

Dated

29/02/2016

GRANT AGREEMENT

for the implementation of the project

10_PA04-C2, CleanRiver - creation of feasibility study for improvement of wastewater treatment facilities in Ukraine, CleanRiver

in relation to the

**"START - Danube Region Project Fund "
of the European Union Strategy for the Danube Region**

by and between

**EuroVienna – EU-consulting & -management GmbH
(as Funder)**

and

**NGO Transcarpathian Agency for Investment, Innovation and Development /
Благодійна організація «Закарпатське агентство з інвестицій, інновацій та розвитку»
(as Lead Partner)**



[Handwritten signature]



TABLE OF CONTENTS

1 DEFINITIONS..... 4

2 PURPOSE OF THE GRANT 5

3 PAYMENT OF GRANT 5

4 USE OF GRANT 6

5 MONITORING, REPORTING, AUDITS AND EVALUATIONS..... 7

6 COMMUNICATION AND VISIBILITY 8

7 WARRANTIES 9

8 WITHHOLDING, SUSPENDING AND REPAYMENT OF GRANT10

9 MISCELLANEOUS PROVISIONS.....11

10 GOVERNING LAW12

11 ENFORCEMENT.....13

SCHEDULE 1 - PROJECT DESCRIPTION15

SCHEDULE 2 - PROJECT BUDGET PLAN15

SCHEDULE 3 – ELIGIBILITY RULES AND DECLARATION OF EXPENSES15

SCHEDULE 4 - TEMPLATE CONTENT REPORT15



A handwritten signature in blue ink, appearing to be the initials 'fy', located in the bottom right corner of the page.

This grant agreement (the "**Agreement**") is made between

- (1) EuroVienna – EU-consulting & -management GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*), with its corporate seat in Vienna and its business address at Kaiserstraße 113-115/8, 1070 Vienna, Austria, registered with the commercial register of the Commercial Court Vienna (*Handelsgericht Wien*) under the registration number FN 295503p acting, in its capacity as affiliated entity to the City of Vienna and implementing body in regard to the START Danube Region Project Fund (as hereinafter defined) (the "**Funder**"); and
- (2) NGO Transcarpathian Agency for Investment, Innovation and Development / Благодійна організація «Закарпатське агентство з інвестицій, інновацій та розвитку», with its corporate seat in Uzhgorod, Ukraine and its business address at Narodna sq. 4/ 571, 88000 Uzhgorod, Ukraine, registered with Unified State Register of Legal Entities, under the registration number 36600514 (the "**Lead Partner**").

The Funder and the Lead Partner are collectively referred to as the "**Parties**" or individually as a "**Party**".

Preamble

- (A) For facilitating the implementation of the EU Strategy for the Danube Region (the "**EUSDR**"), a grant has been awarded by the European Union and the City of Vienna to provide small scale financial support to eligible projects (the "**START Danube Region Project Fund**"). The fund is coordinated by the Funder, acting as the implementing body of the City of Vienna and the City of Vienna, acting as the Priority Area Coordinator 10 of the EUSDR.
- (B) In this regard, the Funder has agreed to pay a grant from the funds of the START Danube Region Project Fund to the Lead Partner to assist it in carrying out the Project (as hereinafter defined).
- (C) This Agreement sets out the terms and conditions on which the Grant (as hereinafter defined) is made by the Funder to the Lead Partner to ensure that the Grant is used for the purpose for which it is awarded.

Now, therefore, the Parties agree as follows:



1 Definitions

In this Agreement the terms defined at the beginning of this Agreement shall have the meanings set out above. In addition, the following terms shall have the following meanings:

(A) Key Definitions

"Total Project Budget":	EUR 21.675,60.
"START Contribution Amount":	EUR 19.500,00.
"Maximum START Participation":	89,96% % (in relation to the Total Project Budget).
"Commencement Date":	1 st February 2016.
"Midterm Date":	30 th April 2016.
"Midterm Report Due Date":	15 th Mai 2016.
"Final Report Due Date":	means 30 days after the completion of the Project.
"Project Completion Deadline":	31 st July 2016.

