



The Programme is co-financed by the
European Union



FINANCING AGREEMENT

on the Branch Office establishment and operation under the Hungary – Slovakia – Romania – Ukraine European Neighbourhood Instrument Cross-border Cooperation Programme 2014-2020

PREAMBLE

Having regard to

- Regulation (EC) No. 232/2014 of the European Parliament and of the Council of 11 March 2014 laying down general provisions establishing a European Neighbourhood Instrument (ENI);
- Commission Regulation (EC) No. 897/2014 of 18 August 2014 laying down implementing rules for cross-border co-operation programmes financed under Regulation (EC) No.232/2014 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood Instrument (ENI);
- Government Decree No 83/2018. (IV. 20.) on the implementation of the Hungary-Slovakia-Romania-Ukraine ENI Cross-border Cooperation Programme 2014-2020;
- The Joint Operational Programme of Hungary – Slovakia – Romania – Ukraine Cross-border Cooperation Programme 2014 - 2020 (hereinafter referred to as JOP), approved by the European Commission by the decision number C(2015) 9180 on 17 December 2015.
- Technical Assistance Data Sheet (no. HU-SK-RO-UA ENI/TA-03) on the establishment and operation of the JTS (including the Branch Offices) approved by the Joint Monitoring Committee (hereinafter referred to as JMC) on 30 May 2018.

Széchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company (hereinafter referred to as “**SZPO**”, registered office: H-1053 Budapest, Szép str. 2. 4. floor) hosting the **Joint Technical Secretariat** of the Hungary – Slovakia – Romania – Ukraine ENI CBC Programme (hereinafter referred to as “**JTS**”) represented by **Áron Szakács, Head of the JTS** of the Hungary – Slovakia – Romania – Ukraine ENI CBC Programme (hereinafter referred to as “**JTS**”)

on the one hand, and

Prešov Self-Governing Region hosting the Branch Office (Námestie mieru 2, 080 01, Prešov) represented by **PaedDr. Milan Majerský, President** (hereinafter referred to as “**the organisation hosting the Branch Office**”) on the other hand,

have agreed in line with the respective national legislations as follows:

ARTICLE 1 – SUBJECT OF THE AGREEMENT

- 1.1 The Managing Authority is responsible for the management and implementation of the Joint Operational Programme (JOP). In this capacity, the Managing Authority (MA) set up the Joint Technical Secretariat (JTS) within SZPO and assigns its tasks in accordance with Section 5.1.3. of the JOP.
- 1.2 According to section 5.1.3 of the JOP and decision of the JMC on 7 December 2016 the JTS establishes Branch Offices in Ukraine, Slovakia and Romania for the purpose of informing potential applicants in the border region on activities planned under the Programme.
- 1.3 Upon signing this Agreement the organisation hosting the JTS undertakes to provide Union contribution for financing the personnel costs and travel expense of the person designated to perform the tasks of the Branch Office subject to the terms and conditions of the present agreement.
- 1.4 Upon signing this Agreement, the organisation hosting the Branch Office undertakes to employ the person selected by the Selection committee as expert to assume responsibility for the tasks of the Branch Office detailed in the Terms of Reference for setting up and operation a Branch Office in the Slovak Republic and the JOP pursuant to the applicable regulatory provisions, as provided for in the present Agreement. The institution hosting the Branch Office undertakes to provide, at his own expense, equipment, facilities and devices which are necessary to perform duly its tasks and to transfer the annual contribution received from the Programme to the salary of experts of the Branch offices, or any other costs connected to fulfilling the tasks of the Branch office.
- 1.5 Branch office and organisation hosting the branch office acknowledge that the present agreement does not include tasks involving exercise of public authority or the use of discretionary powers of judgment regarding projects, the branch office is not entrusted with such a task.

ARTICLE 2 - PERIOD OF EXECUTION

- 2.1 The services performed by the institution hosting the Branch Office have to fall under the eligibility period of the JOP.
- 2.2 The financing agreement shall enter into force on the date which it is signed by the last party and the date of eligibility period of the costs starts on 1 July 2018 and lasts until **31 December 2022**.
- 2.3 Any balance remaining from the Union contribution will be automatically cancelled on **31 December 2022**.

ARTICLE 3 – FINANCIAL PROVISIONS

- 3.1. Considering the fact that according to the Commission Implementing Regulation the Branch Office is a TA project part beneficiary financed from the technical assistance budget, within the framework of the present Agreement the selected expert's personnel expenditures shall be financed from the Technical Assistance budget for the operation of the Joint Technical Secretariat and shall be limited to the specified amount.

