



Umowa nr IXA/205/SR/17
Załącznik nr 1 do Umowy nr IXA/205/SR/17
Departament Zarządzania Inspektorat
Krajowego Inspektoratu Ochrony Środowiska
z dnia 8 MAR 2017 Bożena Gajdosińska

THE PARTNERSHIP AGREEMENT FOR INTEGRATED PROJECT

PROJECT NUMBER – LIFE14 IPE PL 021

**"Implementation of Air quality Plan for Małopolska Region – Małopolska in a healthy atmosphere"
co-financed from the European Union LIFE financial instrument under European Commission funds.**

entered into force on 2017

between:

Małopolska Region

having its registered office in Krakow at ul. Basztowa 22, 31-156 Kraków,
correspondence address: ul. Raclawicka 56, 30-017 Kraków,
e-mails:

NIP (tax identification number): 676-217-83-37,

REGON: 351554287,

represented by the Management Board of the Małopolska Region, represented by Tomasz Pietrusiak –
Deputy Director of the Department of the Environment, Marshal Office of the Małopolska Region,

hereinafter referred to as **"the Coordinating Beneficiary"**

and

Czech Republic – Ministry of the Environment of the Czech Republic

having its registered office in Prague at Vršovská 1442/65, 100 00 Praha 10, Czech Republic

Fax: +420 267 310 308

e-mail: info@mzp.cz, z

IN 00164801

Represented by Mgr. Richard Brabec, Minister of the Environment of the Czech Republic

hereinafter referred to as **"the Associated Beneficiary"**,

hereinafter referred to collectively as **"the beneficiaries"**.

The Parties enter into a Contract of the following contents:

Recitals:

Whereas:

- the Parties to the Contract are joined by a common purpose of improving the air quality in Małopolska Region,
- the Parties have established cooperation at the time of submitting the application for implementation of an integrated project, financed under the LIFE financial instrument and from other sources, concerning the support for implementation of the Air quality plan for Małopolska Region,
- on 16 December 2015 the Grant Agreement was entered into by the Coordinating Beneficiary, on behalf of and for the benefit of the Associated Beneficiary, with the European Commission for subsidizing the implementation of the project entitled "Implementation of Air quality plan for Małopolska Region – Małopolska in a Healthy Atmosphere", co-financed from the LIFE financial instrument under European Commission funds,

the Parties hereby adopt internal arrangements for the proper execution of the Project, based on a principle of partnership, as well as consistent with the provisions of the Grant Agreement, guidelines issued by the European Commission, or other competent entities, EU and Polish legal regulations.

§ 1

Definitions

Whenever in this contract a reference is made to:

- 1) the "Project" - it shall be understood as the project entitled "Implementation of Air quality plan for Małopolska Region – Małopolska in a Healthy Atmosphere", co-financed from the LIFE financial instrument under European Commission funds.
- 2) the "Beneficiaries" - it shall be understood jointly as the Coordinating Beneficiary and Associated Beneficiary. Each of them shall be individually known as a "Beneficiary" when no distinction is mentioned between the Coordinating Beneficiary and Associated Beneficiary.
- 3) the "Grant Agreement" - it shall be understood as the contract for subsidies for implementation of the Project, entered into with the European Commission on 16 December 2015 by the Coordinating Beneficiary on their own behalf and for their own benefit, as well as on behalf of and for the benefit of the Associated Beneficiary.

A Copy of the Grant Agreement constitutes **Appendix 1** to this Contract. Any and all annexes to the Grant Agreement shall constitute appendices to this Contract.

- 4) the "EU Subsidy" - it shall be understood as means provided by the Agency/Commission under the Grant Agreement and on the terms specified therein.
- 5) the "Agency/Commission" - it shall be understood as the Agency/Commission for SME's, operating on the basis of authorization of the European Commission, which on behalf of the EU, entered into a Contract for subsidies with the Małopolska Region.
- 6) "Eligible Costs" - it shall be understood as costs actually incurred by the beneficiary which meet criteria from the Grant Agreement.

§ 2

Object of this Contract

The object of this Contract shall be to determine the principles and procedures for cooperation between the Coordinating Beneficiary and Associated Beneficiary, with regards to implementation of the project entitled "Implementation of Air quality plan for Małopolska Region – Małopolska in a Healthy Atmosphere", co-financed from the LIFE financial instrument, under European Commission funds, and from other sources, including the definition of the principles of settling financial means by the Beneficiaries, and the division of substantive tasks.

§ 3

Effective term of the Contract and Project execution

1. The effective term of this Contract shall be valid from the date of its signing for a period of 5 years from the date of payment of the final balance, referred to in § 8 section 4.
2. The Project shall run from 01.10.2015 to 31.12.2023.

