

CONTRACT/PARTNER AGREEMENT

"Promoting Internationalisation of HEIs in Eastern Neighbourhood Countries through Cultural and Structural Adaptations"

Project Number: 544125-TEMPUS-1-2013-1-AM-TEMPUS-SMGR (2013-4588/001-001)

between

Yerevan State University

Alex Manoogian St. 1, Yerevan, 0025 Armenia

represented by Dr. Prof. Aram Simonyan, Rector

hereinafter referred to as **the Coordinator**;

and

Shota Meskhia State teaching University of Zugdidi

14 Janashia, Zugdidi, 2100, Georgia

represented by Prof. Theona Khupenia

hereinafter referred to as **the Co-Beneficiary/Partner**

1. Subject of the Partnership Agreement

The subject of this Partnership Agreement is to define the organisation of the Partnership by regulating the rights and obligations of the Coordinator and the Partner in order to successfully implement the Tempus project.

Within the Tempus IV Programme, the European Commission approved and accepted the application for the project ***Promoting Internationalisation of HEIs in Eastern Neighbourhood Countries through Cultural and Structural Adaptations***.

The Shota Meskhia State Teaching University of Zugdidi is a Co-Beneficiary in this project. The European Commission has decided to fund the project with max. 1.004.209,46EURO of the total project cost of 1.116.080,62EURO. The remaining 111.871,16EURO has to be co-financed from own funds of the partnership or other sources.

The project and the respective Grant Agreement Number 544125-TEMPUS-1-2013-1-AM-TEMPUS-SMGR (2013-4588/001-001), signed between the Coordinator and the Education, Audiovisual and Culture Executive Agency (EACEA) are indispensable parts of this contract. In more detail, all terms and conditions, articles, annexes, and guidelines stated in the Grant Agreement for this project are part of this contract. The Coordinator and the Co-Beneficiary shall be bound to this contract and the Grant Agreement for this project. This includes any further amendments to the Grant Agreement approved by EACEA.

The following is hereby agreed between the Coordinator and the Co-Beneficiary to define their rights and obligations with respect to carrying out specific project-related tasks.

On the basis of the present contact, the Coordinator and the Co-Beneficiary shall contribute to the achievement of the requirements of the Grant Agreement together with the other parties (co-beneficiaries), performing project actions in accordance with the terms and conditions as stated in the present contract. The parties to the present contact shall carry out the work in accordance with the timetable, using their best efforts to achieve the results specified therein, and shall carry out all their responsibilities under the present contact in accordance with recognized professional standards. The project goals, outcomes, and products are binding for the project team and each co-beneficiary. All co-beneficiaries are obliged to stick to the aims of the project, as laid down in the application. The Co-Beneficiary will do its best to contribute to the collective goal.

2. Duration of the Agreement

This Partnership Agreement shall come into force on the day, when it was signed by all the parties, but shall have a retroactive effect from the start of the eligibility period (01 DECEMBER 2013). It shall remain in force until the Coordinator has discharged in full its obligations arising from the Tempus grant agreement with the Executive Agency (30th of November, 2016), unless otherwise stated in an amendment to the Grant Agreement (in case of change in the Coordinating HEI).

3. Management of project and consortium decision making modalities

- a. For the management of the Project the following groups will be set up:
- The Project Governing Board, to make decisions on the implementation of the project activities;
 - Project Management Team, to control the administrative, financial and methodological aspects of the Project, monitor and evaluate the phases of the Project in terms of declared objectives and correspondence with the work plan intervene for the resolution of any possible incoming problems;
 - Lead Partner per WP, to control, monitor and evaluate the achievement of deliverables;
 - Working groups at each Partner institution with specific roles and tasks.
- b. The following rules shall apply to the Project Governing Board:
- Composition: One member of each Partner shall be involved in the Governing Board (GB), with a proper mandate to negotiate on behalf of his/her institution.
 - Meetings: The GB sessions will be organized once every 6 months (online or concurrently with coordination meetings and/or other events of the project). The Chairman of each meeting shall be a GB member. In advance of each meeting, the Chairman and Project Coordinator will jointly prepare the meeting agenda, which will be reviewed by other members and released and circulated by the Chairman prior to the meeting.
Members and/or deputy members will attend the meetings.
The Chairman will take minutes of the meeting and will send the minutes for comments to all GB members within 15 working days; if no objections are raised within 10 working days, the minutes shall be considered as approved.
 - Decision Making: At each GB meeting, no less than two-thirds of the members shall constitute a quorum. Decision-making will be by qualified majority (greater than 66%) among the present members (one vote per member).
In case the Coordinator has profound objections concerning the compliance of a taken decision with the grant agreement or the legal basis of the TEMPUS programme, the decision shall be frozen until the Coordinator will have clarified the matter with the Executive Agency. In case that no compliance should be asserted, the decision will be cancelled.

