



## Subsidy Contract

Project Code: **HURO/1001/189/2.1.2**

Acronym: **LINK**

Project title: **LINKing businesses with environment friendly technologies, products and services**

**European Territorial Co-operation 2007 – 2013**



  
Hungary-Romania  
Cross-Border Co-operation  
Programme 2007-2013  
Joint Technical Secretariat

**Subsidy Contract**  
**for the implementation of the project**  
**No. HURO/1001/189/2.1.2 with the acronym LINK**  
**entitled LINKing businesses with environment friendly technologies, products and**  
**services**  
**within the**  
**Hungary-Romania Cross-border Co-operation Programme 2007-2013**

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The following Subsidy Contract (hereinafter: SC) is concluded between

**National Development Agency**

acting as the Managing Authority of the Hungary-Romania Cross-border Co-operation Programme 2007-2013 (hereinafter: MA)

Address: 1077 Budapest, Wesselényi u. 20-22., Hungary

Tax number: 15598323-2-41

on one hand,

and

**Camera de Comert, Industrie si Agricultura Timis**

Address: 300030 Timisoara, Piata Victoriei nr.3, Romania

Tax number: 4248972

acting as Lead Partner (hereinafter referred to as LP)

on the other hand,

hereinafter jointly referred to as Parties

based on the following legal framework:

- COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;
- REGULATION (EC) No 1080/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund ;
- COUNCIL REGULATION (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;
- Hungary-Romania Cross-border Co-operation Programme 2007-2013 approved by the European Commission on 21 December, 2007, Decision No. C/2007/6602 (hereinafter also referred to as Programme).

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



- Community rules regarding Community horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement;
- National rules applicable to the LP and its Project Partners (hereinafter also referred to as PPs) ;
- the relevant Call for Proposals (HURO/1001);
- the HURO Project Implementation Handbook laying down the programme specific rules for the implementation of the projects;
- the HURO Visibility Guide for Projects laying down the programme specific rules on information and publicity measures of the projects.

## Article 1 Award of subsidy

1. The object of this SC is the award of European Regional Development Fund (hereinafter ERDF) financing by the MA for the implementation of the project. In accordance with the decision of the Joint Steering Committee, dated 20/10/2011 an earmarked subsidy is awarded to the LP from the ERDF under the Hungary-Romania Cross-border Cooperation Programme for the implementation of the "HURO/1001/189/2.1.2" "LINK" "LINKing businesses with environment friendly technologies, products and services" project.

Maximum Community contribution awarded: 68.989,38 EUR  
 say: sixtyeight thousand and ninehundred eighty-nine euros  
 thirtyeight cents

*Total project budget:* 82.131,00 EUR  
*(including all partners)* say: eightytwo thousand and onehundred thirtyone euros

2. The LP receives funding on the basis of the provisions of the SC and its annexes, which the LP declares to understand and accept. Besides the annexes physically attached to the SC all parts of the application submitted with their modifications according to the conditions set in the notification letter of the MA form an integral and inseparable part of the SC.
3. The LP accepts the funding and shall implement the project for which it is responsible in due time according to the provisions of the present SC and of the national and European Union legislation.
4. The ERDF co-financing rates per PPs are set in Annex III. (Sources of funding) of the SC. As a general rule, the ERDF co-financing rates per PPs cannot exceed 85% of the total eligible public expenditures.
5. The maximum amount of ERDF contribution awarded for the project cannot be exceeded.
6. Should the total eligible costs after the completion of the project be lower than the budgeted amount, the abovementioned ERDF contribution awarded under the Programme will be correspondingly reduced according to the ERDF co-financing rates per PPs set in Annex III.
7. Reimbursement of the ERDF contribution is under the condition that the European Commission makes the funds available to the above-described extent.





8. If the European Commission fails to make the funds available or the Memorandum of Understanding signed by the participating Member States is no longer in force, the MA will be entitled to terminate this SC.

## **Article 2**

### **Duration of the project**

1. Project starting date: 01/04/2012  
Project end date: 31/03/2013
2. The project activities have to be carried out and finalised within the project period as well as project expenditure – with the exception of preparation costs – has to be incurred within the project period as defined in Article 2.1.
3. Preparation costs can only be eligible if they were incurred on or after 1st January 2007 and before the deadlines listed in 3.3.1. of the Project Implementation Handbook, and paid before the end date of the first reporting period.

