using the monthly accounting exchange rate in force of the European Commission in the month in which the Beneficiary submits the expenditure for validation to the Control Body. Procedure is specified in the national eligibility guidelines.
11. The exchange rate risk is borne by the Beneficiaries.
12. The Lead Beneficiary has to immediately inform the Joint Secretariat about circumstances which delay, hinder or make impossible the implementation of the Project, as well as circumstances which represent a change of the reimbursement conditions and frameworks as laid down in the present Contract or which entitle the Managing Authority to reduce or demand repayment of the EU contribution entirely or in part.
13. The project is considered as fully implemented if the planned activities are carried out and finalized and 80% of the total sum of all planned quantifiable outputs of the project is reached and the planned results are achieved. In case the Project has not been or cannot be fully implemented or if the Project cannot or could not be implemented in due time, the Lead Beneficiary has to immediately inform the Joint Secretariat. The deviations from any aspect of project implementation defined in Annex I have to be immediately reported to the Joint Secretariat in order to seek written approval for changes. The request for approval does not imply the approval. The Lead Beneficiary has to adhere to the rules and procedures for requesting project changes which are defined in the Project Implementation Handbook.
14. The Lead Beneficiary upon request by the Joint Secretariat shall submit Project Follow-up Reports, proving the sustenance of the project outputs. Follow-up Reports cover 12 (twelve)-month periods. Details about the content and submission of Follow-up Reports are regulated in the Project Implementation Handbook valid for the given Call for Proposals. Lead Beneficiary has to adhere to the rules, procedures and fully observe the list of documents as well as supporting documents for reporting which are defined in the Project Implementation Handbook.

Article 6

Reimbursement of EU contribution to the Lead Beneficiary

1. The reimbursement of EU contribution to the Lead Beneficiary will be initiated only after the verification and approval of the Project Report and its annexes, the Application for Reimbursement and the Declarations on validation of expenditure.
2. Subject to the availability of funding specified in Article 2.6, the Lead Beneficiary receives the requested EU contribution based on the amount of the expenditures verified in the Application for Reimbursement due in full and no later than 90 (ninety) calendar days from the date of submission of the Application for Reimbursement to the Joint Secretariat. The reimbursement of EU contribution will be authorised by the Certifying Authority. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce amounts due to Beneficiaries.
3. The payment deadline referred to in Article 6.2 may be interrupted in either of the following duly justified cases:
 1. the amount of the payment claim is not due or the appropriate supporting documents are incomplete or have not been provided;
 2. an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.
4. During the verification process, the Joint Secretariat may request from the Lead Beneficiary a completion of the Project Report and of the Application for Reimbursement. After the second unsuccessful request for completion, the Project Report and the Application for Reimbursement may be rejected. A rejected Application for Reimbursement can be re-submitted only once and only for the subsequent reporting period. If the Project Report contains ineligible expenditures the amount of the ineligible expenditures will be deducted from the Application for Reimbursement. In this case the Lead Beneficiary shall re-compile and re-submit the Application for Reimbursement to the Joint Secretariat. In case of the Final Report and the Application for Reimbursement being rejected the Lead Beneficiary shall be informed about the possible/applied sanctions (e.g. suspension of the last payment, repayment of subsidy, withdrawal from the Contract).
5. The approved amount of the EU contribution will be transferred in two forms. One form is advance payment which is 15% of the EU contribution. The other form is reimbursement based on the approval of the joint Project Report(s) and Application(s) for Reimbursement. Once the reimbursed amount reaches the 60% of the total EU contribution of the Beneficiary the Programme starts to recover the advance payment. The amount of recovery will appear on the Application(s) for Reimbursement, in which the reimbursement of 60% of the total EU contribution is exceeded. Therefore, when approving these Report(s) and Application(s) for Reimbursement the amount of transferable EU contribution will be calculated with the consideration of recovered amount of advance payment. The total amount of the advance payment is settled if the amount of eligible expenditures reimbursed in the Application(s) for Reimbursement reach the 75% of the total EU contribution of a Beneficiary.

In case the amount of eligible expenditures reimbursed in the Application(s) for Reimbursement does not reach the 75% of the total EU contribution of a Beneficiary by the

end of the project implementation, the unsettled amount of the advance payment will be recovered by the Programme with (and – if necessary – after) the approval of the Final Report. Lead Beneficiary is obliged to secure repayments from the Beneficiaries concerned and has to repay the amount specified by the Managing Authority before the due date. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment.

6. For receiving the reimbursement of EU contribution and for the transfers of EU contribution to the Beneficiaries, the Lead Beneficiary has to open and use a separate Euro bank account exclusively for the Project. The EU contribution will be reimbursed in Euro exclusively and will be transferred to the following separate project bank account held by the Lead Beneficiary:

BAN account number:	RS35-8400-0000-0042-9790-82
SWIFT Code:	NBSRRSBGXXX
Bank name:	NARODNA BANKA SRBIJE (NATIONAL BANK OF SERBIA - NBS)

7. The Lead Beneficiary has to notify the Joint Secretariat in writing in case of a change of the separate project bank account within 15 (fifteen) calendar days or with the submission of the Application for Reimbursement at the latest. In case the Lead Beneficiary fails to properly inform the Joint Secretariat on the details of its bank account, all consequences, including those of financial nature will be borne by the Lead Beneficiary.
8. The Lead Beneficiary is responsible for transferring the EU contribution to the Beneficiaries according to the approved Application for Reimbursement, within the timeframe agreed in the Annex II of the Subsidy Contract (hereinafter referred to as "the Partnership Agreement").
9. Bank statements proving the management of the separate project bank account and the transfer of the EU contribution from the Lead Beneficiary to Beneficiaries have to be submitted to the Joint Secretariat in the subsequent Project Report, otherwise the Joint Secretariat cannot issue the approval of that report. Bank statement proving that the Lead Beneficiary transferred the EU contribution approved in the Final Project Report to the Beneficiary(ies) must be submitted to the Joint Secretariat within 5 (five) working days from the transfer.

Article 7

Representation of the Beneficiaries, liability and additional obligations of the Lead Beneficiary

1. The Lead Beneficiary guarantees that it is entitled to represent all Beneficiaries participating in the Project.
2. In order to lay down the arrangements within the partnership the Beneficiaries conclude a Partnership Agreement comprising, inter alia, provisions guaranteeing the sound management of the allocated funds, including the arrangements for recovering amounts unduly paid.