§4

Common Obligations of the Beneficiaries

Regardless of the provisions of other paragraphs herein, the Beneficiaries shall:

- 1) be jointly and severally responsible for carrying out the project in accordance with the terms and conditions of the Grant Agreement,
- 2) be responsible for complying with any legal obligations incumbent on them jointly or individually,
- 3) execute the project with all due diligence, in accordance with guidelines, recommendations and procedures stipulated under the Project, and in a manner that would ensure a proper and timely execution of the Project, as well as the achievement of the objectives and indicators (including maintaining tangible and environmental effects, and Project durability) assumed in the Grant agreement,
- 4) for accounting and financial matters:
 - a) maintain up to date books of account, in accordance with the usual accounting conventions imposed on them by law and existing regulations,
 - b) ensure that all invoices include a clear reference to the project – each invoice should contain a number (LIFE14 IPE PL 021) and acronym of the Project (LIFE-IP MALOPOLSKA),
 - c) Settle the incurred expenses according to the principles of subsidizing, in force for the Project,
- 5) take all necessary measures to prevent any situation where the impartial and objective implementation of the Project is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ("conflict of interests"). Beneficiaries should mutually inform the Coordinating Beneficiary, in writing without delay, of any and all situations which constitute or are likely to lead to a conflict of interest during the implementation of the Contract. Beneficiaries shall immediately take all the necessary steps to rectify this situation,
- 6) with regard to preserving confidentiality – comply with the requirements listed in Art. II.5. of the Grant Agreement (General Conditions).

Regarding the protection of personal data – comply with the requirements listed in Art. II.6. of the Grant Agreement (General Conditions).

- 7) Ensure the implementation of the requirements relating to visibility of the EU funding about EU, and the use of the LIFE programme logo in accordance with Art. II.7.1. of the Grant Agreement, the LIFE IP project logo for Malopolska and the Coordinating Beneficiary's logo.
The Beneficiaries shall erect and maintain notice boards describing the Project at the locations where it is implemented. Such locations should be at strategic places accessible and visible to the public. A uniform template of the boards shall be agreed upon with the Coordinating Beneficiary.
- 8) With regard to public procurement and subcontracting – comply with the requirements specified in Art. II.9. and Art. II.10. of the Grant Agreement. In particular, the Beneficiaries should comply with binding national regulations concerning public procurement.

Additionally, for public procurement that falls below the threshold specified in the national regulating procedures, the Beneficiary shall award the contract to the tender offering the best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they shall avoid any conflicts of interests. Tendering procedures shall comply with the principles of transparency and equal treatment of potential contractors. For all contracts, the beneficiaries must maintain a written record of the procedure used to ensure that these conditions are fulfilled in the tendering procedure.

Should the Beneficiary not be the Client to whom binding national regulations for granting public tenders shall apply, shall be obliged during order placement to apply principles of equal treatment, fair competition and transparency, as well as to enter into contracts in written form (unless a given activity necessitates a different form).

The Beneficiaries should ensure that every contract for awarding a public tender contains provisions stating that the Contractor shall not be granted any rights towards the Agency/Commission.

The Beneficiaries should ensure that no Beneficiary acts as a subcontractor or supplier for the other Beneficiary under the Project.

9) With regard to intangible and legal assets received under the Project:

a) Contracts with the Contractors

Should Project execution entail services considered intangible assets, the Beneficiary shall be obliged, in contracts with contractors, to ensure the rights thereto to be transferred to them, in all fields of exploitation necessary to the Beneficiary to make use of the results of these works.

The Beneficiary shall be obliged, in contracts with contractors, to ensure the transfer to them, of all industrial and intellectual property rights – and their elements – of works performed by contractors, hired by the Beneficiary to execute the Project, in all fields of exploitation necessary to the Beneficiary to make use of the results of these works. Additionally, the Beneficiary shall be obliged to ensure that the transferred rights shall not be, at the time of their transfer to the Beneficiary, encumbered with rights for the benefit of third parties, and that persons authorized under personal copyrights shall not exercise such rights in relation to the Beneficiary or their legal successors.

b) Mutual use of works between the Beneficiaries

Ensuring mutual authorization to use the effects of their common actions under the Project in the scope and for the benefit of the jointly implemented Project, applies in particular to the effects of the activities, in the form of intangible and legal assets, provided such use cannot constitute a source of profit, and only serve own needs and the joint implementation of the Project.

Granting to one another by the Beneficiaries of, unlimited in the scope of time and territory, the right to use the results of the Project shall include the following purposes:

- (a) use for own needs, and in particular, making available to persons working for each of the Beneficiaries, as well as institutions of member states, as well as copying and reproducing in whole or in part and in unlimited number of copies;
- (b) distribution to the public completely or partially, and in particular, publication in paper, hard copies and in electronic or digital format, publication on the internet, including on the EU website, as a downloadable or non-downloadable file, including photographs as illustration, broadcasting by any kind of technique of transmission including dubbed, if necessary, public display or presentation, communication through press

- information services, inclusion in widely accessible databases, indexes or publications;
- (c) translations;
- (d) storage in paper, electronic or other form;
- (e) archiving;
- (f) the right to authorise or sub-licence the models of exploitation set in points (b) and (c) to third parties.

