

(Model form of the cooperation agreement for project implementation)



COOPERATION AGREEMENT FOR PROJECT IMPLEMENTATION

No. 1, 2012-11-23  
Kazlų Rūda

**Poland Local Action Group KOLD** (hereinafter – the Project Coordinator), represented by **vicepresident Jerzy Dziamski**, acting under the regulations of LAG KOLD, **Sūduva Local Action Group**, code 300593322 (hereinafter – the Partner) represented by **chair-women Reda Kneizevičienė**, acting under the regulations of Sūduva LAG, **Slovakia SPIS region Local Action Group**, code 42090156, represented by **manager Peter Hardon**, acting under the regulations of LAG SPIS, and **Estonia North Harju Partnership Local Action Group**, code 80269590, represented by **board member Arno Kannike**, acting under the regulations of North Harju Partnership LAG, hereinafter jointly referred to as the Agreement Parties, and individually referred to as the Party, in line with the Administration Rules of Rural Development Programme for Lithuania 2007-2013 approved by Order No. 3D-153 of 6 April 2007 of the Minister of Agriculture of the Republic of Lithuania (Official Gazette 2007, No. 41-1562; 2009, No. 21-834), (hereinafter – the Programme Administration Rules) and other legislation regulating administration and financing of measures and projects financed to implement such measures of the Rural Development Programme for Lithuania 2007-2013 (hereinafter – RDP) (hereinafter – the legislation), have concluded the present cooperation agreement for project implementation (hereinafter – the Agreement):

I. SUBJECT OF THE AGREEMENT

1. By the present Agreement:

1.1. The Parties agree to cooperate to implement a transnational cooperation project of a local action group (hereinafter - LAG) under the Implementation Rules for Transnational Cooperation Projects Financed Under Measure "Inter-territorial and Transnational Cooperation" of the Rural Development Programme for Lithuania 2007-2013 (hereinafter – the Implementation Rules), without breaching the terms of the present Agreement, and legal requirements of the European Union (hereinafter – EU) and the Republic of Lithuania to the extent they are related to implementation of the transnational cooperation project of the LAG.

The image shows three handwritten signatures in blue ink, corresponding to the representatives of the three Local Action Groups mentioned in the text above.

1.2. The Project Coordinator shall be the key person responsible for the development, implementation, monitoring and outcomes of the LAG transnational cooperation project. Under the Agreement partial functions related to the implementation and monitoring of the transnational cooperation project of the LAG may be delegated to the Partner. The Partner shall meet his partial obligations related to the implementation of the transnational cooperation project of the LAG and delegated functions as provided for herein;

1.3. Each Party shall be entitled to make familiar with joint business management documents.

## II. PROJECT INFORMATION

2. Implementation of the transnational cooperation project "**The Development of regional tourism using local resources in the areas of Estonia North Harju, Lithuania Suduva, Poland KOLD, Slovakia SPIS**" of the LAG (hereinafter – the Project) shall be the object of this Agreement.

3. The Project implementation time shall be since January 1, 2013 to September 1, 2014, i.e., 20 months. (The Project implementation time shall be no longer than 24 / 36 months since coming into force of the support agreement of the LAG transnational cooperation project.

4. The Project Coordinator shall be directly responsible for the Project drafting, implementation, outcomes and post-Project implementation monitoring irrespective of the fact that the Project is implemented together with the Partners.

5. Contributions of the Project Coordinator and the Partner by which they contribute to the Project implementation are detailed in Chapter IV herein.