3. The Lead Beneficiary represents the partnership as defined in the Partnership Agreement and is the only direct contact between the Project and the Managing Authority and the Joint Secretariat. The Lead Beneficiary answers to all written requests from the Managing Authority and Joint Secretariat or other bodies involved in the implementation of the Programme, within the deadline stipulated in the respective request.
4. Lead Beneficiary is liable towards the Managing Authority to ensure that all Beneficiaries have a legal status, that they have capacity to manage the operation, that they observe the rules for implementation of the Project. Moreover the Lead Beneficiary is liable towards the Managing Authority to ensure that all Beneficiaries fulfil their obligations under this Contract.
5. The Lead Beneficiary bears responsibility for the activities of the Beneficiaries and the sub-contractors like its own activities.
6. The Lead Beneficiary takes full responsibility for the damages caused to third parties from its own fault during the implementation of the Project. The Managing Authority has no responsibility for the damages caused to third parties as a result of executing the Contract.
7. The Lead Beneficiary shall be responsible for ensuring the implementation of the entire Project. To this end, the Lead Beneficiary shall undertake:
 - a) to co-ordinate the start of the Project as set in Article 3.1;
 - b) to co-ordinate the implementation of the Project according to the time schedule agreed upon in Annex I;
 - c) to guarantee the sound financial management of EU contribution allocated to the Project, including the arrangements for recovering amounts unduly paid;
 - d) to ensure that the expenditure presented by the Beneficiaries has been paid for the purpose of implementing the Project and to ensure that it corresponds to the activities agreed between the members of the partnership;
 - e) to verify that the expenditure presented by the Beneficiaries has been validated by the Control Bodies;
 - f) to inform the Joint Secretariat immediately in written form if the project budget has to be changed, if the Beneficiaries, the project objectives or the activity plan on which the present Contract is based on have to be changed, or if one of the reimbursement conditions cannot be fulfilled, or if circumstances arise which entitle the Managing Authority to reduce or demand repayment of the EU contribution (entirely or partly);
 - g) to comply with European Union regulations, as referred to in the preamble of the present Contract, and with the relevant national legislation for the whole partnership;
 - h) to transfer the EU contribution (including the advance specified in Annex I) correctly and within the timeframe agreed in the Partnership Agreement to other Beneficiaries in full, no specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the Beneficiaries; in case of a claim for repayment from the Managing Authority, the Lead Beneficiary cannot exculpate itself with the argument of the transfer of the funds;
 - i) to maintain separate accounting for project implementation purposes in a manner ensuring the identification of each financial operation within the Project.

8. The Beneficiaries must not receive or have received money from other Programmes or public financing for the same operation ("double financing"). If in the process of the project implementation it becomes clear that the operation has been financed by any other source of financing, the Lead Beneficiary should inform the Managing Authority 5 (five) calendar days from obtaining information about this circumstance.

Article 8 **Rights and Obligations of the Managing Authority**

1. The Managing Authority has the obligation to support the Lead Beneficiary by providing necessary information and clarifications for the implementation of the Project.
2. The Managing Authority has the obligation to inform the Lead Beneficiary regarding the reports, conclusions and recommendations made by the European Commission, which may affect the implementation of the Contract.
3. In case one of the obligations of the Lead Beneficiary is not fulfilled, the MA may suspend the execution of the Contract.
4. In case of suspending the Contract, the Managing Authority shall notify the Lead Beneficiary regarding this decision, duration of the suspension period, the proposed corrective measures and the related financial measures. The Managing Authority shall also notify the Lead Beneficiary if the suspension period is cancelled prior to the initially set deadline.

Article 9 **Amendments to the Subsidy Contract and other project changes**

1. The deviations from any aspect of project implementation defined in the present Contract and its Annexes have to be reported to the Joint Secretariat in order to seek written approval for changes.
2. The following modifications are not possible:
 - a) Modifications which affect the basic purpose of the Project as approved by the Joint Monitoring Committee;
 - b) Change of Lead Beneficiary (unless it is necessary by law);
 - c) Budget reallocations between Beneficiaries;
 - d) Reallocation to the budget line which did not contain allocated amounts in the approved budget or to those which were decreased according to the decision of the JMC;
 - e) Reallocation to the Budget Heading 1. Preparation Costs.
3. The following modifications can be requested:
 - a) Change of the Beneficiaries;
 - b) Substantial changes in the overall project objectives;



- c) Prolongation of the duration of the project;
- d) Change of value of indicators;
- e) Budget reallocation;
- f) Change of activities (either introducing new activities or replacing old ones);
- g) Project team modifications;

In those cases where the modification requires approval of the Joint Monitoring Committee or the Managing Authority, the modification is a Subsidy Contract Modification and requires an Addendum to the Subsidy Contract.

In cases where the modification requires approval of the Joint Secretariat, the modification is an Other Project Change.

Administrative changes also need to be reported to the Joint Secretariat, but do not require formal approval.

4. The Lead Beneficiary and Beneficiaries have to adhere to the rules and procedures for requesting project changes which are defined in detail in the Project Implementation Handbook.

Article 10 **Procurement rules**

1. For the award of service, supply and work contracts, by beneficiaries the procurement procedures shall follow the provisions of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012 and of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012 which apply in the whole Programme area, both on the Member State and on the IPA II beneficiary/ies' territory.
2. Beneficiaries shall follow all procurement rules defined in detail in the Project Implementation Handbook.

Article 11 **Information and publicity**

1. The Lead Beneficiary undertakes the responsibility to fulfil the information and publicity measures set out in the Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg – IPA CBC Hungary – Serbia Programme, with the aim of promoting the co-financing provided from EU contribution available under the Interreg - IPA CBC Hungary – Serbia Programme, and ensuring the adequate promotion of the Project.

2. The above-mentioned *Guidelines* sets the following obligatory information and publicity measures for the Beneficiaries:
 - a) Obligatory usage of the EU logo, the EU co-financing statement, and the Programme logo;
 - b) Obligatory Communication Strategy of the Project;
 - c) Obligatory Communication Tools;
 - d) Obligatory Design Templates;
 - e) Obligatory reporting to the Joint Secretariat;
 - f) Obligatory recording and archiving.
3. As indicated in the above-mentioned Guidelines, The Managing Authority/Joint Secretariat of the Programme reserves the right to use by any medium and for all Programme-related purposes all Project-related material, including but not limiting to the following:
 - a) the title of the Project;
 - b) the name of the Lead Beneficiary and of the Beneficiaries;
 - c) the amount of EU contribution and the EU co-financing rate;
 - d) the purpose of the EU contribution (e.g. the Project's overall objective);
 - e) the geographical location of the Project;
 - f) the Project results, evaluations and summaries;
 - g) all publicity material of the Project, such as photography and video content, news announcements, etc.

Detailed descriptions of the information and publicity measures are provided in the Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg – IPA CBC Hungary – Serbia Programme.

Article 12

Assignment, legal succession

1. The Managing Authority is entitled at any time to assign its rights under the present Contract. In case of assignment the Managing Authority will inform the Lead Beneficiary without delay.
2. The Lead Beneficiary is allowed to assign its duties and rights under the present Contract only after prior written consent of the Managing Authority.
3. In case of legal succession the Parties are obliged to transfer all duties under the present Contract to the legal successor. The Parties shall notify each other about any change beforehand. In case of legal succession affecting the Lead Beneficiary or the Beneficiaries, the Lead Beneficiary shall notify the Joint Secretariat without delay.

Article 13 **Audit rights**

1. The responsible auditing bodies of the EU and, within their responsibility, the auditing bodies of the Participating Countries as well as the Audit Authority, the Managing Authority, the Joint Secretariat and the Certifying Authority of the Programme are entitled to audit the use of funds by the Lead Beneficiary and by the Beneficiaries or to arrange for such an audit to be carried out by authorised persons.
2. The Lead Beneficiary must provide all documents required for the audit, as well as all necessary information and give access to its business premises. The Lead Beneficiary is obliged to retain for audit purposes all files, documents and data about the Project for at least until the time as specified in Article 140(1) of the CPR.
3. The designated Control Bodies are entitled to carry out on-the-spot checks as part of their verification activities while the Joint Secretariat or the Managing Authority are entitled to carry out monitoring visits in order to check the progress of the Project from a professional point of view, at the premises of the Lead Beneficiary and of the Beneficiaries.
4. The Lead Beneficiary is obliged to guarantee the fulfilment of the above stipulated duties in relation to all other Beneficiaries.
5. Observing the recommendations received after an audit must be ensured; otherwise the Managing Authority has the right to withdraw from the Subsidy Contract.

