

Partnership Agreement

(ref: HUSKROUA/1702/3.1/0082)

Project title: The cross-border cultural dialogue for the preservation of
Europe's cultural heritage

Application ID: HUSKROUA/1702/3.1/0082

HUSKROUA ENI CBC Programme 2014-2020

Note²:

[The Partnership Agreement is a legal document which formalizes the relationship between the Lead Beneficiary and the Beneficiaries regulating mutual right, duties and responsibilities, provisions for sound project and financial management as well as recovery of funds.]

This formal document may be modified and adjusted to the individual needs, the legal and administrative framework of the Project Participants to the project however without any contradiction to the defined legal base set out below and to the call for proposals' documents.

Before the signature of the Grant Contract and within 30 calendar days after the receipt of the award letter, the Partnership Agreement has to be signed by the Lead Beneficiary and the Beneficiaries and provided to the Joint Technical Secretariat. Failure to submit the PA within the above-mentioned deadline may cause the delay of the contract signature.

As this Partnership Agreement serves only as a model, there is no guarantee and no liability for completeness, correctness, up-to-dateness and full compatibility with EU and national law.]

Preamble

Having regard to

- Commission Implementing Decision of 8 October 2014 adopting a programming document for European Union support to ENI Cross-Border Cooperation for the period 2014-2020 (Programming Document);
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation);
- 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 (ENI CIR);
- Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No

² all notes in grey brackets to be deleted upon signing the Agreement

- 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument (hereinafter referred to as ENI CBC Implementing Rules);
- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012
 - Joint Operational Programme 2014-2020 of Hungary-Slovakia-Romania-Ukraine for the ENI Cross-Border Cooperation;
 - National rules applicable to the Lead Beneficiary and Beneficiaries;
 - State Aid applicable rules;
 - Guidelines for Applicants;
 - Grant contract;
 - Project Implementation Manual of the Programme;
 - Project Communication Guidelines.

the following agreement has been concluded between:

Jakubova Voľa village,
Jakubova Voľa 67,
082 56 Pečovská Nová Ves
Slovak Republic, Tax number: 2020711506 (Lead Beneficiary),

and

Velkyj Bereznyj village council
Ukraine Zakarpattia Velkykyj Bereznyj 89000 (Beneficiary 1),
Ševčenka 12, Tax number: 04351127

Charitable Foundation "Center for Civic Initiatives" (Beneficiary 2),
Ukraine Zakarpattia Perechyn 89200 Narodna
sq. 21/, TAX number: 22088142

(Hereinafter jointly referred to as Parties)

have agreed as follows:

1. Subject of the Agreement

The purpose of this Partnership Agreement (hereinafter “the Agreement”) is to define the rules of procedure for the joint implementation of the project: The cross-border cultural dialogue for the preservation of Europe's cultural heritage HUSKROUA/1702/3.1/0082 (“the Project”) approved by the Joint Monitoring Committee (hereinafter referred to as JMC) of the Joint Operational Programme Hungary-Slovakia-Romania-Ukraine European Neighbourhood Instrument Cross-border Cooperation Programme on 12th of July 2018 and the relations among the Lead Beneficiary and Beneficiaries.

The Parties, through the present Partnership Agreement, lay down the rules of procedures for the work to be carried out and the relations that shall govern the partnership set up in order to successfully, effectively and efficiently implement the above-mentioned cross-border cooperation Project. This Agreement shall also define their mutual responsibilities concerning the administrative and financial management of the Project.

The Grant Application Form as approved by the Joint Monitoring Committee and the Grant Contract (with all its provisions) signed by all signatories are to be regarded as integral parts of this Agreement, therefore their content and the obligations set by the above-mentioned documents have to be fully respected by the Parties and the provisions related to the Lead Beneficiary apply *mutatis mutandis* to the partners, with the exceptions of the ones linked to the application of Lead Partner principle.

2. Definitions

Where in this Agreement the “MA” is mentioned this refers to the Ministry of Foreign Affairs and Trade of Hungary, which shall sign the Grant Contract with the Lead Beneficiary and shall provide the grant funding. The MA is not a party to this Agreement.

Where in this Agreement the “JTS” is mentioned it refers to the Joint Technical Secretariat of the Hungary-Slovakia-Romania-Ukraine European Neighbourhood Instrument Cross-border Cooperation Programme. The JTS is not a party to this Agreement.