## III. RIGHTS AND OBLIGATIONS OF THE PARTIES

6. The Parties hereby undertake to:

6.1. Implement the Project as provided for in the Project application;

6.2. Implement the Project jointly;

6.3. Contribute to the Project implementation as provided in Chapter IV herein;

6.4. Cooperate, exchange information related to meeting obligations provided for herein, and provide information on the course of the Project implementation;

6.5. Achieve all the objectives and outcomes provided for in the Project application;

6.6. Safeguard fixed assets acquired during the Project implementation for minimum five years since the signature date of the support agreement, and not to sell or otherwise transfer them to any party without a written consent of the National Paying Agency under the Ministry of Agriculture (hereinafter – the Agency), and not make any material change to the Project activities which would affect its nature and terms or give excessive advantage to a private or a public legal party; would take place due to the change in the nature of ownership of assets procured with the support funds or due to termination or relocation of the project activities (in order to implement activities provided for in the Project description);

6.7. Meet obligations related to tax payment and if registered as a social contribution payer meet obligations related to social contributions payment in line with the law of the Republic of Lithuania<sup>1</sup>;

6.8. If insurance services are potentially available, insure fixed assets, if support funds were used to procure or create them, for the minimum 5 (five) years time since the signature date of

<sup>1</sup> This provision may not apply, if deadlines of tax or social contribution payments are suspended under the procedure established by the law of the Republic of Lithuania, also for institutions having activities financed by the state or municipal budgets.



the support agreement: for the project implementation time the assets shall be covered by the full reconstructive value insurance against all possible risks, and upon implementation of the project – by the balance value insurance subject to the shelf life of the asset type and depreciation norms applicable;

6.9. No later than within 3 (three) business days inform the Party and the Agency about the change of its data and contact information;

6.10. Ensure the proper Project financing source: support funds, available funds, borrowed funds and/or funds received from foreign Partners (the amount of the foreign Partner contribution shall be established herein);

6.11. Contribute financial funds to the Project implementation;

6.12. Effectively use support funds required for the Project implementation;

6.13. Sign the preset Agreement and submit it to the Agency up to the support agreement signature date;

6.14. Draft a detailed description of the Project activities to be the inseparable part of the present Agreement (the description shall clearly set out the Project activities, the location or locations, costs related to a contribution of each specific person taking part in the Project, the Project implementation stages, the planned end and other important Project implementing information).

7. The Project Coordinator undertakes to:

7.1. Primarily agree with the Partner all the Project changes having influence on the Partner rights and obligations, before contacting the Agency;

7.2. During the Project implementation regularly consult with the Partners and provide information on the course of the Project implementation;

7.3. Send copies of all reports related to the Project implementation and submitted to the Agency, to all the Partners and Project participants;

7.4. Not to transfer any rights and obligations arising out of the present Agreement, to any third parties without a written consent of the Partner;

7.5. Ensure its capacities to implement the Project and effectively use support funds required for the Project implementation;

7.6. Ensure its capacities to discharge the Project Coordinator's functions ascribed to it and effectively use support funds required to discharge the functions ascribed to it;

7.7. Accept responsibility for storage and submission to the Agency of all the book-keeping documents certifying costs incurred and paid (if documents submitted to the Agency are in a foreign language, an original document or a certified copy shall be submitted together with the official translation into Lithuanian);

7.8. Timely and duly submit all the Project implementation reports to the Agency; during the Project implementation time, in 20 (twenty) calendar days since the end of each calendar year provide information on the Project implementation course, and the final Project implementation report coordinated with the Partners together with the final payment request. The final Project implementation report shall be submitted only upon implementation of the Project;

7.9. Do book-keeping under the procedure established by the law of the Republic of Lithuania, respect laws and other regulations of the Republic of Lithuania without breaching them, do accounting and book-keeping of the Project costs so that the book-keeping information is suitable, objective, timely submitted, exhaustive and useful for internal and external users;

7.10. Procure goods, services or works the support is granted for the procurement of which in line with the provisions of the Law on Public Procurement of the Republic of Lithuania (Official Gazette, 1996, No. 84-2000; 2006, No. 4-102) or in line with the procedure established by the Rules of Goods, Services or Works Procurement approved by the Order No. 3D-150 of 5 April 2007 of the Minister of Agriculture of the Republic of Lithuania (Official Gazette, 2007, No. 41-1559; 2009, No. 21-835) of the Project implementer applying for support of the European Agricultural Fund for Rural Development under measures of ;