Article 14 **Irregularities**

1. In case of irregularities identified during project implementation the Managing Authority reserves the right to claim the repayment of the EU contribution in full or in part from the Lead Beneficiary and has the right to reduce the amount of the EU contribution awarded.
2. Based on the above, the Lead Beneficiary is always responsible for securing the repayment of the EU contribution unduly paid to the Project, even if the irregularity was committed by one of the Beneficiaries.
3. If a Beneficiary commits an irregularity, the Lead Beneficiary – after having received the notice on repayment – is obliged to request the amount unduly paid and the corresponding interest chargeable from the Beneficiary concerned and repay it to the Managing Authority within the deadline for the repayment set in Article 15.2. The Lead Beneficiary shall exercise due diligence to ensure repayment.
4. If the Lead Beneficiary does not succeed in securing the repayment from the Beneficiary(ies), within 5 (five) working days from the end of the deadline given the Lead Beneficiary has to notify the Joint Secretariat and has to send proof of steps taken by the Lead Beneficiary towards the Beneficiary(ies).
5. When the amount unduly paid has not been recovered due to negligence of the Lead Beneficiary, the Lead Beneficiary shall remain responsible for the repayment.

Article 15

Right of withdrawal – Repayment – Suspension of reimbursement

1. The Managing Authority is entitled to withdraw from the present Contract and to demand the repayment of EU contribution in full or in part if:
 - a) the Lead Beneficiary has obtained the EU contribution through false or incomplete statements to bodies/appointees of the European Commission, the Managing Authority or any other authorities involved in the implementation of the Programme; or if
 - b) a precondition for the approval of the Project is no longer given, e.g. the compulsory cross-border Beneficiary resigns from the Project and is not replaced in line with the provisions of Article 9; or if
 - c) the Partnership Agreement concluded between the Beneficiaries is no longer in force; or if
 - d) the Lead Beneficiary becomes insolvent or subject to bankruptcy proceedings; or if
 - e) the Lead Beneficiary is convicted of an offence concerning its professional conduct by a judgment which has the force of 'res judicata', further if it is guilty of grave professional misconduct proven by any means which the Managing Authority/National Authority can justify; or if
 - f) the Lead Beneficiary does not fulfil its obligations relating to the payment of social security contributions and the payment of taxes in accordance with the national legal provisions; or if
 - g) the Lead Beneficiary becomes the subject of a judgment which has the force of 'res judicata' for fraud, for corruption, for severe breach of contract in connection to obligations stemming from public procurement rules or from rules governing the use of EU funding or national subsidies, for involvement in a criminal organisation or for any other illegal activity detrimental to the EU's financial interests, or if
 - h) the Lead Beneficiary becomes guilty of misrepresentation in supplying the information required by the Managing Authority or in failing to supply requested information; or
 - i) in case of identified irregularities; or if
 - j) the Lead Beneficiary fails to fulfil a condition or an obligation resulting from the present Contract, in particular if
 - i. the Lead Beneficiary fails to submit a Project Report and Application for Reimbursement within the reporting deadline;
 - ii. the Lead Beneficiary repeatedly fails to submit Project Follow-up Reports, if applicable; or if
 - iii. the Lead Beneficiary fails to sustain the results of the Project as defined in Article 16; or if
 - iv. 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 80% of the quantifiable outputs, or if the Project cannot or could not be implemented in due time; or if

- v. the Lead Beneficiary fails to, within 7 (seven) calendar days, provide information about circumstances that delay, hinder or make impossible the implementation of the Project, as well as about any circumstances that represent a change of the reimbursement conditions and frameworks as laid down in the present Contract or which entitle the Managing Authority to reduce or demand repayment of the EU contribution entirely or in part; or if
 - vi. the regulations of EU and national law (including provisions concerning public procurement rules, State aid rules, publicity rules, rules on environmental protection and rules on equal opportunities) have been infringed; or if
 - vii. the Lead Beneficiary has impeded or prevented the auditing of the Project or failed to retain the project documentation referred to in Article 13; or if
 - viii. the EU contribution awarded has been partially or entirely misapplied for purposes other than those agreed upon; or if
 - ix. it has been impossible to verify that the Final Project Report is correct and thus the eligibility of the Project for funding from the Programme cannot be verified.
2. If the Joint Secretariat, on behalf of Managing Authority, sends a request for repayment for the amount of unsettled advance payment or EU contribution unduly paid and the corresponding interest chargeable, the Lead Beneficiary is obliged to secure repayments from the Beneficiaries concerned and has to repay the amount specified by the Managing Authority before the due date. The repayment by the Lead Beneficiary is due within two months following the receipt date of the request for repayment. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. 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 first working day of the month in which the due date falls.
 3. The Managing Authority has the right to recover the amounts specified in the request for repayment by deducting them from the Application for Reimbursement submitted by the Lead Beneficiary.
 4. The Lead Beneficiary is entitled to exercise the right of withdrawal if the implementation of the Project becomes impossible due to circumstances independent from the Lead Beneficiary. In this case, the Lead Beneficiary shall repay the whole amount of EU contribution reimbursed with the interest chargeable within two months from the date of notifying the Managing Authority 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 notifying the Managing Authority on the withdrawal from the Contract. In case of late payment, interest on late payment shall be charged according to Article 15. 2.
 5. The Managing Authority may decide to suspend the reimbursement of the EU contribution if the provisions laid down in the Memorandum of Understanding are not respected by the Participating Countries concerned. The Lead Beneficiary shall be informed on the suspension.

6. The present contract may be terminated by written mutual agreement of the parties.
7. Any breach of the provisions of the Contract may result in the termination of the Contract by the Managing Authority.
8. Managing Authority has the right to terminate the contract, without any notice, if the European Commission withdraws the financing of the project. In this case Managing Authority is not obliged to pay any compensation to Lead Beneficiary.
9. If termination takes effect before the entire amount of the subsidy is paid to the Lead Beneficiary, the payments will cease and the Managing Authority will not consider further requests from the Lead Beneficiary for reimbursement of the remaining part of the amount.
10. A contracting party should notify the other contracting party 15 (fifteen) calendar days after the decision on terminating the contract is taken. The notification should be in writing and should contain the reasons and justifications for the decision.
11. In exceptional and duly justified cases, including the occurrence of "force majeure", the Managing Authority may decide on terminating the contract by a written notification, without requesting the reimbursement of the already paid amounts or a part of them.