(B) Other Definitions

"**Auditing Body**" means (i) any responsible auditing body, acting within their responsibilities, of the European Union or an EU Member State, (ii) any other national auditing body or (iii) any other external auditor designated by the Funder to conduct an audit in respect of the Project.

"**Eligible Expenses**" means any expenses incurred in regard to the Project during the Grant Period and the preparation of the Final Report that (i) are in line with and within the range of the budget plan pursuant to Schedule 2 (*Project Budget Plan*) and (ii) have been incurred and declared in accordance with the guidelines for eligible costs pursuant to Schedule 3 (*Eligibility Rules and Declaration of Expenses*) and (iii) have been qualified in writing as eligible expenses by the Funder (acting at its sole discretion).

"**Grant**" means any amount paid by the Funder to the Lead Partner from the funds of the START Danube Region Project Fund.

"**Grant Period**" means the term beginning on the Commencement Date until the earlier of (i) the completion of the Project or (ii) the Project Completion Deadline.

"**Online Reporting Tool**" means https://db.argedata.at/start_abrg_index.php?isw=2.

"**Project**" means the project specified in Sections 3 (*Summary and main objectives of the START project*), 4 (*Project activities*) and 5 (*Expected results of the START project activities*) of Schedule 1 (*Project description*).

"**Project Partner**" means any person in relation to the Project designated as project partner (i) in Schedule 1 (*Project description*) or (ii) by the Lead Partner with the prior written consent of the Funder.

"**Project Partner Contributions**" means the commitments made available by the Lead Partner and the Project Partners in relation to the Project.

"**Third Party Contributions**" means the commitments (if any) made available by any person other than the Lead Partner and the Project Partners in relation to the Project.

2 Purpose of the Grant

- 2.1 The Lead Partner shall use the Grant only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.
- 2.2 The Lead Partner shall not make any significant change to the Project without the Funder's prior written consent.
- 2.3 Where the Lead Partner or any of the Project Partners intends, unless prohibited under this Agreement, to apply for Third Party Contributions, it will notify the Funder in advance of its intention to do so and, where such funding is obtained, it will provide the Funder promptly with details of the amount and purpose of that funding.
- 2.4 The Lead Partner confirms and warrants that the Project will not be funded by any EU support other than the Grant and that the Project cannot be better supported by EU funds and facilities other than the START Danube Region Project Fund, including the EU's cohesion and structural funds. The Lead Partner further confirms that neither it nor any of the Project Partners shall apply for duplicate funding in respect of any part of the Project or any related costs that the Funder is funding in full under this Agreement.

3 Payment of Grant

- 3.1 Subject to clause 8, the Funder shall pay the Grant to the Lead Partner in up to two pre-financing payments and one final payment in accordance with this clause 3.
- 3.2 The first pre-financing payment will be made after the date of this Agreement in the amount of 50% of the START Contribution Amount.
- 3.3 The second pre-financing payment, if so requested by the Lead Partner via the Online Reporting Tool, may, at the sole discretion of the Funder, be made after the Midterm Report Due Date in the amount of 25% of the START Contribution Amount provided that:
 - (i) the Funder has received the Midterm Report satisfactory to it; and
 - (ii) the Lead Partner has declared expenses in accordance with item (ii) of clause 5.2 in the amount of more than 30% of the Total Project Budget.
- 3.4 The final payment will be made after the Final Report Due Date in the amount of the Maximum Grant Amount minus any amounts already paid by the Funder as pre-financing payments in accordance with clauses 3.2 and 3.3 above (the "**Balance Amount**") and provided that the Funder has received the Final

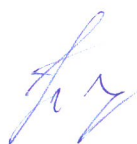


Report and any other evidence or information required, in each case satisfactory to it.

