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agence nationale  
de la cohésion  
des territoires

# The URBACT IV Programme 2021-2027

## SUBSIDY CONTRACT FOR BIODIVERCITY

### ACTION PLANNING NETWORK

#### BETWEEN

#### National Agency for Territorial Cohesion

20 avenue de Ségur, TSA 10717 – 75334 PARIS CEDEX 07

acting as Managing Authority of the European Territorial Cooperation programme URBACT IV, (assisted by the URBACT Joint Secretariat), and hereinafter referred to as the Managing Authority or URBACT Secretariat,

#### AND

#### The City of Dunaújváros

Városháza tér 1., Dunaújváros 2400, Hungary

acting as Lead Beneficiary, and hereinafter referred to as **Lead Partner**

**Due to French legislation (law n°94-665, 04 August 1994), this contract is bilingual EN/FR. The contracting parties will be able to avail of both texts.**

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## Preamble

The 27 European Union (UE) Member States, Norway, Switzerland, Albania, Montenegro, Serbia, North Macedonia and Bosnia-Herzegovina have entrusted France through the National Agency for Territorial Cohesion to assume the task of Managing Authority of the URBACT IV Operational Programme.

URBACT is a European territorial cooperation programme for European cities designed to encourage the exchange of experience and good practice in sustainable urban development. This programme has been confirmed for a 4th generation.

The Managing Authority has the task of signing the subsidy contracts with Lead Partners as final beneficiaries in line with Article 22 of Regulation (EU) N° 2021/1059.

## List of abbreviations

Programme – URBACT IV Operational Programme 2021-2027

AA – Audit Authority

AF – Application form

EC - European Commission

ERDF – European Regional Development Fund

EU – European Union

IPA – Instrument for Pre-Accession

JS - Joint Secretariat

LP - Lead Partner

MA - Managing Authority

MC – Monitoring Committee

NA – National authority

NDICI – Neighborhood, Development and International Cooperation Instrument

PP - Project Partner (PPs – Project Partners)

Therefore, the Managing Authority enters into the following:

### **SUBSIDY CONTRACT**

on behalf of the partners of the URBACT IV Operational Programme, on the basis of:

- Regulation (EU, Euratom) No 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 and repealing Council Regulation (EC, Euratom) No 966/2012, together with related Delegated or Implementing Acts;
- The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, especially:
- Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021, laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and repealing Council Regulation (UE) No 1303/2013, and any amendment;
- Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, and repealing Regulation (UE) No 1301/2013, and any amendment;
- Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (UE) No 1299/2013, and any amendment;
- Regulation (EU) No 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing directive 95/46/EC (General Data Protection Regulation, GDPR);
- Regulation (EU) No 2021/1529 of the European Parliament and of the Council of 15 September 2021, establishing the instrument for Pre-Accession Assistance (IPA III), hereinafter referred to as IPA III regulation;
- Articles 107 and 108 of the Treaty on the Functioning of the European Union;
- Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Regulation (EU) No 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty;

Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid;

- All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, and equal opportunities between men and women;
- Financing agreements concluded as regards of the IPA funds;
- The European Territorial Cooperation Operational Programme URBACT IV (CCI nº 2021TC16FFIR001), approved by the European Commission Implementing Decision on 19 September 2022 [ref: C(2022) 6771];
- The Member and Partner State Agreements between Member/Partner States and the Managing Authority (National Agency for Territorial Cohesion) on the implementation of the URBACT IV Operational Programme;
- Programme specific guidance including those laid out in the URBACT IV Programme Manual as first approved by the Monitoring Committee on 29 November 2022 and subsequently updated, the last updated version applies.
- National rules applicable to the LP and its PPs and their activities;
- Project data, comprising but not limited to latest project documentation such as application form and all project information available in the electronic system;

Should the above-mentioned legal norms and documents, and any other documents or data of relevance for the contractual relationship be amended, the latest version shall apply.

which the Lead Partner hereby recognises.