Mutual assurance by the Beneficiaries of the rights to use any pre-existing industrial and intellectual property rights, which have been included in the results of the Project. Those pre-existing rights shall be used for the same purposes and under the same conditions applicable to the rights of use of the results of the Project. The Beneficiary authorizing another Beneficiary to use the Project results shall undertake not to terminate the license granted to them.

c) The use of works by the European Union

The beneficiaries shall warrant that the European Union has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of the Project on the terms indicated in letter b above.

- 10)** In the case of financial support of third parties - the use of requirements designated in Art. II.11. of the Grant Agreement.
- 11)** In the case of project suspension - attempts to resume its execution and making any and all efforts, to fulfil the conditions indicated in the notification of suspension as soon as possible.
- 12)** In the scope of obligations concerning document storage – fulfilling the requirements set forth in Art. II.27.2. of the Grant Agreement.

§ 5

Rights and Obligations of the Coordinating Beneficiary

Unless the provisions herein state otherwise, the rights and obligations of the Coordinating Beneficiary include:

A. General Rights and Obligations:

- 1) monitoring that the project is implemented in accordance with the Grant Agreement;
- 2) being the intermediary for all communications between the beneficiaries and the Agency/Commission, except where provided otherwise in the Grant Agreement;
- 3) being responsible before the Agency/Commission for a comprehensive coordination, management and implementation of the Project, including ensuring proper management of the subsidy means intended for Project execution;
- 4) monitoring whether the project is executed in accordance with the Grant Agreement;
- 5) acting as intermediary in communication between the Associated Beneficiary and the Agency/Commission, unless otherwise decided in the Grant Agreement, and in particular, the Coordinating Beneficiary shall:
 - a)** immediately provide the Agency/Commission with the information related to any change in the name, address, legal representative as well as in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries or of its affiliated entities, or to any event likely to affect or delay the implementation of the project, of which the Coordinating beneficiary is aware;
 - b)** bear responsibility for supplying all documents and information to the Agency/Commission which may be required under the Grant Agreement, except where provided otherwise in the Grant Agreement.
- 6) making the appropriate arrangements for providing any financial guarantees required under the Grant Agreement;

- 7) establishing the requests for payment in accordance with the Grant Agreement;
 - 8) bearing responsibility for providing all the necessary documents in the event of checks and audits, as well as for retaining copies of all supporting documents of all the associated beneficiaries for at least five years after the balance payment;
 - 9) immediately informing the Associated Beneficiary of any positions on the Project received from the Agency/Commission.
 - 10) The Coordinating Beneficiary shall not subcontract any part of its tasks described in points (1) to (10) above to the other beneficiaries or to any other party.
 - 11) Use of the existing website www.powietrze.malopolska.pl prepared in the Polish language, to communicate the activities of the Project, its progress and results. The website containing the tab regarding the Project shall be made available, regularly updated and available for a period of at least five years from the completion of Project execution.
- B. The detailed rights and responsibilities concerning Project execution, along with the schedule and cost estimation of tasks in individual stages, shall be specified in the Grant Agreement. A change of the detailed rights and obligations may be done, if both Parties agree, through entering into an annex of this Contract in writing.

§ 6

Rights and Obligations of the Associated Beneficiary

Unless the provisions herein state otherwise, the rights and obligations of the Associated Beneficiary include:

A. General Rights and Obligations

Associated beneficiary shall:

- 1) contribute financially to the Project, as suggested in the Grant Agreement. The Associated beneficiary will contribute 30 258 € to the Project. The estimated total cost of the Associated beneficiary's part in the implementation of the Project is 50 367 €.
- 2) be jointly and severally responsible for carrying out the project in accordance with the terms and conditions of the Grant Agreement;
- 3) inform the coordinating beneficiary immediately of any change likely to affect or delay the implementation of the Project of which the beneficiary is aware;
- 4) inform the coordinating beneficiary immediately of any change in its legal, financial, technical, organisational or ownership situation or of its affiliated entities and of any change in its name, address or legal representative or of its affiliated entities;
- 5) submit in due time to the coordinating beneficiary:
 - a) the data needed to draw up the reports, financial statements and other documents provided for in the Grant Agreement including confirmation of achieving tangible and environmental effects, and those confirming the durability of the Project,
 - b) all the necessary documents in the event of audits, checks or evaluation in accordance with Art. II.27 of the Grant Agreement
 - c) any other information to be provided to the Agency/Commission according to the Grant Agreement, except where the Grant Agreement requires that such information is submitted directly by the beneficiary to the Agency/Commission. The Deadline for submitting to the Coordinating Beneficiary the abovementioned documents or information, unless expressly resulting from the provisions of this Contract or the Grant Agreement, shall each time be indicated by the Coordinating Beneficiary after consulting the Associated Beneficiary, in such a way that the Associated Beneficiary is provided with a real deadline to prepare and transfer information, but at the same time considering the requirements imposed by the

Agency/Commission.

