



PROJECT CONTRACT

PROJECT No. 2018-1-0242:

COMPETENCE – CAPACITY BUILDING OF
EMPLOYEES OF MUNICIPALITIES FOR BETTER
PROVISION OF PUBLIC SERVICES

This Project Contract is entered into between

the **Fund Operator for the EEA and Norway Grants Fund for Regional Cooperation**, as represented by ECORYS Polska sp. z o.o., with registered address at Solec 38/105, 00-394 Warsaw, Poland, registered under the number 0000016606, represented by Mr Mateusz Halicki and Mrs Izabela Barczyk-Olszewska (“**ECORYS**”)

hereinafter referred to as the “**FO**”

on the one part,

and

Budapest Főváros XI. Kerület Újbuda Önkormányzata (Local Government & Municipality of District 11 of Budapest, Újbuda) with registered address at Bocskai út 39-41, 1113 Budapest, Hungary, registered under the number 735748, represented by Dr. Imre László

hereinafter referred to as the “**Lead Partner**”

on the other part

Hereinafter collectively referred to as the “**Parties**” or individually as a “**Party**”

WHEREAS

- According to Article 1 of Protocol 38c of the EEA Agreement on the EEA Financial Mechanism 2014-2021 (“**Protocol 38c**”), Iceland, Liechtenstein and Norway (the “**Donor States**”) shall contribute to the reduction of economic and social disparities in the European Economic Area (EEA) and to the strengthening of their relations with the Beneficiary States through financial contributions;
- According to Article 7 of Protocol 38c, the Global Fund for Regional Cooperation shall contribute to achieving the objectives of the EEA Financial Mechanism as defined in Article 1 of Protocol 38c;
- According to Article 1 of the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, the Kingdom of Norway undertakes to contribute to the reduction of economic and social disparities in the EEA and to the strengthening of its relations with the Beneficiary States, through a separate Norwegian Financial Mechanism;
- According to Article 7 of the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, the Global Fund for Regional Cooperation shall contribute to achieving the objectives of the Norwegian Financial Mechanism as defined in Article 1 of the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021;
- The Financial Mechanism Office (“**FMO**”), acting as the secretariat of the EEA and Norway Grants and as Programme Operator for the Global Fund for Regional Cooperation, launched a call for tenders to select an entity as FO for the implementation of the Global Fund for Regional Cooperation;

- The consortium of ECORYS and JCP has been selected as the FO and, according to the agreement concluded with the FMO, ECORYS has the right to represent the FO and to enter into a contract with the Lead Partner of the Project selected by the Financial Mechanism Committee (“**FMC**”), where the Lead Partner is the representative of the Project Consortium and it is the only interlocutor for the FO.

HAVE AGREED

to the Special Conditions (the “**Special Conditions**”) and the following Annexes:

Annex I – General Conditions (the “**General Conditions**”);

Annex II – Project Description;

Annex III – Ethical Guidelines;

which form an integral part of the Project Contract.

The provisions in the Special Conditions shall take precedence over the Annexes.

The provisions set out in the Annex I “General Conditions” shall take precedence over the other Annexes.

SPECIAL CONDITIONS

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1. SUBJECT MATTER OF THE PROJECT CONTRACT

1. The FMC has decided to award a Grant under the terms and conditions set out in this Project Contract, for the Project titled "**COMPETENCE – Capacity building Of eMployees of municipaliTies for beTTer provision of publiC sErVICES**", as described in Annex II ("the **Project**").
2. Without prejudice to Article 1(1) (*General principles*) of the General Conditions, the Project Consortium consists of the following other Project Partners:
 - 2.1 **Direcția de Asistență Socială Arad** (The Directorate for Social Welfare Arad) represented by Mrs Oana-Aurelia Pârvulescu, as Beneficiary Partner;
 - 2.2 **Městská část Praha 6** (Municipal district of Prague 6) represented by Ondřej Kolář, as Beneficiary Partner;
 - 2.3 **Grad Trogir** (City of Trogir) represented by Mr Ante Bilić, as Beneficiary Partner;
 - 2.4 **ΔΗΜΟΣ ΚΑΛΛΙΘΕΑΣ** (Municipality of Kallithea) represented by Mr Dimitrios Karnavos, as Beneficiary Partner;
 - 2.5 **ĀPENHET AS** represented by Mr Kleng Bråtveit, as Expertise Partner.
3. By signing the Project Contract, the Lead Partner accepts the Grant under the terms and conditions of this Project Contract including all Annexes and agrees to implement the Project under the set terms and conditions.