- 3.5 The "**Maximum Grant Amount**" shall be the smaller amount of:
- (i) the total expenses declared in accordance with item (iii) of clause 5.2 that qualify as Eligible Expenses in the amount of the START Contribution Amount;
 - (ii) the amount of the total expenses declared in accordance with item (iii) of clause 5.2 that qualify as Eligible Expenses multiplied by the Maximum START Participation; or
 - (iii) the amount of the total expenses declared in accordance with item (iii) of clause 5.2 that qualify as Eligible Expenses minus any Third Party Contributions (if applicable) and minus any profit made in the course of implementing and completing the Project (if applicable).
- 3.6 No Grant shall be paid unless and until the Funder is satisfied that such payment will be used for Eligible Expenses in the delivery of the Project.
- 3.7 The Lead Partner acknowledges that the Grant shall in no event exceed the Maximum Grant Amount nor the Maximum START Participation in relation to the Total Project Budget even if the successful completion of the Project caused overspending of the Total Project Budget and the additional expenses incurred would otherwise qualify as Eligible Expenses.
- 3.8 The Grant will be disbursed in Euro (EUR, €). Any exchange rate risk or any other risk, including taxes or duties, in relation to the Project shall be borne by the Lead Partner and any such costs shall not be reimbursed by the Funder.
- 3.9 Any payment in accordance with this clause 3 will be disbursed exclusively to the bank account of the Lead Partner specified in Schedule 1 (*Project description*) and the Lead Partner undertakes to provide each of the Project Partners with the amounts required to implement its respective shares of the Project without undue delay after receipt of the Grant.
- 3.10 The Lead Partner shall promptly repay to the Funder any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either (i) the calculated Balance Amount would be negative, (ii) an incorrect sum of money has been paid or (iii) where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Lead Partner.

4 Use of Grant

- 4.1 The Grant shall be used exclusively by the Lead Partner and the Project Partners to cover the actual expenses incurred in relation to the delivery of the Project for the Grant Period and the preparation of the Final Report and provided that the Lead Partner and the Project Partners reasonably expect that such expenses will qualify as Eligible Expenses.
- 4.2 Neither the Lead Partner nor any of the Project Partners shall use the Grant to pay for any expenses, expenditure or commitments that are not related to the Project or that have been entered into before the Commencement Date unless this has been approved in writing by the Funder.



- 4.3 Neither the Lead Partner nor any of the Project Partners shall spend any part of the Grant on the delivery of the Project after the Grant Period (except for the preparation of the Final Report).
- 4.4 Should any part of the Grant remain unspent at the end of the Grant Period or should any profit be made in relation to the implementation of the Project after the Grant Period, the Lead Partner shall procure that any such monies are returned to the Funder immediately.
- 4.5 Any liabilities arising after the Grant Period including any redundancy liabilities for staff employed by the Lead Partner or the Project Partners to deliver the Project must be managed and paid for by the Lead Partner and/or the Project Partners. There will be no additional funding available from the Funder for this purpose.

5 Monitoring, reporting, audits and evaluations

5.1 Monitoring

The Lead Partner shall closely monitor the implementation and delivery of the Project throughout the Grant Period to ensure that the aims and objectives of the Project are being met and that this Agreement is being adhered to by it and each of the Project Partners.

5.2 Reporting

- (i) The Lead Partner shall and procures that each of the Project Partners will provide the Funder with any information it may reasonably request in relation to the use of the Grant and the implementation and delivery of the Project.
- (ii) On the Midterm Report Due Date, the Lead Partner shall provide the Funder with a Midterm Report consisting of (x) a content report summarizing the progress and status of the Project in form and substance as set out in Schedule 4 (*Template Content Report*) and (y) a financial report in regard to the expenses incurred for the implementation of the Project until the Midterm Date in accordance with Schedule 3 (*Eligibility Rules and Declaration of Expenses*) (the "**Midterm Report**"). The Midterm Report shall be provided to the Funder by using the Online Reporting Tool.
- (iii) On the Final Report Due Date, the Lead Partner shall provide the Funder with a consolidated final report consisting of (x) a content report outlining all activities conducted throughout the Grant Period in relation to and the result of the Project in form and substance as set out in Schedule 4 (*Template Content Report*) and (y) a financial report in regard to the usage of the Grant, the amounts received through Third Party Contributions (if any), the profits made by implementing and delivering the Project and a detailed description of all expenses incurred for the implementation of the Project throughout the Grant Period in accordance with Schedule 3 (*Eligibility Rules and Declaration of Expenses*) (the "**Final Report**"). The completeness, accuracy of the Final Report, its compliance with this Agreement and the expenses declared therein shall be confirmed by signature of the legal representative or an authorized signatory (as designated in Schedule 1 (*Project description*)) of the Lead Partner. The original Final Report, original invoices and supporting documents with respect to the declared expenses shall be provided to the Funder in hard copy by registered mail.