## **Article 3**

### **Object of use**

1. The ERDF contribution is awarded exclusively for the implementation of the Project as it is described in the Application form (approved by the Joint Steering Committee) in Annex I.
2. Project expenditure, including preparation costs, which qualifies for the ERDF contribution awarded according to Article 1.1. consists exclusively of expenditure related to the project activities approved by the Joint Steering Committee. The rules for the eligibility of expenditure are set in the HURO Project Implementation Handbook. The relevant EC Regulations, in particular Article 56 of Regulation (EC) No 1083/2006, Articles 7 and 13 of Regulation (EC) No 1080/2006, Articles 48-53 of Regulation (EC) No 1828/2006, and national eligibility rules also have to be respected. In case of contradiction between the abovementioned rules, the stricter rule shall apply.

## **Article 4**

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

1. The LP can only submit Application for Reimbursement to the Joint Technical Secretariat (hereinafter JTS) accompanied by proof of progress of the project. Therefore the LP has to submit a Progress Report – with each Application for Reimbursement – consisting of the description of the activities carried out and their outputs and results during the reporting period and a financial report presenting the financial progress of the project in accordance with the approved application. Even if no expenditure was incurred in a reporting period, the Progress Report shall be submitted in due time to the JTS.
2. The LP has to submit the Progress Report and the Application for Reimbursement for each four-month reporting period from the project starting date indicated in Article 2.1. The LP is entitled to submit a Start-up Progress Report within 90 days from the conclusion of the SC in case the project was approved with preparation costs to be co-financed or the starting date of the Project is before the conclusion



date of this SC. In case the starting date of the Project is before the conclusion date of this SC and a Start-up Progress Report was submitted, the first Project Progress Report shall cover the period between the signature of the SC and the end of the first four-month reporting period. The Progress Report and the Application for Reimbursement have to be submitted to the JTS within 120 days from the end date of each reporting period. The reporting periods and the actual deadlines for submission are indicated in Article 4.13.

3. Additional obligatory deadlines to submit an Application for Reimbursement may be set by the MA in order to avoid decommitment of ERDF contribution at programme level.
4. The Start-up Progress Report and Application for Reimbursement (if any) have to cover the preparation costs of the project and/or the project expenditure incurred between the starting date of the project and the conclusion date of this SC. In case no Start-up Progress Report and Application for Reimbursement is submitted, the above mentioned costs have to be included in the first Project Progress Report and Application for Reimbursement covering the first reporting period as indicated in Article 4.13.
5. The Final Progress Report and final Application for Reimbursement have to be submitted to the JTS within 150 days after the end date of the project as indicated in Article 2.1.
6. The language of each report is English. The forms and tools of the Progress Report, Application for Reimbursement and the Declarations on Validation of Expenditure are defined for the HURO programme and are obligatory to use. The LP has to complete and submit the Progress Report and the Application for Reimbursement online through the Front Office surface of the IMIS 2007-2013 (the monitoring and information system of the Programme; hereinafter referred to as the system). Access to the system is only permitted by means of an individual username and password. The Rules of Use of the system are set in Annex VIII. of this contract. The rules on reporting – including the forms and the documents to be submitted with the Progress Report – are set in the HURO Project Implementation Handbook.
7. The Application for Reimbursement submitted by the LP shall contain only validated expenditure and shall be supported by the Declarations on validation of expenditure issued by the Control Bodies of the PPs. The LP shall ensure that the expenditure presented by the PPs participating in the project have been incurred for the purpose of implementing the project and corresponds to the activities agreed between those PPs.
8. In compliance with Article 20(1)d) of the Regulation (EC) No 1080/2006, the LP shall ensure that the expenditure of its PPs has been verified by the designated Control Body of the PP. The designated Control Bodies and the national level control requirements for each Member State are available in the HURO Project Implementation Handbook.
9. In case the Declarations on validation of expenditure are not received from each PP for a given reporting period, the LP shall submit the Application for Reimbursement on the basis of the Declarations on validation of expenditure available for the reporting deadline. The expenditure of the PPs not validated for the given reporting period within the deadline can be requested in the following reporting periods.