**Article 1 - Object of the contract**

**Article 2 - Object of use, eligibility of expenditure, reallocation and reprogramming**

**Article 3 - Request for payments**

**Article 4 - Project partnership**

**Article 5 - Representation of partners, liability**

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**Article 15 - Conflicts of interest**

**Article 16 - Duration of the contract**

**Article 17 - Applicable law - disputes**

**Article 18 - Signatures**

## Article 1 - Award of subsidy

- 1) The purpose of this contract is to award a grant to the Lead Partner for the BIODIVERCITY (Ref Synergie-CTE N° 20273). Conforming to the decision of the URBACT Monitoring Committee dated 31 May 2023 and the modifications as mentioned in article 2.5 of the present contract, the provisional maximum amount of the grant is:

ERDF	IPA	SWISS/ NORWAY	Public co-financing	TOTAL COST
581 460,15 €	54 782,70 €	0 €	213 279,15 €	849 522,00 €

This project is part of the URBACT IV Operational Programme.

- 2) In compliance with Article 108 of Regulation (EU) No 1060/2021 and the URBACT IV Operational Programme relevant programming documents, the partners shall be financed by ERDF as follows:
- Partners from 'more developed' regions shall be co-financed at up to 65% by ERDF
  - Partners from 'transition' regions shall be co-financed at up to 70% by ERDF
  - Partners from 'less developed' regions shall be co-financed at up to 80% by ERDF
- 3) Partners from Switzerland and Norway shall be financed as follows:
- Partners from Norway shall be co-financed at up to 50% by Norwegian national funds
  - Partners from Switzerland shall be co-financed at up to 50% by Swiss national funds
- 4) Partners from IPA countries are co-financed by up to 95% by IPA Funds
- 5) Disbursement of the subsidy is subject to the condition that the European Commission and, if Norwegian and/or Swiss partners are participating in the project, Norway and/or Switzerland make available the funds to the extent described above.
- 6) If the European Commission and/or Norway and/or Switzerland fail to make the funds available, the Managing Authority will be entitled to withhold payments for as long as is needed or, as an ultimate tool, to withdraw from this contract and any claim by the Lead Partner against the Managing Authority for whatever reason will be excluded.

- 7) Disbursement of the subsidy is subject to the condition that this subsidy contract is signed by all parties to this contract.
- 8) Disbursement of the subsidy will be made subject to the condition that the national first level control process has been carried.

## **Article 2 - Object of use, eligibility of expenditure, reallocation, and reprogramming**

- 1) The subsidy is awarded exclusively to the Lead Partner for the implementation of the project as it is described in the latest version of the Application Form approved by the Monitoring Committee. The approval decision, including its annexes, forms an integral part of this subsidy contract.
- 2) Project costs which qualify for a subsidy consist exclusively of eligible project costs listed in the Application Form approved by the Monitoring Committee. The eligibility of project costs for ERDF and IPA co-funding is regulated in the relevant EU regulation, national regulations and rules laid down in the latest version of the URBACT IV Programme Manual. In case of contradictions between the rules mentioned above, the stricter rule applies.
- 3) To be considered eligible, costs must:
  - be directly linked to the work plan outlined in the Application Form approved by the Monitoring Committee;
  - be necessary for carrying out the project covered by the subsidy contract;
  - be reasonable and comply with the principles of sound financial management, in particular value for money and cost effectiveness;
  - have been paid, certified and declared by the partners during the project eligibility period;
  - have actually been incurred, be recorded in the beneficiaries' accounts or tax documents, and be identifiable and controllable.

Expenditure is eligible if it is incurred by the beneficiary, paid and disbursed from 1<sup>st</sup> June 2023 to 31<sup>st</sup> March 2026 at the latest.

- 4) Project activities are eligible if they are carried out from the project starting date to the end date indicated in the Application Form. In addition to the project period, activities linked to project dissemination activities as well as financial and administrative closure are eligible. The related expenditure for the project activity is eligible if paid and certified (by the First Level Controller) from the project starting date to 3 months after the ending date indicated in the Application Form.
- 5) During network implementation, a reallocation of funds between partners' budgets and between budget categories at network level is allowed of up to 20% of amounts indicated in the approved Application Form. In this case, the

Lead Partner shall inform the URBACT Secretariat of the reallocation of funds through the regular reporting procedures and in a detailed and justified manner (reasons of the reallocation of funds, categories, budget lines and partners concerned, the LP shall also provide updated supporting documents as necessary.

The Lead Partner may also apply for major changes to the budget (over the 20% flexibility rule) such major changes also include changes to partnership, activities, and outputs during network implementation. Major changes require an official approval by the Monitoring Committee before they can become effective. Where relevant, this may require also an amendment to this Subsidy Contract.