- 3.2. The institution hosting the JTS undertakes to finance a maximum of **55 000 EUR** for the entire period in accordance with the Technical Assistance Data Sheet (annex I) approved by the Joint Monitoring Committee on **30.05.2018**. The organisation hosting the Branch Office is entitled to receive maximum 80% of pre-financing.
- 3.3. The yearly financial contribution to personnel costs is estimated at **10 000 EUR** and travel expenses up to 15% of the personnel costs for financing travel related activities approved by the JTS in advance.
- 3.4. For the year 2018 the financial contribution is proportionate to the yearly allocation from the date on which the Financing Agreement shall enter into force, i.e. **5 000 EUR** for personnel costs and **750 EUR** for travel costs.
- 3.5. Every year the organisation hosting the JTS shall transfer the 80% of the annual financial contribution as pre-financing as follows:
 - 3.5.1 As regards the first year the organisation hosting the JTS shall transfer the 80% of the contribution within 8 days from the date when the overall pre-financing received from the Managing Authority.
 - 3.5.2 In the forthcoming years the organisation hosting the JTS shall transfer the 80% of pre-financing not later than 15 January.
- 3.6 Where the consumption of the previous pre-financing is less than the received 80%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment.
- 3.7 Branch Office shall submit project report to the JTS in every half-year in harmony with the TA Manual until 15 August and 15 February.
- 3.8 The costs indicated in the project report will be audited by external audit according to the rules of the Programme.
- 3.9 The organisation hosting the JTS prepares the request for payment based on the expenditure verification of the external audit and sends it to the MA. The MA makes the verification of expenditures and approves the request for payment. The 80% of the amount indicated in the project report is covered by the pre-financing, while the remaining 20% will be transferred to the TA Beneficiary. The TA Beneficiary shall transfer the amount within 8 days from the date of receipt from MA to the Branch Office (as TA project part beneficiary).
- 3.10 The Branch Office shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission to the JTS using the monthly accounting exchange rate of the Commission in force of the month during which the expenditure is submitted for examination. The exchange rate risk is borne by the Branch Office.
- 3.11 The provision of the Union contribution shall be subject to fulfilment of the obligations under this Financing Agreement by the institution hosting the Branch Office.

- 3.12 In frame of this agreement, the verified and reasonable personnel and travel costs of one expert – including social security charges, or any other costs connected to fulfilling the tasks of the Branch office – shall be financed according to the TA manual.

ARTICLE 4 - RIGHTS AND OBLIGATIONS OF THE INSTITUTION HOSTING THE BRANCH OFFICE

The organisation hosting the Branch Office shall undertake the following:

- 4.1 establishing and operating the Branch Office, i.a. to take all necessary steps to perform and correctly manage the tasks delegated by the JTS according to the TA Data Sheet;
- 4.2 providing premises, equipment, facilities and devices which are necessary to operate the Branch Office and perform its tasks;
- 4.3 transferring the annual contribution received from the Programme to the salary of experts of the Branch offices, or any other certified and reasonable costs connected to fulfilling the tasks of the Branch office;
- 4.4 submitting the annual report in the given format to the JTS within 15 days after the end of each year and provide information needed for it;

ARTICLE 5 - RIGHTS AND OBLIGATIONS OF THE BRANCH OFFICE

The tasks to be fulfilled by the Branch office

- 5.1 Informing potential Applicants in the border regions of the Slovak Republic on activities planned under the Programme (Call for Proposals, seminars, trainings, Infodays etc.) /Branch Office is providing information to all potential Applicants and other actors interested in cross-border cooperation. Comprehensive support should be granted to all potential interested Applicants on an equal basis and free of charge. Information support to potential Beneficiaries and other actors interested in cross-border cooperation should be provided continuously via telephone and/or e-mail and/or basis of personal consultation/.
- 5.2 Supporting organisation of the Joint Monitoring Committee (hereinafter referred to as JMC) and other meetings related to the Programme implementation in the Slovak Republic /This activity includes in particular the logistic and organisational tasks of the JMC and other important meetings related to the Programme. Slovak stakeholders must be informed in time about the meetings. When necessary, the meetings are organised in Slovak eligible regions/.
- 5.3 Participating in implementation of the communication plan
 - to contribute to information and publicity actions within the respective territory, especially publication of call for proposals notices in Slovak local and regional newspapers relevant to inform potential applicants;

