

INTERREG III B CADSES



SUBSIDY CONTRACT

between

Ministero delle Infrastrutture e dei Trasporti
Dipartimento per il Coordinamento dello Sviluppo del Territorio,
il Personale ed i Servizi Generali
Direzione Generale per la Programmazione e i Programmi Europei
Via Nomentana 2
I-00161 Roma

Represented by Ing. Pietroantonio Isola- Head of General Direction

*as Managing Authority (MA) of the
INTERREG III B CADSES Neighbourhood Programme*

and

Ministry of Construction and Regional Development of the Slovak Republic
Prievozská 2/B - 825 25 Bratislava - Slovakia

Represented by Ing. László Gyurovszky - Minister

as Lead Partner (LP) for the project

“DONAUREGIONEN” (5D166)

Preamble

The Partner States of the INTERREG III B CADSES Neighbourhood Programme have entrusted the Italian Ministry for Infrastructures and Transports to assume the tasks of MA of the INTERREG III B CADSES Neighbourhood Programme. In this context the MA was also commissioned to sign the contracts with Lead Partners as final beneficiaries in the sense of No. 31 sentences 4 and 5 of the Communications from the Commission to the Member States of 28 April 2000 and of 2 September 2004 laying down guidelines for the INTERREG III Community Initiative. Therefore the MA enters into the following:

SUBSIDY CONTRACT

for the account of the Member States of the INTERREG III B CADSES Neighbourhood Programme,

on the basis of:

- the EU regulations laying down provisions on the Structural Funds, in particular Council Regulations (EC) No. 1257/1999 of 17 May 1999, No. 1260/1999 and No. 1263/1999 of 21 June 1999, Regulations (EC) No. 1783/1999 and No. 1784/1999 of the European Parliament and of the Council of 12 July 1999, Commission Regulations (EC) No. 1681/94 of 11 July 1994, No. 643/2000 of 28 March 2000, No. 1159/2000 of 30 May 2000, No. 438/2001 and No. 448/2001 of 2 March 2001, and No 448/2004 of 10 March 2004;
- the Communications from the Commission to the Member States of 28 April 2000 and of 2 September 2004 laying down guidelines for the INTERREG III Community Initiative,
- the Community Initiative Programme INTERREG III B CADSES Neighbourhood Programme, approved by the European Commission on 27 December 2001, as modified by the Decision of the European Commission C (2004) 5411 of 17 December 2004 and Decision C(2005) 4643 of 24 November 2005, and the Programme Complement, adopted by the Monitoring Committee on 10 June 2005,
- the Letters of Intents of Partner States to the Italian Ministry for Infrastructures and Transports,
- the Memorandum of Understanding on the Implementation of the Community Initiative "INTERREG III B CADSES Neighbourhood Programme".

which the LP hereby recognises.

§ 1 - Award of subsidies

1. In accordance with the decision of the Steering Committee, dated 22 March 2006, an earmarked subsidy is awarded to the LP from ERDF funds of the INTERREG III B CADSES Neighbourhood Programme in the maximum amount of

453.022,00 €

(Four hundred fifty-three thousand twenty-two Euro)

to carry out the following project: "The Spatial Development Concept of Interregional Co-operation in the Danube Space"

2. Disbursement of the subsidy is under the condition that the European Commission makes available the funds to the above-described extent.
3. If the European Commission fails to make the funds available, the MA will be entitled to withdraw from this Subsidy Contract.
4. Should the total eligible costs after the completion of the project be lower than the budgeted amount (see below § 2 (1)), the above-mentioned subsidy from INTERREG III B CADSES Neighbourhood Programme will be correspondingly reduced.

§ 2 - Object of use

1. The subsidy is awarded for the project "The Spatial Development Concept of Interregional Co-operation in the Danube Space"

Total project budget: 974.964,00 €

ERDF subsidy: 453.022,00 €

National co-financing (ERDF partners): 341.792,00 €

Other funds: 180.150,00 €

Total amount of this Subsidy Contract: 794.814,00 €

Project duration: From 01/04/2006 until 30/06/2008

It is awarded exclusively for the project as it is described in the application approved by the Steering Committee. The (final) application form, the co-financing statements, the joint convention of project partners and the approval decision form an integral part of this Subsidy Contract.