Article 16 **Ownership/use of results**

1. In line with Article 71 of the CPR, the Project shall retain the EU contribution only if it does not, within five years from the date of the final payment to the Lead Beneficiary - except where State aid rules provide for a different period - undergo a substantial modification:
 - a) a cessation or relocation of a productive activity outside the Programme area;
 - b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
2. The Lead Beneficiary is obliged to notify the Joint Secretariat of any such changes described beforehand.
3. Any results or rights, related to the operation, including author's rights and/or any other intellectual or industrial property rights, obtained from the implementation or as a result of the implementation of the Contract, except the cases where such rights exist before the Contract, shall represent the property of the Beneficiaries, as the case may be.
4. The Beneficiaries cannot mortgage or impose any other form of bank guarantee on the goods, purchased from the financing throughout the implementation period of the operation and 5 (five) years after the date of the final payment to the Lead Beneficiary.
5. 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 Lead Beneficiary and the Beneficiaries. Leasing, handing over/selling or transferring the rights of use of the outputs of

the Project is only possible with the prior written consent of the Managing Authority and only in case if all the rights and obligations following from the present Contract and connected to the subject of matter will be transferred to the new party.

6. The use of the results of the Project shall be agreed upon by the Lead Beneficiary and the Managing Authority in order to guarantee a widespread publicity of such results and in order to make them available to the public.
7. The Lead Beneficiary 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.
8. Beneficiaries implementing works/investments as part of the project must possess the relevant legal relation to the real estate(s) concerned. The type of the right (e.g. long-term rental, ownership, usage right) has to be in line with the rules of the given Call for Proposals.

Article 17 **Force majeure**

1. According to the present subsidy 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. There are considered cases of "force majeure": wars, natural calamities, general strikes, insurrections, revolts, epidemics, earthquakes, floods and other similar events that cannot be attributed to any party /bonded by /of/ the Contract. The "force majeure" exonerates the parties of the responsibility for not executing partially or totally the obligations stipulated in the Contract during the period they appear and only if the events were properly notified. 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 difficult for one of the parties.
2. The party, stating that there is a case of "force majeure", has the obligation to notify the other party in 5 (five) calendar days from the date of the case of "force majeure" and to prove the existence of the reality of this situation in 15 (fifteen) days. In case the "force majeure" discontinue, this fact must be notified to the other party in 5 (five) calendar days.
3. The responsible party will take all costs, if the notification procedure is not observed.
4. The execution of the contract is suspended during the period of "force majeure".
5. In case the Contract must be suspended under this reason, for a period longer than 3 (three) months, the Managing Authority has the right to decide on the continuation / modification / termination of the contract.

Article 18 **Correspondence**

1. To the effect of this Contract, the Parties shall choose headquarters at the addresses mentioned below, where any official notifications can be lawfully delivered. Any communication relating to the Contract shall be in writing, state the number and title of the operation and be sent to the following addresses:

Managing Authority

1-3 Kossuth Lajos Square, 1055 Budapest, Hungary

Joint Secretariat

2 Szép Street, 3rd floor, 1053 Budapest, Hungary

Lead Beneficiary

dr. Miroslav Bešević – Dean

Kozaračka 2a

2400 Subotica, Serbia

+ 38124554300; + 38163252133

dekanat@gf.uns.ac.rs

2. All official correspondence between the Managing Authority/Joint Secretariat and Lead Beneficiary shall be done in English.
3. Notification for any change of headquarters shall be forwarded to the other party of this contract within 15 (fifteen) calendar days following the change of address.

Article 19 **Concluding provisions**

1. Should any provision in the present Contract be entirely or partly ineffective, all other provisions remain binding for the Parties. The Parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective provision.
2. Any amendments and supplements to the present Contract must be in written form.
3. The present Contract is concluded in English language. In case of translation of the Contract and of its Annexes into another language, the English version shall prevail.
4. The Annexes to this Contract are binding and form an integral part of it.
5. In case of conflict between the provisions of the Annexes and those of the Contract, the provisions of the Contract shall take precedence. In case of conflict between the provisions of Annex I and those of the other Annexes, those of Annex I shall take precedence.
6. The present Contract is governed by Hungarian law and all matters not regulated in the Contract are subject to the legal understanding laid down in the Hungarian Civil Code (Act V. of 2013). In case of differences that are not ruled by the present Contract, the Parties agree

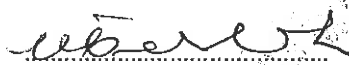
to find an amicable and mutually acceptable solution. If the Parties fail to do so, all disputes arising in connection with the Contract shall be settled by the Buda Central District Court.

7. The present Contract is signed in three originals of which one remains at the Lead Beneficiary and two originals are returned to the Joint Secretariat.
8. The Lead Beneficiary shall provide a copy of the Contract and its Annexes to each Beneficiary.
9. The present Contract enters into force on the date of signature by the last of the Parties.
10. The present Contract shall remain in force until the Lead Beneficiary has fulfilled its obligations arising from the Contract towards the Managing Authority, i.e. as long as any duties linked to the EU contribution might be claimed.

Place and date:

SUBOTICA, 05.12.2014

Lead Beneficiary represented by



dr. Miroslav Bešević
Dean

Place and date:

BUDAPEST, 29 NOVEMBER 2014

Managing Authority represented by



Adrián Savanyú
Head of Department of the Managing Authority

ANNEXES TO THE SUBSIDY CONTRACT

- I Application Form**
- II Partnership Agreement**
- III List of documents to be retained**
- IV Applicable project specific 'de minimis aid' rules**

Annex I – Application Form

The finalized Project form is Available in electronic form within the IMIS 2014-2020 Monitoring System

Annex II – Partnership Agreement

INTERREG-IPA Cross-border Cooperation Programme Hungary-Serbia

Partnership Agreement

PROJECT ID	HUSRB/1602/12/0014
PROJECT ACRONYM	SWeM-PaL
PROJECT TITLE	Sustainable wetland management of the transboundary Palic-Ludas catchment area

Note: Present template of the Partnership Agreement contains the minimum requirements requested by the Programme implementing bodies. Project partnerships are invited to complete and complement the suggested provisions, without contradicting the rules set in the prepared paragraphs of the document.

PARTNERSHIP AGREEMENT
FOR THE IMPLEMENTATION OF THE PROJECT:

Project ID: HUSRB/1602/12/0014

Project Acronym: SWeM-PaL

Project Title: Sustainable wetland management of the transboundary Palic-Ludas catchment area

within the
Interreg – IPA Cross-border Cooperation Programme Hungary – Serbia

BETWEEN

Lead Beneficiary: University of Novi Sad, Faculty of Civil Engineering Subotica, Kozaračka 2a, 24000 Subotica, Serbia

AND

Beneficiary 1: National University of Public Service, Ludovika tér 2, 1083 Budapest, Hungary

Beneficiary 2: University of Szeged, Dugonics tér 13, 6720 Szeged, Hungary

Beneficiary 3: Public Enterprise „Palic-Ludas“, Kanjiski put 17/a, 24413 Palic, Serbia

Beneficiary 4: Kiskunság bird protection society, Ságvári Endre utca 12, 6070 Izsák, Hungary

(Hereinafter jointly referred to as Parties)

On the basis of:

- 1) Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II);
- 2) Commission Implementing Regulation (EU) No 447/2014 of May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II) - IPA Implementing Regulation;
- 3) Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
- 4) Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal - the ETC Regulation;
- 5) Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European

Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 - the Common Provisions Regulation, CPR;

- 6) Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- 7) Council Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- 8) Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- 9) The Interreg – IPA Cross-border Cooperation Programme Hungary – Serbia (Interreg – IPA CBC Hungary – Serbia Programme) approved by the European Commission on 15 December 2015 by Decision No C(2015) 9488 with Programme reference number CCI 2014TC16I5CB001;
- 10) Guidelines for Applicants of the relevant Call for Proposals of the Programme under which the above mentioned Project has been selected and awarded the subsidy;
- 11) the Project Implementation Handbook for the Interreg – IPA CBC Hungary – Serbia Programme, laying down specific rules for the implementation of projects financed under the Programme;
- 12) the proposed Project **HUSRB/1602/12/0014-SWEM-PaLI** as drafted in the Application Form and approved by the Joint Monitoring Committee of the Programme;
- 13) Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg – IPA CBC Hungary – Serbia Programme, laying down the Programme specific rules on information and publicity measures of the projects.