4. Specific obligations of the Coordinator

The Coordinator shall take all the steps needed to correctly manage the project in accordance with the Application Form submitted to the Executive Agency and the Grant Agreement.

In addition, the Coordinator shall:

- provide a copy of the Grant Agreement to the Partner;
- keep the Partner informed, on a regular basis, about all relevant communications between the Coordinator and the Executive Agency;
- without any delay inform the Partner about all essential issues related to the project implementation;

- be responsible for the verification that the expenditure declared by the Partner has been incurred only for the purpose of implementing the project and corresponds to the activities agreed between the Partners in the frame of the submitted Application Form;
- submit Intermediate Report and Final Report to the Executive Agency for the deadline given in the Grant Agreement and its annexes;
- provide an external audit report together with the Final Report at the end of the project
- transfer funds to the Partner on performance- and evidence-based approach described in Point 6 of this agreement.

5. Specific obligations of the Co-Beneficiary:

The Co-Beneficiary shall provide the personnel, facilities, equipment and material necessary to perform and complete the Co-Beneficiary's share of the work under this contract.

In addition, the Co-Beneficiary shall:

- ensure adequate level of communication with the Coordinator;
- perform activities listed in the application, according to the work plan;
- ensure directed and continuous interaction with other co-beneficiaries on the project's progress;
- guarantee the consistency of work;
- agree to supply to the Coordinator all the information that the latter finds necessary to ask for concerning the implementation of the present contract;
- inform the Coordinator about any change in personnel, tasks or procedures of its project team;
- promptly inform the Coordinator of any delay in the performance of the activities undertaken;
- engage its staff and structures in activities according to the work plan and report at deadlines set by the Coordinator;
- thoroughly document all work in progress and deliver interim reports, if requested by the Coordinator.

6. Payment of funds to the Partner Institution

The Coordinator shall remunerate the Co-Beneficiary for the project activities completed adequately, in accordance with the description and schedule stipulated at the project application and the Grant Agreement. Payments to the Bank accounts of Co-Beneficiary's staff will be made after obtaining a **letter of agreement, signed and sealed by the legal representative of the Co-Beneficiary.**

Payments to the Co-Beneficiary shall be made according to the following conditions and schedule:

- **Staff Costs:** payments will be made semi-annually, upon receiving all applicable conventions (signed and sealed) and taking into account an 11% co-financing of the total project costs incurred by the Co-Beneficiary by the date of payment (staff costs, travel costs and costs of stay, costs of equipment, printing and publishing costs, other costs, and indirect costs).

Staff Costs will be considered eligible, when the Partner provides all deliverables specified in the WPs, conventions and time-sheets. Proof of salary by 4 categories (Manager, Researcher/Teacher/Trainer, Technical and Administrative Staff) at each Partner is necessary for setting the rates per day.

The Co-Beneficiary agrees that payments for staff costs can be transferred to:

- a. Bank account of Co-Beneficiary;
- b. Bank accounts of Co-Beneficiary's staff (service providers) that fulfilled the work for the project. The payment of staff costs will be made upon receiving all supporting documentation, including duly filled out, signed and stamped Request for Internal Consortium Payment (annexed), with the payment option clearly indicated. Daily rates for the staff costs should be within the usual remuneration policy of the Co-Beneficiary. They, however, cannot exceed the maximum daily rates stipulated by the Grant Agreement for country concerned.

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- Travel Costs and Cost of Stay: can be paid by the Coordinator in the following ways:
 - a. after mobility, to the personal bank accounts of Co-Beneficiary's staff, who fulfilled travels required for the project implementation;
 - b. after mobility, to the Co-Beneficiary's bank account;
 - c. in advance (up to one month prior to the planned mobility), to the bank account of Co-Beneficiary. The Co-Beneficiary must provide the Coordinator with a completely filled out, signed and stamped Request for Internal Consortium Payment, with payment option clearly indicated.

Travel Costs and Cost of Stay will be considered eligible, if the Partner provides all supporting documents for the travel (Individual Mobility Report, tickets, boarding passes and all relevant invoices and receipts) and subsistence costs.