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Director General  
Programme 2007-2013  
Unit Technical Secretariat



10. The LP shall submit the Application for Reimbursement in Euro based on the Declarations on validation of expenditure in Euro issued by the designated Control Bodies of the PPs.
11. PPs from Member States, which have not adopted the Euro as their currency, shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for validation to the responsible Control Body. The expenditures shall be converted into Euro using the monthly foreign exchange reference rates of the European Commission in force in the last month of the reporting period.<sup>1</sup>
12. The exchange rate risk is borne by the PP/LP concerned.
13. The LP shall request the reimbursement of ERDF contribution on the basis of the following table:

	Reporting period	Deadline for submission of the Progress Report and Application for Reimbursement	Spending forecast (Total eligible cost in EUR)
1	01/04/2012 - 31/07/2012	28/11/2012	28.569,31
2	01/08/2012 - 30/11/2012	30/03/2013	22.909,32
3	01/12/2012 - 31/03/2013	28/08/2013	30.652,37
Total			82.131,00

14. The above spending forecasts must be respected. In case of deviation from the spending forecasts the MA is entitled to decommit the project by reducing the original project budget and the corresponding ERDF contribution if underspendings compared to the spending forecast result in n+3/n+2 decommitment. In case of a decision on the decommitment of the Project, the MA initiates the amendment of the present SC. The Addendum to the SC has to be signed by both Parties.
15. The LP shall submit to the JTS yearly Project Follow-up Reports till the end of the period laid down in Article 17.1 in the format set in the Project Implementation Handbook, proving the sustenance of the project outputs. The first Project Follow-up Report shall be submitted within one year from the end date of the project.
16. The LP has to provide information to the JTS about circumstances that delay, hinder or make impossible the realization of the project in 5 working days after becoming aware of them, as well as about any circumstances that mean a change of the reimbursement conditions and frameworks as laid down in this SC or entitle the MA to reduce or demand repayment of the ERDF contribution wholly or in part. Information shall also be provided in case 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 the project cannot or could not be realised in due time. The deadline for notification shall be 5 working days from the date of obtaining knowledge of these circumstances. In case the project cannot be implemented according to the time schedule fixed in the Application and in Annex I. as well as according to the spending forecast stated in point 13 of this Article the fact has to be reported to the JTS in order to seek written approval. The request for approval does not imply the approval.

<sup>1</sup> The monthly exchange rates of the European Commission are available at following website:  
<http://ec.europa.eu/budget/inforeuro>



**Article 5**  
**Reimbursement of ERDF contribution to the LP**

1. The reimbursement of ERDF contribution to the LP will be initiated only after the verification and acceptance of the Progress Report and its annexes, the Application for Reimbursement and the Declarations on validation of expenditure.
2. The LP may be requested for completion of the Progress Report and the Application for Reimbursement during the verification process by the JTS. After the second unsuccessful request for completion, the Application for Reimbursement and the Progress Report may be rejected. A rejected Application for Reimbursement can be resubmitted only once and for the next reporting deadline following the reporting period concerned.
3. The reimbursement of ERDF contribution will be authorised by the Certifying Authority. In case the ERDF balance of the programme single bank account handled by the Certifying Authority does not cover the amount to be reimbursed, the reimbursement process will be suspended till the transfer of the ERDF contribution from the European Commission is credited to the programme single bank account.
4. For receiving the reimbursement of ERDF contribution and for the transfers of ERDF contribution to the PPs, the LP has to open a separate EUR bank account exclusively for the project.
5. The ERDF contribution will be reimbursed in Euro only and transferred to the following separate project bank account indicated by the LP:

IBAN account number: RO41 RNCB 0249 0073 9087 0037  
SWIFT Code: RNCBROBU  
Bank name: Romanian Commercial Bank  
Bank address: 300088 Timisoara, Calea Aradului nr. 11.

6. The LP has to notify the JTS in written form in case of change of the separate project bank account with the submission of the Application for Reimbursement, at the latest. In case the LP fails to properly inform the JTS on the details of its bank account opened specifically for the project or on the changes regarding the bank account, all consequences, including those of financial nature shall be borne by the LP.
7. The LP is responsible for transferring the ERDF contribution to the PPs participating in the project according to the approved Application for Reimbursement, within the timeframe agreed in the Partnership Agreement, but at the latest within 10 working days; and in full; no specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the PPs.
8. Bank statements proving the management of the separate project bank account have to be presented to the JTS according to the rules specified in the HUORO Project Implementation Handbook.