Article 1 **Definitions**

- 1) **Lead Beneficiary:** the Lead Beneficiary is designated by all of the Beneficiaries and has full financial and administrative responsibility for the EU funding for the entire duration of the project. The Lead Beneficiary is also responsible for the proper reporting of progress during project implementation to the Joint Secretariat, as stipulated in the Subsidy Contract for the EU Contribution (hereinafter Subsidy Contract). In principle, the Lead Beneficiary has functional (coordination of the project activities) and financial responsibilities related to the EU funding.
- 2) **Beneficiary(ies):** including the Lead Beneficiary – organisations functionally and financially committed to implement a project part of the project according to the Application Form as approved by the Joint Monitoring Committee.
- 3) **Project part:** covers a set of activities within the project as a whole, undertaken by each of the Beneficiaries separately in a defined timeframe and presented in the respective Beneficiary's budget sheet of the Application Form.

Article 2 **Scope of the Partnership Agreement**

- 1) The subject of this Partnership Agreement is the organisation of the partnership by regulating the rights and obligations of all Beneficiaries in order to successfully implement the Project **HUSRB/1602/12/0014-SWEM-PaLI: Sustainable wetland management of the transboundary Pálfi-Szeged-Pálfény area.**
- 2) The Beneficiaries shall make their own contributions to the implementation of the Project and shall receive the EU contribution according to the distribution shown in the Application Form.
- 3) The present Agreement is annexed to and forms integral part of the signed Subsidy Contract, together with the Application Form approved by the Joint Monitoring Committee, therefore

Beneficiaries have to understand and fully respect the content of and the obligations set by the above-mentioned documents.

Article 3 **Duration of the Agreement**

- 1) The Partnership Agreement is valid from the date of signature by all Parties and enters into force from the day the Subsidy Contract between the Managing Authority and the Lead Beneficiary enters into force. It shall remain in force until the Lead Beneficiary has fulfilled its obligations arising from the Subsidy Contract towards the Managing Authority, including the period of availability of documents for financial controls.
- 2) This Agreement shall also remain in force if there is any non-resolved dispute among the Parties at an out-of-court arbitration body.
- 3) The breach of the obligations of the Partnership Agreement by one of the Beneficiaries may lead to an early termination of its participation in the Project. This termination has to be decided by consensus by all the other Beneficiaries in a documented manner, provided that the eligibility rules of the Call for Proposals are kept with the remaining Beneficiaries and that the consequently initiated amendment of the Subsidy Contract is successful at the Managing Authority. However, the Beneficiaries will be obliged by the present Agreement for its whole duration with regard to the activities carried out and expenditure incurred until that moment. In case the Subsidy Contract terminates, the present Partnership Agreement is terminated.

Article 4 **Activities of Beneficiaries in the project**

- 1) The activities and the role of the Lead Beneficiary and each Beneficiary are described in the Application Form (Annex I of the Subsidy Contract).
- 2) The Beneficiaries take into account all rules and obligations as set out in the Subsidy Contract and its annexes.
- 3) The Beneficiaries commit themselves to undertake everything in their power to foster the successful and efficient implementation of the Project.

Article 5 **Specific obligations of the Lead Beneficiary**

- 1) The Lead Beneficiary shall take all the steps needed to correctly manage the Project in accordance with the Application Form approved by the Joint Monitoring Committee and in line with the Subsidy Contract.
- 2) In addition the Lead Beneficiary shall:
 - a) represent the Beneficiaries towards Managing Authority / Joint Secretariat / Programme management bodies;
 - b) sign the Subsidy Contract on behalf of all Beneficiaries;
 - c) appoint a project manager who has the operational responsibility for the co-ordination and documentation of the overall Project;
 - d) react promptly to any request made by the Managing Authority and the Joint Secretariat;
 - e) inform all Beneficiaries on the signature of the Subsidy Contract and provide all Beneficiaries with a copy thereof;
 - f) inform all Beneficiaries on the progress of the overall Project, in particular with reference to its objectives and results as set in the Subsidy Contract or any later amendments;

- g) keep the Beneficiaries informed on a regular basis about all relevant communication between the Lead Beneficiary and the Joint Secretariat / Managing Authority;
- h) notify the Beneficiaries and the Joint Secretariat / Managing Authority immediately of any event that could lead to a temporary or final discontinuation of the Project or any other deviation of the implementation of the Project;
- i) guarantee the sound financial management of the funds allocated for the implementation of the Project, including the separate set-up of the project accounting and the supporting documents storage system;
- j) without any delay inform the Beneficiaries about all essential issues connected to project implementation;
- k) be responsible for verifying that the expenditure declared by the Beneficiaries has been incurred only for the purpose of implementing the project (part) and that it corresponds to the activities agreed between the Beneficiaries in the frame of the approved Application Form;
- l) be responsible for verifying that the expenditure declared by the Beneficiaries has been validated by the designated controller at national level;
- m) prepare and submit the Applications for Reimbursement together with the Project Reports (including the Final Project Report and the Project Follow-up Reports (if relevant)) to the Joint Secretariat keeping the deadlines indicated in the Subsidy Contract for EU Funding;
- n) support Beneficiaries in implementing their obligations by giving them the correct information, indications and clarifications on the procedures;
- o) transfer the respective amounts of advance (specified in Annex I of the Subsidy Contract) received on the Lead Beneficiary's separate bank account to the bank accounts of each Beneficiary within *10 working days* and in full, without specific fees or charges;
- p) transfer the EU funding according to the Application for Reimbursement approved by the Joint Secretariat received on the Lead Beneficiary's separate bank account to the bank accounts of each Beneficiary, within *10 working days* and in full, without specific fees or charges;
- q) implement its individual part of the Project accordingly;
- r) enable the responsible bodies to carry out their audit and monitoring / evaluation / activities;
- s) agree with the Beneficiaries before applying for a reallocation between budget headings in accordance with the Subsidy Contract;
- t) keep a copy of all project documents prepared by the Beneficiaries or other bodies;
- u) carry out project level accounting;
- v) ensure that no double funding or double reporting of expenditure takes place;
- w) agree with the Beneficiaries before submitting any request for an amendment of the Subsidy Contract to the Joint Secretariat.