2. The LP is allowed to reallocate funds up to 20% of the total budget of the project, according to the procedure foreseen in the Project Change Manual.

3. Special provisions apply in the case of reallocation between years. The LP has to ensure that each Project Partner funded from ERDF strictly follows the allocation of expenditure per year and source as reported in the Table 1, § 3 (3) of this Subsidy Contract. Each EU Project Partner (under the responsibility of the LP) is allowed to reallocate up to 20% of the budgeted yearly allocation of expenditure (Tab.1 of this Subsidy Contract, § 3 (3) to the following year. The amount shifted from the year x must be claimed within the year x+1 following the shifting, and cannot be further reallocated to the next years. Should the Project Partner in the course of one year x claim less than 80% of the amount stated in the annual allocation of expenditure, only 20% of the remaining amount can be shifted to the following year x+1 and the unclaimed funds that exceed 20% of the yearly allocation funds will be decommitted from the project. Funds that have been shifted to the year x+1 and have not been claimed within the same year will be decommitted and the project budget reduced accordingly.
4. In case of decommitment at project level the Lead Partner will be officially informed. Possible decommitment does not require changes of the Application Form nor of the Subsidy Contract. The decommitted funds will be deducted from the project budget; the corresponding ERDF subsidy will be reduced accordingly.
5. Project costs, which qualify for a subsidy, consist exclusively of eligible project costs listed in the application approved by the Steering Committee. The eligibility of project costs for European Regional Development Fund (ERDF) co-funding is regulated in the Commission Regulation (EC) No. 448/2004 of 10 March 2004 and other relevant national and EU regulations. Eligible are costs that have arisen during the lifetime of the operation and, in any case not before 12 March 2001 for Austria, Germany, Greece and Italy and 1 January 2004 for Czech Republic, Hungary, Poland, Slovakia and Slovenia and not after 31 August 2008, respectively.

§ 3 - Request for payments

1. The LP has to present payment requests to the MA, comprising a description of incurred expenditures and certifications of expenditure per partner according to the deadlines indicated in the § 3 (3) of this Subsidy Contract. Additionally the LP has to present progress reports to the JTS according to § 6 (1.d). In case of irregularities identified during the project implementation the MA reserves its right to claim for repayment of funds already paid out according to § 5 and § 7 of this Subsidy Contract. For the payment claim the LP has to use the forms published on the website www.cadses.net, under the section "project implementation".
2. Without prejudice to the LP responsibility related to this Subsidy Contract, Member States shall take responsibility in the first instance for the financial control system according to § 38 of Council Regulation (EC) No. 1260/1999.
3. Based on the fact that the payments by the European Commission to the Paying Authority (PA) will only be made in accordance with the corresponding budget commitments (§ 32 (1) in conjunction with § 31 (2) of Council Regulation (EC) No. 1260/1999), the LP must request payments according to the timeframe foreseen in the "allocation of expenditure" as indicated in the following Table 1 "Allocation of

expenditure per year and source” and according to the distribution of funding among partners foreseen as indicated in the following Table 2 “Financial contribution by Project Partner (PP) and sources”.

Table 1 (App. Form Tab 16.4): Allocation of expenditure per year and source, in Euro, EU partners

Sources	2005	2006	2007	2008	Total
ERDF	0,00	140.620,00	220.452,00	91.950,00	453.022,00
National co-financing (EU PP)	0,00	101.090,00	164.902,00	75.800,00	341.792,00
Private (EU PP)	0,00	0,00	0,00	0,00	0,00
Total	0,00	241.710,00	385.354,00	167.750,00	794.814,00

TABLE 2 (App. Form Tab 16.1): Financial contribution by Project Partner (PP) and sources, in Euro.