**Article 6**  
**Double funding**

1. The expenditures reported shall not be double funded by any other European and/or national funds.



**Article 7**  
**Representation of PPs, liability and additional obligations of the LP**

2. In order to lay down the arrangements for its relations with the PPs the LP is responsible to conclude a Partnership Agreement with the PPs.
3. The LP represents the partnership as defined in the Partnership Agreement and is the only direct contact between the project and the MA / JTS. The LP shall be responsible for ensuring the implementation of the entire project. To this end, the LP shall undertake:
  - a) to co-ordinate the start of the project as set in Article 2.1.;
  - b) to co-ordinate the implementation of the project according to the time schedule stated in Annex I of this SC and the approved Application;
  - c) to inform the JTS in case of substantial changes in the project, as specified in Article 12.1. in written form and according to the rules laid down in the HURO Project Implementation Handbook, or in 5 working days if one of the reimbursement conditions cannot be fulfilled, or circumstances arise, which entitle the MA to reduce or demand repayment of the ERDF contribution (entirely or in part);
  - d) to comply with European Union regulations, as referred to in the preamble to this SC, and to the relevant national legislation for the whole partnership;
  - e) to collect documents and information from every PP in order to present consolidated Applications for Reimbursement and consolidated Progress Reports;
  - f) to transfer the ERDF contribution correctly to the other PPs as specified in Article 5.7.; in case of a claim for repayment from the MA, the LP cannot exculpate himself with the argument of the transfer of the funds;
  - g) to maintain separate accounting for the project implementation purposes in a manner ensuring the identification of each financial operation within the project;
  - h) to be aware that the activities of the PP(s) and eventual sub-contractors will be considered like his own activities.
4. The LP ensures that the controllers have verified the expenditure presented by the PPs participating in the project by obtaining the Declarations on validation of expenditure.
5. The LP is liable towards the MA for ensuring that its PPs fulfill their obligations under this SC.
6. The LP must answer all written requests from the MA, JTS or other bodies involved in the implementation of the Programme within the deadline stipulated in the respective request.
7. The LP takes full responsibility for the damages caused to third parties from its own fault during the implementation of the project. The MA has no responsibility for the damages caused to third parties as a result of executing the SC.



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

1. The MA shall make available the information regarding the official closure date of the Programme to the LP on the official website of the Programme.
2. The MA has the obligation to support the LP by providing necessary information and clarifications for the implementation of the project.
3. The MA has the obligation to reply through the JTS to any written solicitation from the LP in maximum 30 days from the date the MA receives the request.
4. The MA ensures the technical and financial monitoring of the operation of the project.
5. The MA has the obligation to inform the LP regarding the reports, conclusions and recommendations made by the European Commission, the Audit Authority, or the authorised auditing bodies of the participating EU Member States that may affect the implementation of the present SC.
6. The MA delegated all tasks related to the obligations as listed in point 1-5. to the JTS, therefore the JTS will act in the name and on behalf of MA.

**Article 9**  
**Information and Publicity**

1. The LP undertakes to fulfil the information and publicity measures set out in Regulation (EC) No. 1828/2006, and to respect the information and publicity requirements of the programme with the aim to promote the fact that financing is provided from the ERDF in the framework of the Hungary – Romania Cross-border Co-operation Programme and to ensure the adequate promotion of the project.
2. The LP shall ensure that all project official communications (e.g. any notice, publication, website or project event, including conferences or seminars) specify that the project has received funding from the European Union, within the framework of the Hungary-Romania Cross-border Co-operation Programme, by proper display of the EU logo, the HURO programme logo and slogan and the name of the funds (i.e. ERDF), as specified in the Visibility Guide for projects implemented in the frame of the Hungary-Romania Cross-border Co-operation Programme.
3. Any notice or publication by the LP or the PPs, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's views and that the MA is not liable for any use that may be made of the information contained therein.
4. The MA/JTS shall be authorised to publish, in any kind of form and on or by any kind of medium, including the Internet, the following information:
  - a) the title of the project;
  - b) the name of the LP and the PPs;
  - c) the amount granted and the ERDF co-financing rate;
  - d) the purpose of the ERDF contribution (i.e. project's overall objective);



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- e) the geographical location of the project;
- f) project results, evaluations and summaries;
- g) other information about the project, if considered relevant.