2. ENTRY INTO FORCE AND IMPLEMENTATION PERIOD OF THE PROJECT CONTRACT

1. The Project Contract enters into force on the date on which the last Party duly signs it.
2. The period for the implementation of the Project is **30** months starting on **01.07.2021** with its end date on **31.12.2023**.
3. The first date of eligibility of expenditures of the Project is **05.05.2021**. The final date of eligibility of expenditures is **30.03.2024**.

3. FINANCIAL PROVISIONS

1. The estimated total eligible Project costs are **EUR 1 181 489,00**.
2. The maximum amount of the Grant is **EUR 1 043 004,00**.
3. Project Grant Rate
 - 3.1 The maximum Project Grant rate for each Project Partner shall be a fixed rate for entire duration of this Project Contract and is dependent on Partners' status (as detailed hereafter):

- a. Non-governmental organisations^[1]: up to 90% of their eligible expenditures, unless stipulated otherwise in Article 9 of the Project Contract;
- b. Universities and research organisations: up to 90% of their eligible expenditures;
- c. Expertise Partners from the Donor States: up to 100% of their eligible expenditures;
- d. Other entities: up to 85% of their eligible expenditures.

3.2 The actual Project Grant rate for each Project Partner shall be the following:

- a. As per Article 3 point 3.1d, the grant rate of **Budapest Főváros XI. Kerület Újbuda Önkormányzata (Local Government & Municipality of District 11 of Budapest, Újbuda)** shall constitute **85%** of the total eligible Partner's costs with required co-financing of **15%**;
- b. As per Article 3 point 3.1d, the grant rate of **Direcția de Asistență Socială Arad (The Directorate for Social Welfare Arad)** shall constitute **85%** of the total eligible Partner's costs with required co-financing of **15%**;
- c. As per Article 3 point 3.1d, the grant rate of **Městská část Praha 6** (Municipal district of Prague 6) shall constitute **85%** of the total eligible Partner's costs with required co-financing of **15%**;
- d. As per Article 3 point 3.1d, the grant rate of **Grad Trogir (City of Trogir)** shall constitute **85%** of the total eligible Partner's costs with required co-financing of **15%**;
- e. As per Article 3 point 3.1d, the grant rate of **ΔΗΜΟΣ ΚΑΛΛΙΘΕΑΣ (Municipality of Kallithea)** shall constitute **85%** of the total eligible Partner's costs with required co-financing of **15%**;
- f. As per Article 3 point 3.1c, the grant rate of **ÅPENHET AS** shall constitute **100%** of the total eligible Partner's costs with required co-financing of **0%**.

3.3 The overall project grant rate may change during project implementation after approval of the interim reports, on the basis of the accepted eligible costs and in order to reflect the consortium composition and share of the incurred expenditure among the project consortium members. However, the maximum grant amount awarded cannot be exceeded.

4. ADVANCE PAYMENT

1. The Lead Partner shall receive an Advance Payment of up to **EUR 206.000,00**. The Advance Payment shall be transferred to the Lead Partner's bank account, within 15 calendar days of submission of the following documents:

1.1 The duly signed Project Contract and the related Annexes;

^[1] Non-governmental organisation: a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.

- 1.2 The original of the duly signed Partnership Agreement in accordance with the General Conditions Article 13 (*Partnership Agreement amongst the Project Partners*) prepared following the template provided by the FO;
- 1.3 The original of the financial guarantee issued in accordance with Article 32 of General Conditions on the template provided by the FO and covering the amount of the Advance Payment foreseen in Article 4 point 1. The Lead Partner is required to provide the financial guarantee within 60 calendar days starting from the entry into force of the Project Contract.

5. INTERIM AND FINAL PAYMENTS

1. The Interim and Final Payments shall be calculated based on the Project Partners' respective Project Grant rates as per Article 3 point 3.2 of the Special Conditions. The grant rates shall apply to eligible expenditures incurred by each Project Partner as accepted by the FO in each reporting period.
2. The total amount of the sum of the Advance Payment and Interim Payments cannot exceed 90% of the maximum amount of the Grant.
3. The amount retained for the Final Payment shall represent at least a minimum of 10% of the maximum amount of the Grant.