### **Article 3 - Request for payments**

- 1) The Lead Partner may only request payments by providing proof of progress of the project as described in the approved Application Form. Therefore the Lead Partner has to present reporting documents to the Managing Authority/URBACT Secretariat, according to the procedures and the timetable outlined in the Programme Manual. The Managing Authority/URBACT Secretariat shall provide templates in the online Monitoring system SYNERGIE-CTE. The reporting documents have to be completed using the format provided in SYNERGIE-CTE. Any other format will not be considered acceptable by the Managing Authority/URBACT Secretariat.
- 2) The following compulsory documents shall be submitted as part of a payment request:
  - Payment claim document signed, dated and stamped by the LP with the signature page uploaded as a PDF in SYNERGIE CTE;
  - Certificates of expenditures and related checklist of certified expenditure provided and signed by the first level controllers with the signature page uploaded as a PDF in SYNERGIE CTE;
  - Progress report (PR), signed and stamped by the LP and FLC with the signature page uploaded as a PDF in SYNERGIE CTE. The PR is composed of:
    - activity part: related to activities implemented in the considered semester, involvement of the partners, problems encountered, solutions envisaged, results and delays. This part shall be coherent with the activities, the objectives, the outputs and timeline schedule described in the application form. An explanation of all deviations from the work plan must be explained.
    - financial part: related to the expenditure occurred during the concerned semester, per budget lines and project partner. The financial part also includes the cumulative amounts of the expenditure declared with previous PR and the remaining budget.



Along with the mandatory reporting documents mentioned above, Lead Partners are also asked to provide outputs reported as delivered during the relevant reporting period.

- 3) The Lead Partner is required to report officially on the project activity on yearly basis. Three periods are fixed for the project reporting as follows:
  - deadline 31 March 2024 for the reporting period June to December 2023
  - deadline 31 March 2025 for the reporting period January to December 2024
  - deadline 31 March 2026 for the reporting period January to December 2025
- 4) The Lead Partner shall be responsible to ensure that the expenditure declared by each partner is supported by a certificate and statement of expenditure. The Lead Partner is also responsible to verify and ensure that all certificates and statements of expenditure received from the partners are signed by the competent First Level Controller designated by the partners' national authorities.
- 5) The progress report should give evidence of the implementation of the work programme as planned in the approved Application Form. The progress report shall be the indicator tool that enables the Managing Authority/URBACT Secretariat to check whether the declared activities and expenditure are in line with the approved work programme and budget in the Application Form. If it is not the case, the Managing Authority/URBACT Secretariat has the right to refuse the progress report and consequently to temporarily interrupt the refunding of ERDF and/or IPA and/or Norwegian/Swiss funds until the Lead Partner gives evidence of the implementation of the work programme as defined in the Application Form.
- 6) Each interim reporting period will be treated by the URBACT Secretariat and will be paid based on the certified costs per project partner. The Managing Authority/URBACT Secretariat is entitled to withhold any ERDF or IPA payment until all unclear issues related to the implementation, management and reporting are clarified and is also entitled to deduct any ineligible cost found during the certification process and as a result proportionately reduce the of ERDF and/or IPA and/or Norwegian/Swiss funds due to the project.

Following payment due to the project, the Lead Partner will be responsible for transferring the correct amount of ERDF or IPA to the project partners. The payments to projects partners (amounts and dates) shall be entered in SYNERGIE CTE and then partners shall input the date when they receive ERDF payment on their bank account.

The Lead Partner in a mixed management system will provide a financial contributions summary which will outline the real certified expenditure from

each partner, taking into consideration the project shared costs and any cash transfers for 'mixed' or 'centralised' management projects.

Based on this information, the URBACT Secretariat will calculate the amount of ERDF due to the project. The final payment will be calculated based on the information provided by the Lead Partner.

For this final payment, the Lead Partner will be responsible for transferring the correct amount of ERDF to the project partners. The Managing Authority may hold back a maximum of 10% of the final payment which will be paid following final project audit.

- 7) In order to respect the budget commitments in the URBACT IV Operational Programme and in accordance with relevant EU regulation, the Lead Partner must request payments according to the timeframe of the budget per year outlined within the project Application Form.

Failure to respect the annual targets as approved in the Application Form and under-spending in general may result in a reduction in the ERDF grant to the project if the programme de-commits as a result of poor project performance.

