SUBSIDY CONTRACT
for the EU contribution

Application form ID: SKHU/1601/1.1/031

Project acronym: RailGate

Project title: Narrow gauge railways as attractions and gates to nature

Interreg V-A Slovakia-Hungary
Cooperation Programme

SUBSIDY CONTRACT

for the implementation of the

Project No: SKHU/1601/1.1/031,
with acronym: RailGate

within the Interreg V-A Slovakia-Hungary
Cooperation Programme

The following Subsidy contract (hereinafter referred to as the Contract) is concluded between the

Prime Minister's Office of Hungary

acting as the Managing Authority of the Interreg V-A Slovakia-Hungary Cooperation Programme (hereinafter referred to as the Managing Authority)
Address: 1055 Budapest, Kossuth tér 1-3, Hungary
Tax number: 15775292-2-41

on one hand,

and
Detská železnica Košice
Address: Aténska 15, 040 13 Košice, Slovak Republic
Tax number: 2023227657

Represented by: Mr. Ľubomír Lehotský, Chairman
acting as the Lead Beneficiary

on the other hand,

hereinafter jointly referred to as the Parties,

based on the following legal framework:

- REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- COMMISSION DELEGATED REGULATION (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional

Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (hereinafter referred to as the Common Provisions Regulation, CPR);

- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial co-operation goal (hereinafter referred to as the ETC Regulation);
- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;
- Commission Decision 2011/9380/EC of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest;
- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

The following regulations and guidelines have to be also respected in the framework of the present Contract:

- the Interreg V-A Slovakia-Hungary Cooperation Programme, approved by the European Commission on 30 September 2015 by Decision Ref No C(2015) 6805 and modified on 1 September 2016 by Decision Ref No C(2016)5653 (hereinafter referred to as the Programme);
- EU rules regarding EU horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement;

- Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (2012/C 8/02);
- national rules applicable to the Lead Beneficiary and the Beneficiaries (Lead Beneficiary and Beneficiaries hereinafter also referred to together as Project partners);
- Hungarian Government Decree No 44/2016. (III. 10.) on state aid rules in implementation of European Territorial Cooperation Programmes in the period 2014-2020
- documents of the relevant Call for proposals of the Programme (SKHU/1601), published on 29th July 2016 on the Programme website (hereinafter referred to as the Call for proposals);
- the Beneficiary's manual for the Interreg V-A Slovakia-Hungary Cooperation Programme, laying down the programme specific rules for the implementation of the projects (hereinafter referred to as the Beneficiary's manual);
- the Guide on eligible expenditures for the Interreg V-A Slovakia-Hungary Cooperation Programme (hereinafter referred to as the Guide on eligible expenditures);
- the Visibility guide for projects in the Interreg V-A Slovakia-Hungary Cooperation Programme, laying down the programme specific rules on information and publicity measures of the projects (hereinafter referred to as Visibility guide for projects);
- the relevant national level legislation governing the rules of public procurement procedures in Hungary and Slovak Republic.

(1) Article
Award of subsidy

1.1. In accordance with the decision of the Monitoring Committee, dated 17 July 2017, an earmarked subsidy is awarded to the Lead Beneficiary from the ERDF funding under the Interreg V-A Slovakia-Hungary Cooperation Programme for the implementation of the project No 'SKHU/1601/1.1/031' with the acronym 'RailGate' entitled 'Narrow gauge railways as attractions and gates to nature' (hereinafter referred to as the Project).

Maximum EU contribution awarded:	*491,239.97 EUR* *say: four hundred and ninety-one thousand, two hundred and thirty-nine euros and ninety-seven cents*
Total project budget: *(including Lead Beneficiary and the other Beneficiaries)*	*577,929.38 EUR* *say: five hundred and seventy-seven thousand, nine hundred and twenty-nine euros and thirty-eight cents*

1.2. If the subsidy to be received for the implementation of the project is affected by State aid, detailed rules can be found in Annex IV.

1.3. The EU co-financing rates per Beneficiary (including the Lead Beneficiary) are set in Annex I of the Contract. As a general rule, the EU co-financing rates per Beneficiary (including the Lead Beneficiary) cannot exceed 85 per cent of the total eligible expenditures.

1.4. The maximum amount of EU contribution awarded for the Project cannot be exceeded without decision of the Monitoring Committee.

1.5. Should the total eligible costs after the completion of the Project is lower than the budgeted amount, the above-mentioned EU contribution awarded under the Programme will be correspondingly reduced according to the EU co-financing rates per Project partners set in Annex I.

1.6. Reimbursement of the EU contribution is under the condition that the European Commission makes the funds available to the above-described extent and the Memorandum of Understanding signed by the two Member States is in force.

1.7. If the European Commission fails to make the funds available or if the Memorandum of Understanding signed by the Member States is no longer in force, the Managing Authority will be entitled to withdraw from the present Contract.

(2) Article
Duration of the Project

2.1. Project starting date: 1.1.2018

2.2. Project end date: 31.12.2019

2.3. The project activities have to be carried out and finalised within the project implementation period, and project expenditure – with the exception of preparation costs – has to be incurred within the project implementation period as defined by *Articles 2.1. and 2.2.* and paid according to the Guide on eligible expenditures.

2.4. Preparation costs can only be eligible if they were incurred on or after 1 January 2014 and before the start date of the project and paid according to the Guide on eligible expenditures.

(3) Article
Object of use

3.1. The EU contribution is awarded exclusively for the implementation of the Project as it is described in the Application form and its annexes and documents attached to present contract as Annex I. The contract and its Annexes are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:

a) Subsidy contract
b) Any subsequent amendments of the contract and its Annexes made in accordance with the provisions of *Article 10.*

3.2. Project expenditure which qualifies for the EU contribution awarded according to *Article 1.1.* consists exclusively of project expenditure related to the project activities listed in the Application form approved by the Monitoring Committee. The rules for the eligibility of expenditure are set in the Guide on eligible expenditures. The relevant EC regulations in force, in particular Articles 18 to 20 of the ETC Regulation and the rules contained in Commission Delegated Regulation (EU) No 481/2014, furthermore the national eligibility rules have to be respected. In case of contradiction between the above-mentioned rules, the stricter rule shall apply.

(4) Article
Reporting and Applications for Reimbursement

4.1. The Lead Beneficiary can only submit an Application for Reimbursement to the Joint Secretariat if it is accompanied by proof of progress of the Project. Therefore, the Lead Beneficiary has to submit a Report *(means Project report or Final project report)* alongside each Application for Reimbursement, consisting of the description of the activities carried out and their outputs and results during the reporting period, further consisting of a financial report presenting the financial progress of the Project compared to the Application form. Even if no expenditures were incurred in a reporting period, the Project report *(and the Final project report)* shall be submitted in due time to the Joint Secretariat.

4.2. The Lead Beneficiary has to submit the Project report and the Application for Reimbursement for each four-month reporting period from the project starting date indicated in *Article 2.1.* The Reports and the Applications for Reimbursement have to be submitted to the Joint Secretariat within 90 calendar days from the end date of each reporting period. The reporting periods and the actual deadlines for submission are indicated in *Article 4.14.*

4.3. Additional obligatory deadlines to submit an Application for Reimbursement may be set by the Managing Authority in order to avoid decommitment of EU contribution at programme level.

4.4. The first Project report and Application for Reimbursement have to cover the preparation costs of the Project as well as the first reporting period as indicated in *Article 4.14.* Only budget lines foreseen in the present Contract and only Project partners involved according to the Application form can be considered for Application for Reimbursement.

4.5. The Final project report and Application for Reimbursement have to be submitted to the Joint Secretariat within 90 calendar days after the end date of the Project as indicated in *Article 2.2.*

4.6. The language of each report is English. The forms and tools of the Report, Application for Reimbursement and the Declaration on Validation of Expenditure are defined for the Programme and are obligatory to use. The Lead Beneficiary has to complete and submit the Reports and the Applications for Reimbursement according to the Beneficiary's manual.

4.7. The Application for Reimbursement submitted by the Lead Beneficiary shall contain only validated expenditure and shall be supported by the Declarations on Validation of Expenditure issued by the designated Control Bodies. Therefore, each partner has the obligation to ensure that its expenditures are checked and validated by a controller from the state on whose territory it is located, before the reimbursement request is submitted.

4.8. The Lead Beneficiary shall ensure that the expenditure presented by the Project partners has been incurred for the purpose of implementing the Project and that it corresponds to the activities agreed between the Project partners as described in *Annex I.*

4.9. In compliance with Point 2 (d) of Article 13 of the ETC Regulation, the Lead Beneficiary shall ensure that the expenditure presented by each Beneficiary has been validated by the designated Control Body. The designated Control Bodies and the base for national level control requirements for both Member States are available in the Guide on eligible expenditures.

4.10. In case the Declarations on Validation of Expenditure are not received from each Beneficiary for a given reporting period, the Lead Beneficiary shall submit the Application for Reimbursement on the basis of the Declarations on Validation of

Expenditure available for the reporting deadline. The expenditures of the Project partners not submitted for validation for the given reporting period within the deadline can be requested only for the next reporting deadline to the reporting period concerned, with the exception of preparation costs. Preparation costs can be requested only in the first reporting period. In other case the decision of the Monitoring Committee is needed.

4.11. The Lead Beneficiary shall submit the Application for Reimbursement in EUR, based on the Declarations on Validation of Expenditure issued in EUR by the designated Control Bodies of the Project partners.

4.12. Project partners from Member States which have not adopted the EUR as their currency shall convert into EUR the amounts of expenditure in the list of invoices incurred in national/or other currency before submission for validation to the responsible Control Body of the Member State. The expenditures shall be converted into EUR using the monthly accounting exchange rate[1] of the European Commission in force in the month during which that expenditure is firstly submitted in the given reporting period for validation by the Project partners to the Control Body.

4.13. The exchange rate risk is borne by the Lead Beneficiary or Beneficiary concerned.

4.14. The Lead Beneficiary shall request the reimbursement of the EU contribution on the basis of the following table:

	Reporting period	Deadline for submission of the Project reports and Applications for Reimbursement	Indicative spending forecast of ERDF contribution (EUR)
1	1.1.2018 – 30.4.2018	29.7.2018	38,794.00 €
2	1.5.2018 – 31.8.2018	29.11.2018	111,775.00 €
3	1.9.2018 – 31.12.2018	31.3.2019	64,430.00 €
4	1.1.2019 – 30.4.2019	29.7.2019	99,365.00 €
5	1.5.2019 – 31.8.2019	29.11.2019	93,840.00 €
6	1.9.2019 – 31.12.2019	30.3.2020	83,035.97 €
Total			491,239.97 €

4.15. The Lead Beneficiary has the possibility to deviate from the indicative spending forecasts considering that in case of "n+3" decommitment resulting from underspending compared to the spending forecast, the Managing Authority is entitled to decommit the Project by reducing the original project budget and the corresponding EU contribution.

[1] The monthly exchange rates of the European Commission are available at the website of the European Commission: http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm

4.16. In case of a decision on the decommitment of the Project, the Managing Authority initiates the amendment of the present Contract. The modification of the contract in case of decommitment at project level shall take the form of a decision of the Managing Authority, which will be notified to the Lead Beneficiary, and which becomes part of the contract. In case of a decision on the decommitment of the project, the Lead Beneficiary shall submit a revised budget and Application Form, reflecting the decommitment, within two weeks following the receipt of MA's notification. In case of failure to respect the deadline, the decommitment shall be applied proportionally to all budgetary lines.

4.17. The Lead Beneficiary shall submit Project follow-up reports concerning investment type of projects, proving the sustenance of the project outputs. Details about the content and submission of Project follow-up reports are regulated in the Beneficiary's manual valid for the given Call for proposals.

4.18. The Lead Beneficiary has to provide immediate information to the Joint Secretariat about circumstances which delay, hinder or make impossible the implementation of the Project, as well as about any circumstances which represent a change of the reimbursement conditions and frameworks as laid down in the present Contract or which entitle the Managing Authority to reduce or demand repayment of the EU contribution entirely or in part. Immediate information shall also be provided in case the Project has not been or cannot be fully implemented by carrying out the planned activities and results moreover by achieving at least 80 per cent of the quantifiable output indicators or if the Project cannot or could not be implemented in due time. In case the Project cannot be implemented in line with the time schedule determined in the Annex I as well as in line with the payment schedule specified in Point 13 of the present Article, the fact has to be reported via Project report to the Joint Secretariat. This reporting of underspending does not exempt for the possible n+3 decommitment.

(5) Article
Reimbursement of EU contribution to the Lead Beneficiary

5.1. The reimbursement of EU contribution to the Lead Beneficiary will be initiated only after the verification and acceptance of the Report and of its annexes, the Application for Reimbursement and the Declarations on Validation of Expenditure.

5.2. The Lead Beneficiary may be requested a completion of the Report and of the Application for Reimbursement during the verification process by the Joint Secretariat. After the second unsuccessful request/notice for completion, the Report and the Application for Reimbursement may be rejected. If the Report contains ineligible expenditure, the Joint Secretariat is entitled to send it back to the Lead Beneficiary or initiate irregularity procedure. In this case the Lead Beneficiary shall re-submit the Application for Reimbursement to the Joint Secretariat. In case the Final project report and the Application for Reimbursement are rejected, the Lead

Beneficiary shall be informed about the possible/applied sanctions (e.g. suspension of the last payment, repayment of subsidy, withdrawal from the Contract).

5.3. Following the approval of the Final project report the Joint Secretariat initiates the financial closing of the Project in order to calculate the exact amount of EU contribution to be paid to the Project. Financial closing cannot be initiated in case other processes related to the Project are not closed such as irregularity and recovery procedures. After the final payment to the Lead Beneficiary, the Project is considered closed. While the Project is considered closed, audits might be carried out during the programme period and/or within the timeframe stipulated in Article 140(1) of the CPR and further detailed in the Beneficiary's manual. During this period, irregularity procedures and repayments can be initiated related to the Project.

5.4. The reimbursement of EU contribution will be authorised by the Certifying Authority. In case the EU contribution balance of the programme single bank account handled by the Certifying Authority does not cover the amount to be reimbursed, the reimbursement process will be suspended until the transfer of the EU contribution from the European Commission is credited to the programme single bank account.

5.5. For receiving the reimbursement of EU contribution and for the transfers of EU contribution to the Beneficiaries, the Lead Beneficiary has to open a separate EUR bank account exclusively for the Project.

5.6. The EU contribution will be reimbursed in EUR exclusively and will be transferred to the following separate project EUR bank account indicated by the Lead Beneficiary:

IBAN account number:	**SK32 1100 000000 2929874064**
SWIFT code:	**TATRSKBX**
Bank name:	**TATRA BANKA A.S.**
Bank address:	**Hodžovo námestie 3, P.O.Box 42, 850 05 Bratislava 55**

5.7. The Lead Beneficiary has to officially notify the Joint Secretariat in written form in case of a change of the separate project bank account within 15 calendar days or with the submission of the Application for Reimbursement at the latest. In case the Lead Beneficiary fails to properly inform the Joint Secretariat on the details of its separate bank account, all consequences, including those of financial nature, shall be borne by the Lead Beneficiary.

5.8. The Lead Beneficiary is responsible for transferring the EU contribution to the Beneficiaries according to the approved Application for Reimbursement, within the timeframe agreed in the signed Partnership agreement, and will make no deduction, retention or further specific charge from the ERDF amounts it receives.