- to cooperate in the organisation of and active participation at partner search forums, info days, workshops, conferences, creation of databases etc. within the Programme;
 - to provide any information or document that is necessary for the management of the Programme;
 - to contribute to the development of the Programme website;
 - to co-ordinate in advance all its activities with the JTS and to inform the JTS about the achievements regularly.
- 5.4 Collecting data to improve the monitoring of projects and identification of potential risks for effective implementation or suspicion of errors, fraud and corruption; Collecting data for database on projects implemented under the Programme and potential beneficiaries according to the JTS's request.
- 5.5 Supporting MA and JTS in their day-to-day implementation activity. The Branch office may be involved in the project evaluation and implementation follow up - assistance to MA/JTS in activities related to the translation of all relevant documents from/into Slovak and English.
- 5.6 Supporting JTS in performing formal administrative and eligibility check (screen for administrative and eligibility compliance applications) of projects involving Slovak partners;
- 5.7 Providing IMIS support for the Beneficiaries and the JTS;
- 5.8 Providing support for the Control contact point;
- 5.9 May be involved in supporting JTS in performing site inspections to check on compliance of the project actions with the projects' activity plans, observe progress and discuss issues as well as visit project events and conferences;
- 5.10 Accepting responsibility for all information communicated to Applicants and the JTS, including details of the Request for payment form;
- 5.11 Preparing the minutes of the projects' visit and send them to the JTS
- 5.12 Taking all necessary steps to perform and correctly manage the tasks delegated by the JTS;
- 5.13 To submit annual report in the given format to the JTS within 15 days after the end of each calendar year and provide information needed for it.
- 5.14 Any other specific task provided by the JTS shall be carried out within the set deadline.
- 5.15 Maintain either a separate accounting system or an adequate accounting code for all transactions related to the TA project part;

- 5.16 Comply with EU and national rules, including rules on public procurement, State aid, publicity, further rules on environmental protection and equal opportunities;
- 5.17 Guarantee the systematic and safe collection of all the documentation regarding its part of project expenditure and its transmission to the JTS, as well as to guarantee the access to documents to all the representatives of the institutions in charge of verifications and to the bodies authorised to monitor or audit the Project;
- 5.18 For audit purposes Branch office shall:
- a) retain all files, documents and data about the project at least until the timeframe stipulated in Article 70(1) of the Commission Regulation (EC) No. 897/2014, either in original or as certified copies on commonly used data storage device safely and orderly;
 - b) enable the Managing Authority, Audit Authority and the responsible auditing bodies of the European Union and the auditing bodies of the Participating Country it is based to audit the proper use of funds;
 - c) provide these authorities with information about the TA Project part as requested;
 - d) provide them access to the accounting books and accounting documents and other documentation related to the TA Project part at least until the timeframe stipulated in Article 70(1) of the Commission Regulation (EC) No. 897/2014;
 - e) provide them access to their business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out checks related to the project within the timeframe stipulated in Article 70(1) of the Commission Regulation (EC) No. 897/2014;
 - f) without any delay provide the JTS with any information needed in connection to such an audit;
- 5.19 Related to communication and publicity measures, Branch office shall ensure that any publicity measure undertaken shall be conducted in accordance with the rules on information and publicity laid down in the Commission Regulation (EC) No. 897/2014 and in the Guidelines for Implementation of Information and Publicity Measures for Projects as part of the Project Implementation Manual.

Any other specific task will be listed separately in the Job Description of the selected expert of the Branch office provided by the JTS and shall form an integral part of the present agreement.
Programme related tasks take precedence to any other tasks Branch Office will be engaged in.

ARTICLE 6 - RIGHTS AND OBLIGATIONS OF THE JTS

- 6.1 The JTS shall support the organisation hosting the Branch Office in the performance of the delegated tasks, in particular having the following obligations:
- 6.1.1 to keep the Branch Office informed in due time regarding the latest developments that might have an impact on the performance of the Branch Office;

- 6.1.2 to make all necessary arrangements for the verification and approval of the request for payment and annual report, asking for completion, if necessary, and forward it to the JTS;
 - 6.1.3 to reply in due time to any information or request received from the organisation hosting the Branch Office;
 - 6.1.4 to provide a clear guidance to the Branch Office's performance;
 - 6.1.5 to evaluate the activities performed by the Branch Office on a yearly basis.
- 6.2 The organisation hosting the JTS shall transfer the Union contribution in the approved amount to the organisation hosting the Branch Office as described in Article 3.2.