- 8) The Managing Authority ensures that Lead Partners receive payments of their ERDF, IPA or national contributions as quickly as possible. In cases of detection of systemic errors, the Managing Authority has the right to temporary withhold payments to the Lead Partner. Payment suspension(s) shall be lifted as soon as the Managing Authority has received sufficient evidence on the solution of the systemic error(s) detected.
- 9) The funds will be disbursed in Euro (EUR; €) only and transferred to an account indicated by the Lead Partner without delay. Any exchange rate risk will be borne solely by the Lead Partner. All changes on bank account data of the Lead Partner must be communicated to the Managing Authority/URBACT Secretariat through the progress report in order to avoid delays in the refunding process. Any charges incurred due to uninformed changes shall be borne by the Lead Partner.

#### **Article 4 - Project partnership**

- 1) Partners are listed in the latest approved version of the Application Form. Only expenditure paid and borne by organisations listed as partners in the approved latest version of the Application Form and in the Joint Convention are eligible to ERDF, IPA and Norwegian/Swiss funding.
- 2) The partnership shall be governed by an agreement (Joint Convention) signed by all partners.
- 3) Project partners can leave the project by providing a 'letter of de-commitment' specifying the date of withdrawal. In cases where partners do not participate

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in the project implementation regularly (for example non attendance at transnational meetings, non response to requests from the Lead Partner) the Lead Partner can remove the partner from the project. Such action should be discussed with other project partners and should be undertaken in a timely manner.

Firstly, the Lead Partner should send an official warning letter to the project partner offering the project partner a period of at least 2 months in which to reply. After this warning the Lead Partner can inform the project partner by official letter of their decision to remove the project partner from the project.

In this case the Lead Partner will state the date of withdrawal and the project partner will present a final certificate of expenditure incurred to that date which should normally not exceed the pro rata calculation based on the time they have been involved in the project.

The Lead Partner shall agree with the remaining partners how the resources made available shall be used. The changes shall be approved through the reprogramming procedure described in the URBACT IV Programme Manual.

### **Article 5 – Representation of partners, liability**

- 1) The Lead Partner shall:
  - a) be responsible for ensuring the implementation of the entire project
  - b) be responsible for transferring the ERDF and or IPA co-financing to the partners participating in the project as soon as possible after receiving the payment from the Managing Authority.
- 2) The Lead Partner solely bears the overall financial and legal responsibility for the project and for the project Partners.
- 3) The Lead Partner guarantees that it is entitled to represent all partners participating in the project bearing the sole responsibility of delivering as well as receiving all the information relevant for the project management between Lead Partner and Project Partners and that it is directly responsible for forwarding all relevant information and guidance given by the Managing Authority/URBACT Secretariat to the Partners.

The Lead Partner guarantees furthermore that it will establish with all the Partners the division of the mutual responsibilities in the form of a Joint Convention, containing at least the following : 1) role and obligations of the individual partners in the partnership in project implementation (incl. description of activities of each project partner by reporting periods as indicated in the approved Application Form; 2) budgetary principles; 3) financial management provisions for accounting, reporting, financial control; 4) receipt

of ERDF or IPA payments; 5) distribution of the ERDF or IPA financing between the project partners (partner budget tables annexed) according to the approved Application Form; 6) balanced spending rate in accordance with the ERDF total contribution; 7) liability in case of failures in project delivery and project spending including provisions for changes in the work plan; 8) the partners financial liability and provisions for the recovery of funds in case of amounts incorrectly reported and received by the partner; 9) information and publicity requirements; 10) resolutions of conflicts in the partnership; 11) the ownership rights of the results between partners and in relation to the terms of the Subsidy Contract.

This list is not exhaustive and the LP and the PPs may add further items according to the project specific needs.

- 4) The Lead Partner is liable towards the Managing Authority for ensuring that its partners fulfil their obligations under this contract. The Lead Partner is also liable towards the Managing Authority for infringements of obligations under this contract by its partners in the same way as for its own conduct.
- 5) If the Managing Authority demands repayment of subsidy funds in accordance with this contract (Article 9), the Lead Partner is liable towards the Managing Authority for the total amount of the subsidy.

#### **Article 6 –Lead Partner’s obligations**

The Lead Partner represents a key element in the management of the URBACT IV projects. It bears overall financial and legal responsibility towards the Managing Authority and its role is therefore critical to the success of a project. The Lead Partner acts as an administrative link between the project and the programme.

