

Eastern Partnership Territorial Cooperation

PARTNERSHIP AGREEMENT

This Partnership Agreement is drawn up within the framework of the Action 29/P1/1.3, Social rehabilitation of people with disabilities by creating conditions and training specialists for canisterapy in cross-border region, under the Eastern Partnership Territorial Cooperation Programmes, Cross Border Cooperation Programme Belarus-Ukraine funded by the EU and managed by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Municipal enterprise «Laska»,

municipality,

registration number: 38474631,

official address: Mamsurova street, 9, Lutsk, Ukraine, 43000

Represented by Director Novarchuk Dana,

hereinafter referred to as "Lead Partner"

and

Public Association "Brest Union of Entrepreneurs" Sodeystvie"

Non-government organization,

Registration number: 200698496,

Official address: Brest, Soviet street No 46, room. 104, Republik Belarus 224030

Represented by Chairperson Mazalov Vladimir,

hereinafter referred to as "Partner"

agree the following

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ARTICLE 1 – General Conditions

1.1 The Beneficiary and the co-beneficiary undertake to carry out the Action as set out in this agreement. This agreement is subject to the conditions of the programme "Supporting Eastern Partnership Territorial Cooperation Programmes, Cross Border Cooperation Programme Belarus - Ukraine".

1.2 This agreement governs relations between the Beneficiary and co-beneficiary as well as their respective rights and obligations with regard to their participation in the programme.

1.3 The scope of this Agreement and the application form relating to it are set out in detail in Annex 1 which along with the Appendices to this Agreement form an integral part of this contract and which each party declares to have read and approved.

1.4 If contradictions are observed between this document and the Annexes to this Agreement, the text of this Agreement shall prevail.

1.5 Wherever mentioned in this Agreement, the "Contracting Authority (CA)" or "Managing Authority (MA)" refers to Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

ARTICLE 2 – Duration of the Agreement:

2.1 This Agreement shall enter into force on the date, on which it is signed by the latter of all parties.

2.2 Implementation period of the Action shall start on the date as stipulated in the Special Conditions with the Contracting Authority. The Beneficiary shall inform the other parties about the implementation start date, no later than 5 days the Special Conditions is signed.

2.3 This Agreement shall by default be terminated in case the Beneficiary does not sign the Grant Contract with the Contracting Authority.

2.4 The implementation period of the Action covers a period of 12 months.

ARTICLE 3 – Roles and Responsibilities:

3.1 As "Coordinator" of the Action and signatory of the Grant Contract Municipality enterprise "Laska" shall be acting as the Beneficiary and shall:

a) be responsible for overall coordination, management, implementation of the Action in accordance with the details set out in Partnership Agreement, within the time schedule and in compliance with all obligations to the Contracting Authority;

b) act as an intermediary between co-beneficiary and the Contracting Authority. Supply the CA with verified and consolidated information and/or documentation obtained from the Partner as well as with any other requested information/documentation;

c) inform the Contracting Authority and the Partner of any event affecting the implementation of the Action within the timeframe given in the Grant Contract;

d) inform the Contracting Authority of any change in the legal, financial, technical, organisational or ownership situation of any of the co-beneficiary, as well as, of any change in the name, address or legal representative of the co-beneficiary;

e) have full financial responsibility for ensuring the Action is being implemented in accordance with the Grant Agreement, be sole requestor and recipient of payments from the Contracting Authority on behalf of the co-beneficiary and be responsible for distributing these funds among beneficiaries.

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f) make appropriate arrangements for providing a financial guarantee if so requested by the Contracting Authority

3.2 As a co-beneficiary Public Association "Brest Union of Entrepreneurs" Promotion", shall:

a) be responsible for implementing specific project activities in the manner and scope as indicated in the application form (Annex I) within the indicated timeframe and budget (Annex III);

b) submit reports within the deadlines set out under this Partnership Agreement;

c) provide the Beneficiary with any additional information and/or documentation on demand basis within 5 days after the request is received;

d) notify the Beneficiary of any factors that may affect the implementation of the project within the given timeframe under Annex I to this Partnership Agreement;

e) inform the Beneficiary of any change in the legal, financial, technical, organisational or ownership situation as well as, of any change in the name, address or legal representative.