ARTICLE 7 – BRANCH OFFICE BANK DETAILS

- 7.1 The Branch Office has the following bank details:
- Name of the account holder: Prešov Self-Governing Region (Prešovský samosprávny kraj)
- Name of the bank: Štátna pokladnica
- Address of the bank: Radlinského 32, 810 05 Bratislava, Slovakia
- Account number: 7000209148/8180
- IBAN: SK 8281800000007000209148
- SWIFT: SPSRSKBAXXX

ARTICLE 8 – CONFLICT OF INTERESTS AND CONFIDENTIALITY

- 8.1 The Branch Office shall make sure that there are no conflicts of interest in the relation of the designated person in the Branch Office with the potential or actual applicants and beneficiaries of the Programme, as well as any other parties benefiting from TA sources (service, works or goods provider). In the present agreement, the conflict of interests represents any circumstances that have affected or may affect the execution of the agreement by the parties, in an objective and impartial manner. The functions of the Branch Office must clearly be separated from other functions of the Prešov Self-Governing Region in the organisational and decision-making structure.
- 8.2 The Parties take upon themselves to take all necessary measures in order to avoid any conflict of interests and to keep each other informed in up to 5 (five) working days from finding out, on any circumstances that have generated or may generate such a conflict.
- 8.3 The Parties agree to hold in trust and confidence any information or documents disclosed to them or discovered by them or prepared by them in the framework of this contract with special regards to confidential information on individual applications or projects; and agree that it shall be used only for the described purposes and shall not be disclosed to any third party. Confidential information shall not be disclosed to any employee or expert unless they agree to execute and be bound by the terms of this contract.

ARTICLE 9 – TERMINATION OF THE AGREEMENT

- 9.1 The JTS may terminate the agreement if the Branch Office has inadequately discharged or failed to discharge any of the contractual obligations, insofar as this is not due to vis major, after a notification sent to the Branch Office by registered mail has remained without effect for two weeks.
- 9.2 The Branch Office shall immediately notify the JTS, supplying all relevant information, of any event likely to prejudice the performance of this agreement.
- 9.3 The contracting parties agree that they may terminate the present Contract at any time, with mutual consent. They may conclude the relevant agreement only in writing, and it shall only be valid with the joint signature of the parties.
- 9.4 In case of termination for any reason, the organisation hosting the Branch Office shall return the pre-financed contribution that is not used duly and according to the terms and conditions of the present agreement, without 15 days from the termination.
- 9.5 All project activities financed by the programme shall end on 31 December 2022 at the latest.

ARTICLE 10 – JURISDICTION CLAUSE

- 10.1 This agreement shall be governed by the Hungarian law.
- 10.2 The contracting parties agree that they wish to settle any legal disputes primarily in amicable way, through negotiations, and that they will only contact a court if settlement through negotiations fails.
- 10.3 The contracting parties agree to submit themselves to the exclusive jurisdiction of court defined by the seat of SZPO in all lawsuits arising from the present agreement.

ARTICLE 11 - COMMUNICATION

- 11.1 All correspondence concerning the implementation of the financing agreement shall be handled in English language and shall be sent to the following address:
HU-SK-RO-UA Joint Technical Secretariat
Széchenyi Programme Office Consulting and Service Nonprofit Limited Liability Company
Szép str. 2. 4. floor
H-1053 Budapest, Hungary
E-mail: info@huskroua-cbc.eu
- 11.2 Contact details of the Branch Office are as follows:

Name of the contact person: Mgr. Slivková Martina
Address: Prešovský samosprávny kraj, Námestie mieru 2, 080 01 Prešov
E-mail address: Martina.Slivkova@vucpo.sk
- 11.3 Changes in the above contact details must be communicated to the other party in written form. However, such changes do not require the amendment of this contract.

ARTICLE 12 - ANNEXES

The following documents shall be annexed to this Financing Agreement and form an integral part thereof:

Annex I: Technical Assistance Data Sheet

Annex II: Job Description

Annex III: Terms of Reference

Done in four original in English, one original to be handed to the institution hosting the Branch Office, three to the SZPO.

Place and date: Prešov, 4.7.2018

PaedDr. Milan Majerský, v.r.

President

Prešov Self-Governing Region

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Áron Szakács, v.r.

Head

Joint Technical Secretariat

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Zmluva bola zverejnená dňa: 14.9.2018

Zmluva nadobúda účinnosť dňa: 15.9.2018