- (iv) Any request for extension of the Midterm Report Due Date or the Final Report Due Date by the Lead Partner may not be honored by the Funder, unless such request is made before the relevant due date.

5.3 Audits and evaluation

- (i) The Lead Partner acknowledges and procures that each of the Project Partners will acknowledge that the Funder and/or any Auditing Body shall be entitled to audit the Project and the proper use of the Grant at any given time from the Commencement Date until the seventh anniversary of the Project Completion Deadline.
- (ii) In the case of an audit referred to in (i) above, the Lead Partner shall and procures that all Project Partners will grant access at all reasonable times and on reasonable notice to all premises, assets, books, accounts and records of the Lead Partner and/or each of the Project Partners that relate to the Project.
- (iii) For this purpose the Lead Partner shall and procures that all Project Partners will keep all invoices, receipts, any additional financial and accounting documents, files, other relevant documents and data in relation to the Project (either as original or certified copies) in a customary and orderly manner until the seventh anniversary of the Project Completion Deadline. This period shall be interrupted either in case of a legal proceeding against the Lead Partner or any of the Project Partners in relation to the Project or at the request of the European Commission.

6 Communication and visibility

- 6.1 The Lead Partner undertakes to and procures that each of the Project Partners will inform the public about the financial assistance obtained from the START Danube Region Project Fund in accordance with clause 6.2 below.
- 6.2 Any notice, publication or communication under or in connection with the Project, including in relation to conferences, seminars or any sort of promotional materials (such as brochures, leaflets, posters, presentations, etc.), shall indicate the receipt of funding under the Grant from the European Union by adding the phrase "*Part-financed by the European Union*", the emblem of the European Union and the START logo clearly visible on each such notice, publication or communication. This provision shall also apply to documents prepared for partner meetings (such as agendas, presentations, minutes, etc.).
- 6.3 The Funder shall be informed in advance about major public events in relation to or relevant for the Project, including the planned date and venue of such event.
- 6.4 The Funder shall be unconditionally authorized to disclose and publish, in whatever form, directly or indirectly any information relating to the Project, including:
 - (i) the name, duration and geographical scope of the Project and a summary description thereof;
 - (ii) the Total Project Budget, the START Contribution Amount and the Maximum Start Participation;
 - (iii) the identity and contact details of the Lead Partner and its involvement in regard to the Project;and



(iv) the identity of each of the Project Partners and their involvement in regard to the Project.

6.5 In case of any media contributions (including print media, television and the internet) in relation to the Project, the Lead Partner shall inform the Funder of such media contributions by providing summaries thereof in the Midterm Report or the Final Report (as applicable).

6.6 The Lead Partner shall contribute to the communication activities of the START – Danube Region Project Fund upon request of the Funder.