- 1) When it comes to general project management and implementation, the Lead Partner’s obligations are the following:
  - a. To sign all the required contractual agreements with partners and with the Managing Authority concerning the project;
  - b. To ensure implementation of the project (including implementation of work packages and production of outputs according to the description in the latest version of the Application Form approved by the Monitoring Committee;
  - c. To ensure that appropriate human resources are made available to ensure a sound project management in accordance with the guidelines provided at programme level (suitably qualified staff covering the variety of tasks to be fulfilled by a Lead Partner);
  - d. To be responsible for the division of tasks among the partners involved in the project;

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- e. To ensure an efficient internal management and control system;
- f. To ensure that partners' tasks are fulfilled in compliance with the Application Form, the Joint Convention and the Subsidy Contract;
- g. To request and receive payments of programme funding according to the procedures detailed in the Programme Manual;
- h. To transfer programme funding to the partners in compliance with the amounts reported in the progress report and certified by the Managing Authority;
- i. When funds are incorrectly (or unduly) paid to a project, to repay the irregularly paid amount to the Managing Authority/Secretariat and to recover the amount from a partner responsible, according to the procedures defined in the URBACT IV Operational Programme;
- j. To inform the URBACT Secretariat immediately if project costs are reduced, if there is a change in the composition of partnership, in the project objectives, in the work programme or in the budget plan on which this contract is based, or if one of the disbursement conditions ceases to be fulfilled, or if circumstances arise which entitle the Managing Authority to reduce or demand repayment of the subsidy wholly or in part;
- k. To request approval from the Monitoring Committee if there are changes to the partnership, the actions as described in the work programme included in the latest approved version of the Application Form, the project budget (over and above the flexibility rule) or in case of other major changes. The approval from the Monitoring Committee is sought by the Managing Authority who must have been provided with the reprogrammed application form by the project's lead partner.
- l. To take part in different programme level activities including training sessions, conferences and programme level events as well as project clustering activities;
- m. To ensure that the URBACT Local Groups are set up by each Project Partner and operating in relationship with the project work activities;
- n. To retain at all times, for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner. These documents must be kept for a period of five years from 31 December of the year in which the Managing Authority makes the last payment. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected;
- o. To comply with the regulations referred to in the preamble to this contract as well as with relevant national legislation;

- p. To maintain either a separate accounting system or an appropriate accounting code for all transactions relating to the operation, in accordance with applicable regulations.

2) When it comes to communication activities, the Lead Partner's obligations are the following:

- a. To assign a communication officer for the network;
- b. To ensure production and dissemination of project's results and findings within the local authority administration, to the relevant National URBACT Points, to the media, to local relevant stakeholders as well as to the wider community of European urban policy-makers and practitioners;
- c. To use the URBACT website as the main internet tool to communicate on the project and to regularly update the space dedicated to the project (ideally once every month). It is strongly recommended not to develop a secondary website/blog. If the Lead Partner takes the decision to proceed with the creation of a new platform, in order to create features that are not available on [urbact.eu](http://urbact.eu), the platform needs to respect all EU Guidelines on Information. The URBACT Secretariat must be notified about it prior to any web developments ([communication@urbact.eu](mailto:communication@urbact.eu));
- d. To organise a project launch event attended by all partners;
- e. To organise one or more final project events to publicise the results and conclusions of the project. It is advisable to organise a final event at project level with the participation of all the partners. If they wish, the project partners can organise final local dissemination events at the end of the project to publicise the results and conclusions of the project to a wider audience;
- f. To respect the European Commission guidelines on Information and Communication and in particular ensure that the financial support from the ERDF or IPA and the URBACT IV Programme is mentioned in all public statements and relevant logos are used in all publications, while respecting URBACT IV visual identity.

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

- a. To deliver, within the deadlines, progress reports (activity and financial) and all other required documentation to the Managing Authority/URBACT Secretariat on behalf of the project.
- b. To inform the Managing Authority /URBACT Secretariat through the yearly progress reports on changes in the contact information, bank details, the

rescheduling of activities and on budget deviations as regulated in Article 2 of this contract;