5.9. Bank statements proving the management of the separate project bank account and the transfer of funds from the Lead Beneficiary to the Beneficiaries have to be presented to the Joint Secretariat attached to the Reports. Bank statement proving that the Lead Beneficiary transferred the EU contribution approved in the Final project report to the Beneficiary(ies) must be submitted to the Joint Secretariat within 5 (five) working days from the transfer.

(6) Article
Double funding

6.1. The expenditures shall not be double funded by any other European and/or national funds.

(7) Article
Representation of the Project partners, liability and additional obligations of the Lead Beneficiary

7.1. In order to lay down the arrangements for its relations with the Beneficiaries the Lead Beneficiary is responsible to conclude a Partnership agreement with them.

7.2. The Lead Beneficiary represents the partnership as defined in the Partnership agreement and is the only direct contact between the Project and the programme management bodies. The Lead Beneficiary shall be responsible for ensuring the efficient implementation of the entire Project. To this end, the Lead Beneficiary shall coordinate the implementation of the project in due time according to the provisions of the present contract and of the national and European legislation, and undertake among others:

a) to co-ordinate the start of the Project as set in *Article 2.1*;

b) to co-ordinate the implementation of the Project according to the time schedule agreed upon in the present Contract and in Annex I;

c) to guarantee the sound financial management of the funds allocated to the Project, including the arrangements for recovering amounts unduly paid;

d) to meet the reporting requirements and ensure any other documentation obligations;

e) to ensure that the expenditure presented by the Lead Beneficiary and by the Beneficiaries has been paid for the purpose of implementing the Project and to ensure that it corresponds to the activities agreed between the members of the partnership and indicated in Annex I;

f) to verify that the expenditure presented by the Lead Beneficiary and the other Beneficiaries has been validated by the designated Control Bodies;

g) to collect documents and information from the Beneficiaries in order to present Project reports and Applications for Reimbursement;

h) to comply with EU regulations, as referred to in the preamble of the present Contract, and with the relevant national legislation for the whole partnership with special regard to public procurement, State aid, publicity, furthermore rules on sustainable development and equal opportunities;

i) to transfer the EU contribution correctly and within the timeframe agreed in the Partnership agreement upon receipt to the other Beneficiaries and in full, no specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the Beneficiaries; in case of a claim for repayment from the Managing Authority, the Lead Beneficiary cannot exculpate itself with the argument of the transfer of the funds;

j) to maintain separate accounting for project implementation purposes in a manner ensuring the identification of each financial operation within the Project;

k) to ensure the sustainability of the project results.

7.3. The Lead Beneficiary bears responsibility for the activities of the other Beneficiaries and the sub-contractors like its own activities.

7.4. The Lead Beneficiary takes full responsibility for the damages caused to third parties from its own fault during the implementation of the Project. The Managing Authority has no responsibility for the damages caused to third parties as a result of executing the Contract.

7.5. The Lead Beneficiary is liable towards the Managing Authority for ensuring that the Project partners fulfil their obligations under this Contract.

(8) Article
Procurement rules

8.1. According to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 and other relevant regulations, the projects contracted under the Programme have to manage the procurement of services, supplies / goods / equipment and works in accordance with national procurement rules in force depending on the seat/branch office of the given organisation.

8.2. Documents which should be submitted to support validation of costs related to procurements below national threshold are listed in the Guide on eligible expenditures.

(9) Article
Information and publicity

9.1. The Lead Beneficiary and all Project Partners undertakes to fulfil the information and publicity measures set out in the Visibility guide for projects, with the aim of promoting the fact that co-financing is provided from EU contribution available under the Interreg V-A Slovakia-Hungary Cooperation Programme, furthermore it undertakes to ensure the adequate promotion of the Project.

9.2. The Lead Beneficiary shall ensure that all project official communication (e.g. any notice, publication, website or project event, including conferences or seminars) specifies that the Project has received funding from the EU within the framework of the Interreg V-A Slovakia-Hungary Cooperation Programme, by following the instructions detailed in the Visibility guide for projects.

9.3. Any notice or publication by the Project partners, in whatever form and on or by whatever medium, must specify that it reflects the author's views and that the Managing Authority is not liable for any use that may be made of the information contained therein.

9.4. The Managing Authority / Joint Secretariat shall be authorised to publish, in any kind of form and on or by any kind of medium the following pieces of information:

a) the title and the acronym of the Project;

b) the name and contact details of the Lead Beneficiary and of the Beneficiaries;

c) the amount of subsidy and the EU co-financing rate;

d) the purpose of the EU contribution (i.e. the Project's overall objective);

e) the geographical location of the Project;

f) project results, evaluations and summaries;

g) other information about the Project, if considered relevant.

9.5. The Lead Beneficiary shall ensure the proper means of communication between the Project and the Programme, including:

a) participation, whenever requested, in Lead Beneficiary trainings organised by the Joint Secretariat;

b) participation, whenever requested, in other events organised by the programme management bodies with the purpose of presenting / discussing / developing / sharing project results and creating synergies with other projects and relevant organisations;

c) providing a visible link on the Project's web site (if any) to the Programme website – www.skhu.eu.

(10) Article
Amendments to the Contract and other project changes

10.1. The Lead Beneficiary has to request the modification of the Contract in case of substantial changes in the Project which are the following:

a) changes in the composition of the project partnership (except legal succession);

b) substantial changes in the content of the Project (resulting in a more than 20 per cent deviation from the quantified output indicator(s));

c) changes in project activities (either introducing new ones or replacing old ones);

d) financial reallocations between the cost categories exceeding 20 per cent of either affected expenditure category and exceeding 10 000,00 EUR within the budget of the Lead Beneficiary or the particular Beneficiary;

e) prolongation of the project duration;

f) change of the bank account of the Lead Beneficiary.

10.2. Modifications of the Contract cannot affect the basic purpose of the Project as approved by the Monitoring Committee.

10.3. Any request (except from the decommitment decision of the MA) for a modification of the Contract has to be justified and submitted by the Lead Beneficiary to the Joint Secretariat in a written form, as regulated in the Beneficiary's manual. The Joint Secretariat will process the request for modification and will submit it for approval to the Managing Authority or the Monitoring Committee, according to the type of modification requested. The Lead Beneficiary can be contacted if any further clarification of the submitted modification request or change in the project is necessary. The Addendum to the Contract has to be signed by both Parties according to the approval of the Managing Authority / Monitoring Committee according to the Beneficiary's manual.

10.4. Budget reallocations between the Lead Beneficiary and the other Beneficiaries, furthermore budget reallocations between the other Beneficiaries are not allowed.

10.5. The Addendum to the Contract enters into force on the date of signature by the last of the Parties. The date from which the changes contained in the Addendum shall be effective is to be explicitly identified in the text of the Addendum.

10.6. Other changes in the Project than listed in Article 10.1 will not require Contract modification, but the Lead Beneficiary has to notify the Joint Secretariat in a written form providing description and justification of a change. The change is approved once the Lead Beneficiary receives a confirmation from the Joint Secretariat that the project change is accepted. Examples of these changes are as follows:

a) changes of addresses, contact details, statutory representative/s, contact person/s;

b) changes of bank accounts of Beneficiaries (other than Lead Beneficiary);

c) changes in project activities (specification/description);

d) changes in project timetable (not having impact on the overall project duration);

e) changes in budget items provided that they do not affect the basic purpose of the project approved by the Monitoring Committee; and

f) financial reallocations within cost categories or in between the cost categories equalling or not exceeding 20 per cent of either affected expenditure category or equalling or not exceeding 10 000,00 EUR within the budget of the Lead Beneficiary or the particular Beneficiary;

10.7. Detailed rules describing each case of Contract modification or other changes in the Project are set in the Beneficiary's manual.

10.8. Request for modification of the Contract and/or changes related to the budget of the Lead Beneficiary and other Beneficiaries can be requested only once during a reporting period of the Project.

10.9. The limit of budget reallocation is calculated from the concluded original Contract, therefore accumulation of changes is counted together and rules are applied accordingly. By its nature, any increase of budget of a expenditure category(ies) on one side leads to a reduction of budget of other expenditure category(ies) on the other side, therefore either effected expenditure categories are counted concerning to the rule. All indicated changes in the Project have to respect the rules of the Call for proposals and Applicant's manual and Guide on eligible expenditures, e.g. meaning that if a limit for a certain type of cost was given in the Guide on eligible expenditures, the notified (initiated) change has to respect the limit as well.

(11) Article
Assignment, legal succession

11.1. The Managing Authority is entitled at any time to assign its rights under the present Contract. In case of assignment the Managing Authority will inform the Lead Beneficiary without delay.

11.2. The Lead Beneficiary is allowed to assign all or parts of its duties and rights under the present Contract only after prior decision of the Monitoring Committee and written consent of the Managing Authority.

11.3. In case of legal succession the Parties are obliged to transfer all duties under the present Contract to the legal successor. The Parties shall notify each other about any change beforehand. In case of legal succession affecting the Lead Beneficiary

or a Beneficiary the Lead Beneficiary shall notify the Joint Secretariat beforehand. In case of legal succession – as all duties under the present Contract is transferred to the legal successor – therefore the Contract shall not be modified.

(12) Article
Audit rights

12.1. The responsible auditing bodies of the EU and, within their responsibility, the auditing bodies of the Member States, as well as the Audit Authority, the Managing Authority, the Joint Secretariat and the Certifying Authority of the Programme are entitled to audit the proper use of funds by the Lead Beneficiary and by the Beneficiaries or to arrange for such an audit to be carried out by authorised persons.

12.2. The Lead Beneficiary shall produce all documents required for the audit, provide necessary information and give access to its business premises. The Lead Beneficiary is obliged to retain for audit purposes all files, documents and data about the Project for at least until the time as specified in Article 140(1) of the CPR and further detailed in the Beneficiary's manual. Documents to be retained are listed in Annex III.

12.3. The designated Control Bodies are entitled to carry out on-the-spot checks as part of their verification activities, while the Joint Secretariat or the Managing Authority are entitled to carry out monitoring visits in order to check the progress of the Project from a professional point of view, at the premises of the Lead Beneficiary and of the Beneficiaries.

12.4. The Lead Beneficiary is obliged to guarantee the fulfilment of the above stipulated duties in relation to all other Beneficiaries as well.

12.5. Observing the recommendations received after an audit must be ensured by the Project partners, otherwise the Managing Authority has the right to terminate the Contract.

(13) Article
Irregularities

13.1. The Managing Authority shall show zero tolerance to any suspected cases of fraud and shall take all necessary measures to prevent and correct such cases. In case of an irregularity is found and decided during project implementation the Managing Authority reserves the right to claim the repayment of the EU contribution in full or in part from the Lead Beneficiary and has the right to reduce the amount of the EU contribution awarded. In case an irregularity is committed, the Managing Authority shall impose to the Lead Beneficiary all the necessary measures for the elimination or diminishing of the consequences on the implementation of the project.

13.2. Based on the above, the Lead Beneficiary is always responsible for securing the repayment of the EU contribution unduly paid to the Project, even if the irregularity was committed by one of the other Beneficiaries.

13.3. If another Beneficiary commits an irregularity, the Lead Beneficiary – after having received the notice on repayment – is obliged to request the amount unduly paid from the Beneficiary concerned and repay it to the Managing Authority within the deadline for the repayment set in Article 14.2. The Lead Beneficiary shall exercise due diligence to ensure repayment.

13.4. If the Lead Beneficiary does not succeed in securing the repayment from the Beneficiary / Beneficiaries, within 5 calendar days from the end of the deadline given the Lead Beneficiary has to notify the Joint Secretariat and has to send proof of steps taken by the Lead Beneficiary towards the Beneficiary / Beneficiaries.

13.5. When the amount unduly paid has not been recovered due to negligence of the Lead Beneficiary, the Lead Beneficiary shall remain responsible for the repayment.

(14) Article
Right of withdrawal – Repayment – Suspension of reimbursement

14.1. The Managing Authority is entitled to withdraw from the present Contract and to demand the repayment of the EU contribution in full or in part if:

a) the Lead Beneficiary has obtained the EU contribution through false or incomplete statements to bodies/appointees of the European Commission, the Managing Authority or any other authorities involved in the implementation of the Programme; or if

b) a precondition for the approval of the Project is no longer given, in particular if the compulsory Cross-border beneficiary resigns from the Project and is not replaced in line with the provisions of Article 10; or if

c) the Partnership agreement concluded between the Project partners is no longer in force; or if

d) the Lead Beneficiary becomes insolvent or subject to bankruptcy proceedings; or if

e) the Lead Beneficiary becomes guilty of misrepresentation in supplying the information required by the Managing Authority or in failing to provide requested information; or

f) in case of identified irregularities; or if

g) the Lead Beneficiary fails to fulfil a condition or an obligation resulting from the present Contract, in particular if

h) the Lead Beneficiary fails to submit a Project report and Application for Reimbursement within the reporting deadline;

i) the Lead Beneficiary repeatedly fails to submit Project follow-up reports, if applicable; or if

j) the Lead Beneficiary fails to sustain the results of the Project as defined in Article 15; or if

k) the Project has not been or cannot be fully implemented by carrying out the planned activities and results moreover by achieving at least 80 per cent of the quantifiable output indicators, or if the Project cannot or could not be implemented in due time; or if

l) the regulations of EU and national law (including provisions concerning public procurement rules, State aid rules, publicity rules, rules on environmental protection and rules on equal opportunities) have been infringed; or if

m) the Lead Beneficiary has impeded or prevented the auditing of the Project or failed to retain the project documentation as referred to in Article 12; or if

n) the EU contribution awarded has been partially or entirely misapplied for purposes other than those agreed upon; or if

o) it has been impossible to verify that the Final project report is correct and thus the eligibility of the Project for funding from the Programme cannot be verified.

14.2. If the Managing Authority sends a request for repayment for the amount of EU contribution paid unduly and the corresponding interest chargeable, the Lead Beneficiary is obliged to secure repayments from the Beneficiaries concerned and has to repay the amount specified by the Managing Authority before the due date. The repayment by the Lead Beneficiary is due within two months following the receipt date of the request for repayment. The rate of the interest shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the date of the request for repayment.

14.3. The Managing Authority has the right to recover the amounts specified in the request for repayment by deducting them from the Application for Reimbursement submitted by the Lead Beneficiary.

14.4. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment, starting on the due date and ending on the actual date of repayment. The rate of interest on late payment shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the due date.

14.5. If the Managing Authority exercises its right of withdrawal, offsetting by the Lead Beneficiary is excluded unless its claim is undisputed or recognised by declaratory judgement.

14.6. The Lead Beneficiary is entitled to exercise the right of withdrawal if the implementation of the Project becomes impossible due to circumstances independent from the Lead Beneficiary, including the occurrence of force majeure. Force majeure is any external event, unforeseeable, absolutely invincible and inevitable occurred after the conclusion of this Subsidy Contract and which prevents the execution of all or part of this contract. Force majeure, established under the law, exonerates the parties in case of failure to execute totally or partially the obligations under this Contract, as long as the force majeure is in force, and only if the other party has been duly notified. The parties shall take all measures at their disposal to limit the consequences of force majeure. The execution of the contract is suspended from the occurrence of force majeure during the whole period of its action. In this case, the Lead Beneficiary shall repay the whole amount of EU contribution reimbursed together with the interest chargeable within two months from the date of notifying the Managing Authority on the withdrawal from the Contract. The rate of interest shall be the rate applied by the European Central Bank in its main refinancing operations on the date of notifying the Managing Authority on the withdrawal from the Contract.