Lead Beneficiary: the Lead Beneficiary is designated by the Project Participants and assumes full legal and financial responsibility for ensuring implementation of the entire project. . The Lead Beneficiary is also responsible for the proper reporting of progress during project implementation to the Joint Technical Secretariat as stipulated in the Grant Contract.

Beneficiary: an actor that commits itself to functionally and financially implement a project part of the Project according to the Grant Application Form as approved by the Joint Monitoring Committee.

Project Participants: means Lead Beneficiary and other Beneficiary/Beneficiaries together.

Project part: covers a set of activities within the Project as a whole, undertaken by the Lead Beneficiary or another Beneficiary in a defined timeframe and presented as a Lead Beneficiary / Beneficiary budget sheet in the budget of the Grant Application Form.

3. Obligations of the Parties

The Project Participants commit themselves in doing everything in their power to foster the implementation of the Project and shall ensure their performance in time and in compliance with obligations to the JMA. Furthermore, they shall implement the Project with the requisite care, transparency and diligence, in line with the principles of sound financial management and with the best practices in the field.

Project Participants shall actively cooperate in the development and implementation of the Project. In addition, they shall cooperate in the staffing and financing of the Project. The Lead Beneficiary and each Beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the Union funds and, if relevant, the related State contribution it has received for its project part. The Lead Beneficiary shall assume the sole responsibility for the entire Projects towards the MA and fulfil all obligations arising from the Grant Contract of the approved project and is entitled to represent all Project Participants involved in the project towards MA/JTS/programme management bodies.

In addition to the obligations set out in the Grant Contract the Lead Beneficiary is obliged, in particular:

- a. to be responsible for the overall coordination, management and implementation of the entire Project
- b. to inform all Beneficiaries on the signature of the Grant Contract and provide all Beneficiaries with a copy thereof
- c. to implement the Project in compliance with requirements set in the Grant Contract
- d. to appoint a project manager for the overall project coordination
- e. to appoint a financial manager in charge of the overall project financial implementation ensuring a proper book keeping system, filing the original supporting documents.

- f. to appoint a communication manager in charge of the assurance of the visibility requirements, and the communication and capitalisation activities
- g. to set up a reliable internal control system, coordination system and audit trail, including mechanisms to avoid double financing
- h. to guarantee the legality and regularity of the funds allocated to the Project, in compliance with all the eligibility criteria
- i. to arrange the recovery of amounts unduly paid
- j. to ensure that the Beneficiaries receive the total amount of the Union contribution as quickly as possible and in full in accordance with the present Agreement
- k. to provide the co-financing to the ENI grant according with Article 3 of the Grant Contract
- l. to ensure that the expenditure presented by the Project Participants has been paid for the purpose of implementing the Project and corresponds to the activities agreed between the Project Participants
- m. to communicate with the JTS and report to it in time about any Project complications, changes of the activity or Beneficiaries and to notify the JTS/MA immediately of any event that could lead to a temporary or final termination or delay of the project activity as well as endanger/jeopardise the implementation of the Project
- n. to consult Beneficiaries regularly, keep them fully informed of the progress of the Project and about all essential issues connected to project implementation (e.g. about any variation of the conditions at the basis of the present Agreement or about any modification that could influence the implementation of the Project, the information activity or the payment of financing) and notify them immediately of any event that could lead to a temporary or final termination or delay of the project activity as well as endanger/jeopardise the implementation of the Project
- o. to make any effort to contact the Beneficiaries in resolving the difficulties including seeking the assistance of the JTS/MA
- p. to ensure that all Beneficiaries are involved in the decision making regarding the Project, and especially agree with the Beneficiaries before submitting any request for reallocation between budget lines and for any amendment of the Grant Contract/Partnership Agreement to the JTS/MA
- q. to support the Beneficiaries in implementing their obligations by giving them the correct information, indications and clarifications on the procedures
- r. to have its expenditures incurred in the given reporting period, verified by the designated national controller (for Lead Beneficiary from one of the Member States) or accepted auditor (for Lead Beneficiary from Ukraine)

- s. to collect expenditure verification reports and submit those to the JTS in due time
- t. to provide help and support for the national controllers or the auditor in the preparation of the expenditure verification reports
- u. to be responsible for the submission of requests for payment to the JTS
- v. to draw up and present the consolidated interim and the consolidated final reports (hereinafter referred to as Project Interim Reports and Project Final Report) to the JTS as set in the Article 6 of the Grant Contract
- w. to report in accordance with the existing legislation and national guidelines if the project activities are State Aid relevant in accordance with EU legislation for beneficiaries located in the Member States and in accordance with Chapter 10 of the Association Agreement between the European Union and Ukraine for the Ukrainian beneficiaries
- x. to properly archive project documents for the period of five years from the date of payment of the balance of the Programme, as per Art. 70 of ENI CBC Implementing Rules
- y. to implement its individual part of the Project accordingly
- z. to enable the responsible bodies indicated in the grant contract to carry out their audit, control and monitoring / evaluation activities
- aa. to guarantee the systematic collection and the safe storage of all the documentation regarding project expenditure and activities
- bb. to keep a copy of all project documents prepared by the Project Participants or other bodies.