- 6) undertake any and all actions necessary for the full and timely execution of the part of the Project assigned thereto;
 - 7) undertake any and all necessary activities in order to enable the Coordinating Beneficiary to fulfil the obligations stipulated in the Grant Agreement;
 - 8) monitor systematically of the course of the Project execution, and immediately inform the Coordinating Beneficiary about any non-compliances, or the intention to cease Project execution;
 - 9) maintain up-to-date books of account for the execution of the Project in the part regarding the Associated Beneficiary. The Associated Beneficiary shall be obliged to keep for the needs of the Project, a separate accounting record for costs, expenses and revenues, or use as part of the existing accounting record IT system, a separate accounting code, which allows the identification of all transactions and individual bank operations related to the Project, and to ensure that business operations are recorded in accordance with the usual accounting conventions imposed on them by law and existing regulations;
 - 10) ensure that all invoices include a clear reference to the project. The identification of accounting documents under the Project should commence by placing on them at least a number (LIFE14 IPE PL 021) and an acronym of the Project (LIFE IP MALOPOLSKA);
 - 11) be responsible towards the Coordinating Beneficiary and third parties for damage and consequences thereof, caused by the Associated Beneficiary during the execution of tasks and obligations that have been entrusted to the Associated Beneficiary under the Project;
 - 12) bear full and exclusive responsibility for executing the obligations assigned to them;
 - 13) bear full and exclusive responsibility for operations of entities, which he used during the execution of their duties.
- B. The detailed rights and responsibilities concerning Project execution, along with the schedule and cost estimation of tasks in individual stages, shall be specified in the Grant Agreement. A change of the detailed rights and obligations may be done, if both Parties agree, through entering into an annex of the Grant Agreement in writing

§ 7

Powers of Attorney

The Associated Beneficiary granted the Coordinating Beneficiary the Power of Attorney to sign on their behalf on for their benefit, the Grant Agreement, as well as other documents relating to the Project.

§ 8

Payments and Budget

1. General conditions

- a) The Coordinating Beneficiary shall apply for payments under subsidies, and settle incurred expenses, by way of request for payments prepared in accordance with **Appendix no. 2** hereto.
- b) In the scope of EU subsidies – the Coordinating Beneficiary shall make an advance payment for the benefit of the Associated Beneficiary, as well as the payment of the final balance in a manner indicated in section 2 - 4 here in below.
- c) In the scope of EU subsidies - after receiving from the Agency/Commission pre-financing payments, the Coordinating Beneficiary, within 30 days after the receipt of funds, shall transfer to the Associated Beneficiary, the proper amount. In justified cases, or if the Parties has agreed otherwise, the date indicated in the first sentence can be extended.

2. Pre-Financing Payment for the Associated Beneficiary (EU subsidy)

After making the pre-financing payment by the Agency/Commission, in the amount corresponding to 20% of the EU financial contribution indicated in Art. 1.3 of the Grant Agreement, the Coordinating Beneficiary shall transfer to the Associated Beneficiary the amount corresponding to

20% of the Associated Beneficiary's contribution.

3. Interim Payments (EU subsidy)

- a) After making by the Agency/Commission an Interim payment, the Coordinating Beneficiary shall transfer an appropriate amount to the Associated Beneficiary. The amount of the interim payment will depend on the actual eligible expenses incurred by the Associated Beneficiary in the previous phase of the Project. The Associated Beneficiary should prepare an interim financial statement of their expenditures which encloses the following documents:
 - **an interim technical report** based on the execution of their activities within the Project, drawn up according to the Coordinating Beneficiary's instructions in line with Appendix V to the Grant Agreement. It should include information necessary to confirm the validity of reported eligible costs, as well as information on subcontracting, referred to in § 4 item 8,
 - **an interim financial report** prepared in accordance with the layout of the estimated budget presented in Appendix III and in line with the provisions of Appendix VI to the Grant Agreement, with the specification of amounts for a given period of the Project.
- b) The Associated Beneficiary should **submit the request for payment within 30 days from the date of completion of the previous stage of the Project.**