14.7. The Managing Authority may decide to suspend the reimbursement of the EU contribution if the provisions laid down in the Memorandum of Understanding are not respected by the Member States. The Lead Beneficiary shall be informed on the suspension.

14.8. In case of observations and/or reservations raised by the Commission on the description of the Management and Control System of the Interreg V-A Slovakia-Hungary Programme or in case of a system error detected, the MA has the right to temporarily withhold payments to a particular project partner or the project as a whole. Payment suspension(s) shall be lifted as soon as observations and/or reservations raised by the Commission have been withdrawn and the MA has received sufficient evidence on the solution of the systemic error(s) detected. In case the European Commission takes the decision of interrupting or totally suspending the funds, the Managing Authority may terminate the contract.

(15) Article
Ownership/use of results, revenues generated

15.1. The Project retains the EU contribution only if it does not, within five years of the final payment to the Lead Beneficiary - except where State aid rules provide for a different period -, undergo a substantial modification such as;

a) a cessation or relocation of a productive activity outside the programme area;

b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;

c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

15.2. Ownership, title and industrial and intellectual property rights in the outputs of the Project and the reports and other documents relating to it shall vest in the Project partners. Leasing, handing over/selling or transferring the rights of use of the outputs of the Project is only possible with the prior written consent of the Managing Authority and only in case if all the rights and obligations following from the present Contract and connected to the subject of matter will be transferred to the new party.

15.3. The use of the results of the Project can be checked by the Managing Authority / Joint Secretariat. Widespread publicity of such results shall be ensured by the Lead Beneficiary in order to make them available to the public.

15.4. The Lead Beneficiary and the Managing Authority shall find individual arrangements in those cases where intellectual property rights (such as for data acquired for the Project which do not belong to public domain) already exist.

15.5. For projects which have calculated the expected net revenues in line with Article 61 (3) of the CPR during the application stage and included the related amount in the application, the ERDF contribution to the project is already determined with consideration to the corresponding net revenue generated. If project related revenue occurs for projects where revenues have not been foreseen, therefore have not been deducted at application phase it decreases the basis for co-financing and must be deducted from the total expenditure by the controller during implementation phase. Where it is objectively not possible to determine in advance the revenues that occur after project implementation, the net revenue generated within three years of the completion of the project, or by the deadline for the submission of documents for programme closure, whichever is the earlier, have to be reported to the MA/JS. The corresponding ERDF contribution has to be either withheld from the last instalment to the project or reimbursed to the MA.

(16) Article
Concluding provisions

16.1. If any provision in the present Contract should be entirely or partly ineffective, the remaining provisions remain binding for the Parties. The Parties to the Contract undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective provision.

16.2. Amendments and supplements to the present Contract must be in written form.

16.3. All correspondence with the Managing Authority / Joint Secretariat under the present Contract must be in English language and has to be sent to the following address:

SKHU Joint Secretariat
Szép utca 2.
1053 Budapest, Hungary

16.4. All correspondence with the Lead Beneficiary under the present Contract must be in English language and has to be sent to the following address:

Address of the Lead Beneficiary: Aténska 15, 040 13 Košice, Slovak Republic
Name of contact person: Mr. Igor Holéczy
E-mail address: holeczyi@gmail.com
Telephone and mobile number: +421 910 900 957

The present Contract is concluded in English language. In case of translation of the present Contract and of its Annexes into another language, the English version shall prevail.

16.5. The Annexes to this Contract are binding and form an integral part of the Contract.

16.6. The present Contract is governed by Hungarian law and all matters not regulated in the Contract are subject to the legal understanding laid down in the Hungarian Civil Code (Act V. of 2013). In case of differences that are not ruled by the present Contract, the Parties agree to find an amicable and mutually acceptable solution. If the Parties fail to do so, all disputes arising in connection with the Contract shall be settled by the Pest Central District Court.

16.7. The present Contract is signed in three original copies of which one remains at the Lead Beneficiary and two original copies are to be returned to the Joint Secretariat (out of which one copy will be sent to the Managing Authority by the Joint Secretariat).

16.8. The Contract enters into force on the date of signature by the last of both Parties.

16.9. The present Contract shall remain in force until the Lead Beneficiary has discharged in full its obligations arising from the Contract towards the Managing Authority, i.e. as long as any duties linked to the EU funding might be claimed.

Place and date:	Place and date: Budapest, 10 January 2018
Lead Beneficiary represented by	Managing Authority represented by
.....	.....
Ľubomír Lehotský Chairman	Adrián Savanyú Head of the Managing Authority

Annexes to the Contract

I. Application form / separate documents agreed with Lead Beneficiary during contracting

II. Partnership agreement signed by each Project partners

III. List of documents to be retained

IV. Applicable project specific State aid rules

Identification of the Call for proposals	Project registration number
SKHU/1601	SKHU/1601/1.1/031

Application form

Title of the Programme	Interreg V-A Slovakia Hungary Cross Border Cooperation Programme
Name of the Lead Beneficiary	Detská železnica Košice
Title of the project	Narrow gauge railways as attractions and gates to nature
Project acronym	RailGate
Priority Axis	PA1 | Nature and culture
Specific objective	SO1.1 | To increase the attractiveness of the border area
Total budget	577,929.38 EUR
ERDF contribution	491,239.97 EUR

2. MAIN DATA

Project title	56 /200
Narrow gauge railways as attractions and gates to nature	

Project acronym	8 /30
RailGate	

Project duration	
24	Months

Lead Beneficiary
Detská železnica Košice

Priority axis
PA1 | Nature and culture

Specific objective
SO1.1 | To increase the attractiveness of the border area

Type of action
Cooperation and development of cultural heritage sites

Project start date			
1	Month	2018	Year

Project end date			
12	Month	2019	Year

Source of funding

Total budget	577,929.38 EUR
State contribution	70,883.03 EUR
Hungary	39,270.30 EUR
Slovakia	31,612.73 EUR
Planned net revenue	- EUR

ERDF contribution	491,239.97 EUR
Own contribution	15,806.38 EUR
Own public contribution	- 0.00 EUR
Own private contribuion	15,806.38 EUR

3. PROJECT SUMMARY

Short project summary in English

1955/2000

Miskolc (LÁEV) and Košice (DŽK) historic narrow gauge railways (HNGR) have common history and belong to common cultural heritage in the Central Europe. Over time both HNGRs have been transformed into distinctive specific thematic tourist destinations and „gates to nature" and now there are up to 250 000 local and foreign tourists yearly. Because of poor attention and care in the past, both railways suffer from similar serious problems and face similar challenges how to restore and preserve this specific cultural heritage.

The overall objective of the project is to restore and preserve this cultural heritage and through common solutions to enhance their attractiveness to visitors and ensure their long-term and sustainable use. Direct objectives are to improve present state of HNGR´s infrastructure, to improve quality of services and to start a long-term cooperation. Improving bad conditions of infrastructure will be achieved via investments in station buildings, rolling stocks, rail infrastructure and equipment in the stations. The jointly elaborated common Master plan with a marketing strategy will suggest solutions how to preserve, restore, maintain, and promote both HNGRs and how to develop this new integrated tourist area with own products and brand including new green tourist possibilities.

Since both railways have much in common and it is necessary to address common challenges, solutions identified in the context of cross-border cooperation have good prospects of being more efficient and also transferable to other similar railways. Enhanced cooperation and joint planning in preparing the Master plan will not only bring exchange of information in the organization, financing and decision-making processes, but also contribute to knowledge of other regions with similar natural and cultural assets. Improving the attractiveness of both HNGRs will direct influence and ensure more visitors - people from the target groups.

Short project summary in Hungarian

1998/2000

A miskolci (LÁEV) és a kassai (DŽK) kisvasút hasonló múlttal bíró és azonos történeti értékű műszaki emlék Közép-Európa kulturális örökségében. Az elmúlt időszakban mindkét kisvasút önálló, évente akár 250 000 hazai és külföldi látogatót vonzó tematikus turisztikai desztinációvá nőtte ki magát, egyfajta „kaput" képezve a természetre. Mindkét kisvasút üzemeltetője hasonló problémákkal szembesül, de hasonló lehetőségek előtt is áll a kulturális örökségi elemek megőrzése és fejlesztése terén.

A projekt átfogó célja, hogy megőrizze, fejlessze ezen örökségi elemeket, továbbá közös megoldások segítségével növelje a turisztikai attrakciók látogatóvonzó hatásait, biztosítva hosszú távú és fenntartható működtethetőségüket. Közvetlen célkitűzés a kisvasutak infrastrukturális feltételeinek javítása, a nyújtott szolgáltatások színvonalának emelése és hosszú távú, stratégiai együttműködés megkezdése a projektpartnerek között. Az infrastruktúra fejlesztését az állomások felszereltségének javításával, a járműállomány fejlesztésével és a vasúti pálya részleges felújításával éri el a projekt. A fejlesztés keretében közösen kidolgozandó hosszútávú stratégiában – ami tartalmaz közös marketing stratégiát is – a szakértők meghatározzák, hogyan célszerű megőrizni és üzemeltetni a kisvasutakat, valamint azt is, milyen közös eszközökkel (pl. saját termékekkel és márkával, zöldturisztikai lehetőségek kihasználásával) érdemes folytatni az együttműködést.

A hasonló adottságokra való tekintettel a határon átnyúló együttműködés keretében kidolgozott megoldások és javaslatok várhatóan hatékonyak és más területek kisvasútjai számára is használhatóak lesznek. A közös stratégiai dokumentum kidolgozása során a szakértői munka nem csak a szervezetekre és ügyviteli rendszerekre vonatkozó tapasztalatcserére terjed ki, hanem hozzájárul az egyéb, hasonló adottságú régiók hasznosítható gyakorlatának megismeréséhez is. A kisvasutak attraktivitásának növelésével egyértelműen növelhető a látogatók száma.

Short project summary in Slovak

1964/2000

Historické úzkorozchodné železnice v Miškolci (LÁEV) a Košiciach (DŽK) majú spoločnú históriu a patria ku spoločnému kultúrnemu dedičstvu v strednej Európe. Postupom času boli obidve transformované na významné špecifické tematické turistické destinácie a "brány do prírody" a v súčasnosti ich navštívi až 250 000 miestnych aj zahraničných turistov ročne. Vzhľadom k tomu, že v minulosti im nebola venovaná dostatočná pozornosť a starostlivosť, obe železničky trpia podobnými závažnými problémami a čelia rovnakým výzvam, ako obnoviť a udržiavať toto špecifické kultúrne dedičstvo.

Celkovým cieľom projektu je obnova a zachovanie tohto kultúrneho dedičstva a spoločnými riešeniami zvýšiť ich atraktivitu pre návštevníkov a zabezpečiť ich dlhodobé a udržateľné využívanie. Priamym cieľom je zlepšiť súčasný stav ich infraštruktúry, zlepšiť kvalitu poskytovaných služieb a začať dlhodobú spoluprácu. Zlepšenie zlého stavu infraštruktúry sa dosiahne prostredníctvom investícií do staničných budov, koľajových vozidiel, železničnej infraštruktúry a vybavenia v staniciach. Spoločne vypracovaný rozvojový plán s marketingovou stratégiou prinesie riešenie, ako zachovať, obnoviť, spravovať a propagovať obidve železničky a ako rozvíjať túto integrovanú turistickú oblasť s vlastnými turistickými produktmi a značkou vrátane nových možnosti rozvoja ekologického cestovného ruchu.

Keďže obe železničky majú veľa spoločného a je potrebné riešiť spoločné problémy, riešenia identifikované v rámci cezhraničnej spolupráce majú perspektívu, že budú účinnejšie a tiež prenositeľné na iné podobné železnice. Posilnená spolupráca a spoločné plánovanie pri príprave „Master“ plánu prinesie nielen výmenu informácií pri organizovaní, financovaní a rozhodovacích procesov, ale tiež prispeje k poznávaniu iných regiónoch s podobnými prírodnými a kultúrnymi hodnotami. Zvyšovanie atraktivity oboch železničiek priamo ovplyvní a zabezpečí viac turistov - ľudí z cieľových skupín.

4.1 LEAD BENEFICIARY DATA

LB - DZK

Official name of the organization in native language	23 /150
Detská železnica Košice	

Abbreviated name	3 /10	WEB site
DZK		www.detskazeleznica.sk

Official address of the organization

State	County
Slovakia	Košický kraj
Town/Municipality	**Postal code**
Košice	040 13
Street and number	**PO Box**
Aténska 15	

Mailing address

State	County
Slovakia	Košický kraj
Town/Municipality	**Postal code**
Košice	040 13
Street and number	**PO Box**
Aténska 15	

Registration number	Type of beneficiary
42241189	Non-governmental organization
Tax number	**Legal criteria**
2023227657	Non-profit organisation established by private law for the specific needs of general interest
	Source of finance
	NGOs/NPOs

Statutory representative

Pre-NL	Given name	Family name	Post-NL
Mr.	Ľubomír	Lehotský	

Status in organization	Telephone
chairman	
Mobile	**E-mail**
+421 905 412 322	leholubo@gmail.com

Contact person

Pre-NL	Given name	Family name	Post-NL
Mr.	Igor	Holéczy	

Status in organization	Telephone
member	

Mobile	E-mail
+421 910 900 957	holeczyi@gmail.com

Official name of the branch office (if relevant):

0 /150

Official address of the branch office (if relevant):

State	County
Town/Municipality	**Postal code**
Street and number	**PO Box**

Thematic competences and experiences

Please describe the organisation's thematic competences and experiences relevant for the project.

1000 /1000

Organization Detská železnica Košice was founded in 2011 with the purpose to operate Košice children historic railway. It has been doing so since the 2012 season. Since the very first year of operation, DŽK was very active in the various projects, in which the organization was either author and lead partner or partner. Projects exclusively concerned operation of historic narrowgauge railways and steam railways. The organization during these years succeeded in rescuing the railway, improved infrastructure of the railway, preserved existing rolling stock and obtained new one and the number of visitors rose dramatically. Implemented projects were aimed at improving infrastructure, rising of attractiveness, work with young voluntary railmen etc. There were up to 40 projects implemented during this period and some of them were international projects. During these years DŽK became competent and reliable project author and partner and proved, that railway is sustainable tourist attraction.

Experience with cross-border projects

Programme title	Karpatský vláčik - Carpathian train
Project ID	441/1430/2012
Total amount of the project budget (EUR)	20,000.00 €

Brief description of the project

998 /1000

The main subject of the project (2012) was renovation and development of unique attraction - historic narrow gauge railway in Košice, Čermeľ valley in close cooperation with with POLAND BIURO Fundacji Bieszczadzkiej Kolejki Leśnej and the Hungarian Association of Carpathian Regional Eurorégióért Közhasznú Egyesület. Revitalized "Carpathian train" should attract more attention of visitors from Poland, Hungary, Ukraine, and Romania, but also boost cooperation between the Carpathian narrow gauge railway. Important parts of the project were renovation of diesel locomotive of Košice children historic railway with the help of experts from Poland, printing and publishing of brochure "Košice Bieszczady Experience connects" in three languages, which contained tourist information on four historic narrow gauge railways in Carpathian region and two presentation days held in Poland and Slovakia. Joint workshops were also part of the project. The project was financed from Ministry of transport SR.