7 Warranties

The Lead Partner warrants, undertakes and agrees that:

- (i) it and each of the Project Partners is legally and validly incorporated under applicable legislation and the entry into and performance by it of this Agreement does not and will not conflict any law or regulation applicable to it, its constitutional documents or any other agreement binding upon it;
- (ii) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations;
- (iii) it and each of the Project Partners have all necessary resources and expertise to deliver the Project (considering the receipt of the Grant in accordance with clause 3);
- (iv) it and each of the Project Partners do not intend to make any profit in implementing the Project and correspondingly the Total Project Budget has been calculated on a non-profit basis;
- (v) it and each of the Project Partners will not sell, lease or otherwise transfer the Project or any part thereof;
- (vi) it and each of the Project Partners shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and it shall notify the Funder immediately of any significant departure from such legislation, codes or recommendations;
- (vii) it and each of the Project Partners have and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- (viii) it and each of the Project Partners will not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment;
- (ix) all financial and other information concerning the Project, the Lead Partner and each of the Project Partners which has been disclosed to the Funder is to the best of its knowledge and belief, true and accurate;



- (x) it is not aware of anything in its own affairs or the affairs of the Project Partners, which have not been disclosed to the Funder and which would have reasonably influenced the decision of the Funder to make available the Grant on the terms and conditions under this Agreement; and
- (xi) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations under and in connection with this Agreement.

8 Withholding, suspending and repayment of Grant

8.1 The Funder's intention is that the Grant will be paid to the Lead Partner in full pursuant as set out in clause 3. However, without prejudice to the Funder's other rights and remedies, the Funder may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:

- (i) the Lead Partner or any of the Project Partners uses the Grant for purposes other than those for which they have been awarded;
- (ii) the delivery of the Project does not start within one month after the Commencement Date, does not progress during the Grant Period satisfactory to the Funder or is not completed until and including the Project Completion Deadline;
- (iii) the Project did not achieve the outputs and results planned under or in connection with this Agreement after its completion;
- (iv) the Lead Partner or any of the Project Partners is, in the reasonable opinion of the Funder, delivering the Project in a negligent manner;
- (v) a person providing Third Party Contributions, in the reasonable opinion of the Funder, undertakes activities that are likely to bring the reputation of the Project or the Funder into disrepute;
- (vi) the Lead Partner or any of the Project Partners provides the Funder with any materially misleading or inaccurate information;
- (vii) any employee or volunteer of the Lead Partner or any of the Project Partners has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Funder, bring or are likely to bring the Funder's name or reputation into disrepute;
- (viii) the Lead Partner or any of the Project Partners ceases to operate for any reason, or pass a resolution (or any court of competent jurisdiction makes an order) that wound up or dissolved the Lead Partner or any of the Project Partners;
- (ix) the Lead Partner or any of the Project Partners becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or



(x) the Lead Partner or any of the Project Partners fails to comply with any of the terms and conditions set out in this Agreement.

8.2 Wherever under the Agreement any sum of money is recoverable from or payable by the Lead Partner (including any sum that the Lead Partner is liable to pay to the Funder in respect of any breach of the Agreement), the Funder may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Lead Partner under the Agreement.

8.3 The Lead Partner shall make any payments due to the Funder without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

9 Miscellaneous provisions

9.1 Data protection

Notwithstanding the Funder's rights pursuant to clause 6, the Funder will keep the Lead Partner's and Project Partners' personal data collected in connection with the Project confidential and will process that data only for the purpose of funding and in line with applicable data protection laws. The Funder will disclose or transfer personal data to the European Commission or an Auditing Body only to the extent it is required to do so by law or agreement with the European Commission.

9.2 Notices

Any communication or notice to be made under or in connection with this Agreement shall be made in writing in English, state the number and the acronym of the START Project at the beginning of communication or notice and, unless otherwise stated, may be made by letter or electronic communication. The contact details of each Party for any communication under or in connection with this Agreement are identified with its name on the signature page below. A Party may change its contact details by written notice to the other Party.

9.3 Assignment

- (i) The Funder shall be entitled at any time to assign (*abtreten*) any of its rights or assign and transfer by assumption of contract (*Vertragsübernahme*) any of its rights and obligations under this Agreement to any third party, in which case the Funder will inform the Lead Partner thereof without undue delay.
- (ii) The Lead Partner shall not assign (*abtreten*) any rights or assign and transfer by assumption of contract (*Vertragsübernahme*) any of its rights and obligations under this Agreement to any party without the prior written consent of the Funder.