*Ducenas*

*[Handwritten signature]*

7.11. Sign agreements with goods and/or service suppliers having won a competition;

7.12. Pay goods and/or service suppliers for goods and/or services supplied;

7.13. Represent the Parties in disputes with the third parties;

7.14. In line with the General Document Storage Term Index approved by the Order No. 38 of 15 August 1997 of Lithuanian Archives Department under the Government of the Republic of Lithuania (Official Gazette, 1997, No. 78-2006; 2006, No. 3-86), Law on Documents and Archives of the Republic of Lithuania (Official Gazette, 1995, No. 107-2389; 2004, No. 57-1982) and the Rules of Document Storage and Recording approved by the Order No. 88 of 28 December 2001 of the Director General of Lithuanian Archives Department under the Government of the Republic of Lithuania (Official Gazette, 2002, No. 5-211; 2005, No. 132-4773), store the following documents minimum 10 years since the date of the Agency Director's order to allocate support coming into force:

7.14.1. Copies of the Project application and its enclosures, and copies of the modifying documents;

7.14.2. Copies of the Project implementation reports and their enclosures and other Project implementation-related documents;

7.14.3. Original reports related to business trips abroad and copies of enclosures to them;

7.14.4. Original documents proving incurred and paid costs and copies of payment requests;

7.14.5. Correspondence documents with the Agency;

7.14.6. Originals or copies of public procurement or procurement documents;

7.14.7. Documents proving publicity measures undertaken;

7.14.8. Other Project application and Project implementation-related documents.

8. The Partner hereby undertakes to:

8.1. Provide information related to meeting obligations provided for in their cooperation agreements;

8.2. Financially contribute to the Project implementation as provided for in Chapter IV herein, or otherwise participate in the Project implementation together with the Project Coordinator;

8.3. Comply with LAG eligibility requirements established in the Selection Rules of Local Development Strategies implemented under the measure "Implementation of Local Development Strategies", of "Implementation of the LEADER method" of Rural Development Programme for Lithuania 2007-2013, approved by the Order No. 3D-549 of 12 October 2007 of the Minister of Agriculture (Official Gazette, 2007, No. 132-5388) (hereinafter – LDS Administration Rules);

8.4. At least one Partner must be a LAG operating within the territory of the European Union or the third country compliant with the requirements of an authority responsible for the effective, efficient and just management, implementation and supervision of an EU member state Rural Development Programme and for compliance with other functions established in the European Agriculture Fund for Rural Development regulations (hereinafter – the Managing authority);

#### IV. CONTRIBUTIONS OF THE PROJECT COORDINATOR AND THE PARTNER TO THE PROJECT

9. The Project Coordinator Poland LAG KOLD undertakes to make 74 000,00 LTL (seventy four thousands Litass) financial contribution.

10. The Partner Suduva LAG hereby undertakes to make 112 317,00 LTL (one hundred and twelve thousands three hundred and seventeen Litass) financial contribution.

11. The Partner Slovakia SPIS region LAG hereby undertakes to make 69 056,00 LTL (sixty nine thousands fifty six Litass) financial contribution.











12. The Partner Estonia North Harju Partnership LAG hereby undertakes to make 69 056,00 LTL (sixty nine thousands fifty six Litass) financial contribution.

13. If needed, the Project Coordinator and the Partners may make an additional financial contribution when taking part in the Project. Contribution amounts and their payment procedure shall be established by the decision of the Parties.

14. Having decided to modify amounts, terms or other related data of financial contributions, the Parties must inform the other Party about this in advance. The procedure of modifying the present Agreement is established in Chapter IX.

15. Any modification of financial contributions to the Project under Chapter IV herein shall be illegal without the knowledge of the other Party. For the failure to meet or wrongful meeting of the procedure of financial contributions to the Project the Parties shall be liable under the procedure established by the law of the Republic of Lithuania.

#### **V. MEETING OBLIGATIONS**

16. The Parties shall have no right to assign obligations undertaken hereunder to any other parties without a written consent of the other Party.

17. The Parties shall meet the contractual obligations undertaken observing legislation in force at the time of meeting them.