- c. To ensure that the partners report expenditure that have been checked and confirmed according to their Member State control requirements.
- 4) When it comes to project closure, the Lead Partner shall provide the following documents within the fixed deadlines:
- a. The signed and dated final project payment claim;
  - b. The signed and dated final certificates and statements of expenditure of Lead partner and partners;
  - c. The closure report for all partners;
  - d. The Financial Contribution Summary (summary of the distribution of shared costs for a mixed management system) signed by Lead Partner and First Level Controller of the Lead Partner;
  - e. The project's final outputs as defined in the Application Form shall be uploaded on the project space on the URBACT website. Paper version can be requested for dissemination purposes. All outputs shall be supplied in electronic format.
- 5) All of these documents shall be submitted to the Managing Authority/URBACT Secretariat no later than 3 months after the project's official end date (indicated in the Application Form). The Managing Authority can apply shorter deadlines for project closure if necessary to respect programme deadlines. Lead Partners will be informed sufficiently in advance should this be necessary.
- 6) In addition to these obligations, the Lead Partner has the opportunity to submit a proposal of project reprogramming usually only once during the project lifetime. The deadline for the submission of the reprogramming proposals shall be fixed by the Managing Authority/URBACT Secretariat accordingly, following the procedures defined in the Programme Manual.

The Managing Authority/URBACT Secretariat shall submit the proposals of project reprogramming to the Monitoring Committee for approval. The Managing Authority/URBACT Secretariat shall inform the concerned Lead Partner about the Monitoring Committee decision and amend this subsidy contract if necessary.

- 7) For Lead Partners situated in countries which provide national co-financing, it is important to agree the requirements for claiming this contribution beforehand with the appropriate Member/Partner State. Projects operating a mixed management system should also agree with the Member/Partner State how the shared costs will be managed.

8) The Lead Partner undertakes to respect and to ensure that its partners respect European policies (which are enforceable against it) and in particular the:

- Sectoral rules: rules on competition, state aid, the environment and public procurement,
- Horizontal principles: principles of gender equality, non-discrimination, and sustainable development.

### **Article 7 - Communication and Publicity**

1) Unless the Managing Authority requests otherwise, any information and publicity measures aimed at beneficiaries, potential beneficiaries and the public must specify that the operation has received a subsidy from the programme funds in compliance with the requirements set in the Programme Manual and in compliance with the requirements set by the regulatory legal framework. The Lead Partner undertakes to comply with these advertising, communication and visual identity obligations and ensures that the partners comply with them.

2) Furthermore, in any public material used to promote or disseminate the project activities whether printed or electronically available the use of the URBACT IV programme logo and slogan and the EU flag together with reference to the ERDF and or IPA, as relevant, is mandatory as set out in the Programme Manual.

3) Any notice or publication by the project, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's views and that the Managing Authority is not liable for any use that may be made of the information contained therein.

4) The Managing Authority/URBACT Secretariat shall be authorised to publish, in whatever form and on or by whatever medium, including the Internet, the following information

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

5) The Lead Partner undertakes to send to the URBACT Secretariat at least one copy of any publicity and information material produced. The project furthermore authorises the URBACT Secretariat, Managing Authority and the European Commission to use this material to showcase how the subsidy is used.



- 6) Any information, media appearance, or other publicity of the project shall be communicated to the URBACT Secretariat for potential website updates or showcases.
- 7) The Lead Partner ensures that the results of the project especially any study or analysis produced during the implementation shall be made available to the public in order to guarantee a widespread publicity of the project's outcomes.
- 8) The Lead Partner shall ensure that at least one member of the URBACT Secretariat will be invited to present the programme during the project's Kick Off Meeting and the Final Conference or other closing event.
- 9) The Lead Partner are requested to appoint a permanent contact for Information and publicity purposes.
- 10) The URBACT communication language is English. This applies as a general rule to all tools of communication. However, URBACT intends to implement new tools of communication within all Member / Partner State and in the relevant local language(s).

### **Article 8 - Right of termination**

- 1) In addition to the right of termination laid down in Article 1 and in Article 11 of this contract, the Managing Authority is entitled to terminate this contract and, where relevant, to demand repayment of funds in full or in part, if:
  - a) the Lead Partner has obtained the subsidy through false or incomplete statements; or
  - b) the project has not been or cannot be fully implemented by achieving the planned outputs and results, or it has not been or cannot be implemented in due time; or
  - c) the Lead Partner has failed to countersign this subsidy contract, or to submit required reports or proofs, or to supply necessary information, provided that the Lead Partner has received a written reminder setting an adequate deadline and explicitly specifying the legal consequences of a failure to comply with requirements, and has failed to comply with this deadline; or
  - d) the Lead Partner has failed to immediately report events delaying or preventing the implementation of the project funded, or any circumstances leading to its modification; or
  - e) project reporting does not follow the set schedules, making it impossible to determine that the project is being implemented according to plan and it will achieve the set objectives, results or outputs; or
  - f) the Lead Partner has impeded or prevented controls and audits; or