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 the Partnership Agreement and in the Grant Application Form.

In addition to the obligations set out in the Grant Contract each Beneficiary is obliged, in particular:

- a) to implement its Project part in compliance with requirements set in the Grant Contract
- b) to provide the co-financing to the grant contribution
- c) to appoint a project manager who is responsible for its part of the project implementation
- d) to appoint a financial manager in charge of ensuring a proper book keeping system, filing the original invoices, ensuring adequate measures to avoid double financing etc.
- e) to set up effective, efficient and reliable management and control system and audit trail at a project Beneficiary level
- f) to ensure that the expenditure has been incurred for the purpose of implementing the project and correspond to the activities agreed by

the Project Participants and described in the Grant Application Form

- g) to have its expenditures incurred in the given reporting period, verified by the designated national controller or auditor and to submit the expenditure verification report issued by national controllers (for the Member States) or the auditor (for Ukraine) to the Lead Beneficiary in due time
- h) without any delay to inform the Lead Beneficiary about any changes concerning the bank account to which the Union contribution of the Beneficiary shall be transferred
- i) to provide the help and support for the national controllers or the auditors in order to prepare the expenditure verification reports
- j) to submit to the Lead Beneficiary the Beneficiary level interim and final reports
- k) without any delay to provide the Lead Beneficiary with any information needed to draw up Project interim and final reports
- l) to 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) to report to the Lead Beneficiary in accordance with the existing legislation and national guidelines if the project activities are State Aid relevant in accordance with EU legislation for beneficiaries located in the Member States and in accordance with Chapter 10 of the Association Agreement between the European Union and Ukraine for the Ukrainian beneficiaries
- n) to guarantee the legality and regularity of the funds allocated to the part of the Project implemented under its own responsibility, in compliance with all the eligibility criteria
- o) to repay the amounts unduly paid to the Lead Beneficiary, if so requested by the MA/JTS
- p) to react promptly to any request of the Lead Beneficiary or MA/JTS in particular for what concerns requests related to the coordination and implementation of the project
- q) to notify the Lead Beneficiary immediately of any event that could lead to a termination or temporary delay of the project activity as well as endanger/jeopardise the implementation of the Project
- r) to ensure that all information to be provided and requests made to the MA/JTS are sent via the Lead Beneficiary
- s) to properly archive project documents for the period of five years from the date of payment of the balance of the Programme, as per Art. 70 of ENI CBC Implementing Rules

The breach of the obligations of the Agreement by one of the Beneficiaries may lead to an early termination of its participation in the Project. Should a Project Participant not fulfil its obligations under this Agreement in due time, the Lead Beneficiary shall admonish the Beneficiary to fulfil them within a reasonable period of time. The Project Participants undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the Lead Beneficiary may decide to terminate the Beneficiary concerned from the Project. This termination has to be decided by consensus by all the other Beneficiaries in a documented manner. The Lead Beneficiary shall communicate to the MA/JTS the reasons for the proposed termination of one of the Beneficiary's participation and the date on which the termination shall take effect, as well as a proposal on the reallocation of the tasks of the Beneficiary whose participation is terminated provided that the eligibility rules of the Call for Proposal are kept with the remaining Beneficiaries, or on its possible replacement with the involvement of a new Beneficiary. Such proposal shall be endorsed by the Joint Monitoring Committee. If the JMC agrees with the termination and with the proposed changes in the partnership, the Grant Contract shall be amended accordingly.

4. Duration of Agreement

The Agreement is valid from the date of signature by all Parties and enters into force from the day the Grant Contract between the MA and the Lead Beneficiary enters into force. It shall remain in force until the Lead Beneficiary has discharged in full its obligations arising from the Grant Contract towards the MA, including the period of availability of documents for financial controls.

This Agreement shall also remain in force if there is any non-resolved dispute among the Parties at an out-of-court arbitration body.

In case the Grant Contract terminates, the present Agreement remains valid until the end of the availability of documents for financial controls.