4.2 BENEFICIARY DATA

B2 - ÉSZAKERDŐ

Official name of the organization in native language	58 /150
ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság	

Abbreviated name	9 /10
ÉSZAKERDŐ	

WEB site
http://www.eszakerdo.hu/

Official address of the organization

State	County
Hungary	Borsod-Abaúj-Zemplén megye
Town/Municipality	**Postal code**
Miskolc	3525
Street and number	**PO Box**
Deák tér 1.	

Mailing address

State	County
Hungary	Borsod-Abaúj-Zemplén megye
Town/Municipality	**Postal code**
Miskolc	3501
Street and number	**PO Box**
	Pf: 2.

Registration number	Type of beneficiary
11071596-0210-114-05	State owned company

Tax number	Legal criteria
11071596-2-05	Organisation established and governed by public law for the specific needs of public interest

Source of finance
Central budgetary organization

Statutory representative

Pre-NL	Given name	Family name	Post-NL
	Adorján	Zay	

Status in organization	Telephone
Chief Executive Officer	+36 46 501 506

Mobile	E-mail
	eszakerdo@eszakerdo.hu

Contact person			
Pre-NL	Given name	Family name	Post-NL
	Gyula	Bózsó	

Status in organization	Telephone
Head of technical department	+36 46 501 524
Mobile	**E-mail**
+36 30 502 5737	bozso.gyula@eszakerdo.hu

Official name of the branch office (if relevant): 13 /150

Not relevant.

Official address of the branch office (if relevant):	
State	County
Town/Municipality	Postal code
Street and number	PO Box

Thematic competences and experiences

Please describe the organisation's thematic competences and experiences relevant for the project. 998 /1000

ÉSZAKERDŐ operates 2 narrow-gauge railway systems focused on eco-tourism for more than 90 years. The railway systems significantly contribute to the visit rate of their surroundings. The society has worked on many EU-co-funded projects in the last years concerning various themes:
- Development of LÁEV (HNGR of Miskolc) with a focus on eco-tourism (see below);
- Reconstruction of Füzérradványi Károlyi-kastélypark - an area of a manor house park and water system, where the original state of the 1930s was reconstructed.
- Project on the oldest long-hiking route in Europe - Országos Kék Kör (blue circuit), which is connected to significant European hiking routes. The developed section is located along the Slovak-Hungarian border, close to the Károlyi-belvedere.
- Development of a forestry forest school at Fónagysági Bagoly-Vár in the area of Bükk;

Experience with cross-border projects	
Programme title	Development of LÁEV with a focus on eco-tourism
Project ID	ÉMOP-2.1.1/B-2f-2009-0012
Total amount of the project budget (EUR)	738,351.00 €

Brief description of the project 940 /1000

Our company applied for funding within the framework of the North Hungarian Regional Operational Programme. The grant amount was approx. 665 000 EUR with 10% of own contribution. The project was based on three key elements:
1. Renovation of Lillafüred Station: an eco-tourism center was set up which now also provides space for a tourist information office and showroom for the National Park of Bükk. A slice of a locomotive cab was placed on site where visitors can virtually travel on line sections no more existing with a computer simulator.
2. New reception building at (Miskolc-)Garadna Station.
3. A world-class locomotive modernization of trains type Mk48: by implementing a Hungarian engineering innovation, the Mk48 has become a hybrid model capable of using diesel-hydraulic engine besides its diesel electric propulsion system.

5. PROJECT DESCRIPTION

5.1 Project relevance

5.1.1 Project objectives *(What is the purpose of your project?)*

1880/2000

The main objective of the project is to implement common solutions for long-term and sustainable use of HNGRs in Košice (Detská železnica Košice - DŽK) and Miskolc (Lillafüredi Állami Erdei Vasút - LÁEV) as specific thematic tourist destinations, gates to nature and part of the cultural heritage in the Central Europe and thus to increase their attractiveness for visitors.
Direct objectives are to improve present state of HNGR´s infrastructure, to improve quality of services, to develop a new integrated tourist area with own product and brand and to start a long-term strategic cooperation in the region of Miskolc and Košice for protecting our common cultural heritage. The joint elaborated common Master plan will suggest solutions how to preserve, restore, maintain and promote both HNGRs. Improving bad conditions of infrastructure will be achieved via investments in rolling stocks – new wagon and locomotives, rail infrastructure and equipment in stations. Creating a new experience park at "Miskolc - Dorottya utca" Station to promote sibling railways and existing tourist attractions along the railway. Constructing a replica of a small, closed passenger wagon will extend the unique fleet of LÁEV Miskolc. Renewing of railway shunt in Košice will improve capacity of operation and attractiveness of this HNGR. Common Master plan with long-term marketing strategy will create conditions for lasting and long-term cooperation among both HNGRs. Master plan will include proposals for new products of further development of eco – tourism in these gates to nature.
Indirect objectives with long-term effects are to increase attractiveness of both HNGRs in Košice and Miskolc and reach higher number of domestic and foreign visitors. Higher attractiveness and new tourist products will bring impulses to local economy and may lead to higher employment in this sector.

5.1.2 Description of the initial situation *(What is the current situation?)*

1987/2000

Historic narrow gauge railways in the wider Central European region belong to common cultural heritage, which once constituted a living artery through which goods and people were transported. Over time these valuable railways have been transformed into strong and distinctive specific tourist thematic destinations that recall the golden period of the railways in Europe in the early 20th century. Košice and Miskolc HNGRs are part of this heritage. Both railways represent also common history of the whole region, contribute to local economies and are used mainly as recreation and tourist attractions. Yearly there are together up to 250.000 local and foreign tourists visiting these railways.
Both railways now suffer from similar problems and face similar challenges like how to restore and prevent this cultural heritage, how to attract more visitors to these gates to nature, how to promote railways in the broader region. Other important challenges are to remedy through the reflection of tourists' needs and expectations the long term investment deficit, which railways suffer from. Because of not proper attention paid to these important tourist destinations, they are nowadays in bad condition of lines, stations, rolling stocks and also in falling knowledge and skills of people participating in operation of the railways. Košice HNGR has been operated only from provisional spaces for many years; HNGR in Miskolc lacks proper reception area at the terminus, and small closed wagons for winter-time operation.
Society's knowledge of close attractions, cultural heritages located in their immediate living environment is poor. The region's population as well as tourists visiting Northern Hungary, or railway enthusiasts have little knowledge about Kosice railway at all and vice-versa The presentation and promotion of both HNGRs is sadly low and ineffective. Current situation and common problems in both places surely need positive impulse and call for joint solutions.

Identification of the target groups *(For who are you doing your project?)*

972/1000

The main target groups of the project are population of the region and tourists. From the population main visitors and direct groups are families with children, historic railways enthusiast and pupils from preschools, elementary and secondary schools. Enthusiasts are mainly organized groups from abroad – people interested in railway history and heritage, who directly search for those thematic tourist destinations. Regular visitors of HNGRs are organized classes of pupils and students from schools taking school trips.
Indirect target groups are local small and medium entrepreneurs acting in tourism, who may be touched by impulse to local economy generated by the project implementation. Other indirect target groups are operators of different HNGRs in the Central Europe, who may be touched by positive effects of the project. People involved in the city local-government are affected also due to their general responsibility for the local development and economy.

5.2 Expected results and added value

5.2.1 Expected outputs, results *(What do you expect from your project?)*

1612/2000

Improving "Miskolc-Dorottya utca" Station in Miskolc, which is the terminus of the railway in the city: it includes building of an elevated, fixed, barrier-free ornamental platform with auxiliary travel information. Development of the whole station area: by creating a thematic experience park at "Miskolc-Dorottya utca" Station.
Finishing the construction of new entry station building will remarkably improve the entry point and it will improve quality of services and rapidly increase attractiveness of the HNGR in Košice.
Movables and facilities placed will in both sides improve attractiveness and will support expected rise of number of visitors.
The shunt Vpred was once one of the most attractive points of HNGR in Košice, its renewing will lead to improvement of capacity of the railway and will raise its attractiveness.
Building a small, closed passenger wagon named Kassa (Kosice) will extend the unique fleet of LÁEV Miskolc and lead to improvement of capacity of the railway.
The renovation and reconstruction of two old diesel locomotives: one for usage and one for exhibition (will be named Miskolc) will extend existing rolling stocks in Košice.
The Master plan including marketing will suggest solutions how to restore, improve and promote both railways and will create ground for long term cooperation among partners of the project.
Further expected results are:
- Increased number of visitors at the narrow-gauged railway systems;
- Increased reputation and number of visitors at the attractions along the railways;
- Improving the quality level of services provided by the railway systems.

5.2.2 Benefits of the project *(How will you change the situation of your target groups?)*

999/1000

Main benefit of the project is a protection and preservation of both HNGRs as cultural heritage and thematic tourist destinations for all target groups which will lead to their sustainable operation. Improving the state of both HNGRs – finishing building and improving new entry stations and platforms, reconstructing lines and shunt, delivering new wagon, locomotives and providing services of higher quality will attract more families with children, pupils and students and enthusiasts. Both HNGRs will be recognized by broad public as an important part of cultural heritage in the region. Both tourist sites as gates to nature will become points of positive impulses to local tourist economies, from which local entrepreneurs would benefit.
Target audience can easily get a basic knowledge of the attractions and places of interest which are along the railway system. By the interactive and spectacular presentation at the terminus, visitors are able to get a clear view on what they are to see.

5.3 Project implementation

5.3.1 Methodology *(How are you planning to achieve your results?)*

1627/2000

Infrastructure and works in activities 3, 5 and 6 will be implemented according to legislative rules in respective countries. Each contractor or supplier in activities 3-6 will be selected according the public procurement rules. The realized project elements are parts of the achiavable goals: the experience park at the terminus displays the attractions of the surroundings, thus functioning as a teaser for the visitors to explore the region thoroughly. Thanks to the newly built or renovated, historic passenger wagon and shunt, capacity gaps can be alleviated in both railway systems. Tourist attractions are to be promoted commonly on the web, on home pages of the beneficiaries, in press releases and joint publications of the project.
Master plan (Activity 7) will be delivered by group of experts on the basis of regular workshops each 2 months during one year. Analytical part will include analysis of both HNGRs from the economical, social, environmental, legislative, historical and commercial point of view, and also comparative analysis and best practices of other HNGRs in Europe. The survey among local stakeholders will be added to the analytical part. Strategic part will include suggested goals and objectives, which will be created on the basis of experts discussions on workshops, to which some other stakeholder planners will be invited.
Marketing part of Master plan will be elaborated by experts, using experience from successful tourist destinations in Europe. The completed Master plan will be introduced at the seminars, where other key stakeholders from public and private sectors will be invited.

5.3.2 Innovative character of the project *(Is there anything new in this approach?)*

1934/2000

Important part of innovative feature of the project is common and joint cross border approach to problems and challenges that both railways are facing. Joint search of solutions and cooperation in general among operators of HNGRs in Central Europe is very limited at the present and only with very few exceptions. That is in contradiction with nowadays experience and reality in western part of continent, where HNGRs not only cooperate, they are even organised in associations, as for example Heritage Railway Association, European Historic Railways Network, etc. Common approach to master plan together with marketing strategy and planning are very important examples of cross border cooperation, suggested and planned in this project. Work on Master plan assumes creation of team of experts from both railways and external environment, who will be meeting regularly according to the proposed schedule. That itself creates opportunities for common search for solutions and will provide ground for future long term cooperation. Another innovative parts of project are proposed publicity and promotion actions, which are going to be common for both railways for the first time and will occur on both sides of the border. Examples are joint leaflets, events or actions on internet.

The passenger area at the terminus in Miskolc will be a real landmark with interactive and captivating elements beyond the standard, usual forms of tables, benches, flower beds and shelters. Nearby attractions are to be displayed by innovative measures (eg. flash of lights, sounds, etc.). The presentation of the attractions is foreseen to be implemented as a realistic, miniaturized landmark under street level, using spectacular technical and aesthetic solutions. The passenger wagon to be built is a faithful replica of an existing, museal vehicle. The building is unprecedented in the region and needs innovative technical solutions for realising.

5.3.3 Sustainability of the project results *(How long, and how your project will work after the realization?)*

1950/2000

Both HNGRs are operated under stabile conditions and there is no threat to change it. The HNGR in Miskolc is operated by the operator of LÁEV: ÉSZAKERDŐ Zrt, a state-owned company who calculates with the costs needed to maintain project outcomes in its annual budget. The HNGR in Košice is operated by the local NGO having regular support from the local government fixed in contract for next 14 years and regular financial contributions from the city budget.
Because of long-term existing support and no intention to change the situation, durability and sustainability of the project outputs and results are secured in both Miskolc and Košice HNGRs. The supposed increase of attractiveness of both HNGRs will bring more tourists and visitors what will guarantee the stabile environment for operation in both cases in the future. Consequently having more financial resources will enable to increase quality and quantity of staff and provided services. New green tourist products resulted from elaborated Master plan and implemented afterwards will strengthen the situation of both HNGRs and deepen attractiveness as gates to nature. The maintenance of the project results is planned for much longer than 5 years for which the corresponding human and financial resources are available. The rising number of visitors will increase the operators' revenues, which will cover the increased expenses.
In Miskolc HNGR the state company will be the owner of results and outputs and in case of Košice HNGR, the NGO "Detská železnica Košice" will be the owner of results and outputs, in case of infrastructure investments, the ownership will be arranged under the contract with the city of Košice.
The maintanance of the project results is planned for much longer than 5 years for which the corresponding human and financial resources are available. The rising number of visitors increases the operators' revenues, which are to cover the increased expenses.

5.3.4 Risk management *(Can you identify some risks that may occur during the implementation or the sustainability period?)*

1575/2000

Both operators are dependent from the public budgets, what bears some financial risk, but this is very low.
There are some risks in construction works in the project. In case of the HNGR in Košice the risk is low because of suggested entry station building is simple and the shunt VPRED will be renewed at the old place, where it was. In case of the HNGR in Miskolc the railway terminal was built in the late 1970s, thus it does not fully satisfy today's building codes. For this reason, the proposed platform is 17 centimeters narrower than the expected width. However risk factor is low, as the licensing authority is expected to grant the beneficiary an individual exemption from the requirement. Vehicle replica construction is unprecedented in Hungary, so at the end of the realization period the unique licensing procedure at the Traffic Authority carries a risk. However, the risk factor is low, as it is only a financial risk for the beneficiary, which can be minimized by the good preparation of the construction works.
Changes in legal environment in both countries might bring some risks for the project implementation. But the risk factor is low and we will be monitoring the legislative changes in both country.
Possible differences of opinion between the project partners, low quality of information flow between them (no common language) may bring some risk. But the project management and expert teams will be working on the basis of regular meetings and consultations in order to minimize this risk factor and some team members can speak in fluent English.

5.4 Cross border impact approach and impact

5.4.1 Cross border impact approach and impact *(What are the partners' benefits from the cross-borderiality?)*

1417/2000

The main reason for cross-border approach is that both HNGRS have much of common and are facing similar challenges, which are common in the broader Central European context. Solutions identified through cross-border cooperation have perspective to be more effective and easily transferable to other HNGRs.
Strengthened cooperation and common planning in preparing the Master plan of those who operate those HNGRs will bring to the region not only information exchange of this kind of sustainable mobility e.g. organization, financing and decision making processes in this field, but also will contribute to achieving modal shift towards exploring other regions of countries with natural and cultural assets via these means.
In long-term period project can contribute to creating a permanent cooperative network of this kind of railways in the region to share good practices and lessons learned in attracting attention of public authorities, in getting wider support from public, in acquisition of private investments, in creation of clusters of concerned and interested subjects, and in such a way to enhance their institutional position at the local, regional and national level.
Increasing attractiveness of both HNGRs will directly influence and bring more tourists - people from target groups. Target groups on each side will be provided by more information about the partner´s HNGR with chance to visit them.