Article 6

Obligations of the Beneficiaries

- 1) The Beneficiaries take into account all rules and obligations as set out in the Subsidy Contract.
- 2) The Beneficiaries commit themselves to undertake everything in their power to foster the implementation of the Project.
- 3) The Beneficiaries shall support the Lead Beneficiary in fulfilling its tasks as stipulated in the Subsidy Contract.
- 4) In particular, each Beneficiary shall:

- a) support the Lead Beneficiary in fulfilling its tasks as stipulated in the Subsidy Contract and its annexes;
- b) without any delay provide the Lead Beneficiary with any information needed to draw up the Project Reports, the Final Project Report and the Project Follow-up Reports (if relevant), react on any request by the Managing Authority or the Joint Secretariat, or provide any further information needed by the Lead Beneficiary;
- c) assure the smooth implementation of the part of the Project they are responsible for in accordance with the Subsidy Contract and its annexes;
- d) inform the Lead Beneficiary immediately about any circumstances that could lead to a temporary or final discontinuation of the project part or any other deviation of the implementation of the project part, including any variations to its part of project budget or work plan;
- e) appoint a contact person for the implementation of the part of the Project under their responsibility;
- f) maintain either a separate accounting system or an adequate accounting code for all transactions related to the project part;
- g) inform the Lead Beneficiary before the submission of the first Application for Reimbursement on the details of the bank account to which the EU funding of the Beneficiary shall be transferred, furthermore the Lead Beneficiary must be informed about any changes concerning the bank account;
- h) complete its activities as described in the approved Application Form foreseen for each reporting period of the project implementation;
- i) have its expenditures incurred in the given reporting period verified by the designated controller and submit the Declaration on validation of expenditure issued by the controller to the Lead Beneficiary. (The reimbursement of expenditure of the Beneficiaries not covered by Declarations on validation of expenditure in the given reporting period can only be requested following the next reporting deadline. Preparation costs can be validated and requested only in the first reporting period.)
- j) comply with EU and national rules, including rules on public procurement, State aid, publicity, further rules on environmental protection and equal opportunities;
- k) report in accordance with the existing legislation and national/regional guidelines if the project activities contain elements of State aid;
- l) guarantee the systematic and safe collection of all the documentation regarding its part of project expenditure and its transmission to the Lead Beneficiary, as well as to guarantee the access to documents to all the representatives of the institutions in charge of verifications and to the bodies authorised to monitor or audit the Project;
- m) not sub-contract 100% of the activities from their part of the Project;
- n) be responsible for the sound financial management of the funding allocated to its project part, including the arrangements for recovering amounts unduly paid (EU funding, State contribution, if relevant, and other public contribution).

Article 7

Responsibilities of the Lead Beneficiary and of the other Beneficiaries

- 1) The Lead Beneficiary solely assumes responsibility for the entire Project towards the Managing Authority as defined in the Subsidy Contract.
- 2) Each Beneficiary is directly and exclusively responsible to the Lead Beneficiary for the due implementation of its respective project part and for the proper fulfilment of its obligations as set out in this Agreement and in the Application Form.

Should a Beneficiary not fulfil its obligations under this Agreement, the Lead Beneficiary shall warn the Beneficiary to fulfil them within a reasonable period of time. The Beneficiaries undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the Lead Beneficiary may decide to exclude/replace the Beneficiary concerned with approval of the other Beneficiaries. The Joint Secretariat shall be promptly informed of such a decision by the Lead Beneficiary and the change in the partnership has to be approved according to the provisions set out in the Project Implementation Handbook.

- 3) Each Beneficiary shall take the financial responsibility for the EU funding and, if relevant, the related State contribution it has received for its project part.
- 4) In case of irregularities the Lead Beneficiary bears the overall responsibility towards the Managing Authority for the repayment of the amounts unduly paid, with interested charged. If the irregularity is committed by another Beneficiary the concerned organisation shall repay to the Lead Beneficiary the amounts unduly paid. When amounts unduly paid to a Beneficiary cannot be recovered, due to negligence of the Lead Beneficiary, the Lead Beneficiary shall remain responsible for the repayment.

Article 8

Reporting obligations of the Beneficiaries

- 1) The Lead Beneficiary can only submit an Application for Reimbursement to the Joint Secretariat by providing proof of progress of the Project.

Therefore, in order to provide adequate information on the progress of the project, each Beneficiary has to submit a Beneficiary Report to the Lead Beneficiary consisting of an activity report describing the activities carried out, 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 Form.

- 2) The Beneficiaries have to respect the reporting deadlines of the Subsidy Contract and have to submit their Beneficiary Report and Declaration on validation of expenditure to the Lead Beneficiary in due time, until 2 weeks before the reporting deadline. The Lead Beneficiary shall not submit the Project Report unless they have collected the Declaration on validation of expenditures of each Beneficiary, or at least a document proving that a Beneficiary did not have any costs validated for the given reporting period (the document can be 'The rejection of late submitted documents', 'ZERO DOVE', 'Notification about the Beneficiary Report closure without declaration', or similar) issued by the designated Control Bodies.
- 3) The Beneficiary Reports should be drawn up in Euro. The Beneficiaries shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for verification to the responsible Controller. The expenditures shall be converted as described in the Subsidy Contract.
- 4) The exchange rate risk is borne by the Beneficiary concerned.

Article 9

Audits

- 1) For audit purposes each Beneficiary shall:
 - a) retain all files, documents and data about the project at least until the timeframe stipulated in Article 140(1) of the CPR, either in original or as certified copies on commonly used data storage device safely and orderly;
 - b) enable the Managing Authority, Certifying Authority, Audit Authority and the responsible auditing bodies of the European Union and the auditing bodies of the Participating Country it is based to audit the proper use of funds;
 - c) provide these authorities with any information about the Project as requested;

- d) provide them access to the accounting books and accounting documents and other documentation related to the Project at least until the timeframe stipulated in Article 140(1) of the CPR;
- e) provide them access to their business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out checks related to the project within the timeframe stipulated in Article 140(1) of the CPR;
- f) without any delay provide the Lead Beneficiary with any information needed in connection to such an audit.

Article 10

Information and publicity

- 1) Any publicity measure undertaken by any of the Beneficiaries shall be conducted in accordance with the rules on information and publicity laid down in the IPA Implementing Regulation and in the Guidelines for Implementing Information and Publicity Requirements for the Projects in the Interreg – IPA CBC Hungary – Serbia Programme.
- 2) Information and publicity measures shall be coordinated among the Beneficiaries. Each Beneficiary is equally responsible for promoting the fact that financing for the project is provided from EU funding and, if relevant, from State contribution within the framework of the Interreg – IPA CBC Hungary – Serbia Programme and is responsible for ensuring the adequate promotion of the Project.
- 3) The Beneficiaries take note of the fact that the results of the Project as well as any study or analysis produced in the frame of the project can be made available to the public and they agree that the results of the Project shall be available for all Beneficiaries and for the public free of charge.
- 4) The Beneficiaries agree that the Lead Beneficiary may provide the Joint Secretariat / Managing Authority or other Programme management bodies to publish, in whatever form, unrestricted as far as data protection is concerned, and on or by whatever medium, with the following information:
 - a) title of the Project;
 - b) the name of the Lead Beneficiary and the other Beneficiaries;
 - c) the amount granted and the EU co-financing rate;
 - d) the purpose of the contribution (i.e. the overall objective of the Project);
 - e) the geographical location of the Project;
 - f) project results, evaluations, summaries;
 - g) any other information about the Project if considered relevant.