4. Payment of the Final Balance for the Associated Beneficiary (EU subsidy)

- a) Once the Coordinating Beneficiary has received the Final Balance Indicated in Art. 1.3 of the Contract with the Commission, the Coordinating Beneficiary shall transfer to the Associated Beneficiary the amount corresponding to the part of the Final Balance assigned thereto.
- b) The Associated Beneficiary shall submit to the Coordinating Beneficiary, within max. 30 days from Project completion mentioned in § 3 item 2, the request for payment of the balance.
- c) The Associated Beneficiary shall enclose to the request for payment of the balance, the following documents:
 - a final report on implementation of their actions in the project ("final technical report"), drawn up in accordance with the Coordinating Beneficiary's instructions in line with Appendix V to the Grant Agreement; the final technical report must contain the information needed to justify the eligible costs declared, as well as information on subcontracting as referred to in § 4 item 8;
 - a final financial statement ("final financial statement"), prepared in accordance with the layout of the estimated budget presented in Appendix III and in line with the provisions of Appendix VI to the Grant Agreement, and define amounts for the entire period of the Project.
- d) In the application for final payment, the Associated Beneficiary shall certify that the information provided in the request for payment of the balance is full, reliable and true. It shall also certify that the costs incurred can be considered eligible in accordance with the Grant Agreement and that the request for payment is substantiated by adequate supporting documents that can be presented in the context of the checks or audits. Moreover, it shall attest to the fact that all income was reported.

5. Other Provisions Concerning Reporting and Costs

- a) The Associated Beneficiary is obliged to submit to the Coordinating Beneficiary **until 31 October of every year** of Project execution - information about accumulated expenses incurred since 1 October 2015.
- b) The form and content of reports submitted by the Associated Beneficiary should fulfil the

reporting requirements set out in Article II.23. of the Grant Agreement.

- c) All reports shall be simultaneously forwarded, in both paper and electronic formats, to the addresses indicated in the contract recitals.
- d) If receipt of the subsidy resulted in profit generation for the Associated Beneficiary (i.e. it means surplus of receipts in relation to the eligible expenses of the project), the Associated Beneficiary should notify the Coordinating Beneficiary prior to them preparing the application for payment of the Final Balance.
- e) The Beneficiary shall be obliged to demonstrate as eligible the actual costs incurred under the Project. Eligible costs incurred under the Project must meet the requirements specified in the Grant Agreement (Art. II.19 and Art. II.20).

6. Record Keeping

- a) The Beneficiary must be able to provide adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records. In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements as well as with the amounts indicated in the supporting documents.
- b) Accounting documents related to Project implementation should be carried out and described as stipulated in Art. II.23. of the Grant Agreement.

7. Shifts/Own Contribution

- a) Each Beneficiary shall undertake to protect own funds or such provided by third entities to cover expenditures under the Project (own contribution). The financial contribution of the Beneficiary to the Project shall be consistent with the estimated budget foreseen in the Grant Agreement (Annex III of the Grant Agreement), which is included in Appendix no. 1 hereto.
- b) The Beneficiaries are allowed to adjust the estimated budget by transfers between the Beneficiaries in accordance with Art. II.22 of the Grant Agreement.
- c) Should the necessity arise to modify the value of contributions assigned to each Beneficiary, otherwise than in a manner specified above, then in order to allow the Coordinating Beneficiary to apply for changing the value of the contribution, the Beneficiary should inform the other Beneficiary about the need to make changes with regards to changing own contribution, providing the reasons for such a change.

8. Financial Liability

- 1. If by virtue of the Grant Agreement, the Beneficiary shall be obliged to return to the Agency/Commission funds, for reasons on part of the defaulting Beneficiary, it shall be entitled to demand a return of said amount, along with statutory interest on the terms indicated in the request for payment.
- 2. The provisions of section 1 shall apply respectively to any unfavourable financial effects incurred by one of the Beneficiaries, for reasons on part of the defaulting Beneficiary, or through the fault of the defaulting Beneficiary, including financial penalties or the need to increase own financial contribution to the Project as a result of failure to pay by the defaulting Beneficiary.

9. Other Technical Issues

- a) The Coordinating Beneficiary's bank account details: _____

- b) Bank account details of the Associated Beneficiary: Ministerstvo životního prostředí,

Vršovická 1442/65, Praha 10, 100 10

- c) Requests for payment and financial statements shall be drafted in euro.
- d) The Coordinating Beneficiary shall make payments to the Associated Beneficiary in EUR.
- e) The date of payment by the Coordinating Beneficiary shall be the date of debiting their bank account.

§ 9

Suspension of Payment

1. The Coordinating Beneficiary shall be invited to make any observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification from the Agency/Commission on the intended suspension of payment, shall immediately apply to the Associated Beneficiary to prepare their comments to information received from the Agency/Commission. The Associated Beneficiary should provide answers to the Coordinating Beneficiary within 14 days.
2. In order to resume payments, the beneficiaries shall endeavour to meet the notified conditions as soon as possible. In such a situation, the Coordinating Beneficiary shall set for the Associated Beneficiary a deadline for presenting the information on the progress made with regards the fulfilment of the conditions concerning resuming payments as fast as possible.