Sources	PP 1	PP 2	PP 3	PP 4	PP 5	PP 6	PP 7	PP 8	PP 9	PP 10	PP 11	PP 12	PP 13
	SK	DE	SK	SK	SK	HU	HU	BG	RO	SCG			
ERDF funding	169.177,00	43.450,00	72.550,00	1.000,00	9.675,00	145.170,00	12.000,00	0,00	0,00	0,00	0,00	0,00	0,00
<i>ERDF funding rate (%)</i>	<i>50,00%</i>	<i>50,00%</i>	<i>50,00%</i>	<i>50,00%</i>	<i>75,00%</i>	<i>75,00%</i>	<i>75,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>
Co-financing Total	169.177,00	43.450,00	72.550,00	1.000,00	3.225,00	48.390,00	4.000,00	45.037,50	0,00	0,00	0,00	0,00	0,00
<i>Thereof state co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof regional co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof local co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof others co-fin.</i>	<i>169.177,00</i>	<i>43.450,00</i>	<i>72.550,00</i>	<i>1.000,00</i>	<i>3.225,00</i>	<i>48.390,00</i>	<i>4.000,00</i>	<i>45.037,50</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Co-financing (EU PP)	169.177,00	43.450,00	72.550,00	1.000,00	3.225,00	48.390,00	4.000,00	0,00	0,00	0,00	0,00	0,00	0,00
Co-financing (Non-EU PP)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	45.037,50	0,00	0,00	0,00	0,00	0,00
PHARE funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	135.112,50	0,00	0,00	0,00	0,00	0,00
TACIS funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
CARDS funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	338.354,00	86.900,00	145.100,00	2.000,00	12.900,00	193.560,00	16.000,00	180.150,00	0,00	0,00	0,00	0,00	0,00

Sources	PP 14	PP 15	PP 16	PP 17	PP 18	PP 19	PP 20	PP 21	PP 22	PP 23	PP 24	PP 25	Total
ERDF funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	453.022,00
<i>ERDF funding rate (%)</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	<i>0,00%</i>	-
Co-financing Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	386.829,50
<i>Thereof state co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof regional co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof local co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Thereof others co-fin.</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>386.829,50</i>
Co-financing (EU PP)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	341.792,00
Co-financing (Non-EU PP)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	45.037,50
PHARE funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	135.112,50
TACIS funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
CARDS funding	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	974.964,00

The payment requests, as specified above, can be submitted to the MA within the following deadlines: 1 April, 1 July, 1 October and 1 December of each year. For the presentation of the payment claims the LP shall use only the forms published on the website www.cadses.net, under the section "project implementation".

The reimbursement of the payment claim is under the provision that the European Commission has paid corresponding amounts to the PA beforehand.

4. The funds will be disbursed in Euro only and transferred to the following account indicated by the LP:

Account holder: Ministry of Construction and Regional Development of the Slovak Republic

Bank address: Vseobecná úverová banka, a.s., Mlynské Nivy 1, 829 90 Bratislava

Account number: 7000225834/8180

Bank code: 8180

IBAN: SK28 8180 0000 0070 0022 5834

SWIFT or BIC Code: SUBASKBX

Internal ref.:

5. According to § 32 (3) last sentence and 32 (4) of Council Regulation (EC) No. 1260/1999 the last five per cent of the contribution of the funds within the CIP will be transferred from the European Commission to the PA only after all projects have been completed in accordance with the Programme and the final implementation report within the meaning of § 37 of the abovementioned Council Regulation will have been approved by the European Commission. Therefore the MA reserves the right to withhold five per cent of the sum awarded according to § 1 of this Subsidy Contract until the final balance of assistance within the meaning of § 32 (4) of the named Council Regulation has been paid from the European Commission to the MA.
6. If the LP is a legal entity or body under private law or a natural person, he has to submit a presentation of securities as customary for banking practice, particularly a deficiency guarantee of a bank in the amount of the subsidy stated in § 1 of this Subsidy Contract towards the MA, before any payment to the LP is made. The deficiency guarantee must be worded to the effect that deficiency will be construed if, in the event of a reduction or repayment demanded by the MA or in the event of another reimbursement obligation, the LP has failed to repay or reimburse (within the time stipulated by the MA) the amount for which repayment or reimbursement is requested. The guarantee must apply until 31 December 2012.
7. These securities as customary for banking practice are not required in case of a Public Equivalent Body. Public Equivalent Body means any body:

- established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character, and
- having legal personality and
- financed, for the most part, by the State, or regional or local authorities, or other bodies governed by public law; or subject to management supervision by those bodies; or having an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law.