- g) the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon; or
- h) insolvency proceedings are instituted against the assets of the Lead Partner or insolvency proceedings are dismissed due to lack of assets for cost recovery, provided that this appears to prevent or risk the implementation of the programme objectives, or the Lead Partner closes down; or
- i) subject to the provisions of Article 11, the Lead Partner wholly or partly sells, leases or lets the project to a third party; or
- j) it has become impossible to verify that the final progress report is correct and thus the eligibility of the project to URBACT IV funding; or
- k) the Lead Partner has failed to fulfil any other conditions or requirements for assistance stipulated in this contract and the provisions it is based on, notably if these conditions or requirements are meant to guarantee the successful implementation of the programme objectives.

2) If the Managing Authority exercises its right of termination, the Lead Partner is obliged to transfer the requested repayment of funds to the Managing Authority. The repayment of funds is due within one month following the date of the letter by which the Managing Authority asserts the repayment claim; the due date will be stated explicitly in the order for recovery.

3) If the Managing Authority exercises its right of termination, the Lead Partner is only entitled to set off undisputed claims against the Managing Authority.

4) If the Managing Authority exercises its right of termination, the amount repayable shall be subject to interest, starting on the day the payment was made and ending on the date of actual repayment.

5) If any of the circumstances indicated in Article 8 occurs before the full amount of subsidy has been paid to the Lead Partner, payments may be discontinued and there shall be no claims to payment of the remaining amount. Any further legal claims shall remain unaffected by the above provisions.

No compensation may be claimed as a result of this termination.

### **Article 9 - Controls, audits and evaluation of the project**

- 1) All the costs in each Project Payment Claim submitted by the Lead Partner to the MA/URBACT Secretariat must be validated by the First Level Controllers according to the procedure described in the Programme Manual and in compliance with the requirements set by the applicable legal framework.
- 2) The responsible auditing bodies of the URBACT IV programme, of the European Union (notably the European Court of Auditors) and, within their responsibility,

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the auditing bodies of the participating countries as represented in the Group of Auditors or other national public auditing bodies as well as the Managing Authority/URBACT Secretariat and the Audit Authority, are entitled to control and audit the proper use of funds by the Lead Partner or by the project partners or arrange for such controls and audits to be carried out by authorised persons. The Lead Partner and its partners undertake to abide by this.

- 3) The Lead Partner as well as all Project Partners will produce all documents required for the above controls and audits, provide necessary information and give access to its business premises.
- 4) The Lead partner and all its project partners are at all times obliged to retain for control and audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner at least 5 years from 31 December of the year in which the last payment by the Managing Authority to the project has been made. This period shall be interrupted either in the case of legal proceedings or at the duly motivated request of the Commission. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. The LP and PPs are obliged to store information electronically and to keep it clearly traceable for control and audit purposes and maintain records of invoices and bodies holding documentation in the audit trail.
- 5) The Managing Authority has a right to withhold the payments to the Lead Partner until all the required information and documentation have been provided.
- 6) The Lead Partner undertakes to provide independent experts or bodies carrying out the programme evaluation with any document or information necessary to assist the evaluation.
- 7) The Lead Partner is obliged to guarantee that both the Lead Partner and all of its partners fulfil the duties stipulated above.

### **Article 10 - Assignment, legal succession**

- 1) The Managing Authority is entitled at any time to assign its rights under this contract. In case of assignment the Managing Authority will inform the Lead Partner without delay.
- 2) The Lead Partner is allowed to assign its duties and rights under this contract only after prior written consent of the Managing Authority and the Monitoring Committee.
- 3) In cases of legal succession, e.g. where the Lead Partner or a Project Partner changes its legal form, the Lead Partner or Project Partner is obliged to transfer

all duties under this contract to the legal successor. The Lead Partner shall notify the Managing Authority about any change beforehand in writing.