9.4 Limitation of liability

- (i) The Funder accepts no liability for any consequences, whether direct or indirect, that may come about from the Lead Partner and each of the Project Partners running the Project, the use of the Grant or from withdrawal of the Grant. The Lead Partner shall indemnify and hold harmless the Funder, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred



by reason of the actions and/or omissions of the Lead Partner and any of the Project Partners in relation to the Project, the non-fulfilment of obligations of the Lead Partner or any of the Project Partners under this Agreement or its obligations to third parties.

- (ii) Subject to item (i) above, the Funder's liability under this Agreement is limited to the payment of the Grant in accordance with this Agreement provided that the Funder has received sufficient funding from the European Commission.

9.5 Partial Invalidity

- (i) The Parties agree that should at any time, any provisions of this Agreement be or become void (*nichtig*), invalid or due to any reason ineffective (*unwirksam*) this will indisputably (*unwiderlegbar*) not affect the validity or effectiveness of the remaining provisions and this Agreement will remain valid and effective, save for the void, invalid or ineffective provisions, without any Party having to argue (*darlegen*) and prove (*beweisen*) the Party's intent to uphold this Agreement even without the void, invalid or ineffective provisions.
- (ii) The void, invalid or ineffective provision shall be deemed replaced by such valid and effective provision that in legal and economic terms comes closest to what the Parties intended or would have intended in accordance with the purpose of this Agreement if they had considered the point at the time of conclusion of this Agreement.
- (iii) The foregoing shall apply *mutatis mutandis* to fill in a gap (*Regelungslücke*) in this Agreement.

9.6 Entire agreement and amendments

- (i) This Agreement and its Schedules constitute the entire agreement among the Parties on the subject matter hereof and supersede any prior, written or oral, agreement (if any) on the subject matter of this Agreement.
- (ii) In the event of a conflict between the terms of this Agreement and the Schedules, the terms of the Agreement shall prevail.
- (iii) This Agreement may be amended in writing only.

9.7 Entry into force of this Agreement

This Agreement will enter into force upon signing by all Parties thereof and will be executed in two counterparts, one for each Party.

10 Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by Austrian law excluding its conflict of law rules.



11 Enforcement

11.1 Jurisdiction

- (i) All disputes arising out of or in connection with this Agreement including disputes relating to the coming into existence, validity, contestation, violation, termination or nullification hereof (a "Dispute") shall exclusively be referred to and resolved by the court competent in commercial matters (*das in Handelssachen zuständige Gericht*) of the First District of Vienna.
- (ii) The Parties agree that the court competent in commercial matters (*das in Handelssachen zuständige Gericht*) of the First District of Vienna is the most appropriate and convenient court to settle Disputes and accordingly no Party will argue to the contrary.
- (iii) This clause 11 is for the benefit of the Funder only. As a result, the Funder shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Funder may take concurrent proceedings in any number of jurisdictions.

This Agreement has been entered into on the date stated at the beginning of this Agreement.





SIGNATURES

EuroVienna
EU-consulting & -management GmbH
Kaiserstraße 113-115/8 | A-1070 Wien
www.eurovienna.at
FN 295503p | UID: ATU 63528828

EuroVienna – EU-consulting & -management GmbH

By:

Address for Notices

Address: Kaiserstraße 113-115/8, 1070 Vienna, Austria

Attention: Sylvia Fuchs, Director



**NGO Transcarpathian Agency for Investment, Innovation and Development /
Благодійна організація «Закарпатське агентство з інвестицій, інновацій та розвитку»**

By:

Address for Notices

Address: Narodna sq. 4/ 571, 88000 Uzhgorod, Ukraine

Attention: Ivan Pushak, Director

SCHEDULES

Schedule 1 - Project description

Schedule 2 - Project Budget Plan

Schedule 3 – Eligibility Rules and Declaration of Expenses

Schedule 4 - Template Content Report

A handwritten signature in blue ink, appearing to be the initials 'JY', is located at the bottom center of the page.