5. Results

All the Parties shall adhere to the set numbers of the activities and action plan, so that the planned results and related indicators are achieved, as detailed in the Grant Application Form.

6. Amendment of the activities, action plan, results and indicators

If for some reasons one of the Project Participants cannot implement one of the defined activities or deviation from the approved action plan is unavoidable with the necessary changes in the set of indicators, the Lead Beneficiary has to

inform the MA/JTS in writing about the difficulties raised and shall request the possible modification accordingly.

Where the amendment does not affect the basic purpose of the Project, the Lead Beneficiary may amend the Description of the Project and shall inform the JTS accordingly. Such amendments shall be collected during the concerned reporting period in form of a 'request for modification(s)' by the Lead Beneficiary and submitted for approval to the Joint Technical Secretariat favourably at the end of the reporting period but in the report at the latest.

Where the level of amendment requires prior approval, the Lead Beneficiary shall submit a duly justified request to the JTS thirty days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the JTS. Upon approval, such amendment will be embodied in form of an Addendum to the Grant Contract.

The Lead Beneficiary shall obtain the written prior agreement of all the Beneficiaries for any amendment before applying to the MA/JTS with the request. The amendment may not have the purpose or the effect of making changes to the Grant Contract and Grant Application Form that would call into question the grant award decision or be contrary to the equal treatment of applicants.

7. Management of the project

The project team will consist of skilled and experienced people. The Lead Beneficiary's project team will have 2 positions: project coordinator and financial manager. Project coordinator is responsible for the overall implementation of the project, will communicate with JTS and the managing authority of the Programme and will coordinate all project partners. Financial manager will take care of financial issues.

The Beneficiary 1's project team will have 2 positions: project manager and financial manager. Project manager will be responsible for – realization of the project on beneficiary level, communication with project coordinator, cooperation with other members of project team, prepare reports. Financial manager will be responsible for – financial issues, budget spending, accounting, preparing the financial reports.

The Beneficiary 2's project team will have 2 positions: project manager and financial manager. Project manager will be responsible for – realization of the project on beneficiary level, communication with project coordinator, cooperation with other members of project team, prepare reports. Financial manager will be responsible for – financial issues, budget spending, accounting, preparing the financial reports.

The beneficiary and partners confirm to accept overall coordinator that will be the project coordinator from Jakubova Voľa village. Coordinators at partner level will be:

The Beneficiary 1: project manager

The Beneficiary 2: project manager

The beneficiary and partners confirm to accept overall financial manager that will be the financial manager from Jakubova Voľa village. Financial managers at partner level will be:

The Beneficiary 1: financial manager

The Beneficiary 2: financial manager

All member of the project staff will work together and provide help and guidance to other staff members if any problem during the implementation occurs. The partners will communicate within internet but also via regular project team meetings. 6 project meetings are planned and also several skype project meetings. Project team will be in very close contact. Members will regularly communicate, cooperate and oversee of the realization of the project.

8. Changes in the project partnership

Being aware of the fact that all changes in the project partnership need prior approval of the Joint Monitoring Committee and that the Grant Contract shall terminate if the number of Beneficiaries falls below the minimum number of participants, the Project Participants agree not to back out of the Project unless there are unavoidable reasons for it.

In case one of the Project Participants withdraws from the Project or its participation is terminated from it (the process is detailed under Article 3), the remaining Project Participants shall undertake to find a rapid and efficient solution to ensure further proper project implementation without any delay. Consequently, the Project Participants shall endeavour to cover the contribution of the withdrawing Project Participant, either by completing its tasks by one or more of the remaining Project Participants or by involving a new potential Beneficiary to join the project partnership, taking into account the relevant programme provisions.

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 10 days. The Lead Beneficiary shall notify the JTS according to the provisions set out in the Grant Contract.

The Lead Beneficiary shall inform the MA/JTS as soon as changes in the project partnership are foreseeable. The changes in the partnership enter into force only after approval by the Joint Monitoring Committee.

The Beneficiary whose participation in the Project was terminated or the one who backed out of the Project will be obliged by the present Agreement for its whole duration with regard to the activities carried out and expenditure incurred until the moment when the termination took effect or when the Beneficiary withdrew from the Project. The provisions set for document keeping, recoveries and financial controls and audits remain applicable to them.

9. Liability

The Project Participants agree that one Party cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the other Party while the Project is being carried out or as a consequence of the Project.

The Project Participants agree that they shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the part of the Project implemented under their own responsibility is being carried out or as a consequence of that part of the Project.