3.3 Any changes or modifications to these roles and responsibilities must be agreed by all parties to this agreement.

ARTICLE 4 – Financing and Payment Arrangements:

4.1 The total eligible cost of the action is estimated at 151,410.00 EURO

4.2 The Beneficiary undertakes to finance a maximum amount of 9,392.00 EURO, equivalent to 10% of the estimated total eligible cost of the Action, specified in paragraph 4.1 of this article

4.3 The Co-beneficiary undertakes to co-finance the implementation of the Action with 5,749.00 EURO, equivalent to 10% of the estimated total eligible cost of the Action, specified in paragraph 4.1 of this article

4.4 The Beneficiary will transfer the funds to the co-beneficiary within 15 days after the receipt of pre-finance funds from the Contracting Authority. Pre-finance amounts shall be transferred on the separately opened following bank account

Bank Name: CLOSED JOINT-STOCK COMPANY "ALFA-BANK"

Bank Address: 43-47 Surganova Str., 220013 Minsk, Republic of Belarus

Bank Account Number: BY25 ALFA 3015 2232 9800 1027 0000 (978 euro)

SWIFT code: ALFABY2X

Name on Account: Current (settlement) account

4.5 Pre-finance amounts will be in proportion to the funds received from the Contracting Authority by the Beneficiary and in total cannot exceed the 90% of the amount as defined under clause 4.2 of this article. Final payment not exceeding 10% as defined shall be received within 15 days after the final payment is received from the Contracting Authority.

4.6 The co-beneficiary shall confirm a receipt of funds within 7 days after it has been received on the bank account

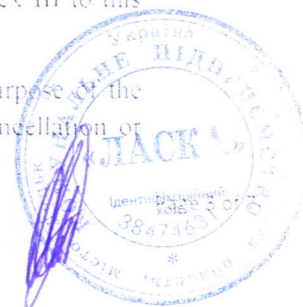
4.7 In order to receive the pre-finance amounts, whenever requested, the co-beneficiary shall provide the Beneficiary with forecast budget & follow-up according to the template provided by the Beneficiary

ARTICLE 5 – Budget and Eligibility of Costs:

5.1 The co-beneficiary shall abide to the detailed provisions set out in budget, the Annex III to this Partnership Agreement

5.2 As a general rule where the amendment to the Budget does not affect the basic purpose of the Action, a transfer between items within the same main budget headings excluding cancellation or

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introduction of an item involving a variation of 25% or less and a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned budget line or heading for eligible costs, the Partner may amend the budget and inform the Lead Partner accordingly, in writing and at the latest in the next report.

Such transfers cannot be applied to indirect costs.

5.3 Any further modifications above those mentioned in clause 5.2 of this article shall be proactively communicated and approved by the Lead Partner.

5.4 Eligible Costs are defined under Article 14 of the General Conditions, Annex II attached to this Partnership Agreement with the following derogations as listed below.

a) Article 14.1 a) (iv): procedures to award contracts, as referred to in Article 10 may not be initiated and contracts may not be concluded by the Beneficiary(ies) before the start of the implementation period of the Action.

b) Article 14.2 b): travel and subsistence costs for staff and other persons taking part in the Action provided they do not exceed those normally borne by the Beneficiary(ies) according to its national rules and regulations, or the rates provided by EU.

5.5 The following costs shall be considered as ineligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a union (including through EDF) grant;
- purchases of land or buildings¹;
- currency exchange losses;
- credit to third parties;
- taxes, duties and charges, including VAT;
- contributions in kind;
- costs for actions implemented before the start or after the expiry of implementation period as stipulated in the grant contract except for costs relating to final reports, including expenditure verification and final evaluation of the Action, which may incur after the implementation period of the Action;
- Salary costs of the personnel of national administration;²
- Project preparation costs.

ARTICLE 6 – Reporting and Financial Control:

6.1 The Partner shall provide the Lead Partner with the following reports by the following deadlines:

¹ Costs for project development and estimate documentation are considered as ineligible costs.

² The salaries of civil servants from local administration are considered as eligible cost in case they relate to the cost of activities which the relevant public authority would not carry out if the Action were not undertaken. However the salaries cannot be financed from the EU contribution. They can be considered only as financing contribution.

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- Interim narrative and financial reports 20 days after the reporting period has elapsed;
- Final financial reports 30 days after the reporting period has elapsed;
- If the last quarterly report did not cover the last month(s) of the calendar year, the Partner shall provide the report for the outstanding month(s), covering the period up to the 31st of December. If applicable, this report shall be provided within 20 days after the reporting period has elapsed.

6.2 Reports shall be drafted in English and supporting documents be provided in as photocopy certified "According to the original", signed by the Beneficiary, in the national language and in English translation

6.3 Financial reports shall be provided in both currencies, Euros and the local currency, however all local currency expenditure shall be converted into Euros within the report template provided by the Beneficiary

Any conversion into Euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro for the months of the respective interim reporting period

6.4 In the event of audits/checks a partner shall make itself available and if requested provide all the original documentation and clarifications as well as give the Contracting or the Auditing Authorities access to the accounting books, supporting documents and other documentation related to the Action

6.6 The project partner shall keep all records, accounting and supporting documents related to this Contract for the time period as defined under General Conditions the Annex II, clause 16.7.