The cancellation penalties, fees for date change or the total ticket cost (in case of non-refundable tickets) can be accepted on the project costs only in case of providing Coordinator with an official statement from the Embassy indicating refusal of a visa application, or in case of illness (when travelling is contraindicated), which must be clearly documented by the appropriate medical authorities. All other situations that caused the above mentioned penalties cannot be considered as justified reasons; therefore, no penalties will be paid from the project costs.

- Costs of equipment, printing and publishing costs, other costs: can be paid by the Coordinator either to the account of the Service Provider or Co-Beneficiary. Payment to the Co-Beneficiary's account is possible only after providing the Coordinator with the appropriate confirmation that the costs were paid for the project by Co-beneficiary to third parties (Service Providers). Irrespectively of the chosen payment method, the Co-Beneficiary must ensure impartial selection of external Service Providers, avoiding any conflicts of interests. As requested by the Grant Agreement, the Co-Beneficiary must follow an appropriate tender procedure

and provide Coordinator with at least three bids for payment in case Equipment Costs exceed the ceiling of **25 000 EURO** set by the EACEA.

In compliance with Article I.10 of the Grant Agreement, for equipment of a unit cost on purchase of more than 5,000 Euros, the Co-Beneficiary must keep proof of origin with the invoice. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Union legislation.

Within the framework of a Tempus project, all equipment purchased and the provision of services in the Partner Countries are exempt from taxes (including VAT), duties and charges, if a Common Framework agreement has been signed between the European Commission and the Partner Country.

The Co-Beneficiary must provide the Coordinator with a filled out, signed and stamped Request for internal Consortium Payment, with a payment option clearly indicated.

Indirect Costs: According to the project's budget the Co-Beneficiary can receive the amount of maximum 2814,91 EURO of the indirect costs. Indirect costs are eligible for general administration activities directly relevant to the implementation of the project. The total amount of indirect costs cannot be higher than indicated above and may change depending on the total costs incurred within the whole project. The total amount of indirect costs will be transferred by the request of the Co-Beneficiary, after the final approval of the project expenses by the Education, Audiovisual and Culture Executive Agency (EACEA).

The costs, which will be considered ineligible by the EACEA within the final financial assessment due to any violation of guidelines, will be deducted from the Co-Beneficiary's indirect costs or, if indirect costs cannot cover ineligible expenditures in full, the remaining amount must be refunded by the Co-Beneficiary to the Coordinator.

Co-Beneficiary undertakes the responsibility to recover to the Coordinator any and all financial losses that might occur due to improper use of project's finances or Co-Beneficiary's financial mismanagement.

The Partner affected has to respect the deadline given by the Executive Agency to the Coordinator for the repayment of EU contribution. The Partner has to transfer the requested EU contribution together with the interest, chargeable at the rates specified by the EACEA, to the Coordinator 30 (thirty) days before the abovementioned deadline.

7. Budget of the Partner Institution

Any amount received has to be strictly and solely dedicated to the project funding in accordance with the guidelines and regulations of the Grant Agreement and the budget items laid down in the application must be respected.

The budget of the Co-Beneficiary can be divided in the following way:

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Staff Costs:	11 335 EURO	(Tempus grant + Co-financing)EURO
Travel Costs and Costs of Stay:	15028 EURO	Tempus grant EURO
Equipment:	12600 EURO	Tempus grant EURO
Printing and Publishing:	650EURO	Tempus grant EURO
Other Costs:	600 EURO	Tempus grant EURO
Indirect Costs (Overheads):	2814,91 EURO	Tempus grant EURO
Total:	43027.91EURO	EURO
Tempus Grant:	38604,48 EURO	EURO
Co-financing contribution:	4423,43 EURO	EURO

The above mentioned figures indicate maximum amounts that can be paid, only if eligible supporting documentation is provided by the Co-Beneficiary. The Budget is initially estimated and subject to review taking into account the activities performed per institution. At the end of the project, the spent amounts may be lower than the ones initially planned, in case the real expenses are less than expected ones. Under no circumstances real expenses shall exceed the stated expenses.

8. Bank details for payments

The remuneration to be paid to the Co-Beneficiary shall be paid into the following bank account:

Name and Address of the Account Holder	Shota Meskhia State Teaching University of Zugdidi
Beneficiary Bank	National Bank of Georgia
Account Number/IBAN:	GE65NB0331100001150207
Name and Address of the Bank:	2 Sanapiro St. 0114 Tbilisi. Georgia
Swift Code:	BNLNGE22
Correspondent Bank:	DEUTSCHE BUNDESBANK,ZENTRALE FRANKFURT AM MAIN
Swift Code:	MARKDEFF
Account Number:	OD
Bank For International Settlements (BIS),	BASLE
Swift Code:	BISBCHBB

All applicable bank fees (including transfer fees) shall be covered by the Co-beneficiary as part of Indirect Costs (Overheads).