5.5 Synergy and complementarity

5.5.1 Synergies with macro-regional strategies, other policies, programmes and projects *(Are you in line with other development objectives?)*

1991/2000

Development Plan for the city of Kosice (European Capital of Culture 2013) sets out the measures 15.1 - to complete, maintain and make available the infrastructure for sports and recreation, including DŽK.
At the level of the Kosice region specific objective 7.1 is defined as the preservation of cultural heritage.
Slovak national cultural development strategy includes the strategic area 2 - preserving and accessing cultural heritage, and within it a priority 2.1 - Rehabilitation of cultural heritage infrastructure.
The Integrated Development Plan of Miskolc (2014-2020) sets out the measure 1.1.4. Development of the built environment, creating harmony between the built and the natural environment (C4). This target includes the settlement of existing tourist attraction areas, such as „Miskolc-Dorottya utca" Station.
The Integrated Regional Program operates at the regional level in Borsod-Abaúj-Zemplén County. It focuses on the better – sustainable and efficient - use of existing natural and cultural resources, and on encouraging regional cooperation, which complies with the project.
The Hungarian Cultural Strategy was elaborated in 2006, and focuses on the strategy to follow until 2020. Its 2nd strategic priority deals with the protection of cultural heritages, with which the project is in line.
The EU Strategy for the Danube Region aims at improving mobility between cross-border regions and promotes cultural heritage and tourism by creating people to people contacts (Goal A - Connecting the Danube region, point 3)
The strategy for sustainable tourism development of the Carpathians names activity 1.2 Cultural / technical heritage as part of a cluster of sustainable tourism products in its Action plan and also promote cross-border cooperation in tourism.
The project follows and is based on outcomes and results of the project "Sustainable Mobility and Tourism in Sensitive Areas of the Alps and the Carpathians – ACCESS2MOUNTAIN" (SEE/B/0007/3.1/X), (2011-2014)

5.5.2 Complementarity *(Do you pland to build road connection as a complementary investment?)*

13/2000

Not relevant.

Act3 Development of "Miskolc-Dorottya utca"St

Share: 23.50%

Development of "Miskolc-Dorottya utca"St	Description: 460/500
At the terminus of LÁEV ("Miskolc - Dorottya utca" Station), ÉSZAKERDŐ Zrt. plans to create a point of interest (experiece park) in itself by promoting sibling railway systems (e.g. DŽK – Košice) and the attractions along the railway. By the settlement of the terminus environment (elevated platform, barrier-free access, information boards and interactive elements) the project aims to meet today's and tomorrow's infrastructural and touristical requirements.	

Tangible outcomes	72 /300
1238,47 m2 of renewed station area 1 elevated platform 1 experience park	

Involved Beneficiaries	
B2 - ÉSZAKERDŐ	

Activity location(s):	Miskolc HNGR

Costs:	135,800.00 EUR

Act4 Acquistion of movables and facilities

Share: 27.07%

Acquistion of movables and facilities	Description: 402/500
Constructing a replica of a small, closed passenger wagon (to be named Kassa (Kosice)) will extend the unique fleet of LÁEV in Miskolc. Buying and repairing 2 old locomotives (T211 for usage, TU29 for exhibition) will increase the attractiveness of rolling stocks in DŽK Košice. Acquisition and deployment of set of movables and facilities will contribute to increasing of attractiveness of both HNGRs.	

Tangible outcomes	129 /300
1 repaired closed wagon 2 repaired locomotives 1 set of movables and facilities for LÁEV 1 set of movables and facilities for DŽK	

Involved Beneficiaries	
B2 - ÉSZAKERDŐ	LB - DŽK

Activity location(s):	Miskolc HNGR, Košice HNGR

Costs:	156,450.00 EUR

6. ACTIVITIES

Act1 Project management

Share: 11.05%

Project management | 509 /1000

Management of the project will be provided by at least 2 employees from each partner side. Their work will be based on regular staff meetings every 2 months alternately in Košice and Miskolc.Their duties will be to coordinate and supervise all project activities, to prepare all organization matters, to prepare reports and financial documents for reimbursement. Management staff will be employed on full-time or part-time basis with fixed percentage of time per month dedicated to the project implementation.

Involved Beneficiaries	
LB - DŽK	B2 - ÉSZAKERDŐ

Costs:	63,842.00 EUR

Act2 Communication

Share: 5.23%

Communication | 860 /1000

First press conference will be organized during the kick-off meeting of the project. Start and close of each investment will be accompanied by press releases also and billboards will be arranged at the beginning of investments. The press conferences will be organized also during the closing conference. All activities, events, press messages, other information will be published regularly on the partners web pages. E-newsletter will be published regularly each 3 months and located at partners web pages. The partners' existing magazines will be also used to spread information about the project activities. The new information IT tool – application for smart phones will be elaborated during time of the project implementation. The other information activities will be based and implemented on suggestions and proposals of marketing part of the Master plan.

Involved Beneficiaries	
LB - DŽK	B2 - ÉSZAKERDŐ

Costs:	30,240.00 EUR

Act5 Completing the entry station Košice

Share: 12.82%

Completing the entry station Košice	Description: 500/500	Tangible outcomes	31 /300	Involved Beneficiaries
Košice HNGR suffers from a lack of proper entrance station building from which it may offer adequate services for visitors and minimal background for staff. Previous station building was destroyed in 90´s by then operator state railway company. Up untill now all activities and services are provided from the provisional kiosks. Preserving this HNGR as cultural heritage and increasing its attractiveness needs to finish construction of a new entrance station with public waiting and exhibition room.		1 new entrance station building		LB - DŽK

Activity location(s):	Košice HNGR

Costs:	74,097.38 EUR

Act6 Renewing of railway shunt Vpred Košice

Share: 15.02%

Renewing of railway shunt Vpred Košice	Description: 497/500	Tangible outcomes	23 /300	Involved Beneficiaries
The shunt VPRED was built in the very first year of the railway and for decades has been integral part of this tourist attraction. The shunt lies in the middle of the line and in the past it enabled to operate two traines simultaneously. It was one of the most attractive points in the line. Due to bad condition of the tracks and shifts, the shunt Vpred was dismantled in 90ies. Renewing of this shunt will increase capacity of HNGR and add an attractiveness of this specific cultural heritage.		1 railway shunt renewed		LB - DŽK

Activity location(s):	Košice HNGR

Costs:	86,800.00 EUR

Act7 Master plan including marketing

Share: 5.31%

Master plan including marketing	Description: 497/500	Tangible outcomes	24 /300	Involved Beneficiaries	
Master plan will specify how to restore, preserve and develop local HNGRs and use them as cultural specific thematic heritage as places of interets for niche-specific railway tourism. MP shall also answer how to add to those cultural heritage sites dimension to become also green tourism destinations. MP shall suggest new common marketing tools and new tourism products. The process of MP elaboration will be managed by the Slovak proffesional who has a lot of experience with development plans.		1 Master plan elaborated		LB - DŽK	B2 - ÉSZAKERDŐ

Activity location(s):	Miskolc, Košice

Costs:	30,700.00 EUR

Act8

Share: 0.00%

Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries	

Activity location(s):	

Costs	0.00 EUR

Act9				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act10				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act11				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act12				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act13 — Share: 0.00%

Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries	
Activity location(s):				Costs:	0.00 EUR

Act14 — Share: 0.00%

Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries	
Activity location(s):				Costs:	0.00 EUR

Act15				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act16				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act17 — **Share: 0.00%**

Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries	
				Costs:	0.00 EUR

Activity location(s):

Act18 — **Share: 0.00%**

Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries	
				Costs:	0.00 EUR

Activity location(s):

Act19				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

Act20				Share: 0.00%
Enter the title of the core activity	Description: 0/500	Tangible outcomes	0 /300	Involved Beneficiaries
Activity location(s):				Costs: 0.00 EUR

7. REALIZATION PLAN

Project activity	Project duration in 4 month periods								
	12 months			24 months			36 months		
Act1 | Project management	X	X	X	X	X	X			
Act2 | Communication	X	X	X	X	X	X			
Act3 | Development of "Miskolc-Dorottya utca"St	X	X	X	X					
Act4 | Acquistion of movables and facilities	X	X	X	X	X				
Act5 | Completing the entry station Košice	X	X	X						
Act6 | Renewing of railway shunt Vpred Košice		X	X	X	X	X			
Act7 | Master plan including marketing	X	X	X						
Act8 |									
Act9 |									
Act10 |									
Act11 |									
Act12 |									
Act13 |									
Act14 |									
Act15 |									
Act16 |									
Act17 |									
Act18 |									
Act19 |									
Act20 |									

8.1 LEAD BENEFICIARY BUDGET — LB - DZK

VAT status	Total budget
Regarding the project expenditures the Beneficiary can not reclaim the VAT, therefore all expenditures are indicated in gross amount.	316,127.38 EUR

1. Preparation costs — Share: 0.64% — 1,995.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Building documentation	Act5 | Completing the entry station Košice	piece	1	1,520.00 EUR	1,520.00 EUR
Translation	Act1 | Project management	hour	19	25.00 EUR	475.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 312 /500

Complete project documentation „Prevádzková budova DŽK – stanica Čermeľ" to the entry station in Košice, necessary to issuing construction permit was ordered in 2016 and delivered by Mgr.art. Tomáš Haviar in May 2016. Translation services were provided by Mr. Viktor Šotko at preparatory meeting to the project.

2. Staff costs — Share: 18.2% — 57,400.00 EUR

2.1 Internal project management — Basis: Real cost — 24,000.00 EUR

Expenditure	Related activity	Unit	Number of units	Rate of calc.	Total:
Project management	Act1 | Project management			10%	0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Project manager	Act1 | Project management	month	24	400.00 EUR	9,600.00 EUR
Financial manager	Act1 | Project management	month	24	200.00 EUR	4,800.00 EUR
Asistent	Act1 | Project management	month	24	400.00 EUR	9,600.00 EUR
					0.00 EUR
					0.00 EUR

2.2 Internal experts — 33,400.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Leading expert	Act7 | Master plan including marketing	month	12	700.00 EUR	8,400.00 EUR
Senior expert	Act7 | Master plan including marketing	month	12	400.00 EUR	4,800.00 EUR
Marketing expert	Act7 | Master plan including marketing	month	12	400.00 EUR	4,800.00 EUR
Analyst	Act7 | Master plan including marketing	month	12	400.00 EUR	4,800.00 EUR
Interpreteur	Act7 | Master plan including marketing	page	200	15.00 EUR	3,000.00 EUR
Communication manager	Act2 | Communication	month	19	400.00 EUR	7,600.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 483 /500

2.1. Project manager has on overwhole responsibilty for the project implementation. Financial manager is responsible for all financial matters connecting with the project implementation. Asistant provides help to both managers. 2.2. All internal experts will be working on development of the Master plan. The communication manager will be responsible for all communication activities. Interpretation is needed for the Master plan, e-news, information published on web page, leaflets.

3. Office and administration — Share: 2.7% — 8,610.00 EUR

Expenditure	Related activity	Unit	Number of units	Flat rate	Total:
Office and administration	Act1 | Project management			15%	8,610.00 EUR

4. Travel and accomodation — Share: 0.8% — 2,605.00 EUR

4.1 Travel and visa costs — 1,200.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Kick-off meeting	Act1 | Project management	km	400	0.25 EUR	100.00 EUR
Staff meetings	Act1 | Project management	km	1000	0.25 EUR	250.00 EUR
Workshops and seminar	Act7 | Master plan including marketing	km	600	0.25 EUR	150.00 EUR
Other events	Act3 | Development of "Miskolc-Dorottya utca"St	km	2800	0.25 EUR	700.00 EUR
					0.00 EUR

4.2 Accomodation costs — 280.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Accomodation in Miskolc	Act1 | Project management	person	8	35.00 EUR	280.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

4.3 Per diem and costs of meal — 1,125.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Kick-off meetings	Act1 | Project management	day	4	25.00 EUR	100.00 EUR
Staff meetings	Act1 | Project management	day	7	25.00 EUR	175.00 EUR
Workshops and seminar	Act7 | Master plan including marketing	day	6	25.00 EUR	150.00 EUR
Other events	Act3 | Development of "Miskolc-Dorottya utca"St	day	28	25.00 EUR	700.00 EUR
					0.00 EUR

Description and justification 447 /500

Kick-off meeting - 8 people to Miskolc by 2 cars including accommodation: 2 times 200 km
Meetings of project staff, 3 people to Miskolc by car: 5 times 200 km
Internal experts - workshops and seminar 5 people to Miskolc by car: 3 times 200 km
Travels for joint investment: 4 people to Miskolc by car: 8 times 200 km
Travels to take part in key public HNGR events in Miskolc: 4 people in HU by car 6 times 200 km
Half-day per diem costs estimated

5. External expertise and services — Share: 9.9% — 31,240.00 EUR

5.1 Studies, surveys and plans — 5,700.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Technical plan	Act4 | Acquistion of movables and facilities	package	1	5,700.00 EUR	5,700.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 245 /500

Elaboration of the technical plans for reconstruction and renovation of the diesel locomotive T211 with change of locomotive gauge will be ordered. Fees connected with approval of the locomotive T211 gauge change and commissioning are included.

5.2 Events, conferences, seminars and project meetings — 5,500.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Press conference	Act2 | Communication	piece	1	200.00 EUR	**200.00 EUR**
Public project event	Act2 | Communication	piece	1	3,000.00 EUR	**3,000.00 EUR**
Master plan workshop	Act7 | Master plan including marketing	piece	2	500.00 EUR	**1,000.00 EUR**
Staff meeting	Act1 | Project management	piece	5	60.00 EUR	**300.00 EUR**
Master plan seminar	Act7 | Master plan including marketing	piece	1	1,000.00 EUR	**1,000.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 427 /500

DZK will organize the closing conference for stakeholders, partners and target groups, where outputs and results of the project will be presented. The conference will be open for media and accompanied by the press conference.
2 master plan workshops (10 people), 5 staff meeting (6 people) and 1 Master plan seminar (40 people) will be organized by DZK during the project. Those costs include interpretation and accomodation.

5.3 IT system development — 5,000.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Smart phone application	Act2 | Communication	piece	1	5,000.00 EUR	**5,000.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 132 /500

Application for visitors describing and promoting both HNGRs will be created for both smartphone operation sytems: IOS and Android.

5.4 Publicity, promotion and communication costs — 5,240.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Project website	Act2 | Communication	piece	1	2,000.00 EUR	**2,000.00 EUR**
Poster	Act2 | Communication	piece			**0.00 EUR**
Billboard	Act2 | Communication	piece	2	400.00 EUR	**800.00 EUR**
Permanent plaque	Act2 | Communication	piece	2	100.00 EUR	**200.00 EUR**
Promotion materials	Act2 | Communication	package	1	2,000.00 EUR	**2,000.00 EUR**
Stickers	Act2 | Communication	piece	40	1.00 EUR	**40.00 EUR**
Roll-up	Act2 | Communication	piece	2	100.00 EUR	**200.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 388 /500

On the DZK web page will be created a sub-page where all necessary information and news in Slovak, Hungarian and English will be placed. The 2 billboards will be arranged at the entry station, at VPRED station in Košice. Two roll-ups will be made and used for the press conferences, workshops, seminars, final conference and other public events. Stickers will be purchased for equipment.