6. REPORTING PERIODS

1. The Project is divided in the following reporting periods:
 - Reporting period No. 1 – from the start date of the Project to 31 December 2021;
 - Reporting period No. 2 – from 1 January 2022 to 30 June 2022;
 - Reporting period No. 3 – from 1 July 2022 to 31 December 2022;
 - Reporting period No. 4 – from 1 January 2023 to 30 June 2023;
 - Reporting period No. 5 – from 1 July 2023 to the end date of the Project.

7. BANK ACCOUNT FOR PAYMENTS

1. All payments shall be made by the FO to the Lead Partner's dedicated bank account held in EUR currency as indicated below:

Bank Name: **OTP Bank Plc.**

Address of Bank Branch: **Hungary, 1051 Budapest, Nádor u. 16**

Name of account holder: **Budapest Főváros XI. Kerület Újbuda Önkormányzata**

IBAN / Account No. **HU50 1175 1841 0085 6887 0000 0000**

BIC / SWIFT CODE: **OTPVHUHB**

8. WRITTEN COMMUNICATIONS

1. All notifications and other forms of written communication relating to, or required under, the Project Contract must state the Project title and identification number and shall be sent in electronic version through EGREG system and/or to the following e-mail addresses of the Parties:
 - For the FO: eeagrants@ecorys.com
 - For the Lead Partner: laszlo.imre@ujbuda.hu; kiss.zoltan3@ujbuda.hu
2. In cases determined by the FO, the notification or communication shall be sent to the following addresses through a courier service or by registered letter or delivered in person.
 - For the FO: Solec 38 / 105, 00-394 Warsaw, Poland
 - For the Lead Partner: Bocskai út 39-41, 1113 Budapest, Hungary
3. Communications and notifications sent through the EGREG system/by e-mail are deemed to have been received on the date of their registration in the EGREG system/on the date of e-mail dispatch from the sender's account. Any notification or communication sent or delivered to the recipient's address shall be deemed to have been received (i) on the date of delivery as evidenced by the acknowledgment of receipt if delivered in person or by courier service and (ii) on the second business day following the mailing date (as per the postmark) if sent by registered letter.
4. Any Party may change the address to which notices are to be delivered or sent by giving the other Party written notice in the manner set forth in this Article.

9. SPECIAL CLAUSES

1. Due to the legal structure of the Lead Partner, the FO hereby accepts that the following costs may be qualified as eligible, provided they meet the eligibility criteria set forth in the General Conditions:
 - a. Staff costs in project activities of the Lead Partner: Budapest Főváros XI. Kerület Újbuda Önkormányzata (Local Government & Municipality of District 11 of Budapest, Újbuda), that will be implemented by the municipal office, and its employees, as being the executive organ of the Lead Partner in accordance with Article 41(1) and 41(2) of Act No. CLXXXIX of 2011 on Local Governments in Hungary as well as paragraph 1 of Article 6/C of Act No. CXCV of 2011 on Public Finance.

10. LANGUAGE OF THE PROJECT CONTRACT

1. The language of this Project Contract and of all written communications between the Lead Partner and the FO shall be English.

IN WITNESS WHEREOF, the Parties have executed this Project Contract in as many originals as there are Parties, each Party acknowledging receipt of one such original. Electronic signatures shall be deemed original signatures for purposes of this Project Contract, with such electronic signatures having the same legal effect as handwritten signatures.

<p>On behalf of Fund Operator for the EEA and Norway Grants Fund for Regional Cooperation, represented by ECORYS Polska sp. z o.o.:</p>	<p>On behalf of Lead Partner:</p>
<p>Az aláírás érvényes</p> <p>Dokument podpisany przez IZABELA MARIA BARCZAK-OLSZEWSKA Data: 2021.08.25 10:09:49 CEST</p> <p>Az aláírás érvényes</p> <p>Dokument podpisany przez MATEUSZ JÓZEF HALICKI Data: 2021.09.08 11:47:44 CEST</p> <p>(Date and qualified electronic signature of ECORYS legal representatives')</p>	<p>Dr. László Imre</p> <p>Digitálisan aláírta: Dr. László Imre Dátum: 2021.09.02 11:39:13 +02'00'</p> <p>(Date and qualified electronic signature of Lead Partner legal representative(s)')</p>