### **Article 11 - Force majeure**

- 1) According to the present contract, the "force majeure" represents any unpredictable and insurmountable event external to the parties, occurred after the signing of the present contract and that prevents the total or the partial execution of the contract.
- 2) There are specific cases of "force majeure": wars, natural calamities, general strikes, insurrections, revolts, epidemics, earthquakes, floods and other similar events.
- 3) The "force majeure" exonerates the parties of the responsibility for not executing partially or totally the obligations stipulated in the present contract during the period they appear and only if the events were properly notified.
- 4) It is not considered to be "force majeure" an event similar to those presented above, that, without creating an impossibility of execution, makes the execution of the obligations very expensive for one of the parties.

### **Article 12 - Amendment of this contract**

- 1) This contract shall only be amended by means of an official amendment to that effect signed by all parties involved.
- 2) Modifications to the project not affecting the approved subsidy (time schedule, activities) that have been approved by the Monitoring Committee can be carried out without amending this contract.
- 3) Modifications to the official programme documents this agreement refers to (e.g. Operational Programme, Programme manual, etc.), if approved by the Monitoring Committee and, when relevant, by the European Commission, automatically apply to this agreement without amending it.

### **Article 13 - Concluding provisions**

- 1) All correspondence with the Managing Authority/URBACT Secretariat under this contract must be in English or in French and has to be sent to the following address:

URBACT Secretariat  
National Agency for Territorial Cohesion  
20 avenue de Ségur – TSA 10717 – 75334 PARIS CEDEX 07

- 2) If any provision in this contract should be wholly or partly ineffective, the parties to this contract undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
- 3) Amendments and supplements to this contract - and any waiver of the requirement of the written form - must be in written form.
- 4) In the context of this contract, the parties undertake to comply with the regulations in force applicable to the processing of personal data and, in particular, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, which came into force on 25 May 2018.

The parties undertake to use the data collected solely for the purposes of executing the contract and to comply with and ensure compliance with the legislative and regulatory provisions relating to information technology, files and freedoms by the persons to whom the processing of participants' personal information will be entrusted.

- 5) The Managing Authority and the Lead Partner undertake to maintain the confidentiality of any document, information or other material directly related to the purpose of the contract, duly qualified as confidential and the disclosure of which could cause prejudice to the other party.

Confidentiality is applied without prejudice to the publication rules applicable to European publicity.

#### **Article 14 - Intellectual property rights**

The industrial and intellectual property rights of the project results, reports and other documents relating to the project are vested in the Lead Partner and its partners.

Without prejudice to the provisions of the previous paragraph, the Lead Partner grants the Managing Authority the right to use the results of the project freely and as it sees fit.

#### **Article 15 - Conflicts of interest**

The Lead Partner must take all necessary measures to avoid a situation where the impartial and objective performance of this contract is or appears to be compromised by a conflict of interest.

A conflict of interest arises when the impartial and objective performance of the transaction is compromised for family, emotional, political or national affinity, economic interest or any other reason.

If a conflict of interest arises during the performance of this contract, the Lead Partner must immediately take all necessary measures to resolve it and inform the Managing Authority.

The Managing Authority reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

### Article 16 - Duration of the contract

This contract will take effect from the date on which it is signed by the parties and retroactively to the project start date of 1 June 2023. It will normally expire, except in special cases, on the date of the last payment made by the MA to the project. Audit obligations remains in force for all LP and PPs even after the end of the subsidy contract.

The project must be completed within the period from June 1<sup>st</sup> of 2023 to 31<sup>st</sup> December 2025, in accordance with the timetable specified in the application form.

### Article 17 – Applicable law - disputes

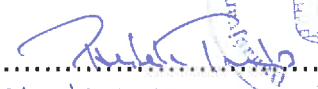

- 1) This contract is governed by French law.
- 2) Any dispute between the parties which could not be resolved amicably concerning their contractual relationship and, more specifically, the interpretation, performance and termination of this contract, shall be referred to the Tribunal Administratif de Paris which shall have exclusive jurisdiction.

### Article 18 - Signatures

This Subsidy Contract is issued in three copies by the Managing Authority and shall be countersigned by the Lead Partner.


Date: 08.08.2023.....

(Lead Partner)

  
.....  
  
TAMÁS PINTER, MAYOR OF DUNAJVÁROS  
[Name and function of the elected representative of the Lead Partner]

Date: 25 SEP. 2023.....

(Managing Authority)

  
ANCT  
Agence nationale de la cohésion des territoires  
Direction déléguée politique de la ville  
..... 29 Avenue de Ségur - TSA 10717  
75334 PARIS Cedex 07  
Tel.: 01 83 38 60 64/65  
[Name and function of the representative of the Managing Authority]