5.5 Financial management, procurement procedures and other consultancy services — 9,800.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
External management	Act1 | Project management	month			0.00 EUR
Public procurement	Act4 | Acquistion of movables and facilities	piece	6	600.00 EUR	3,600.00 EUR
Public procurement	Act5 | Completing the entry station Košice	piece	1	1,000.00 EUR	1,000.00 EUR
Public procurement	Act6 | Renewing of railway shunt Vpred Košice	piece	1	1,000.00 EUR	1,000.00 EUR
Construction supervision	Act5 | Completing the entry station Košice	month	6	300.00 EUR	1,800.00 EUR
Construction supervision	Act6 | Renewing of railway shunt Vpred Košice	month	8	300.00 EUR	2,400.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 259 /500

According the law public tenders will be launched for both investment activities and for arranging equipment - 2 locomotives, technical plan, facilities and movables. The supervision of both infrastructure investments will be arranged by external supervisors.

5.6 Other services — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

6. Equipment expenditure — Share: 20.2% — 63,900.00 EUR

6.1 Equipments related project management — 1,900.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Notebook	Act1 | Project management	piece	2	600.00 EUR	1,200.00 EUR
Office Home and business	Act1 | Project management	piece	2	250.00 EUR	500.00 EUR

Multiplier copier	Act1 | Project management	piece	1	200.00 EUR	**200.00 EUR**
					0.00 EUR
					0.00 EUR

Description and justification 260 /500

Portable notebooks with commonly used office software will be used by the stuff in the office and at regular meetings. The multiplier copier is planned for copying, printing, scanning documents related with the project management and communication activities.

6.2 Equipments related to core activities 62,000.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Locomotive T211	Act4 | Acquistion of movables and facilities	package	1	35,000.00 EUR	**35,000.00 EUR**
Locomotive TU29	Act4 | Acquistion of movables and facilities	package	1	10,100.00 EUR	**10,100.00 EUR**
Facilities, movables	Act4 | Acquistion of movables and facilities	package	1	13,500.00 EUR	**13,500.00 EUR**
Multiplier copier	Act7 | Master plan including marketing	piece	1	200.00 EUR	**200.00 EUR**
Projector	Act7 | Master plan including marketing	piece	1	400.00 EUR	**400.00 EUR**
Equipment of new station building	Act5 | Completing the entry station Košice	package	1	2,800.00 EUR	**2,800.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 490 /500

Reconstruction and renovation of the unfunctional locomotive T211 for usage and the old locomotive TU 29 for exhibition will be made using Hungarian experience. Deployment of elements (3 pieces of driver´s booths, swings, jungle gym, fun slide for children, information, promotional and historicizing panels, etc.) will increase attractiveness. Multiplier copier and projector are planned for internal experts. Equipment for the entry station include chairs, desks, cupboards, benches, etc.

7. Infrastructure and works Share: 47.6% 150,377.38 EUR

7.1 Construction, reconstruction and renovation of buildings, works, infrastructure 150,377.38 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Construction works	Act5 | Completing the entry station Košice	piece	1	66,977.38 EUR	**66,977.38 EUR**
Construction works	Act6 | Renewing of railway shunt Vpred Košice	piece	1	83,400.00 EUR	**83,400.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 480 /500

After demolishing the old entry station building DZK started to build a new one. The building is not finished yet; construction works will include its completion under the technical plans with construction permit. The building is designed to have former architectural features and the same wooden surface exterior design.
The second infrastructure investment includes restoration and repair works of old shunt in order to get its full functionality and previous attractiveness.

7.2 Purchase of land	Share: 0.00%				0.00 EUR
Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification	0 /500

8.2 BENEFICIARY BUDGET — B2 - ÉSZAKERDŐ

VAT status	Total budget
Regarding the project expenditures the Beneficiary is obliged to reclaim the VAT, therefore the relevant expenditures are indicated in net amount.	261,802.00 EUR

1. Preparation costs — Share: 6.57% — 16,150.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Translation	Act1 | Project management	package	1	350.00 EUR	350.00 EUR
Building documentation	Act3 | Development of "Miskolc-Dorottya utca"St	package	1	10,500.00 EUR	10,500.00 EUR
Building documentation	Act4 | Acquistion of movables and facilities	package	1	5,300.00 EUR	5,300.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 296 /500

In the preparation phase, licensing and construction plans are needed for Act. 3. and 4. In these activities, involving licensed designers and engineers is obligatory. The project preparation required the use of translators to translate documents and texts into English (20 pages, 17,5 EUR/page).

2. Staff costs — Share: 9.0% — 23,480.00 EUR

2.1 Internal project management — Basis: Flat rate — 23,480.00 EUR

Expenditure	Related activity	Unit	Number of units	Rate of calc.	Total:
Project management	Act1 | Project management			10%	23,480.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

2.2 Internal experts — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

3. Office and administration — Share: 1.3% — 3,522.00 EUR

Expenditure	Related activity	Unit	Number of units	Flat rate	Total:
Office and administration	Act1 | Project management			15%	3,522.00 EUR

4. Travel and accomodation — Share: 0.0% — 0.00 EUR

4.1 Travel and visa costs — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

4.2 Accomodation costs — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

4.3 Per diem and costs of meal — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

5. External expertise and services — Share: 12.5% — 32,650.00 EUR

5.1 Studies, surveys and plans — 16,450.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Production plan	Act4 | Acquistion of movables and facilities	package	1	16,450.00 EUR	16,450.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 77 /500

Obtaining the technical plan needed to wagon reconstruction and restoration.

5.2 Events, conferences, seminars and project meetings — 2,900.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Press conference	Act2 | Communication	piece	2	300.00 EUR	**600.00 EUR**
Public project event	Act2 | Communication				
Master plan workshop	Act7 | Master plan including marketing	piece	2	500.00 EUR	**1,000.00 EUR**
Staff meeting	Act1 | Project management	piece	5	60.00 EUR	**300.00 EUR**
Master plan seminar	Act7 | Master plan including marketing	piece	1	1,000.00 EUR	**1,000.00 EUR**
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 246 /500

The improvements are to be promoted at a public press conference at the end of the project.
2 master plan workshops (10 people), 5 staff meeting (6 people) and 1 Master plan seminar (40 people) are to be organized by ÉSZAKERDŐ during the project.

5.3 IT system development — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

5.4 Publicity, promotion and communication costs — 8,600.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Project website	Act2 | Communication				
Poster	Act2 | Communication				
Billboard	Act2 | Communication	piece	2	400.00 EUR	**800.00 EUR**
Permanent plaque	Act2 | Communication				
Promotion materials	Act2 | Communication	package	1	1,495.00 EUR	**1,495.00 EUR**
7-minute film on the project	Act2 | Communication	package	1	3,500.00 EUR	**3,500.00 EUR**
Trilingual project publication	Act2 | Communication	piece	1000	2.80 EUR	**2,800.00 EUR**
Stickers	Act2 | Communication	piece	5	1.00 EUR	**5.00 EUR**
					0.00 EUR
					0.00 EUR

Description and justification 453 /500

A large information board will be placed on site for the duration of the project, while in the maintaining period two reminder boards are to be installed. We wish to obtain unique-looking promotional products to advertise the project. A banner will lead to the project website from the company's existing website. The improvements realized are to be promoted with a seven-minute short film and a trilingual (Hungarian, Slovak, English) 32-page brochure.

5.5 Financial management, procurement procedures and other consultancy services — 4,700.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
External management	Act1 | Project management	month			0.00 EUR
Procurement procedure	Act3 | Development of "Miskolc-Dorottya utca"St	package	1	1,500.00 EUR	1,500.00 EUR
Procurement procedure	Act4 | Acquistion of movables and facilities	package	1	800.00 EUR	800.00 EUR
Technical supervisor	Act3 | Development of "Miskolc-Dorottya utca"St	package	1	2,400.00 EUR	2,400.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 390 /500

According to the current legislation and procurement thresholds, the development of „Miskolc-Dorottya utca" Station and the construction of the smal, closed passenger wagon are subject to public procurement procedures. External services and administrative fees are foreseen. The development of „Miskolc-Dorottya utca" Station as an infrastructural project part needs technical supervision.

5.6 Other services — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

6. Equipment expenditure — Share: 25.2% — 66,000.00 EUR

6.1 Equipments related project management — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 0 /500

6.2 Equipments related to core activities — 66,000.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Construction of a small, closed passenger wagon	Act4 | Acquistion of movables and facilities	piece	1	66,000.00 EUR	66,000.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 73 /500

Construction of a small, closed passenger wagon alleviates capacity gaps.

7. Infrastructure and works — Share: 45.8% — 120,000.00 EUR

7.1 Construction, reconstruction and renovation of buildings, works, infrastructure — 120,000.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
Reconstruction of "Miskolc-Dorottya utca" Station	Act3 | Development of "Miskolc-Dorottya utca"St	package	1	120,000.00 EUR	120,000.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification 308 /500

ÉSZAKERDŐ Zrt. operates LÁEV, and "Miskolc-Dorottya utca" Station is the city terminus of the railway system. The terminus reception areas are obsolates, so by the reconstructional works include the construction of an elevated platform, an experience park showing the nearby attractions and sibling railways.

7.2 Purchase of land — Share: 0.00% — 0.00 EUR

Expenditure	Related activity	Unit	Number of units	Price per unit	Total:
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR
					0.00 EUR

Description and justification	0 /500

9. FINANCIAL OVERVIEW

Beneficiary	Gross/Net budget	ERDF contribution (EUR)	%	State co-finance (EUR)		%	Own contribution (EUR)		%	Total budget (EUR)	Planned net revenue (EUR)	Total eligible budget (EUR)
				Hungary	Slovakia		Public	Private				
LB - DZK	Gross	268,708.27	85	-	31,612.73	10	-	15,806.38	5	316,127.38		316,127.38
B2 - ÉSZAKERDŐ	Net	222,531.70	85	39,270.30	-	15	- 0.00	-	0	261,802.00		261,802.00
B3 -		-	85	-	-	10	-	-	5	-		-
B4 -		-	85	-	-	10	-	-	5	-		-
B5 -		-	85	-	-	10	-	-	5	-		-
B6 -		-	85	-	-	10	-	-	5	-		-
B7 -		-	85	-	-	10	-	-	5	-		-
B8 -		-	85	-	-	10	-	-	5	-		-
B9 -		-	85	-	-	10	-	-	5	-		-
B10 -		-	85	-	-	10	-	-	5	-		-
B11 -		-	85	-	-	10	-	-	5	-		-
B12 -		-	85	-	-	10	-	-	5	-		-
Subtotal		491,239.97		39,270.30	31,612.73		- 0.00	15,806.38		577,929.38	-	577,929.38
Total		491,239.97		70,883.03			15,806.38			577,929.38	-	577,929.38

10. SPENDING FORECAST

Beneficiary	12 month long project			24 month long project			36 month long project			Difference from Total eligible
	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	
LB - DZK	45,640.00	81,500.00	25,800.00	66,900.00	60,400.00	35,887.38				0.00
B2 - ÉSZAKERDŐ		50,000.00	50,000.00	50,000.00	50,000.00	61,802.00				0.00
B3 -										0.00
B4 -										0.00
B5 -										0.00
B6 -										0.00
B7 -										0.00
B8 -										0.00
B9 -										0.00
B10 -										0.00
B11 -										0.00
B12 -										0.00
Total	45,640.00	131,500.00	75,800.00	116,900.00	110,400.00	97,689.38	0.00	0.00	0.00	0.00

10. CONSTRUCTION WORKS

Location of construction works

No.	Related activity	Country	County	Municipality	All related topographic numbers	Permits needed
1	Act3 | Development of "Miskolc-Dorottya utca"St	HU	BAZ	Miskolc	Miskolc, Dorottya utca hrsz. 30.122/29 hrsz. 30.125	Yes
2	Act5 | Finishing the entry station Košice	SK	KE	Košice	k.ú. Čermeľ C KN 2125/1 (LV č. 905)	Yes
3	Act6 | Renewing of railway shunt Vpred Košice	SK	KE	Košice	k.ú. Čermeľ KN-C par. č. 2125/1, č. 2125/3-6, č. 2125/9, č. 2125/16-20, č. 2125/22-36, č. 2126/1-2, č. 2127/1-4	No
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						

Land or property acquisitions and permits					
No.	Beneficiary ID	Acquisition and permits	Status	Description	Expected date of submission
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

12. INFORMATION AND PUBLICITY

1. Publications

Item	Quant.	Resp. Ben.	Description	Lang.	Rel. period	No. of people to reach
Brochure	100	LB	Master plan	ALL	4	1,000
Brochure	1000	B2	Trilingual project publication	ALL	6	1,000

2. Web appearance

Item	Quant.	Resp. Ben.	Description	Lang.	Rel. period	No. of people to reach
Banner	2	ALL	banners on partners web pages	ALL	All	5,000
Article/News	8	ALL	e-newsletter issued every 3 months	ALL	All	5,000
Project website	1	LB	On the DZK web page will be created a sub-page where all necessary information and news in Slovak, Hungarian and English will be placed.	ALL	All	5,000

3. Communication events

Item	Quant.	Resp. Ben.	Description	Lang.	Rel. period	No. of people to reach
Public project event	1	LB	Closing conference	HU-SK	6	100
Seminar	2	ALL	Seminars introducing Master plan	ALL	2.3	80
Public project event	1	B2	Kick-off meeting	HU-SK	1	20
Workshop	4	ALL	Master plan workshops	HU-SK	1,2,3	20
Other	10	ALL	Staff meetings every 2 months	HU-SK	All	6

3. Media coverage

Item	Quant.	Resp. Ben.	Description	Lang.	Relevant period	No. of people to reach
Press conference	1	B2	at the end of the kick-off meeting	HU-SK	1	1000
Press release	2	LB	at the beginning and the end of the project	ALL	1.6	5000
Press release	1	B2	after the Seminar introducing the Master plan	HU-SK	3	1,000
Press conference	2	ALL	LB: during the Closing conference and B2: after the investment will be completed	HU-SK	4.6	3,000
Press release	2	LB	at the beginning and the end of finishing the entry station in Košice HNGR	SK	1.3	10,000

Press release	2	LB	at the beginning and the end of finishing the shunt in Košice HNGR	SK	2.6	10,000
Press release	2	B2	at the beginning and the end of the LÁEV Miskolc-Dorottya utca st. Reconstruction	HU	1.4	10,000
Article	8	LB	e-newsletters	ALL	All	3,000

4. Promotion materials

Item	Quant.	Resp. Ben.	Description	Lang.	Relevant period	No. of people to reach
Accessories	500	LB	T-shirts, pens, etc	SK	4	1,000
Accessories	500	B2	USB drives, pens, stc.	HU	4	1,000
Other	2	LB	roll-ups	ALL	1	2,000

5. Visibility elements

Item	Quant.	Resp. Ben.	Description	Lang.	Relevant period	No. of people to reach
Permanent billboard	2	LB	Entry station and VPRED station of DZK	SK	All	40,000
Permanent billboard	2	B2	LÁEV station Miskolc-Dorottya utca	HU	All	230,000
Stickers (90x50 mm)	5	B2	Equipment	HU	All	400
Stickers (100x100 mm)	40	LB	Equipment	SK	All	400
Permanent plaque	2	LB	Office building, activities	ALL	6	4,000

13. COOPERATION CRITERIA

Joint development	Yes	999 /1000

The first joint meeting to discuss the idea of the common project was held on October 28th, 2016 in Miskolc, where ÉSZAKERDŐ introduced its HNGR and common will to prepare the joint project were expressed. The second meeting took place on February 11th, 2016 in the small company chalet, where the possible call conditions were discussed and partnership was agreed. The third preparatory meeting was held in March 9th, 2016 in Košice, where DZK introduced its HNGR and activities. Planned investments and works on both sides were introduced and discussed and creation of common Master plan was agreed. The Lead partner - DZK was chosen. After these three meetings the project proposal, which was elaborated by Mr. Bauer (CESCI-Carpathia, Košice) was approved through mail communication. After the call was submitted the partnership, partner roles, project description, activities, detailed budget, methodology of the project, visibility etc were discussed, agreed and elaborated at next 4 meetings.