§ 10

Return of Funds

1. Should the Associated Beneficiary be found to expending all or a part of the funds paid, contrary to the intended use, without observance of binding procedures, or collecting the entirety or a part of the funds in an undue manner, or in an excessive amount, the incorrectly used funds shall be returned by the Associated Beneficiary, respectively, either in full or in part, along with interest accrued as for tax arrears from the date of funds transfer to the account of the Associated Beneficiary, within 14 days from the date of delivery of the order of returning the received funds for executing the above mentioned Project, to the bank account of the Coordinating Beneficiary.
2. If the Associated Beneficiary does not return the funds referred to in section 1, within the dates determined by the Coordinating Beneficiary, the Coordinating Beneficiary shall take actions to recover the due amount with the use of available remedies. The costs of activities aiming at the recovery of improperly used subsidy shall be borne by the Associated Beneficiary.
3. The Associated Beneficiary shall undertake to cover documented costs of debt recovery activities undertaken against them by the Coordinating Beneficiary, in particular the costs of legal assistance provided by attorneys and experts.

§ 11

Other terms of granting and use of aid

1. The Associated Beneficiary hereby states that in the case of the Project there is no overlapping of the aid granted from the EU funds.
2. The Associated Beneficiary hereby states that it is not subject to exclusion from receipt of funds from the European Union budget.

§ 12

Control and audit

1. The Associated Beneficiary shall be obliged to undergo control and audit with regard to the correctness of the Project implementation, performed by the Coordinating Beneficiary and other entities entitled to conduct thereof, in particular Agencies/Commissions.
2. The Associated Beneficiary shall be obliged to ensure the entities referred to in section 1 the right to inspect all documents, including documents in the electronic form related to implementation of the

Project throughout the whole storage period specified in §5 point 8) of this Contract also to facilitate for inspection the place of the Project implementation.

§ 13

Personnel

1. Parties of this Contract shall ensure participation of personnel with relevant qualifications in the implementation of the tasks resulting from the Project. Whenever a reference is made to personnel this shall be understood as persons performing the activities directly related to performance of the Project.
2. In case the need arises to change the composition of the personnel of the Project, the parties of this Contract shall be obliged to replace a member thereof with a person with the same or higher qualifications.
3. Should charges of committing a crime be initiated against a personnel member, the Beneficiary who became aware of the fact shall immediately notify in writing the other Beneficiary. In such a case the Beneficiary is obliged to replace the person with another person with consideration to section 2.

§ 14

Form of communication

1. Unless this Contract expressly provides the form of a document and the way of its delivery the Parties shall decide that all notices, demands and other correspondence conducted on the basis of the present contract shall be made in writing and delivered to the other Party:
 - a) in person or
 - b) sent by registered mail or courier with a confirmation of receipt or
 - c) sent by fax or
 - d) by e-mail-to a given address or, fax number or e-mail address of the other Party or to a different address, fax number or e-mail address, of which the Party shall notify the other Party. Electronic communications shall be confirmed by an original signed paper version of that communication if requested by any of the parties provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay. Such deliveries shall be effective regardless of any change in the address of the Party, of which the Party have not notified. Formal notifications shall be made by registered mail with return receipt or equivalent, or by equivalent electronic means.
2. Addresses for correspondence of the parties are specified in the presentation of the parties to this contract.
3. Notices made in a manner specified section 1 of this paragraph deemed to have been made when it is received by the receiving party and in the case of notices sent by e-mail, deliveries shall be deemed to be effective upon receipt by the server of the recipient. Simultaneously, the Parties shall agree that in the case of failure to receive a correctly addressed, once notified, parcel by the Party the delivery will be deemed effective.
4. The Parties shall agree that statements/notices concerning the Contract termination shall be submitted solely in a written form, under pain of invalidity.
5. In the event of other Party changing address, fax number or e-mail address, the Party shall notify the other Party thereof. Such noticed shall take place at the latest on the day preceding such a change. In the case of failure to notify of such a change – sending correspondence to the present address shall be deemed as effective.

§ 15

Coordination and management of the project

The parties appoint the following persons for cooperation coordination within the scope stipulated in this contract:

1. on behalf of the Coordinating Beneficiary - Mr. Piotr Łyczko, LIFE project manager;
2. on behalf of Associated Beneficiary – Mrs. Vendula Breburdova, Air quality department, Ministry of the Environment of the Czech Republic, _____ or the deputy.