10. Sub-contracting

The Project Participants may subcontract a limited portion of the Project.

In the case in which one of the Beneficiaries sign agreements/contracts with subcontractors for a partial execution of their part of the Project, Beneficiary will continue to be responsible towards the Lead Beneficiary for all the obligations arising from the present Agreement.

If the implementation of a project requires procurement of goods, works or services by a Beneficiary, the following rules shall apply:

where the Beneficiary is a contracting authority or a contracting entity within the meaning of the Union legislation applicable to procurement procedures, it may apply national laws, regulations and administrative provisions adopted in connection with Union legislation.

In all other cases the applicable rules are set out in Art. 52 paragraph 2 and Articles 53 to 56 of ENI CBC Implementing Rules, as well as any specific instructions defined in the Guidelines for Applicants and the Project Implementation Manual.

11. Financing of the Projects

The financing of the Project will be performed in accordance with the Article 3 of the Grant Contract.

The total eligible cost of the Project is estimated at 1 025 348,71 Euro, as set out in the Budget of the Project, annexed to the Grant Contract. The maximum ENI grant is estimated at 922 813,83 Euro, equivalent to 90% of the estimated total eligible cost of the Project.

Separate Beneficiary level budget for the part of the Project implemented under each Beneficiary's own responsibility should be filled in and annexed to the present Agreement. Beneficiary level budgets should be annexed in as many tables as the number of the Project Participants (including the Lead Beneficiary), conforming to Annex II of the Grant Contract (Budget of the project indicated per beneficiary including ENI share in amount and in percentage).

12. Co-financing of the Projects

The Project Participants shall co-finance the ENI grant contribution according to the requirements of the Grant Contract.

The Lead Beneficiary undertakes to co-finance the implementation of the Project with 35 695,87 Euro.

The Beneficiary 1³ undertakes to co-finance the implementation of the Project with 23 135,68 Euro.

The Beneficiary 2 undertakes to co-finance the implementation of the Project with 8007,47 Euro.

Failure to respect this clause may cause penalties correspondent to the caused damage or even a project termination and recovery.

Project Participants shall follow the applicable State Aid rules.

13. Payment

All Union contributions for implementation of the Project will be transferred to the bank account of the Lead Beneficiary defined in the Financial Identification Form (Annex 2 to this Agreement). All the payments in the frame of Project will be made by the Lead Beneficiary from this bank account in Euro.

³ Put as many rows as needed

Any changes of the bank account data by the Beneficiary must be reported to the Lead Beneficiary as soon as possible.

The Lead Beneficiary shall be responsible for the administrative and financial management of the funds.

The Lead Beneficiary takes responsibility for distributing the Union funds between the Project Participants as the pre-financing payments and in accordance with their verified expenditures incurred for project actions and payment requests. The fund will be distributed by means of the transfer within 10 working days without delay as from the date of receipt of the instalment of Grant, proportionally to each Beneficiary's contribution to the Project unless justified, without making any deduction, retention or further specific charge, and shall submit the proof of transfer to MA/JTS within 10 working days.

Legal Entity Form per each Beneficiary (conforming to the model provided in the Application Package and Annex 1 to the present Agreement) contains details of the bank accounts to which the ENI share of the Beneficiaries shall be transferred by the Lead Beneficiary. If the total verified accepted eligible costs of the part of the Project implemented under the Beneficiary's responsibility at the end of the Project are less than the estimated cost, the Beneficiary shall be limited to the amount approved by the MA for the respective part of the Project.

Any interest accruing from pre-financing paid by the Lead Beneficiary to the Partners shall be mentioned in the interim and final reports and deducted from the payment of the balance of the amounts due.

Any revenue generated within the project implementation must be declared by all Beneficiaries in the interim and final expenditure verification reports according to the Article 6 "Narrative and Financial reporting" of the Grant Contract (point 6.7). Beneficiaries must state that the revenue of the project are real, accurately recorded in relevant accounts, eligible in accordance with Grant contract and related instructions and provisions and not covered by any previous expenditure verification reports.

Revenue generated within the project implementation may not constitute the co-financing part of the Beneficiaries. The revenues are deducted by the JTS from the total eligible costs.

14. Budget and eligible expenditures

The Lead Beneficiary is the sole responsible party to the MA/JTS for the budgetary and financial management of the Project.

The Project Participants commit themselves to respect the budget breakdown as set in the Annex II of the Grant Contract (Budget of the project) and the Beneficiary level budgets annexed to the present Agreement and shall implement the project according to the budget reported.