Bank details for remuneration to be paid directly to the staff members of Co-Beneficiary or to other third parties must be clearly indicated in the subcontracts (where applicable) or attached to the Request for Internal Consortium Payment.

9. Accounting, Record Keeping and Reporting

Supporting documents for every item of expense have to be thoroughly documented and sent to the Coordinator in due time. Incurred expenditures can only be financed from the project grant, if they are in compliance with eligibility conditions.

The Co-Beneficiary is fully responsible for the appropriate application of accounting system. In more detail, the Co-Beneficiary complies with the following:

- The Co-Beneficiary accepts liability for the adequate and orderly accounting of this project according to the rules and regulations laid out in the Grant Agreement of this project.
- The Co-Beneficiary is aware of the fact that any costs, which are identified as ineligible by the EACA within the final report assessment, need to be reimbursed to the Coordinator, who is obliged to forward the ineligible amount to the EACEA.
- The Coordinator may reject any item of expenditure, which cannot be justified in accordance with the rules set out in the guidelines for the use of the grant. All original invoices will be required by the Coordinator. Readable copies are accepted only as an interim mode.

Only the Coordinator can submit technical implementation reports and financial statements to the Executive Agency by providing proof of progress for the project. Therefore, in order to provide adequate information on the progress of the project, the Partner has to submit to the Coordinator an Activity Report, describing in detail all the activities carried out during the reporting period and their outputs and results, and a Financial Report, presenting all costs incurred during the reporting period in accordance with the approved Application Form.

Deadlines for Partner Reports are the following:

The Partner has to respect the reporting deadlines of the grant agreement, and submit their Partner Report and supporting documents on validation of expenditure to the Coordinator in due time, as requested by the Coordinator or within 10 (ten) working days. Partner Reports and supporting documents on validation of expenditure not submitted to the Coordinator within the set deadline will not be included in the progress report of the Coordinator to be submitted to the Executive Agency. The Coordinator may reject any item of expenditure, which cannot be justified under the project and are not in line with the rules set out in the Grant Agreement and the Guidelines for the Use of the Grant.

The Partner Reports should be drawn in Euro. In case Partners from countries, which have not adopted the Euro as their currency, are participating in the project, the Partner shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for validation. The expenditures shall be converted into Euro using the accounting exchange rate established by the Commission, of the month in which the transfers from the Executive Agency are received in the Coordinator account. Exchange rates can be found on the Internet: <http://ec.europa.eu/budget/infoeuro/index.cfm?Language=en>.

Practically, this means that:

- from the start of the eligibility period until the date that the second pre-financing is received, the rate of the month, in which the first pre-financing was received, should be applied;
- from the date that the second pre-financing is received until the end of the eligibility period, the rate of the month, in which the second pre-financing was received, should be applied.

10. Intellectual property

The cooperation under this project is regarded as a strategic Partnership. Beneficiaries make in-kind contributions and offer their intellectual know-how to get a collective product. Copyrights will be respected as follows:

- Material already developed and brought in may be only used within the scope of the project as templates of good practice. Copyrights have to be strictly safeguarded, permission for reproduction and scale of reproduction have to be settled beforehand.
- Where beneficiaries develop material within the scope of the project this material will be available for the Partnership as a means within the common goals set in the Partnership.
- Collective products in tangible form, like manuals, CD-ROMs, online data as the authorised result of this project work may be disseminated and translated into the respective beneficiary's official language(s), for free, as long as they are not marketed for profit. Throughout the contractual period of the project, the Partnership is the proprietor of the product.

11. Audits

For audit purposes, the Partner shall:

- keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents, related to the grant agreement, for a period of 5 years from the date of payment of the balance specified in Article 1.4 of the grant agreement;
- enable the responsible auditing bodies of the Coordinator and any other outside body authorized by the Executive Agency to audit the use of the grant;
- give these authorities any information they request about the project;
- give them access to the accounting books and accounting documents and other documentation related to the project, whereby the auditing bodies decide on this relation. Such audits may be carried out throughout the period of implementation of the grant agreement, until the balance is paid, and for a period of 5 years from the date of payment of balance;
- give them access to the sites and business premises during the ordinary business hours (and beyond these hours by arrangement);
- provide the Coordinator with any requested information related to such an audit without any delay.

12. Information and Publicity

Any publicity measure undertaken by any of the Partners must follow the rules applicable to the visibility of EC education and culture programmes and be in accordance with Article II.5 of the Grant Agreement.