ARTICLE 7 – Recovery:

7.1 If any amount is unduly paid to the co-beneficiary, or if recovery is justified under the terms of this Contract, the co-beneficiary undertakes to repay the Beneficiary these amounts.

7.2 Payments made do not preclude the possibility for the Contracting Authority to issue a recovery order following an expenditure verification report, an audit or further verification of the payment request, therefore if verification reveals that expenditures are not compliant with the conditions established in the Grant Contract or EU regulations, undue payments shall be recovered

7.3 The co-beneficiary undertakes to repay any amounts paid in excess of the final amount due to the Beneficiary within 20 days of the issuing of the debit note, the latter being the letter by which the Beneficiary requests the amount owed by the co-beneficiary.

ARTICLE 8 – Visibility:

8.1 The Beneficiary/co-beneficiary shall take all necessary steps to comply with the EU visibility requirements and further publicise the fact that the European Union has financed or co-financed the Action. Such measures shall comply with the Article 6 as laid down under Annex II – General Conditions and the Communication and Visibility Manual for European Union External Actions laid down and published by the European Commission at

http://ec.europa.eu/europeaid/work_visibility_documents/communication_and_visibility_manual_en.pdf

ARTICLE 9 – Amendment, Extension, Suspension or Termination of Agreement:

9.1 This Agreement may be amended only by written agreement of the parties and based on prior approval of the Contracting Authority. The Partnership Agreement may be amended only during the execution period

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9.2 If an amendment is requested by the co-beneficiary, the co-beneficiary shall submit a duly justified request to the Beneficiary. The maximum amount of the Grant may not be increased under any circumstances.

9.3 The Partner shall inform the Beneficiary of any circumstances likely to hamper or delay the implementation of the Action. The co-beneficiary may request an extension of the Action's implementation period only during the execution period. The request shall be accompanied by all the supporting evidence needed for its appraisal. Action may be extended, after obtaining the approval of the Contracting Authority and JDMC.

9.4 The co-beneficiary may suspend the implementation of the Action, or any part thereof, if exceptional circumstances, notably of force majeure, make the implementation excessively difficult or dangerous. The co-beneficiary shall inform the Beneficiary without delay, so that it can communicate with the Contracting Authority. The co-beneficiary shall clearly state the nature, probable duration and foreseeable effects of the suspension.

9.5 The co-beneficiary shall minimise the time of its suspension and shall resume implementation once circumstances are no longer feasible.

9.6 The Beneficiary may request the co-beneficiary to suspend implementation of the Action or any of its parts, if exceptional circumstances, notably of force majeure, make implementation extremely difficult or dangerous.

9.7 The implementation period of the Action may be extended by a period equivalent to the length of suspension, after obtaining the approval of the Contracting Authority.

9.8 This Partnership Agreement may only be terminated if prior approval is obtained from the Contracting Authority.

9.9 This Partnership Agreement shall automatically be deemed terminated, when the Contracting Authority decides to terminate the Grant Contract.

ARTICLE 10 – Other Provisions:

10.1 At no circumstances may the Partner provide financial support to third parties under this Partnership Agreement.

10.2 The no-profit rule shall not apply to this Partnership Agreement only if actions generate an income in order to ensure their continuity beyond the end of this Agreement.

10.3 Any official communication relating to this contract must be in English and in writing.

Contact details of the parties for correspondence under this contract are as follows:

For the Beneficiary:

Contact person: Dana Novarchuk

Address: Mamsurova street, 9, Lutsk, Ukraine, 43000

Email address: dana_part@ukr.net, tonya160383@gmail.com

Telephone no: +38(099) 46 19 630, +38(050) 5709795

For the Co-beneficiary:

Contact person: Mazalov Vladimir

Address: Brest, Soviet street No 46, room. 104, Republik Belarus 224030

Email address: sodey@yandex.ru

Telephone no: +375298080807

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Done in English in 3 originals, two originals being for the Managing Authority, one for the Beneficiary and one for the co-beneficiary (to be multiplied according to the number of the co-beneficiaries)

For the Co-beneficiary

Name: Public Association "Brest Union of
Entrepreneurs" Sodeystvie "

Title Chairperson *[Signature]*

Signature *[Signature]*

Date *[Signature]*

For the Beneficiary

Name: Municipal enterprise "Laska"

Title Director *[Signature]*

Signature *[Signature]*

Date *[Signature]*

Appendices:

Annex I - Application form

Annex II - General Conditions

Annex III - Budget

Annex IV - Contract award procedures

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