The Lead Beneficiary must ensure the correctness of the accounting, financial reports and documents drawn up by the Beneficiaries regarding the budget. The Lead Beneficiary may request further information, documentation and evidence from the Beneficiaries to that effect. Each Beneficiary shall be held responsible for financial implementation of its part of the budget assigned for the Project.

Any amendment of the project budget shall be performed by the Lead Beneficiary according to Article 16 of the Grant Contract and under the prior agreement of the Beneficiaries. Provisions set out in Article 6 “Amendment of the activities, action plan, results and indicators” of present Agreement applies for the amendment of the budget as well.

Each Beneficiary is committed to keep accounts solely used for the Project budget, following the requirements indicated in the grant contract.

The accounts shall provide total expenses related to the budget operation in national currency and translated into Euro for reporting following the method stipulated in the Grant Contract.

The Project Participants commit themselves to respect all the eligible criteria.

15. Monitoring

The Lead Beneficiary has overall responsibility for monitoring the actions undertaken by the Beneficiaries on an on-going basis, aiming at the achievement of the results and measured by the related indicators.

The Lead Beneficiary is obliged to promptly inform the MA/JTS and to provide it with all necessary details in case of any events that could jeopardize the implementation of the Project or the achievement of the planned results.

16. Reporting

The Lead Beneficiary can submit a Request for Payment to the JTS only 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 an Interim Report to the Lead Beneficiary consisting of a narrative part describing the activities carried out with their outputs and results during the reporting period and a financial part presenting the financial progress of the Project part implemented under his own responsibility, compared to the approved Grant Application Form.

The Beneficiary level interim report shall consist of a narrative part and a financial part shall conform to the template as published by the Programme and shall cover every 12 months of the implementation period of the Project.

The Beneficiary level final report consisting of a narrative part and a financial part shall conform to the template as published by the Programme.

The proofs of the transfers of ownership referred to Article 19 "Ownership/use of results" are to be annexed to the final report.

The Beneficiaries have to respect the reporting deadlines of the Grant Contract and have to submit their Interim/Final Reports and Expenditure Verification Reports for the part of the Project implemented under its own responsibility to the Lead Beneficiary in due time, until 30 days after the end of the monitoring period.

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The Expenditure Verification Report shall be issued by a national controller (in case of Beneficiary from a Member State) or by an approved independent auditor (in case of Beneficiary from Ukraine). For verification of expenditures Ukrainian Beneficiaries have to choose pre-select independent external auditor from the list of auditors approved by the Ministry of Finance of Ukraine from 14 March, 2019 No 111.

An Expenditure Verification Report shall be attached to:

- any interim report
- the final report.

Having collected all the Beneficiary level interim reports and Expenditure Verification Reports, the Lead Beneficiary prepares and then submit the Project Interim Report to the JTS accompanied by a request for further pre-financing payments and all the connected Beneficiary level interim reports and Expenditure verification Reports. The same procedure applies for the Final Report with exception to the request for further pre-financing payments.

The Reports shall be drafted in English language and should be drawn up in Euro. The Beneficiaries shall convert into Euro the amounts of expenditure in the list of expenditure incurred in national currency before submission for verification to the responsible controller or auditor. The expenditures shall be converted as described in the Grant Contract. The exchange rate risk is borne by the Beneficiary concerned.

If a Beneficiary fail to supply the Lead Beneficiary with any of the Reports by the deadline set above, it has to represent sufficient written explanation of the reasons why it is unable to comply with this obligation.

Failure to respect this timing may cause penalties correspondent to the caused damage or the suspension of any further transfer of resources from the Lead Beneficiary to the Beneficiary(ies).

Each Beneficiary is obliged to supply the Lead Beneficiary with all information that is needed for the preparation of the Project Reports and for any other specific documentation that might be requested.

The Lead Beneficiary shall keep the Beneficiary(ies) informed on a regular basis about all relevant communication with the MA/JTS regarding the approval of the Reports and about all other essential issues connected to the Project implementation.

17. Financial control and audit requirements

The Lead Beneficiary shall perform the verification of expenditure as laid down in Article 6.7 of the Grant Contract.

The requirement of the Article 6.7 of the Grant Contract will be extended to all Beneficiaries independently of the amount granted.