18. The Parties undertake to timely, duly and qualitatively meet the contractual obligations herein.

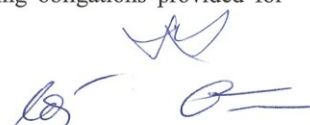
19. The Parties undertake responsibility for the reliability (correctness) of the information provided and shall be liable for it under the procedure established by the law of the Republic of Lithuania.

20. Obligations undertaken by the Parties hereunder shall not be reimbursable.

#### **VI. AGREEMENT FULFILLMENT CONTROL**

21. The Project Coordinator and the Partners understand and agree that during the Project implementation and during the time of meeting obligations undertaken hereunder they are checked and that data/personal data on them and related to activities implemented by them and other information needed to administer the Project and supervise the Project and the Agreement implementation is provided to other Government authorities administering the national and European Union support and that this information is processed with information systems of the Agency and Rural Development Measure Administration. They must also ensure security and accessibility of documents and information related to the Project implementation by authorized representatives of the Agency, the Ministry of Agriculture of the Republic of Lithuania, the National Audit Office of Lithuania, the European Commission and the European Court of Auditors.

22. Clause 19 herein entitles responsible officers of the Agency having accessible data sources at their disposition to receive, store and provide information under the procedure established by the law during the Project implementation and meeting obligations provided for herein.



23. For five years since the signature date of the support agreement the Agency or any other authorities or officers commissioned by it shall be entitled to control and check how the Project is implemented and shall also be entitled to verify data provided in the Project application and its enclosures, payment request(s), the Project implementation reports, as well as commercial and other documents related to the Project under implementation, submitted by the Project Coordinator and the Project Partners (the Agency shall check each project at the place of its implementation minimum once per Project implementation time).

24. The Project Coordinator and the Partners undertake to cooperate in good will with officers authorized to control and check them, and timely supply them with all the requested information about the Project under implementation, grant access to all the production, ancillary and other premises, make familiar with documents related to this Project under implementation. If the Project implementer, i.e., the Project Coordinator or the Partner fail to facilitate, or preclude officers entitled to audit and control how the Project is implemented, checking on-the-spot and/or control how the Project is implemented and/or how activities are carried out after granting funds for the Project implementation and/or after the end of the Project, this shall be considered the breach of terms of receiving and using funds for the Project implementation.

#### VII. CONFIDENTIAL INFORMATION

25. The Agreement Parties undertake not to disclose, make public and hand over confidential information received in any form from the other Agreement Party or related to fulfillment of contractual obligations, to any third parties, and not to use it for the interests of any private or legal third parties, and ensure its keeping safe, i.e., preventing disclosure of this information to any third parties.

#### VIII. LIABILITY

26. For the failure to fulfill or improper fulfillment of the present Agreement the Parties shall be liable under the procedure established by the law of the Republic of Lithuania. The Party having failed to fulfill or properly fulfill the present Agreement undertakes to indemnify all the related losses incurred by the other Party.

27. The Parties shall be relieved from the liability for defaulting obligations hereunder, if this happened due to *force majeure* circumstances (natural calamities, change of legislation regulating activities of the Agreement Parties, etc.). The Parties must inform each other orally and in writing within 3 (three) business days about occurrence of such circumstances.

#### IX. AGREEMENT MODIFICATION

28. The present Agreement may be modified and/or appended:

28.1. If EU or Lithuanian legislation is modified having direct effect on and/or regulating the Project Coordinator's or Partner's activities in administering the Project implementation;

28.2. If the Parties agree about *force majeure* circumstances;

28.3. In other cases without breaching the terms of Clause 6.5 herein.

29. Any modifications and/or amendments to the present Agreement shall be coordinated in advance with the Project Coordinator and the Agency.



30. The Agreement may be modified without breaching the terms of support agreements for transnational LAG cooperation project implementation signed by the Project Coordinator and the Project Partners.

31. The present Agreement may be modified and/or appended by a written agreement of the Parties.

32. All the modifications and/or amendments to the present Agreement shall become an inseparable part of the present Agreement.