Article 11

Ownership – Use of Results

- 1) The Parties undertake to enforce the applicable law on intellectual property rights, regarding any outcome that might be produced during the implementation of the Project.
- 2) Unless formally stipulated otherwise by the Parties, ownership of the results of the Project, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested to the Beneficiaries.
- 3) Without prejudice to the previous paragraph, the Beneficiaries grant the Joint Secretariat and the Managing Authority the right to make free use of the results of the Project, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

- 4) The Beneficiaries agree that owners of the investments are the following: there are no investments in that sense during the implementation of the project.
- 5) The Beneficiaries agree that owners of the Project outputs/deliverables are the following: all the beneficiaries will have equal access to the developed management framework for the targeted lakes and channel systems. Specifically, all of the beneficiaries will own all of the collected environmental datasets. Furthermore, all of the results and outputs will be made available to all of the Beneficiaries after the end of the implementation period.
 - **University of Novi Sad, Faculty of Civil Engineering Subotica** is the owner of the thermoreactor (point 6.1.1), chemicals for Spectrophotometry (point 6.1.2), water sampler (point 6.1.3), modeling software (point 6.1.4), spectrophotometer (point 6.1.5), laboratory pipette (point 6.1.6) specified in the project budget for the Lead Beneficiary in the Application Form;
 - **National University of Public Service** is the owner of the ADCP Streampro (point 6.1.1), long rubber boots (point 6.1.2), batteries (point 6.1.3), pressure and temperature data logger (point 6.1.4), rugged notebook (point 6.1.5), rubber boat (point 6.1.6), boat engine (point 6.1.7), electronic boat engine (point 6.1.8), solar charger (point 6.1.9), spare battery (point 6.1.10), communication app for electronic boat engine (point 6.1.11), carrying bags (point 6.1.12), drone (point 6.1.13) specified in the project budget for the Beneficiary 1 in the Application Form;
 - **University of Szeged** is the owner of the camera (point 6.1.1), objective lens (point 6.1.2), teleobjective lens (point 6.1.3), memory card (point 6.1.4), GPS (point 6.1.5), spotting scope (point 6.1.6), ocular lens for spotting scope (point 6.1.7), tripod (point 6.1.8), sweepnet (point 6.1.9), forceps (point 6.1.10), TDR Soil moisture meter (point 6.1.11), magnifying glass (point 6.1.12), magnifying glass (loupe) (point 6.1.13), storing vial (point 6.1.14), planting tray (point 6.1.15), pH meter (point 6.1.16), planting pot (small) (point 6.1.17), planting pot (medium) (point 6.1.18), planting pot (large) (point 6.1.19), shovel (point 6.1.20), spade (point 6.1.21), trowel (point 6.1.22), auger (point 6.1.23), marking stick (point 6.1.24), geotextile (point 6.1.25), agro foil (point 6.1.26), vlies (point 6.1.27), fluorescent tube (point 6.1.28), watering hose (point 6.1.29), sprinke system (point 6.1.30), watering pump (6.1.31), adapter for tripod (6.1.32) specified in the project budget for the Beneficiary 2 in the Application Form;
 - **Public Enterprise „Palic-Ludas“** is the owner of the water quality sampling and measuring kit (point 6.1.1), planting tray (point 6.1.2), watering bin (point 6.1.3), sprinkler (point 6.1.4), watering hose, diameter 1/2" (point 6.1.5), watering hose, diameter 3/4" (point 6.1.6), marking stick (point 6.1.7), storing vial (point 6.1.8), laboratory storing vial 100ml (point 6.1.9), laboratory storing vial 500ml (point 6.1.10), artificial lighting (point 6.1.11), air conditioning unit (point 6.1.12), refrigerator (point 6.1.13), planting pot diameter 8 (point 6.1.14), planting pot diameter 10 (point 6.1.15), planting pot diameter 12 (point 6.1.16), planting pot diameter 14 (point 6.1.17), planting pot diameter 20 (point 6.1.18) specified in the project budget for the Beneficiary 3 in the Application Form;
 - **Kiskunság bird protection** society is the owner of the long rubber boots (wais height) (point 6.1.1), mistnets (point 6.1.2), photo camera (point 6.1.3), portable chairs (point 6.1.4), portable table (point 6.1.5), tents (point 6.1.6), waterproof mobile phone (point 6.1.7), headlights (point 6.1.8), long rubber boots (chest height) (point 6.1.9), binoculars (point 6.1.10), binoculars (field glasses) (point 6.1.11), bird bags (point 6.1.12), carrier bag of camera (point 6.1.13), digital scales (point 6.1.14), digital trail camera (point 6.1.15), feld mp3 player (point 6.1.16) specified in the project budget for the Beneficiary 4 in the Application Form.
- 6) The Lead Beneficiary and the other Beneficiaries commit themselves to establish and maintain an inventory of all fixed assets acquired, built or improved within the Project.
- 7) As to the sustainability of project results after the end of the implementation period, further as to the steps to be taken after project closure, the Beneficiaries agree on the following activities and designate the following rights and duties within the project partnership:
 - a) **University of Novi Sad, Faculty of Civil Engineering Subotica and Public Enterprise „Palic-Ludas“ will continue the water balance and water quality assessments depending on the availability of new data after the implementation period on the Palic and Ludas Lakes;**

- b) National University of Public Service, University of Szeged and Kiskunság bird protection society will continue the water balance and water quality assessments depending on the availability of new data after the implementation period on the Lake Kolon;**
 - c) All the Beneficiaries will, to best of their ability, try to implement the developed management framework in their day-to-day activities, if possible.**
- 8) In connection to the revenues generated after project closure, the Beneficiaries – taking into account the provisions of Article 61 of the CPR - agree on the following rules:
 - **there will be no revenue after the project implementation.**
- 9) In case of purchase costs co-financed, the owners shall not substantially modify their respective project parts affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and resulting either in a change in the nature of ownership of an item of infrastructure or the cessation or relocation of a productive activity outside the Programme area at least within five years from the end date of the Project (final eligibility date of expenditures for the Project), except where State aid rules provide for a different period.

Article 12

Changes in the Partnership

- 1) The Parties are aware of the fact that all changes in the partnership need an approval of the Joint Monitoring Committee and that the Managing Authority is entitled to withdraw from the Subsidy Contract if the number of Beneficiaries falls below the required minimum number of Beneficiaries. The Beneficiaries agree not to back out of the Project unless they have unavoidable reasons to do so.
- 2) In case a Beneficiary withdraws from the Project or is excluded from it, the remaining Beneficiaries shall undertake to find a rapid and efficient solution to ensure proper project implementation without any delay.

Consequently, the Beneficiaries shall endeavour to cover the contribution of the withdrawing Beneficiary, either by assuming its tasks by one or more of the remaining Beneficiaries or in exceptional cases by involving a new Beneficiary in the partnership in line with the respective provisions.
- 3) The Lead Beneficiary informs the Joint Secretariat as soon as changes in the partnership are foreseeable. The changes in the partnership enter into force only after the approval by the relevant and authorized body of the Programme, as described in Project Implementation Handbook.
- 4) The provisions set for audits in Article 9 remain applicable to the Beneficiary that backed out of the project or was excluded from the project.

Article 13

Irregularities and the repayment of funds

- 1) Should the Managing Authority – based on the provisions of the Subsidy Contract– request the repayment of EU funding from the Lead Beneficiary, the latter shall call upon the Beneficiary that had caused the irregularity resulting in the repayment of the EU funding unduly paid according to the request of the Managing Authority.
- 2) The Beneficiary in question has to repay the requested EU funding together with the interests chargeable to the Lead Beneficiary.
- 3) The Beneficiary has to respect the deadline given by the Managing Authority to the Lead Beneficiary for the repayment of the EU funding. The Beneficiary has to transfer the requested amount together with the interests chargeable to the Lead Beneficiary *10 working days* before the deadline set for the Lead Beneficiary.