The Lead Beneficiary will receive Beneficiaries' expenditure verification coming from either an accredited and approved auditor in the case of Ukrainian Beneficiaries or from national controllers in the case of Beneficiaries coming from Member States. The received expenditure verification reports attached to the individual (Beneficiary level) reports will be submitted by the Lead Beneficiary to the JTS, together with the Project report accompanied by a request for further pre-financing payment in case of interim reports.

The information concerning the reality and validity of actions and expenses eligible for funding provided by each Beneficiary shall engage only his responsibility.

The Project Participants take all the necessary arrangements to assure that the foreseen verification will be carried out and provide the national controllers/auditors of any requested information on the project, giving them access to the accounting books, supporting documents and other documentation related to the project, including site visits for the equipment, works and infrastructure.

The coverage rate for the expenditure to be verified shall be defined in the published Terms of Reference, in accordance with applicable national legislation and international standards.

18. Recovery

The Lead Beneficiary shall be responsible for the recovery of any unjustified or ineligible expenditure and for the reimbursement to the MA of its share or amounts recovered according to the Article 14 of the Grant Contract.

Where ineligible expenditure already covered by a payment is identified on receipt of the final report for a contract or following a control or an audit, the Lead Beneficiary shall make out the recovery to the Beneficiaries (or the Subcontractors) concerned. The Beneficiaries (or Subcontractors) will reimburse such funds to the Lead Beneficiary on the base of the recovery orders.

The Beneficiary whose participation in the Project was terminated is obliged to refund to the Lead Beneficiary any ineligible funds and any damage to the remaining Project Participants.

Project Participants recognize the right of the MA to directly request from them the recovery of any amount claimable for which they are responsible. Likewise, and in case the MA is unable to recover the debt within one year of issuing the recovery order, all Project Participants further recognize the right of the national authorities of the country to which they belong to directly claim from them the recovery of any amount claimable for which they are responsible, including by offsetting of any Union contribution from any financial instrument. They also accept the right of the European Commission to directly claim the recovery by the same means.

19. Ownership/use of results

The issues of the ownership are regulated by Article 12 "Ownership/use of results and assets" of the Grant Contract.

The Project Participants agree that owners of the investments are the following:
Jakubova Vola Village is the owner of the Reconstruction of cultural centre ⁴
- Velkyj Bereznyj village council is the owner of the Investment "Termachuv tract"
Charitable Foundation "Center for Civic Initiatives" is the owner of the Repair works for "Lemkivska Sadyba" Museum
The Project Participants agree that owners of the Project outputs/deliverables are the following:
Jakubova Vola village is the owner of the Reconstructed infrastructure in Jakubova Vola village, Publishing of music CD, Cultural event – Opening

⁴ Put as many rows as needed

ceremony of reconstructed cultural centre, Communication outputs – Kick-off and Final conference, PR materials, Promotional articles in local media. ⁶

Velkyj Bereznyj village council is the owner of the Cultural event - Presentation day, Investment "Termachuv tract", Book publishing, PR materials, Promotional articles in local media.

Charitable Foundation "Center for Civic Initiatives" is the owner of the [Repair of the museum "Lemkivska Sadyba", Movie about Lemky's history, 2 Exchange folklore trips for youth, Common festival for youth, Promotional flyer about project, Promotional article

The copies of the proofs of transfers (if any) will be attached to the Final Reports as set in the article "Reporting".

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 Project Participants agree on the following activities and designate the following rights and duties within the project partnership:

a) [Jakubova Vola village, will be responsible for all outputs and results in its ownership. Lead Beneficiary is ready to finance costs incurred after the project implementation from its own resources. Also if it will be necessary, the newly reconstructed infrastructure component will be financially supported. Lead Beneficiary will primarily focus on promotional and information activities that will seek to keep awareness of the project after its completion. All the PR materials will be also freely available for everyone. In the context of sustainability Lead Beneficiary plans to invite partners of the project to the cultural events that will be organize in the future.

b) Velkyj Bereznyj village council will be responsible for all outputs and results in its ownership. Beneficiary 1 is ready to finance costs incurred after the project implementation from its own resources. Also if it will be necessary, the newly reconstructed infrastructure component will be financially supported. Beneficiary 1 will primarily focus on promotional and information activities that will seek to keep awareness of the project after its completion. All the PR materials will be also freely available for everyone. In the context of sustainability Beneficiary 1 plans to invite partners of the project to the cultural events that will be organize in the future.

c) CF Center for Civic Initiatives will be responsible for all outputs and results in its ownership. Beneficiary 2 is ready to finance costs incurred after the project implementation from its own resources. Beneficiary 2 will primarily focus on promotional and information activities that will seek to keep awareness of the

⁶ Put as many rows as needed

project after its completion. All the PR materials will be also freely available for everyone. In the context of sustainability Beneficiary 2 plans to invite partners of the project to the cultural events that will be organize in the future.