§ 16

Changes in the Contract, the Grant Agreement and In the Project

1. Any changes in the Contract shall be made in writing under pain of invalidity.
2. Changes shall become effective on the day as agreed by the parties or, in the case of no such agreement, on the day when a given change shall enter into force.
3. In the case of change of the Grant Agreement – an annex shall be enclosed to this Contract as a separate Appendix.
4. Any requests for making a change in the Grant Agreement and in this Contract should be properly justified and sent to the other party in an appropriate time prior to the date in which a given change would come into effect, and in each case one month prior to the end of the period of implementation of the Project.
5. The Beneficiary shall report to the other party in writing all proposed changes concerning implementation of the Project prior to their introduction and **not later than 30 days** before the planned completion of the Project implementation.
6. In the event of occurrence of circumstances being beyond the control of the Beneficiary causing the necessity for introduction of changes to the Project, the Parties shall agree in writing on the scope of changes which are necessary for ensuring proper implementation of the Project.
7. Any changes in the content of this Contract and in the Project may not cause changes in the Project implementation indicators or affect preservation of the purpose of the Project and maintenance of its execution.

§ 17

Termination of this Contract

1. The Coordinating Beneficiary may terminate this Contract with one-month notice of termination, if the Associated Beneficiary:
 - a) ceased to implement the Project or implements it in a way inconsistent with this Contract,
 - b) uses the funds from the subsidy contrary to this Contract,
 - c) has refused to undergo control and audit of authorized institutions,
 - d) has not submitted, despite a written call by the Coordinating Beneficiary, an application for payment for the Project,
 - e) during expending of the funds, has violated the provisions of this Contract.
2. Coordinating Beneficiary may terminate this Contract without notice, if:
 - a) the Associated Beneficiary used the provided funds in full or in part for a purpose different than the one specified in the Project or contrary to this Contract,
 - b) the Associated Beneficiary implements the Project, or its part, contrary to regulations of domestic and the EU law,
 - c) the Associated Beneficiary submits counterfeited, altered or untrue documents in order to gain the subsidy under this Contract.
3. In the event of termination of this Contract for reasons referred to in section 1 and 2, the Associated Beneficiary shall be obliged to return the received funds of the subsidy, along with the interest, within 14 days from the date of delivery of the funds recovery order to the bank account of the Coordinating Beneficiary as indicated in a separate call.
4. This Contract may be terminated by mutual agreement of the parties in particular as a result of occurrence of circumstances which make it impossible to further perform the duties contained herein, in particular the occurrence of force majeure mentioned in the Grant Agreement (Article II.14.). Associated Beneficiary shall be obliged to return the received funds of the subsidy for Project activities that has not been executed, within 14 days from the receipt of the funds recovery order to

the bank account of the Coordinating Beneficiary as indicated in the order. However, executed Project activities shall be properly reimbursed, as indicated in the Article II.16.4 of the Grant Agreement.

5. In the events set forth in sections 1 and 2 before informing the Agency/ Commission about Contract termination with Associated Beneficiary, Coordinating Beneficiary shall indicate justification of termination of this Contract to the Associated Beneficiary as well as the time limit within which completion of participation shall become effective. At the same time, they shall inform the Associated Beneficiary about the term, not shorter than 7 days to take a stance on the Contract termination, as well as for proposal of determining the entity which could assume rights and obligations thereof.

§ 18

Agreement on suspension of the Project

1. The Coordinating Beneficiary, on behalf of the beneficiaries, may suspend the implementation of the Project or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of force majeure. The Coordinating Beneficiary shall inform the Agency/Commission without delay, giving all the necessary reasons and details and the foreseeable date of resumption.
2. If, in the opinion of the Associated Beneficiary the suspension of implementation of the project or any of its parts should take place forthwith for the reasons indicated in section 1, they shall immediately inform the Coordinating Beneficiary about the following:
 - a) all necessary causes and detailed data justifying the suspension of the Project,
 - b) the expected date of resuming of implementation.
3. If, in the opinion of the Coordinating Beneficiary, the suspension of implementation of the project or any of its parts should take place forthwith for the reasons indicated in section 1, then before informing the Agency/ Commission they shall immediately inform the Associated Beneficiary about:
 - a) all necessary causes and detailed data justifying the suspension of the Project,
 - b) the expected date of resuming of implementation.

At the same time, they shall inform the Associated Beneficiary about the term for taking the stance on the issue of validity of applying to the Agency/of the Commission for suspension of the Project or its part.

§ 19

Suspension of the Project on the initiative of the Agency/ Commission

1. Before suspending the implementation the Agency/Commission shall formally notify the Coordinating Beneficiary of its intention to suspend, specifying the reasons thereof. The Coordinating Beneficiary shall call on to Associated Beneficiary to present their comments within 14 days.
2. If the implementation of the Project can be resumed and the Grant Agreement has not been terminated, but changed to determine the resuming date of the Project implementation, extension of duration of the Project as well as performing any other modifications which may prove necessary to adjust the Project to the new conditions of its implementation, then the Beneficiaries shall make the necessary changes in this Contract, if necessary.