Article 14
Cooperation with third parties, assignment

- 1) In case of cooperation with third parties (e.g. concluding sub-contracts) the Beneficiary shall remain solely responsible towards the Lead Beneficiary concerning the compliance with its obligations as set out in this Agreement. Any contracts with third parties will have to be concluded in accordance with EU and national legislation. No Beneficiaries shall have the right to transfer its rights and obligations to third parties. The Lead Beneficiary shall be informed by the Beneficiary about the subject and party of any contract concluded with a third party.
- 2) In case of legal succession, e.g. when the Beneficiary changes its legal form, the Beneficiary is obliged to transfer all duties under this Agreement to the legal successor. The Beneficiary shall notify the Lead Beneficiary in written form within *5 working days*. The Lead Beneficiary shall notify the Joint Secretariat according to the provisions set out in the Subsidy Contract.

Article 15
Language

- 1) The working language of the partnership shall be *English*. Any official internal document of the Project shall be made available in English.
- 2) The present Agreement is concluded in English language. In case of translations of this Agreement into another language the English version shall prevail.

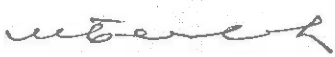
Article 16
Applicable law (liability and *force majeure*)

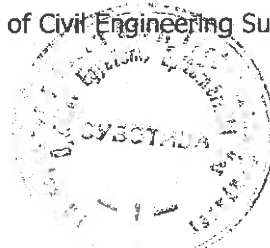
- 1) The present Agreement is governed by the *law of Serbia*, being the law of the country of the Lead Beneficiary. Each Beneficiary shall be liable to the other Beneficiaries and shall indemnify for any damages or costs resulting from the non-compliance of its contractual duties as set forth in this Agreement.
- 2) No Party shall be held liable for not complying with the obligations ensuring from this Agreement should the non-compliance be caused by *force majeure*. In such a case, the Beneficiary involved must announce this immediately in writing to the other Beneficiaries.
- 3) The „force majeure” represents any unpredictable and insurmountable event, occurred after the signing of the present Agreement and that prevents the total or the partial execution of the Agreement. There are considered cases of „force majeure”: wars, natural calamities, general strikes, insurrections, revolts, epidemics, earthquakes, floods and other similar events that cannot be attributed to any party of / bonded by the Agreement. The „force majeure” exonerates the parties of the responsibility for not executing partially or totally the obligations stipulated in the Agreement during the period they appear and only if the events were properly notified. 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 difficult for one of the parties.

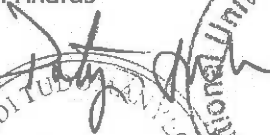
Article 17
Concluding provisions

- 1) Any amendments to this Agreement shall be in writing and shall be signed by all Parties.
- 2) In case of discrepancies between the Subsidy Contract and this Partnership Agreement, the Subsidy Contract shall prevail.
- 3) Any amendments to this Agreement shall be made in writing and shall be signed by all Beneficiaries. The Lead Beneficiary shall notify the Joint Secretariat of any amendment or supplement to the present Agreement.

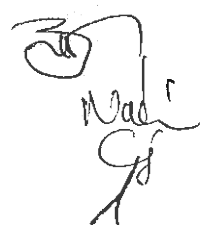
- 4) Should any provision in the present Agreement be entirely or partly ineffective, all other provisions remain binding. The Beneficiaries undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective provision.
- 5) The Parties commit themselves to take appropriate measures in order to ensure that all staff members carrying out work within the Project respect the confidential nature of information regarded as such, and do not disseminate or pass it on to third parties or use it without prior written consent of the Lead Beneficiary and the other Beneficiaries concerned.
- 6) The Parties will make efforts to settle any disputes arising from this Agreement out of court. In case an agreement cannot be made in due time, the Parties herewith agree that Privredni sud u Subotici – Economic Court Subotica, Senčanski put 1, 2. sprat, 24000 Subotica, Serbia shall have competence to rule in all legal disputes arising from this Agreement.
- 7) Done in English in ~~5~~ 3 originals of which each party keeps one original, while one original is annexed to each Subsidy Contract.
- 8) The Parties signing the Partnership Agreement have fully understood and accepted the contents of the Subsidy Contract and undertake the activities and responsibilities in the meaning as included therein.


Place, Date:	Subotica, 29.06.2017.
Name of Lead Beneficiary:	University of Novi Sad, Faculty of Civil Engineering Subotica
Name of legally authorised representative:	Prof. dr. Miroslav Bešević
Signature:	

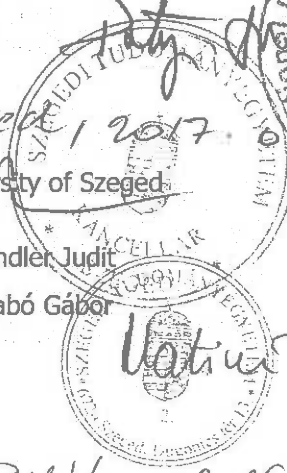


Place, Date:	Budapest, 2017.07.20.
Name of Beneficiary:	National University of Public Service
Name of legally authorised representative:	Prof. dr. Patyi András
Signature:	





Place, Date:	Szeged, 2017.07.26.
Name of Beneficiary:	University of Szeged
Name of legally authorised representative:	dr. Fendler Judit dr. Szabó Gábor
Signature:	



Place, Date:	Palić, 29.06.2017
Name of Beneficiary:	Public enterprise „Palić-Ludas“
Name of legally authorised representative:	Dobo Marta
Signature:	



Place, Date:

mae 2014. 06. 30.

Name of Beneficiary:

Kiskunság bird protection society

Name of legally authorised
representative:

dr. Téglási István Viktor

Signature:

**KISKUNSÁGI
MADÁRVÉDELMI
EGYESÜLET**

6070 Izsák, Ságvár u. 12.
Bsz.: 51700100-10017986
Adószám: 18360701-1-03



Annexes to the Partnership Agreement:

Annex I of Subsidy Contract for EU Contribution: Chapter 7. Sources of Funding of the Application Form

Annex III – List of documents to be retained

No.	Document
1.	Submitted Application Form
2.	Notification letter from the Managing Authority awarding subsidy
3.	Subsidy Contract (and its amendments)
4.	Partnership Agreement (and its amendments)
5.	Beneficiary Reports
6.	Declarations on validation of expenditure
7.	Project Reports and Project Follow-up Reports
8.	Applications for Reimbursement
9.	Each invoice and accounting document of equivalent probative value related to project expenditure (originals to be retained at the premises of the Beneficiary 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 Beneficiary concerned
11.	All project deliverables (all material produced during the project period)
12.	If relevant, documentation related to on the spot checks of the Control Bodies (to be retained at the premises of the Beneficiary concerned)
13.	If relevant, documentation of monitoring visits of the Joint Secretariat / Managing Authority
14.	If relevant, documentation related to audits
15.	If relevant, the Lead Beneficiary's / Beneficiaries' Subsidy contracts on state contribution and the related documents

**Annex IV – Applicable project specific
‘de minimis aid’ rules**

NOT RELEVANT