In connection to the revenues generated after project closure, the Project Participants agree on the following rules:
Project will not generate revenues.

Taking into account the provisions of Article 39 point 3 of ENI CBC Implementing Rules, any project including an infrastructure component shall repay the Union contribution if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the requirement has not been fulfilled. Therefore, owners of an infrastructure component shall not substantially modify their respective project parts affecting its nature, objectives or its implementation conditions.

20. Communication, publicity and projects results

Any publicity measure undertaken by any of the Project Participants shall be conducted in accordance with the Article 19 of the Grant Contract and with any other provisions of the Hungary-Slovakia-Romania-Ukraine ENI Cross-border Cooperation Programme 2014-2020.

2. Information and publicity measures shall be co-ordinated among the Project Participants. Each Project Participant is equally responsible for promoting the fact that financing for the Project is provided from Union contribution within the framework of the Hungary-Slovakia-Romania-Ukraine ENI Cross-border Cooperation Programme 2014-2020 and is responsible for ensuring the adequate promotion of the Project.

3. The Project Participants take note of the fact that the results of the Project as well as any study or analysis produced in the course of the Project can be made available to the public and they agree that the results of the Project shall be available for all Project Participants and for the public free of charge.

4. The Project Participants agree that the Lead Beneficiary may provide the MA/JTS 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:

- title of the Project;
- the name of the Lead Beneficiary and the other Beneficiaries;
- the amount granted and the EU co-financing rate;
- the purpose of the contribution (i.e. the overall objective of the Project);
- the geographical location of the Project;
- project results, evaluations, summaries;

- any other information about the Project if considered relevant.

21. Amendments of the Agreement

Any amendments to this Agreement shall be in writing and shall be signed by all Parties and only after prior approval of the MA/JTS.

No amendments should be done retroactively.

22. Dispute settlement

The Parties shall do everything possible to settle amicably any dispute arising between them during implementation of the Project. To that end, they shall communicate their positions and any solution that they consider possible in writing and meet each other at either's request.

The Lead Beneficiary shall inform the MA/JTS of any unsolved disputes arises during the project implementation.

For example:

This Agreement is governed by the law of Slovak Republic, being the law of the Lead Beneficiary. Disputes will be settled by the Slovak Republic Court of justice, Grešova 2866/3, 080 01 Prešov.

23. Compliance

This Agreement is in compliance with ENI Grant Contract and other Call for proposals documents. In case of contradictions between the text of the Agreement and the Grant Contract, the provisions of the latter prevail. The Agreement has to be signed by the Lead Beneficiary and Beneficiaries before the signature of the Grant Contract. Present Agreement is integral part of the Grant Contract and its annexes.

24. Transparency

The Lead Beneficiary has to secure the circulation of information received from the MA/JTS to all Beneficiaries and vice versa.

25. Confidentiality

The principle of the confidentiality will be kept by the Project Participants according to Article 9 of the Grant Contract.

26. Working language

The working language of the project partnership shall be English as defined in the Section 8 of the Joint Operational Programme Document. Present Agreement is concluded in English. In case of translation of this Agreement to another language the English version will be the binding one.

[number of Parties signing the Partnership Agreement + 3] original copies will be made of this Agreement of which each Party keeps one original, while three originals are attached to the Grant Contracts.

Name of the Lead Beneficiary:	Jakubova Voľa village
Name and title of legal representative:	Ing. Magdaléna Sasaráková, Mayor of village
Place, date and stamp:	Jakubova Voľa, 03.06.2019
Signature	

Name of the Beneficiary 1:	Velykyj Bereznyj village council
Name and title of legal representative:	Bohdan Kyrlyk, Mayor of village council
Place, date and stamp:	Jakubova Voľa, 03.06.2019
Signature	

Name of the Beneficiary 2:	Charitable Foundation Center for Civic Initiatives
Name and title of legal representative:	Andriy Vyshnyak, Head of the Board
Place, date and stamp:	Jakubova Voľa, 03.06.2019
Signature	

ANNEXES:

Annex 1. Legal Entity Form of each Beneficiary ⁷

[Annex 2. Financial Identification Form](#)

Annex 3. Budget of the Project (Annex II of the Grant Contract)

⁷ Attach as many Legal Entity Form as the number of Beneficiaries