A Public Equivalent Body as LP has to present a certificate, which declares him being a "public equivalent body" according to the "Council Directive 92/50/EEC of 18 June 1992 relating to the coordination of procedures for the award of public service contract" (amended by EUROPEAN PARLIAMENT AND COUNCIL DIRECTIVE 97/52/EC of 13 October 1997). The certificate shall be made out by one of the bodies governed by public law, which either finance or supervise the LP in the meaning of the quoted Council Directive.

§ 4 - Eligible costs

1. To be considered eligible, costs must:
 - be directly linked to the subject matter of the agreement and be provided for therein;
 - be necessary to carry out the operation covered by this Subsidy Contract;
 - be reasonable and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
 - have been incurred during the period of eligibility of project costs (in order to consider also the preparatory costs), as defined in § 2 (1) and § 2 (3) of this Subsidy Contract and taking into consideration that eligible can be project preparatory costs (i.e. costs for the preparation of the project, which were incurred before the official project start) in amount of maximum 2% of the overall budget, but not exceeding 20.000€.
 - have actually been incurred, be recorded in the beneficiary's accounts or tax documents, and be identifiable and controllable;

The maximum amount, as defined in § 1 (1) includes all eventual taxes; no VAT may be charged, except in the cases described by Commission Regulation (EC) No 448/2004 of 10 March 2004, Rule No 7.

2. Eligibility of costs is determined on the basis of Commission Regulation (EC) No 448/2004 of 10 March 2004 and national laws. Eligible can be costs such as:
 - the cost of staff assigned to the operation, corresponding to real salaries plus social security charges and other remuneration-related costs;
 - travel and subsistence costs for staff involved into the operation;

- purchase costs for equipment (new or used), provided that these correspond to normal market costs and that the value of the items concerned is written off in accordance with the tax and accounting rules applicable to the beneficiary; only the proportion of depreciation of the item corresponding to the duration of the operation may be taken into account, except where the nature and/or use of the item justify/ies different treatment;
- costs of consumables and supplies;
- expenditure on subcontracting in accordance with the provisions of EU and national legislation; in this case the LP shall ensure that the terms applicable to him under the agreement are also applicable to his subcontractors;
- costs deriving directly from the requirements of the Subsidy Contract (dissemination of information, specific evaluation of the operation, translation, reproduction, etc.) including, where appropriate, financial service costs (in particular the cost of financial guarantees), but not including exchange risks unless the agreement expressly provides for their inclusion;
- overheads, provided that they are based on real costs which relate to the implementation of the operation co-financed and are allocated pro rata to the operation, according to a duly justified fair and equitable method.

§ 5 - Representation of project partners, liability

1. The LP guarantees that he is entitled to represent the project partners participating in the project and that he will establish, in agreements with the project partners, the division of the mutual responsibilities. He guarantees furthermore that he has complied with all the relevant legal and other requirements under the law, which applies to him, and to the project partners and that all necessary approvals have been obtained.
2. The LP is liable towards the MA to ensure that the project partners fulfil their obligations under this Subsidy Contract. He is liable towards the MA for infringements by the project partners of obligations under this Subsidy Contract in the same way as for his own conduct.
3. The LP is responsible for the implementation of the whole project, but from a financial point of view he is liable only for the ERDF funds and the matching national co-financing, as it is stated in the Application Package and in the programme documents.
4. If the MA demands repayment of subsidy funds in accordance with this Subsidy Contract, the LP is liable to the MA for the total amount of the subsidy, as specified at § 2. The LP shall take his precautions against his project partners.