#### **Article 10 Confidentiality**

1. The MA and the LP undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least three years from the official closure of the Programme.
2. As an exception from the rules provided in the previous paragraph, the data used for publicity purposes for informing on and promoting the use of ERDF contribution shall not be considered as having confidential status.
3. Releasing any information to persons involved in implementing / verifying / controlling / auditing the operations shall be performed on confidential basis and shall only cover the information that is necessary for implementing the operations.
4. The contracting party shall bare no responsibility for releasing information on the contract if:
  - a) the information was released with the written agreement of the other contracting party; or
  - b) the contracting party was legally forced to release the information.
5. Failing to observe the confidentiality obligation gives the damaged party the right to claim compensations from the damaging party.

#### **Article 11 Conflict of interests**

1. In the present SC, the conflict of interests represents any circumstances that have affected or may affect the execution of the SC by the parties in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections.
2. The parties take upon themselves to take all necessary measures in order to avoid any conflict of interests and to keep each other informed, in up to 5 days from finding out, on any circumstances that have generated or may generate such a conflict. Any conflict of interests that arises during the implementation of the SC shall be immediately notified to the JTS. The MA reserves the right to verify such circumstances and take the necessary measures, where necessary.

#### **Article 12 Amendments to the Subsidy Contract and other project changes**

1. The LP has to request the modification of the SC in case of substantial changes in the project, which are the followings:



- a) changes in the partnership composition (excluding changes related to Associated Partners);
  - b) substantial changes in the content of the project (resulting in more than 20% deviation from the quantified outputs);
  - c) substantial changes related to activities;
  - d) budget reallocation between main budgetary lines exceeding 20% of the partner budget;
  - e) budget reallocation between partner budgets;
  - f) prolongation of the project duration with more than 1 month compared to the original timeframe.
2. Modification of the SC cannot affect the basic purpose of the project approved by the Joint Steering Committee.
  3. Budget reallocation exceeding the 20% reallocation limit, and prolongation of the project duration can be requested only once during a reporting period, but at least 45 calendar days before the project end date as set in Article 2.1. Further detailed rules describing each case of SC modification are set in the HURO Project Implementation Handbook.
  4. Any request for modification of the SC has to be justified and submitted by the LP to the JTS in a written form, as regulated in the HURO Project Implementation Handbook. The JTS will revise the request of modification and submit it for approval to the MA or the Joint Steering Committee according to the type of the modification requested. The Addendum to the SC has to be signed by both parties according to the approval of the MA / Joint Steering Committee.
  5. Other changes in the project than listed in point 1. will not require SC modification, but the LP has to notify the JTS as regulated in the HURO Project Implementation Handbook. In case of budget reallocation not exceeding the 20% limit, the limit is calculated from the valid SC at the time of submitting the notification about change.

### **Article 13** **Assignment, legal succession**

1. The MA is entitled at any time to assign its rights under this SC. In case of assignment the MA will inform the LP in a 15 working days deadline.
2. The LP is allowed to assign its duties and rights under this SC only after prior written consent of the MA.
3. In case of legal succession, e.g. where the LP/PPs changes its legal form, the LP is obliged to transfer all duties under this SC to the legal successor. The LP shall notify the JTS about any change beforehand.

#### **Article 14 Audit rights**

1. The responsible auditing bodies of the EU, and, within their responsibility, the auditing bodies of the participating EU Member States as well as the Audit Authority, Group of Auditors, MA, JTS and the Certifying Authority of the Programme are entitled to audit the proper use of funds by the LP or by the PPs or arrange for such an audit to be carried out by authorised persons.
2. The LP will produce all documents required for the audit, provide necessary information and give access to its business premises. The LP is obliged to retain for audit purposes all files, documents and data about the project until at least three years from the official closure of the Programme. The list of the documents to be retained is listed in Annex V.
3. The LP is obliged to guarantee fulfilment of the above stipulated duties in relation to all other PPs of the project.
4. Observing the recommendations received after an audit must be ensured; otherwise the MA has the right to terminate the SC.