Information and publicity measures will be coordinated by the Partners. Each Partner is equally responsible for promoting the fact that financing is provided from the European Union funds in the framework of the TEMPUS Programme and for ensuring adequate publicity of the project.

The Partner takes note of the fact that the results of the project, as well as any study or analysis produced in the course of the project, will be made available to the public. Each Partner agrees that the results of the project shall be available to all Partners and to the public, free of charge.

13. Changes in the Project Partnership

Being aware of the fact that all changes in the Partnership must be notified and require prior approval by the Executive Agency, the following requirements are obligatory for any and all modifications of project Partnership:

- Addition of a project Partner requires endorsement from the new member (signed by the legal representative), acceptance letters from all other Partners (signed by the contact persons) and a mandate signed between the Coordinator and the new Partner. These will be forwarded by the Coordinator along with a request;
- Withdrawal of a Project Partner requires written explanation from the Coordinator and the withdrawing Project Partner, signed by the legal representative. In case, when the minimum Partnership requirements are no longer fulfilled, the Executive Agency reserves the right to decide on the continuation of the grant agreement;
- Changes of contact person for the Partner require written confirmation signed by the new contact person and by the legal representative of Partner and by the former contact person.
- In case a Partner withdraws from the project or is debarred from it, the remaining Partners will undertake to find a rapid and efficient solution to ensure proper and continuous project implementation without any delay. Consequently, the Project Partners will endeavour to cover the contribution of the withdrawing Project Partner, either by assuming its tasks by one or more of the present Project Partners or by asking one or more new participants to join the project Partnership, according to the respective programme provisions.
- The provisions set in Article 8 for audits remain applicable to the Partner that backed out of the project or was debarred from the project.
- No consideration, offer, gift or payment, or benefit of any kind, which constitutes an illegal or inappropriate practice, shall be made to anyone, either directly or indirectly, as an inducement or reward for the award or execution of this Project. Any such practice shall constitute grounds for terminating the Agreement and/or taking other corrective action(s).

14. Language

The working language of the Partnership shall be English. Any official internal document of the operation shall be made available in the language of the grant agreement, i.e. in English.

15. Conflict resolution

Conflict resolution will be defined and formalised at the Governing Board Meetings.

16. Competent and applicable law

- a. This agreement is governed by the Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument, 24 October 2006, cf. Art. 21', for projects involving Tempus Partner Countries in the Southern and Eastern neighbouring area and the Russian Federation law.
- b. This Partnership agreement is concluded in English. In case of a translation of this agreement and its annexes into language other than English, the English version shall prevail.

17. Other provisions

- a. This Agreement may be revised and amended; any changes and modifications to this agreement shall be in writing signed by the Coordinator and the Partner.
- b. Signed amendments and supplements must be attached to the present agreement and must be indicated as such.
- c. If any provision in this agreement should be wholly or partly ineffective, the remaining provisions remain binding for the parties. In this case the parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.
- d. 3 (three) original copies will be made of this agreement; of which each party keeps one original and one original is attached to the Grant agreement.

18. Termination

In the event that the Partner fails to perform any obligation under present contract or the Grant Agreement, the Coordinator may terminate or cancel this agreement. If either the Partner or the Coordinator breach the terms of the present contract, the other parties shall have the right to terminate this Partnership Agreement.

The Coordinator shall have the right to terminate present Partnership Agreement, if the Partner University has made false declarations to the Coordinator on work carried out or on expenditure. If the present Partnership Agreement is terminated, the Coordinator may require the Partner University to reimburse all or part of the payments made under this Partnership Agreement.

The grant is governed by the terms of the Agreement and the applicable rules of the European Union.

19. Annexes

Grant Agreement: A copy of the Grant Agreement signed between the Coordinator and the Executive Agency

Annex I of the Grant Agreement: Description of the action

Annex II of the Grant Agreement: Estimated budget of the action

Annex IV of the Grant Agreement: Deadlines for reports

Annex V of the Grant Agreement: List of co-beneficiaries

Guidelines for the use of the grant

Request for Internal Consortium Payment

20. Signatures

We, the undersigned, declare that we have read and accepted the terms and conditions of this contract as described here before, including the annexes thereto.

For the Coordinator

For the Partner

Professor Dr. Aram Simonyan

Professor Theona Khupenia

Name of the legal representative

Name of the legal representative

RECTOR

Rector

Position

Position

..... March, 2014

.....May, 2014

Yerevan

Zugdidi,

Date and Place

Date and Place

.....

.....

Signature

Signature

Stamp of the institution

Stamp of the Institution