§ 6 - Obligations of the LP

1. In addition to the obligations of the LP as mentioned in this Subsidy Contract the LP undertakes:
 - a. to co-ordinate the start of the project according to the action plan approved by the Steering Committee;
 - b. to co-ordinate, as overall LP, the implementation of the project within the time schedule stated in the approved action plan;
 - c. to co-ordinate the activities among all the involved partners;
 - d. to inform the MA and the JTS immediately if project costs have to be changed, if the number or composition of partners, the project objectives, the action plan or the budget plan on which this Subsidy Contract is based change, or one of the disbursement conditions ceases to be fulfilled, or circumstances arise which entitle the MA to reduce or demand repayment of the subsidy (wholly or in part);
 - e. in order to allow the monitoring of the project, to present progress reports. Progress Reports will consist of an Activity Report (describing the activities carried out and their outputs and results), and of a Financial Report. The progress report shall be submitted in original to the JTS. The progress reports must be submitted twice a year, following the reporting periods of 1 January to 30 June and of 1 July to 31 December. Deadlines for handing in the progress reports at the JTS are for the first period the 30th of September and for the second period the 31st of March respectively. The first progress reports must be provided according to the deadlines indicated above. All the reports will be in English and have to report in detail about all the activities carried out. For the presentation of the progress reports the LP will use only the forms as they have been presented by the INTERREG III B CADSES Neighbourhood Programme, published on the website www.cadses.net, under the section "project implementation";
 - f. to submit the first request for payment (§ 3 of this Subsidy Contract) within 6 months after the conclusion of this Subsidy Contract, matching one of the deadlines specified in § 3 (3);
 - g. to submit the final report to the JTS within three months after completion of the project. It shall also include the following items: (a) comparison of planned and accomplished activities (indicating reasons of occurred modifications) and a critical assessment of the project process), (b) presentation of results, especially with regard to the fulfilment of the criteria laid down in the CIP, (c) experiences with transnational co-operation, (d) details on planned follow-up activities and further steps for utilisation and dissemination of the results. For the presentation of the final report the LP will use only the forms as they have been published on the website www.cadses.net, under the section "project implementation";
 - h. to participate actively in respective thematic networks that will be defined by the Steering Committee;

- i. to point out in public statements (reports, publications, etc.) that the project was implemented through financial assistance of ERDF funds within the framework of the INTERREG III B CADSES Neighbourhood Programme, in accordance with Commission Regulation (EC) No 1159/2000 on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds;
- j. to comply with European Union and national legislation including public procurement.

§ 7 - Right of withdrawal

1. In addition to the right of withdrawal laid down in § 1 (3), the MA is entitled to withdraw from this Subsidy Contract and to demand repayment of funds in full or in part, if:
 - a. the LP fails to fulfil a condition or an obligation resulting from this Subsidy Contract;
 - b. the LP has obtained the subsidy through false statements or incomplete information to bodies/appointees of the European Commission, the MA or any other authorities involved in the implementation of the Programme;
 - c. under the provisions of § 2 (2) and (3), the LP wholly or partly closes down, sells, leases or lets the project to a third party;
 - d. the LP becomes insolvent or bankruptcy proceedings have been instituted against the LP before the project has been properly terminated or if bankruptcy proceedings are instituted against the LP or any other institutions involved into the project and therefore especially the objectives of the project itself do not seem accessible or secured;
 - e. the LP repeatedly fails to produce progress reports and hinders or does not allow control measures;
 - f. the LP does not submit payment requests within 6 months since the signature of the Subsidy Contract;
 - g. the co-funded project cannot or could not be realized respectively in due time, or a precondition for the approval of the project is lost;
 - h. the LP fails to provide immediate information about circumstances that delay, hinder or make impossible the realization of the co-funded project, as well as about any circumstances that mean a change of the disbursement conditions and frameworks as laid down in this Subsidy Contract or entitle the MA to reduce or demand repayment of the subsidy wholly or in part;
 - i. the regulations of the EU law (especially provisions concerning competition and environmental law and regulations concerning equal treatment of men and women) have been infringed;
 - j. irregularities are identified during the implementation of the project.