Joint implementation	Yes	642 /1000

The Master plan with marketing strategy will be created and elaborated jointly on the basis of joint expert group - 4 experts from both sides having regular workshops every two months. DZK will be responsible for the analytical part of Master plan and ÉSZAKERDŐ will be responsible for the marketing part. The Master plan will be introduced to stakeholders at the last seminar. Aquisition of movables and facilities will be based on joint reflections, thinking and proposals according the Master plan suggestions. Investments and works will be carried out by each beneficiary itself, but will be discussed and monitoring by both partners.

Joint staffing	Yes	522 /1000

The DZK project stuff will be responsible mainly for organizing workshops in Košice, seminar and closing conference in Košice, financial matters of activities, visibility of the project, reports. The ÉSZAKERDŐ project stuff will be responsible mainly for organizing kick-off meeting, workshops and seminar in Miskolc, financial matters, communication activities, visibility of the project, reports. All stuff will attend regular common meetings every two months during all project period alternatley in Miskolc and Košice.

Joint financing	Yes	476 /1000

The budget of DŽK is 318 773 € what is 54,6% of the total budget. The budget of ÉSZAKERDŐ is 265 370 €, what is 45,4% of the total budget. Costs for infrastructure and construction works are divided at ratio 55 : 45 between partners. The planning document - Master plan will be elaborated jointly with divided complementary roles, DŽK will be responsible for analytical part and development strategy and ÉSZAKERDŐ will be responsible for best practices and marketing strategy.

14. PROJECT LEVEL INDICATORS

Programme specific result indicator

ID	Indicator	M. unit	Baseline value	Target value
R110	Total number of visitors in the region	visitors/year	7,074,754.00	7,800,000.00

The project's contribution to the fulfillment of the indicator 480/500

There are up to 250 000 visitors per year in both HNGRs at present. Increasing attractiveness with investments and aquisitions of new movalbles and facilities is expected to raise number of visitors in Miskolc by 3000 per year and in Košice by 1500 per year. Innovative solutions through joint cross-border development plan for these specific thematic cultural heritage tourist destinations and gates to nature should create conditions for long-term growth of number of visitors.

Common and Programme specific output indicators

ID	Indicator	M. unit	Target value
CO09	Sustainable tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	visits/year	4,500.00
CO13	Roads: Total length of newly built roads	km	0.00
CO23	Nature and biodiversity: Surface area of habitats supported in order to attain a better conservation status	hectares	0.00
O11	Length of reconstructed and newly built 'green ways'	km	0.00
			0.00
			0.00

Project specific output indicator

ID	Indicator	Unit	Target value
PS01	Developed surface/capacity affected by investment	m2	2,738.50
PS02	Developed natural surface affected by investment	ha	0.00
PS03	Number of developed documents	pc	1.00
PS04	Length of bicycle paths	km	0.00
PS05	Number of women participating in project activities, events	person	110.00
PS06	Number of new working places	pc	12.00
PS07	Number of sustained working places	pc	0.00
PS08	Travelling time saving by investment	min	0.00
PS09	Number of newly implemented infrastructure	pc	3.00
PS10	Number of developed systems and services	pc	2.00
PS11	Number of new or reconstructed bridges	pc	0.00
PS12	Number of organized professional events	pc	8.00
PS13	Number of institutions/organizations involved in professional events	pc	20.00
PS14	Number of new webpages	pc	1.00
PS15	Number of cross-border thematic articles, media appearances	pc	16.00
PS16	Number of developed documents related to the investment	pc	4.00
PS17	Number of purchased means of transport	pc	2.00

15. INDICATORS BY BENEFICIARIES

Common and Programme specific output indicators

ID	Indicator	Unit	Target value												
			LB	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11	B12	Total
CO09	Sustainable tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	visits/year	1500.0	3000.0											4500.00
CO13	Roads: Total length of newly built roads	km													0.00
CO23	Nature and biodiversity: Surface area of habitats supported in order to attain a better conservation status	hectares													0.00
O11	Length of reconstructed and newly built 'green ways'	km													0.00
															0.00
															0.00

Project specific output indicator

ID	Indicator	Unit	Target value												
			LB	B2	B3	B4	B5	B6	B7	B8	B9	B10	B11	B12	Total
PS01	Developed surface/capacity affected by investment	m2	1500.0	1238.5											2738.5
PS02	Developed natural surface affected by investment	ha													0.0
PS03	Number of developed documents	pc	1	0											1
PS04	Length of bicycle paths	km													0.0
PS05	Number of women participating in project activities, events	person	50	60											110
PS06	Number of new working places	pc	10	2											12
PS07	Number of sustained working places	pc													0
PS08	Travelling time saving by investment	min													0
PS09	Number of newly implemented infrastructure	pc	2	1											3
PS10	Number of developed systems and services	pc	1	1											2
PS11	Number of new or reconstructed bridges	pc													0
PS12	Number of organized professional events	pc	4	4											8
PS13	Number of institutions/organizations involved in professional events	pc	10	10											20
PS14	Number of new webpages	pc	1												1
PS15	Number of cross-border thematic articles, media appearances	pc	10	6											16
PS16	Number of developed documents related to the investment	pc	2	2											4
PS17	Number of purchased means of transport	pc	1	1											2

16. HORIZONTAL PRINCIPLES

Obligatory requirements

As a Lead Beneficiary hereby I declare that:
1. Investments negatively affecting nature, fauna and flora, and biodiversity are accompanied by compensatory measures and damage mitigation.
2. In case the project includes construction and/or renovation works the project chosen climate-friendly architectural solutions and cost optimal levels of energy performance according to the Directive 2010/31/EU.
3. In case the project includes inland waterways and/or infrastructure, the projects will be implemented in accordance with Art. 4 of the Directive 2000/60/EC and the river basin management have to be respected.

Programme specific measures

Sustainable development

The project pays attention to efficiency and rational approach to funds and resources and goes beyond cost-optimal levels according to Directive 2010/31/EU.

Description 113 /500

After completion the new entry station building in Košice will be operated with very low energy operating costs.

Project increases the energy efficiency and usage of recycled materials

Description 387 /500

New, energy saving lighting system is to be installed using LED light source at "Miskolc-Dorottya utca" and in Košice Čermeľ station. Recycled rail materials are to be used for the track construction at "Miskolc-Dorottya utca" Station and for the construction of the emphatic symbol of the terminus. The construction is a three-sided edifice made of rails and sleepers forming a column.

Description 0 /500

Equal opportunities and non-discrimination

Project must be transparent and must take into account non-discrimination principles.

Description 231 /500

The all financial data connecting with the project will be published in the Annual reports of both partners and will be published at partner web pages. The tenders organized within the project will contribute to non-discrimination.

In case of the employment initiatives the project gives preference to the social inclusion and gives advantage to Roma people and to people living in deep poverty.

Description	124 /500

DŽK and ÉSZAKERDŐ as contractors will raise a condition for its subcontractors in project investments to employ Roma people.

Project ensures accessibility of people with disabilities to newly developed services.

Description	284 /500

At "Miskolc-Dorottya utca" Station, a new barrier-free ramp and elevated platforms are to be constructed to make it easier for children, families, elder people and other people with disabilities to get on the train. Tourist information boards with tactile captions will be accessible.

Equality between men and women

Project increases access to employment opportunities for women and supports flexible working hours.

Description	138 /500

New services addressed needs of families with kids suggested in the Master plan measures will take into account needs of women employment.

Description	0 /500

Description	0 /500

Description	0 /500

PA specific measures

Project shall build environmental and cultural awareness and respect and provide positive experiences for both visitors and hosts

Description	273 /500
By installing new information boards, by offering new information and promotion materials, by communicating project events in media and web pages, the project will contribute to increased environmental and cultural awareness of all visitors and their positive experiences.	

Project provides direct benefits for conservation and generates benefits for both local people and local economy.

Description	264 /500
All project investments contribute to conservation of this specific cultural heritage in both HNGRs. Delivering new tourist products and services as outputs from the common Master plan will be a strong impulse for local economies - other SMEs operating in tourism.	

Description	0 /500

Interreg Slovakia-Hungary

Partnership Agreement

Application form ID: SKHU/1601/1.1/031

Project acronym: RailGate

Project title: Narrow gauge railways as attractions and gates to nature

Interreg V-A Slovakia-Hungary
Cooperation Programme

PARTNERSHIP AGREEMENT

for the implementation of the Project

RailGate

Narrow gauge railways as attractions and gates to nature

within the

Interreg V-A Slovakia-Hungary Cooperation Programme

between

Lead Beneficiary

Detská železnica Košice, Aténska 15, 040 13 Košice, Slovak Republic

Represented by: **Mgr. Ľubomír Lehotský, predseda – chairman**

and

Beneficiary

ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság, Deák tér 1., Miskolc 3525, Hungary

Represented by: **Adorján Zay, vezérigazgató - Chief Executive Officer**

(Hereinafter jointly referred to as Parties)

On the basis of:

- Council Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the

European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 – (hereinafter referred to as the Common Provisions Regulation, CPR);

- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial co-operation goal (hereinafter referred to as the ETC Regulation);
- the Interreg V-A Slovakia-Hungary Cooperation Programme, approved by the European Commission on 30 September 2015 by Decision Ref No C(2015) 6805 and modified on 1 September 2016 by Decision Ref No C(2016)5653 (hereinafter referred to as the Programme);
- documents of the relevant Call for proposals of the Programme (SKHU/1601), published on 29th July 2016 on the Programme website (hereinafter referred to as the Call for proposals);
- the Beneficiary's manual for the Interreg V-A Slovakia-Hungary Cooperation Programme, laying down the programme specific rules for the implementation of the projects (hereinafter referred to as the Beneficiary's manual);
- the Visibility guide for projects in the Interreg V-A Slovakia-Hungary Cooperation Programme, laying down the programme specific rules on information and publicity measures of the projects (hereinafter referred to as Visibility guide for projects);
- the proposed Project **RailGate** as drafted in the Application form and approved by the Monitoring Committee of the Programme, taking its final form as Annex I of the Subsidy Contract.

All laws, regulations, programme documents mentioned in this agreement – including any amendments made to these rules and regulations – are applicable in the latest version in force.

Article 1

Definitions

1. **Lead Beneficiary:** the Lead Beneficiary is designated by the Project partners and has full financial and administrative responsibility for the EU contribution for the entire duration of the Subsidy contract. The Lead Beneficiary is also responsible for the proper reporting of progress during project implementation to the Joint Secretariat as stipulated in the Subsidy contract. In principle, the Lead Beneficiary has functional (co-ordination of the project activities) and financial responsibilities related to the EU contribution (based on Paragraph (2) of Article 13 of the ETC Regulation).

2. **Beneficiary:** an actor that commits itself to functionally and financially implement a project part of the Project according to the Application form as approved by the Monitoring Committee.

3. **Project partners:** means Lead Beneficiary and other Beneficiary / Beneficiaries together.

4. **Project part:** covers a set of activities within the Project as a whole, undertaken by the Lead Beneficiary or another Beneficiary in a defined timeframe and presented as a Lead Beneficiary / Beneficiary budget sheet in the budget of the Application form.

Article 2

Scope of the Partnership agreement

1. The Parties, through the present Partnership agreement, lay down the rules of procedures for the work to be carried out and the relations that shall govern the partnership set up in order to successfully and efficiently implement the above-mentioned Project. This Agreement shall also define their mutual responsibilities concerning the administrative and financial management of the Project.

2. The Application form as approved by the Monitoring Committee and the Subsidy contract (with all its provisions) signed by all signatories are to be regarded as integral parts of this Agreement, therefore their content and the obligations set by the above-mentioned documents have to be fully respected by the Parties.

Article 3

Duration of the Agreement

1. The Partnership agreement is valid from the date of signature by all Parties and enters into force from the day the Subsidy contract between the

Managing Authority and the Lead Beneficiary enters into force. It shall remain in force until the Lead Beneficiary has discharged in full its obligations arising from the Subsidy contract towards the Managing Authority, including the period of availability of documents for financial controls.

2. This Agreement shall also remain in force if there is any non-resolved dispute among the Parties at an out-of-court arbitration body.

3. The breach of the obligations of the Partnership agreement by one of the Project partners may lead to an early termination of its participation in the Project. This termination has to be decided by consensus by all the other Project partners in a documented manner, provided that the eligibility rules of the Call for proposals are kept with the remaining Project partners and that the consequently initiated amendment of the Subsidy contract is successful at the Managing Authority. However, the Project partner will be obliged by the present Agreement for its whole duration with regard to the activities carried out and expenditure incurred until that moment. In case the Subsidy contract terminates, the present Partnership agreement is terminated.

Article 4

Activities of Project partners in the Project

1. The activities of the Project partners as well as the role of the Lead Beneficiary and of each Beneficiary in the Project are described in the Application form and in the Subsidy contract.

2. The Project partners take into account all rules and obligations as set out in the Subsidy contract and its annexes.

3. The Project partners commit themselves to undertake everything in their power to foster the successful and efficient implementation of the Project.

Article 5

Specific obligations of the Lead Beneficiary

1. The Lead Beneficiary is responsible for the overall co-ordination and effective implementation of the Project and shall take all the steps needed to correctly manage the Project in accordance with the Application form and the Subsidy contract and in line with the Subsidy contract and the Partnership agreement.