#### X. AGREEMENT TERMINATION

33. The present Agreement shall be considered terminated:

33.1. If the Parties terminate it by their written agreement;

33.2. In other cases established by the law of the Republic of Lithuania.

#### XI. DOCUMENT SENDING

34. Information, documents and notifications shall be sent to the Parties at the following addresses:

34.1. To the Project Coordinator: **Poland LAG KOLD**, ul. Jana Pawła II 8, 64-550, Duszynki, Poland; e-mail: [kold@duszynki.eu](mailto:kold@duszynki.eu);

34.2. To the Partners:

**Suduva LAG**, S. Daukanto g. 19, LT-69430, Kazlu Ruda, Lithuania; e-mail: [redaknei@gmail.com](mailto:redaknei@gmail.com).

**Slovakia SPIS region LAG**, Vlkovce 90, 05971, Lubica, Slovakia; e-mail: [hardon@vmnet.sk](mailto:hardon@vmnet.sk);

**Estonia North Harju Partnership LAG**, Saha tee 13, Loo alevik, 74201, Harju, Estonia; e-mail: [arno.kannike@gmail.com](mailto:arno.kannike@gmail.com).

35. An emailed letter shall be considered received the same day. A posted letter shall be considered received in 7 (seven) business days after its sending by registered mail.

36. A fax message is considered timely served, if it is sent up to 24:00 of the last deadline day.

37. The Parties undertake to inform each other within 3 (three) business days about the change of their address and/or email. Upon the failure to meet this obligation the Parties shall make no claims about failing to receive any notifications and other documents sent using the old data.

#### XII. PARTNER APPROVAL

38. Signature of the present Agreement by both Parties means approval of the Partner.

39. Termination of the present Agreement means suspension of the approval of the Partner, if not agreed otherwise by the Parties.

#### XIII. FINAL PROVISIONS

40. The present Agreement comes into force immediately after signature of it by both Parties and shall be in force while the Parties fulfill their obligations related to the Project implementation.



41. The present Agreement shall be governed by and interpreted under the law of the Republic of Lithuania. Mutual relations of the Parties not included herein shall be regulated under the procedure established by the law of the Republic of Lithuania.

42. All the disputes and disagreements arising out of this Agreement shall be settled by negotiations. Upon the failure to settle the dispute it shall be referred to a competent court of the Republic of Lithuania for settlement under the law of the Republic of Lithuania.

43. The present Agreement is concluded in 2 (two) copies of equal legal validity, one copy for each Party.

44. The present Agreement has been read, its content and consequences have been understood and accepted and signed by the Parties as meeting their will.

#### XIV. INFORMATION AND SIGNATURES OF THE PARTIES

##### Project coordinator

##### **Poland Local Action Group KOLD**

Code: 0000257866

Address: ul. Jana Pawła II 8, Duszniki,  
Poland

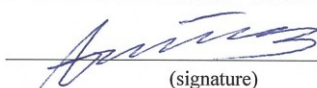
C.A. 97 9072 0002 0007 4014 2000 0001

Bank name: Bank Spółdzielczy

Bank code: GBW CPL PP

Tel. no: +48 61 291 92 39

Board member Ireneusz Witkowski

  
(signature)

##### **Slovakia SPIS region Local Action Group**

Code: 42090156

Address: Vlkovce 90, 05971, Lubica,  
Slovakia


C. A. SK7711110000001080253001

Bank name: UniCredit Bank

Bank code: 1080253001 / 1111

Tel. no: +421904552566

Manager Peter Hardon

  
(signature)

##### Partners

##### **Suduva Local Action Group**

Code: 300593322

Address: S. Daukanto g. 19, 69430,  
Kazlu Ruda, Lithuania

C. A. LT 57 7300 0100 9885 3088

Bank name: AB „Swedbank“

Bank code: 73000

Tel. no: +370 611 21453

Chair-women Reda Kneizevičienė

  
(signature)

##### **Estonia North Harju Partnership Local Action Group**

Code: 80269590

Address: Saha tee 13, Loo alevik, 74201,  
Harju, Estonia

Account no.: 10220086728011

Bank name: SEB bank

Bank code: EEUHEE2X

Tel. no: +372 506 4601

Board member Arno Kannike