#### **Article 15 Irregularities**

1. In case of irregularities identified the MA reserves the right to claim the repayment of ERDF contribution in full or in part from the LP and has the right to reduce the amount of the ERDF contribution awarded.
2. Therefore the LP is always responsible for securing repayment of ERDF contribution unduly paid to the project from the PP concerned.
3. If a PP commits an irregularity and the LP cannot recover the ERDF contribution unduly paid to a project partner on the basis of the partnership agreement existing between them, the LP shall inform the JTS in written form within the deadline for the repayment set in Article 16.2. and on request shall send proof of the steps taken towards the PP(s) concerned.
4. When the amount unduly paid has not been recovered due to negligence of the LP, the LP shall remain responsible for the repayment.

#### **Article 16 Right of withdrawal and repayment, suspension of reimbursement**

1. The MA is entitled to withdraw from this SC and to demand repayment of ERDF contribution in full or in part, or suspend reimbursements if:
  - a) the LP has obtained the ERDF contribution through false statements or incomplete statements to bodies/appointees of the European Commission, the MA or any other authorities involved in the implementation of the Programme; or
  - b) the MA finds that the LP did not notify the MA within the deadline on a case of conflict of interests or the necessary measures for ending such a situation were not taken; or



- c) a precondition for the approval of the project is lost, e.g. the compulsory cross-border PP resigns from the project and is not replaced in line with the provisions of Article 7; or
- d) the Partnership Agreement concluded between the LP and the PPs is no longer in force or;
- e) the LP becomes insolvent or subject to bankruptcy proceedings; or
- f) in case of identified irregularities; or
- g) it is impossible to contact the LP following three attempts; or
- h) the LP fails to fulfil a condition or an obligation resulting from this SC; in particular:
  - the expenditure related to the earliest implemented activity has not been incurred within 30 days after the project starting date set in Article 2.1; or
  - the LP repeatedly fails to submit Progress Reports and Applications for Reimbursement within the reporting deadlines set in Article 4; or
  - the LP repeatedly fails to submit Project Follow-up Reports, if applicable; or
  - the LP fails to sustain the results of the project as defined in Article 17.; or
  - 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 the project cannot or could not be realized in due time; or
  - the LP fails to provide immediate information about circumstances that delay, hinder or make impossible the realization of the project, as well as about any circumstances that mean a change of the reimbursement conditions and frameworks as laid down in this SC or entitle the MA to reduce or demand repayment of the ERDF contribution wholly or in part; or
  - the regulations of the EU and national law (including provisions concerning public procurement rules, state aid rules, publicity, rules on environmental protection, and rules on equal opportunities) have been infringed; or
  - the LP has impeded or prevented the auditing of the project as referred to in Article 14.; or
  - the ERDF contribution awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
  - it has been impossible to verify that the Final Progress Report is correct and thus the eligibility of the project by funding from the Programme can not be verified.

2. If the MA sends a request for repayment on the amount of ERDF contribution paid unduly and the corresponding interest chargeable, the LP is obliged to secure repayments from the PPs concerned and repay the amount specified by the MA before the due date. The repayment by the LP is due within two months following the receipt date of the request for repayment. The rate of such interest shall be one-



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and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the date of the request for repayment.

3. The MA has the right to recover the amounts specified in the request for repayment by deducting them from the Application for Reimbursement submitted by the LP.
4. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment, starting on the due date and ending on the actual date of repayment. The rate of interest on late payment shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the due date.
5. If the MA exercises its right of withdrawal, offsetting by the LP is excluded unless its claim is undisputed or recognised by declaratory judgement.
6. The LP is entitled to exercise the right of withdrawal if implementation of the project becomes impossible caused by circumstances independent from the LP. In this case, the LP shall repay the whole amount of ERDF contribution reimbursed with the interest chargeable within two months from the date of notifying the MA on the withdrawal from the SC. 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 MA on the withdrawal from the SC. In case of late payment, interest on late payment shall be charged according to point 4.
7. In case of delays in submitting the Progress report and Application for Reimbursement or request for modification, or in case multiple completions of the Progress Report and/or Application for Reimbursement are required attributable to the LP and/or any of the PPs, the MA is entitled to apply a proportional reduction to costs related to project management up to 25%.
8. The MA may decide to suspend the reimbursement of the ERDF contribution if the provisions laid down in the Memorandum of Understanding are not respected by the Member States concerned. The LP shall be informed on the suspension.