2. If the MA exercises its right of withdrawal, the LP is obliged to reimburse the repayment amount to the MA. The repayment amount is due within one month following the date of the letter by which the MA asserts the repayment claim.
3. If the MA exercises its right of withdrawal, offsetting by the LP is excluded unless its claim is undisputed or recognised by declaratory judgement.
4. If the MA exercises its right of withdrawal, the LP is obliged to pay interest on account of late payment of the repayment amount. Following § 7 (2) sentence 2 of Commission Regulation (EC) No. 448/2001 the rate of such interest is 1.5% above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls. The due date is indicated in order for recovery by the MA as mentioned in No. 2 sentence 2.

§ 8 - Audit rights

1. The responsible auditing bodies of the EU, and within their responsibility the national auditing authorities, are entitled to audit the proper use of funds by the LP and by the project partners or arrange for such an audit to be carried out by authorised persons. The LP will produce all documents required for the audit, provide necessary information and give access to its business premises. The LP is obliged to retain for audit purposes all files, documents and data about the project for at least three years after the final payment from European Commission to the INTERREG III B CADSES Neighbourhood Programme. Other possibly longer statutory retention period, as might be stated by national law, remain unaffected.
2. The LP is obliged to guarantee fulfilment of the above-stipulated duties in relation to all his project partners.

§ 9 - Publicity

1. Unless the MA requests otherwise, any notice or publication by the beneficiary about the operation, including conferences or seminars, must specify that the operation has received funding from ERDF within the INTERREG III B CADSES Neighbourhood Programme.
2. Any notice or publication by the beneficiary, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's views and that the MA is not liable for any use that may be made of the information contained therein.
3. The MA shall be authorised to publish, in whatever form and on or by whatever medium, including the Internet, the following information:
 - the name of the beneficiary, except where this could jeopardise the beneficiary's security,
 - the purpose of the grant,

- the amount granted and the proportion of the total cost of the operation accounted for by the funding,
- intermediate and final reports.

§ 10 - Ownership/use of results

1. Ownership, title and industrial and intellectual property rights in the outputs of the operation and the reports and other documents relating to it shall vest in the Lead and Project Partners.
2. The use of the results of the projects will be agreed by the Lead Partners and the MA, on behalf of the MC, in order to guarantee a widespread publicity of such results and to make them available to the public.
3. Notwithstanding the provisions of the second section, the Lead Partner and the MA (on behalf of the MC) shall find individual arrangements in those cases where intellectual property rights (such as for data acquired for the project, which do not belong to public domain) already exist.

§ 11 - Concluding provisions

1. The MA is entitled at any time to assign or transfer its rights under this Subsidy Contract or the securities provided by the LP. In the case of assignment or transfer, the MA will inform the LP without delay.
2. All correspondence with the MA under this Subsidy Contract must be in English language and has to be sent to the following addresses:

Surface mail:

CADSES Joint Technical Secretariat
Postfach (P.O. Box) 12 00 20
D - 01001 Dresden

Courier mail:


CADSES Joint Technical Secretariat
An der Kreuzkirche 6
D - 01067 Dresden

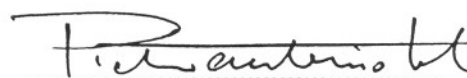
Phone +49 351 488 1021
Fax +49 351 488 1025
e-mail: cadses@jts.dresden.de

3. If any provision in this Subsidy Contract should be wholly or partly ineffective, the parties to the Subsidy Contract undertake to replace it by an effective one which comes as close as possible to the purpose of the ineffective provision.
4. Amendments and supplements to this Subsidy Contract - and any waiver of the requirement of the written form - must be in written form.
5. The LP is free to accept and sign this Subsidy Contract within forty-five days after it has been offered by the MA. The relevant date is the one of mailing or handing out this Subsidy Contract to the LP by the MA. After forty-five days the offer loses any relevance.
6. This Subsidy Contract is governed by Italian law. The place of jurisdiction is Rome.

Date: 29.6.2006

Date: 10 LUG. 2006


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(Lead Partner)



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(MA)