2. In addition as a general obligation the Lead Beneficiary shall:

   a) represent the Project partners towards Managing Authority / Joint Secretariat / programme management bodies;

   b) sign the Subsidy contract (and its possible amendments), inform all Beneficiaries on the signature of the Subsidy contract and provide all Beneficiaries with a copy thereof;

c) appoint a project manager who has the operational responsibility for the co-ordination and documentation of the overall Project;

d) react promptly to any request made by the Managing Authority and the Joint Secretariat;

e) keep the Beneficiaries informed on a regular basis about all relevant communication between the Lead Beneficiary and the Joint Secretariat, furthermore between the Lead Beneficiary and the Managing Authority;

f) inform all Beneficiaries on the progress of the overall Project, in particular with reference to its objectives and results as set in the Subsidy contract or any later amendments;

g) without any delay inform the Beneficiaries about all essential issues (e.g. about any variation of the conditions at the basis of the present Agreement or about any modification that could influence the performance of the Project, the information activity or the payment of financing) connected to project implementation;

h) notify the Beneficiaries and the Joint Secretariat / Managing Authority immediately of any event that could lead to a temporary or final discontinuation of the Project or any other deviation of the implementation of the Project;

i) guarantee the sound financial management of the funds allocated for the implementation of the Project, including the separate set-up of the project accounting and the supporting documents storage system;

j) be responsible for the verification that the expenditure declared by the Project partners has been validated by the designated controller at national level and the expenditure declared by the Project partners has been incurred only for the purpose of implementing the Project and that it corresponds to the activities agreed between the Project partners in the frame of the Application form and Subsidy contract;

k) prepare and submit the Applications for Reimbursement together with the Project reports, the Final project report and the Project follow-up reports (if relevant) to the Joint Secretariat keeping the deadlines indicated in the Subsidy contract;

l) transfer the EU contribution to the Beneficiaries according to the Application for Reimbursement approved by the Joint Secretariat, within **fourteen (14) calendar days** and in full – no specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the Beneficiaries;

m) ensure that all Beneficiaries are involved in the decision making regarding the Project,. and especially agree with the Beneficiaries before submitting any request for reallocation between budget lines and for an amendment of the Subsidy contract / Partnership agreement to the Joint Secretariat / Managing Authority.

n) support Beneficiaries in implementing their obligations by giving them the correct information, indications and clarifications on the procedures;

o) make sure that all Project partners comply with EU and national legislation including rules on public procurement, State aid, publicity, furthermore rules on environmental protection and equal opportunities;

p) report in accordance with the existing legislation and national / regional guidelines if the project activities contain elements of State aid;

q) implement its individual part of the Project accordingly;

r) enable the responsible bodies to carry out their audit and monitoring / evaluation / activities;

s) guarantee the systematic collection and the safe storage of all the documentation regarding project expenditure and activities;

t) keep a copy of all project documents including public procurement documents prepared by the Project partners or other bodies;

u) carry out project level accounting;

v) ensure that no double funding or double reporting of expenditure takes place;

w) review the appropriate spending of the EU contribution by the Beneficiaries, the condition of the Beneficiaries' project part and the preparation of the required documents and records for the project closure.

Article 6

Obligations of the Beneficiaries

1. In particular, each Beneficiary shall:

   a) support the Lead Beneficiary in fulfilling its tasks as stipulated in the Subsidy contract and its annexes;

   b) without any delay provide the Lead Beneficiary with any information needed to draw up the Project reports, the Final project report and the Project follow-up reports (if relevant), react on any request by the Managing Authority or the Joint Secretariat, or provide any further information needed by the Lead Beneficiary;

   c) assure the smooth implementation of the part of the Project they are responsible for in accordance with the Subsidy contract and its annexes;

   d) inform the Lead Beneficiary immediately about any circumstances that could lead to a temporary or final discontinuation of the Project part or any other deviation of the implementation of the Project part, including any variations to its part of project budget or work plan;

   e) appoint a contact person for the implementation of the part of the Project under their responsibility;

f) contribute to overall project aims according to their part undertaken with due care and motivation, completing their activities foreseen for each reporting period of the project implementation;

g) maintain either a separate accounting system or an adequate accounting code for all transactions related to the Project part;

h) inform the Lead Beneficiary on the details of the bank account[1] to which the EU contribution of the Beneficiary shall be transferred, furthermore the Lead Beneficiary must be informed about any changes concerning the bank account;

i) co-operate with the Lead Beneficiary for the effective implementation of the Project, actively take part in decision making during the Project;

j) have its expenditures incurred in the given reporting period, verified by the designated controller and submit the Declaration on Validation of Expenditure issued by the controller to the Lead Beneficiary in due time. (The reimbursement of expenditure of the Beneficiaries not covered by Declarations on Validation of Expenditure in the given reporting period can be requested only for the next reporting deadline following the reporting period concerned. Preparation costs can be validated and requested only in the first reporting period.);

k) comply with EU- and national rules, including rules on public procurement, State aid, publicity, further rules on environmental protection and equal opportunities;

l) report in accordance with the existing legislation and national/regional guidelines if the Project activities contain elements of State aid;

m) guarantee the systematic and safe collection of all the documentation regarding its part of project expenditure and its transmission to the Lead Beneficiary, as well as to guarantee the access to documents to all the representatives of the institutions in charge of verifications and to the bodies authorised to monitor or audit the Project;

n) be responsible for the sound financial management of the funding allocated to its project part, including the arrangements for recovering amounts unduly paid (EU contribution, State contribution, if relevant, and other public contribution).

Article 7

Responsibilities of the Lead Beneficiary and of the Beneficiaries

1. The Lead Beneficiary solely assumes responsibility for the entire Project towards the Managing Authority as defined in the Subsidy contract.

2. Each Beneficiary is directly and exclusively responsible to the Lead Beneficiary for the due implementation of its respective project part and for the proper fulfilment of its obligations as set out in the Partnership agreement

[1] The details of the bank accounts per Beneficiary form Annex 1 to the present Agreement.

and in the Application form. Should a Project partner not fulfil its obligations under this Agreement in due time, the Lead Beneficiary shall admonish the Project partner to fulfil them within a reasonable period of time. The Project partners undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the Lead Beneficiary may decide to debar the Project partner concerned from the Project with approval of the other Project partner. The Joint Secretariat and the Managing Authority shall be promptly informed of such an intended decision by the Lead Beneficiary and the change in the partnership has to be approved according to the provisions set out in the Subsidy contract.

3. The Lead Beneficiary and each Beneficiary shall take the financial responsibility for the EU contribution and, if relevant, the related State contribution it has received for its project part.

4 In case of irregularities the Lead Beneficiary bears the overall responsibility towards the Managing Authority for the repayment of the EU contribution amounts unduly paid, with interest charged. By way of the derogation from this principle, if the irregularity is committed by a Beneficiary, the concerned organisation shall repay to the Lead Beneficiary the amounts unduly paid. When amounts unduly paid to a Beneficiary cannot be recovered, due to negligence of the Lead Beneficiary, the Lead Beneficiary shall remain responsible for the repayment, according to Article 13 of the Subsidy Contract.

Article 8

Reporting obligations of the Beneficiaries

1. The Lead Beneficiary can only submit an Application for Reimbursement to the Joint Secretariat by providing proof of progress of the Project. Therefore, in order to provide adequate information on the progress of the Project, each Beneficiary has to submit a Beneficiary report to the Lead Beneficiary consisting of an activity report describing the activities carried out with their outputs and results during the reporting period and a financial report presenting the financial progress of the Project part compared to the Application form/Subsidy contract.

2. The Beneficiaries have to respect the reporting deadlines of the Subsidy contract and have to submit their Beneficiary report and Declaration on Validation of Expenditure to the Lead Beneficiary in due time, until **at least twenty-one (21) days prior the end day of each reporting period the latest**. Beneficiary reports and Declarations on Validation of Expenditure not submitted to the Lead Beneficiary within the set deadline will not be included in the Project report (or any other report) and Application for Reimbursement of the Lead Beneficiary to be submitted to the Joint Secretariat.

3. The Beneficiary reports should be drawn up in Euro. The Beneficiaries shall convert into Euro the amounts of expenditure of invoices incurred in other currency than Euro as described in the Subsidy contract. The exchange rate risk is borne by the Lead Beneficiary or Beneficiary concerned.

Article 9

Audits

1. For audit purposes each Project partner shall:

   a) retain all files, documents, receipts and data about the Project within the timeframe stipulated in Article 140(1) of the CPR and further detailed in the Beneficiary's manual, either in original or as certified copies on commonly used data media safely and orderly;

   b) enable the Managing Authority, Certifying Authority, Audit Authority, the responsible auditing bodies of the European Union and the auditing bodies of the Member State it is based in to audit the proper use of funds;

   c) provide these authorities with any information about the Project they request;

   d) provide them access to the databases, the accounting books and accounting documents and other documentation related to the Project, whereby the auditing bodies decide on this relation, within the timeframe stipulated in Article 140(1) of the CPR and further detailed in the Beneficiary's manual;

   e) provide them access to the place where the Project has been implemented and their business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out on-the-spot-checks related to the Project within the timeframe stipulated in Article 140(1) of the CPR and further detailed in the Beneficiary's manual;

   f) without any delay provide the Lead Beneficiary with any information needed in connection to such an audit.

Article 10

Information and publicity

1. Any publicity measure undertaken by any of the Project partners shall be conducted in accordance with the rules on information and publicity laid down in the Visibility guide for projects in the Interreg V-A Slovakia-Hungary Cooperation Programme.

2. Information and publicity measures shall be co-ordinated among the Project partners. Each Project partner is equally responsible for promoting the fact that financing for the Project is provided from EU contribution within the framework of the Interreg V-A Slovakia-Hungary Cooperation Programme and is responsible for ensuring the adequate promotion of the Project.

3. The Project partners take note of the fact that the results of the Project as well as any study or analysis produced in the course of the Project can be made available to the public and they agree that the results of the Project shall be available for all Project partners and for the public free of charge.

4. The Project partners settle down that all photographs and audio-visual materials, as EU funded outputs must be free and available for everyone for at least five years after project closure.

5. Settling copyright issues is the responsibility of the Project partners. The Project partners should stipulate among others the ownership, usage rights regarding the respective outputs, if deemed necessary.

6. The Project partners agree that the Lead Beneficiary may provide the Joint Secretariat / Managing Authority or other programme management bodies to publish, in whatever form, unrestricted as far as data protection is concerned, and on or by whatever medium, with the following information:

   - title and the acronym of the Project;
   - the name and contact details of the Lead Beneficiary and of the Beneficiaries;
   - the amount of subsidy and the EU co-financing rate;
   - the purpose of the EU contribution (i.e. the overall objective of the Project);
   - the geographical location of the Project;
   - project results, evaluations, summaries;
   - any other information about the Project if considered relevant.

Article 11

Ownership – Use of Results

1. The Parties undertake to enforce the applicable law on intellectual property rights, regarding any outcome that might be produced during the implementation of the Project.

2. Unless formally stipulated otherwise by the Parties, ownership of the results of the Project, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested to the Project partners.

3. Without prejudice to the previous paragraph, the Project partners grant the Joint Secretariat and the Managing Authority the right to make free use of the results of the Project, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

4. The Project partners agree that owners of the investments are the following:

   - **Detská železnica Košice is the owner of the building of the Entry Station of Košice children historic railway – Activity 5**

- **City of Košice (according the rental contract n. 2015000385 between City of Košice and Destká železnica Košice) is the owner of the renewed railway shunt Vpred – Activity 6**
- **Detská železnica Košice is the owner of the 2 locomotives T211 and TU29 – Activity 4**

- **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság is the owner of the renewed station area at the terminus Miskolc, Dorottya utca station – Activity 3**
- **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság is the owner of the closed passenger wagon – Activity 4**

5. The Project partners agree that owners of the Project outputs/deliverables are the following:
   - **Detská železnica Košice is the owner of the Entry Station building – Activity 5**
   - **City of Košice (according the rental contract n. 2015000385 between City of Košice and Destká železnica Košice) is the owner of the renewed railway shunt Vpred – Activity 6**
   - **Detská železnica Košice is the owner of the 2 locomotives T211 and TU29 and set of movables – Activity 4**
   - **Detská železnica Košice is the owner of the Master Plan – Activity 7**
   - **Detská železnica Košice is the owner of the Smart phone application – Activity 2**

   - **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság is the owner of the renewed station area at the terminus Miskolc, Dorottya utca station – Activity 3**
   - **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság is the owner of the closed passenger wagon and one set of movables – Activity 4**
   - **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság is the owner of the trilingual project publication and 7-minute film on the project – Activity 2**

6. The Lead Beneficiary and the Beneficiaries commit themselves to establish and maintain an inventory of all fixed assets acquired, built or improved within the Project.
7. As to the sustainability of project results after the end of the implementation period, further as to the steps to be taken after project closure, the Project partners agree on the following activities and designate the following rights and duties within the Project partnership:

- **Detská železnica Košice will operate new entry station building at Čermeľ station, will operate railway shunt Vpred, will regularly operate one of the obtained locomotive and will properly maintain the second as a monument and will operate the smart phone application and maintain the set of movables. Necessary activities will be undertaken and performed to fulfil above mentioned obligation. Financial framework for this will be covered from the regular yearly budget of the Detská železnica Košice.**
- **ÉSZAKERDŐ Erdőgazdasági Zártkörűen Működő Részvénytársaság will operate renewed station area at the terminus Miskolc-Dorottya utca station, will operate the closed passenger wagon "Kassa" and one set of movables.**

8. In connection to the revenues generated after project closure, the Project partners – taking into account the provisions of Article 61 of the CPR - agree on the following rules:
   - **It is expected that project outcomes will not generate any net revenues for any of the Parties.**
9. In case of purchase costs co-financed, the owners shall not substantially modify their respective project parts affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and resulting either from a change in the nature of ownership of an item of infrastructure or the cessation or relocation of a productive activity outside the programme area at least within five years of the final payment to the Lead Beneficiary, except where State aid rules provide for a different period.

Article 12

Changes in the Project partnership

1. Being aware of the fact that all changes in the Project partnership need an approval of the Monitoring Committee and that the Managing Authority is entitled to withdraw from the Subsidy contract if the number of Beneficiaries falls below the minimum number of partners, the Project partners agree not to abandon the Project unless there are unavoidable reasons for it.
2. In case a Project partner withdraws from the Project or is debarred from it, the remaining Project partners shall undertake to find a rapid and efficient solution to ensure further proper project implementation without any delay. Consequently, the Project partners shall endeavour to cover the contribution of the withdrawing Project partner, either by assuming its tasks by one or more of the remaining Project partners or by asking a new Project partner to join the Project partnership, regarding the respective programme provisions.
3. The Lead Beneficiary shall inform the Joint Secretariat and the Managing Authority as soon as changes in the Project partnership are foreseeable. The changes in the partnership enter into force only after approval by the Monitoring Committee.

4. The provisions set for audits in Article 9 remain applicable to the Project partners that backed out of the Project or were debarred from the Project.

Article 13

Irregularities and the repayment of funds

1. If the Managing Authority should – based on the provisions of the Subsidy contract – request the repayment of EU contribution from the Lead Beneficiary, the latter shall call upon the Beneficiary that had caused the irregularity resulting in the repayment of the EU contribution unduly paid according to the request of the Managing Authority.
2. The Beneficiary in question has to repay the requested EU contribution together with the interests chargeable to the Lead Beneficiary.
3. The Beneficiary has to respect the deadline given by the Managing Authority to the Lead Beneficiary for the repayment of the EU contribution. The Beneficiary has to transfer the requested EU contribution together with the interests chargeable to the Lead Beneficiary **fourteen (14)** days before the deadline set for the Lead Beneficiary.

Article 14

Co-operation with third parties, assignment

1. In case of co-operation with third parties (e.g. concluding sub-contracts) the Beneficiary shall remain the sole responsible toward the Lead Beneficiary concerning the compliance with its obligations as set out in the present Agreement. Any contracts with third parties will have to be concluded in accordance with EU and national legislation. No Project partner shall have the right to transfer its rights and obligations to third parties. The Lead Beneficiary shall be informed by the Beneficiary about the subject and party of any contract concluded with a third party.
2. In case of legal succession, e.g. when the Project partner changes its legal form, the Project partner is obliged to transfer all duties under this Agreement to the legal successor. The Beneficiary shall notify the Lead Beneficiary in written form within **thirty (30) calendar** days. The Lead Beneficiary shall notify the Joint Secretariat according to the provisions set out in the Subsidy contract.

Article 15

Language

1. The working language of the partnership shall be **English**. Any official internal document of the Project shall be made available in English.