#### **Article 17**

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

1. In accordance with the Article 57(1) of Regulation (EC) No 1083/2006, the project retains the ERDF contribution only if it does not, within five years from the end date of the project, undergo a substantial modification:
  - a) caused by either a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity; and
  - b) affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage.

The LP is obliged to notify the JTS of any such changes described beforehand.

2. Ownership, title and industrial and intellectual property rights in the outputs of the project and the reports and other documents relating to it shall vest in the LP and PPs. Leasing, handing over, selling/transferring the rights of use of the outputs of the project is only possible with the prior written consent of the MA and only in case if all the rights and obligations following from this SC and connected to the subject of matter will be transferred to the new party.



3. The use of the results of the projects will be agreed by the LP and the JTS in order to guarantee a widespread publicity of such results and to make them available to the public.
4. The LP and the JTS shall find individual arrangements in those cases where intellectual property rights (such as for data acquired for the project, which do not belong to public domain) already exist.
5. Should the project be identified as revenue-generating in accordance with the definition provided in Article 55(1) of Regulation (EC) No 1083/2006, the MA is entitled to deduct from the Application for Reimbursement the estimated net revenue that may be generated by the project. In order to define the amount to be deducted, the MA shall take into account the criteria listed in Article 55(2) and (3) of the aforementioned Regulation.
6. Where, at the latest three years after the closure of the programme, it is established that a project has generated revenue that has not been taken into account, such revenue should – in line with Art 55 (4) of the aforementioned regulation – be refunded by the LP to the general budget of the European Union in proportion to the contribution from the funds.
7. The conditions set in the Declaration of gratuitousness in the Annex VI shall be taken into consideration. The misuse of the conditions will be handled as an irregularity and therefore the measures in Article 15 and Article 16 of the present SC will be taken.

#### **Article 18 Concluding provisions**

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

HURO Joint Technical Secretariat  
Gellerthegy u. 30-32  
1016 Budapest, Hungary

4. Both parties shall notify each other without delay if any change occurs in the following contact data:

Contact person appointed by the JTS:  
Name: Roland BENDA  
Phone: +36 66 520 254  
E-mail: rbenda@huro-cbc.eu

Contact person appointed by the LP:  
Name: Diana Fiti  
Phone: 0040-256-219-173



E-mail: Diana.Fiti@cciat.ro

5. This agreement is concluded in English. In case of translation of this agreement and its annexes into other language, the English version shall prevail.
6. This SC is governed by Hungarian law and in all matters not regulated in this SC are subject to the legal understanding laid down in the Hungarian Civil Code (Act No. IV. of 1959). In case of differences not ruled by this agreement, the Parties agree to find an amicable and mutually acceptable solution. If the Parties fail to do so, all disputes arising in connection with this agreement shall be settled by the Buda Central District Court.
7. Annexes I-IX. of the SC form an integral and inseparable part of the SC irrespective of whether they are physically attached to the SC.
8. The SC is signed in three original copies, of which one remains at the LP and two original copies have to be returned to the JTS.
9. The SC enters into force on the date of signature by the last of both parties.
10. The SC shall remain in force until the LP has discharged in full its obligations arising from the SC towards the MA. i.e. as long as any duties linked to the ERDF subsidy might be claimed in line with Regulation (EC) No1083/2006.

Place and date:

TINISOARA  
11.06.2012.

Lead Partner  
represented by

Georgica Cornu  
president



Place and date:

Budapest, 18/05/2012

Managing Authority  
represented by

Balázs Simó  
Head of MA





## ANNEXES to the Subsidy Contract

- I. Objectives and description of project activities (abstract from Application Form)
- II. Partnership Agreement
- III. Sources of funding
- IV. Project Budget
- V. List of documents to be retained
- VI. Declaration of gratuitousness
- VII. Statement on project bank account
- VIII. Rules of use of the front office surface of IMIS 2007-2013
- IX. Application submitted with its modifications according to the conditions set in the notification letter of the MA (not attached physically)



*[Handwritten signature]*