§ 20

Termination of the Grant Agreement on the initiative of the Beneficiaries

1. If, in the opinion of the Coordinating Beneficiary termination of the Grant Agreement should take place, then before informing the Agency/ Commission they shall immediately inform the Associated Beneficiary about all the necessary causes and detailed data justifying thereof and the proposed date of termination of the Grant Agreement. At the same time, they shall inform the Associated Beneficiary about the term for taking the stance on the issue of validity of applying to the Agency/ Commission for termination of the Grant Agreement.

2. The above provisions shall apply, respectively, in the case of Initiative of changes in the Grant Agreement.

§ 21

Termination of the Grant Agreement or termination of participation of one or more beneficiaries upon the initiative of the Agency/ Commission.

1. If prior the intended termination of the Contract or the end of participation of one or more Beneficiaries, the Agency/ Commission formally notifies the Coordinating Beneficiary of the intention and the reasons for termination of the Grant Agreement or completion of participation of one of the Beneficiaries, the Coordinating Beneficiary shall call on to the Associated Beneficiary to present, within 21 calendar days following the receipt of notification from the Agency/ Commission, remarks and measures undertook to ensure that the Beneficiaries continue to fulfil their obligations under the Grant Agreement.
2. Where the participation of an Associated Beneficiary is terminated, the Associated Beneficiary concerned shall submit to the Coordinating Beneficiary a technical report and, a financial statement covering the period from the beginning of in the period of project implementation to the date on which the termination takes effect. The technical report and the financial statement shall be submitted within 14 days from the date of completion of the participation. Only those costs incurred by the Associated Beneficiary concerned up to the date when termination of its participation takes effect shall be reimbursed or covered by the Coordinating Beneficiary. Costs relating to current commitments, which were not due for execution until after the termination, shall not be taken into account. The request for payment for the Associated Beneficiary shall be included in the final payment request by the Coordinating Beneficiary.

§ 22

Claims of the Agency/ Commission

If, in connection with the occurrence of the circumstances indicated in the Grant Agreement, the Agency/ Commission decreases the amount of subsidy or decides to recover the unduly paid amounts enabling the Coordinating Beneficiary to present remarks, then the Coordinating Beneficiary shall immediately call for opinion to the Associated Beneficiary, should the reduction in subsidies or return of funds be connected with activities of the Associated Beneficiary, and the Commission/Agency have not called for explanations thereto.

§ 23

The procedure in contradictory matters

1. The Parties shall make any effort possible to solve any disputes that may arise as a result of the implementation of this Contract by negotiations.
2. In the event of being unable to resolve the dispute following the procedure outlined in section 1, the Parties shall agree that the dispute shall be settled according to the Polish law by the Court competent for the registered office of the Coordinating Beneficiary.
3. The Parties shall decide that should any of the provisions of this Contract be proved invalid or burdened with another legal defect, it shall not have effect on the remaining provisions of this Contract, unless the absence of the invalid defective provisions would significantly affect the implementation of the Project.

§ 24

Application of the regulations

1. Associated Beneficiary hereby states that it is familiar with the content of the Grant Agreement.
2. The Parties agree that the provisions of the Grant Agreement shall have priority before any contract concluded between Coordinating Beneficiary and Associated Beneficiary, that may affect the execution of the Grant Agreement, including this Contract.

3. In any cases not regulated in this Contract the following shall apply:
- a) respective legal regulations of the EU, in particular the Regulation of the European Parliament and the European Council no. 1293/2013 dated 11 December 2013 on establishing environment and climate action programme (LIFE) and repealing the Regulation EC no. 614/2007,
 - b) respective provisions resulting from the Grant Agreement or the Contract with WFOŚiGW in Krakow, which is relevant for the Coordination Beneficiary only.
 - c) relevant acts of the Polish law, in particular the Polish Civil Code, the Act on public finance, the Act on Accounting, the Act - Public Procurement Law.
4. In the event of loss of binding force by the Guidelines of the Agency/ Commission or by other legal acts referred to in this Contract, the legal provisions automatically binding in this scope or documents issued by Agencies/Commissions shall apply, without the need to introduce an Annex to this Contract, unless these documents or the Grant Agreement state otherwise.

§ 25

Counter-parts

This contract has been drawn up in English and Polish, in each of them in two identical counter-parts, one for each party. In the event of doubts of either party the English version shall be considered binding.

§ 26

Appendices

The following appendices constitute an integral part of this Contract:

- a) The Grant Agreement (Appendix 1)
- b) Template of request for payment (Appendix no. 2)

§ 27

Effective date

This Contract shall come into force upon signing it by the last of the parties

Signatures:

.....
Coordinating Beneficiary

✓ _____
.....
Associated Beneficiary
