

**THE SWISS-SLOVAK COOPERATION PROGRAMME**

**PROJECT AGREEMENT**

**BETWEEN**

**SWITZERLAND**

**REPRESENTED BY**

**THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)**

**AND**

**THE SLOVAK REPUBLIC**

**REPRESENTED BY**

**THE GOVERNMENT OFFICE OF THE SLOVAK REPUBLIC**

**ON**

**THE GRANT FOR**

**THE PROJECT “TOKAJ IS THE ONLY ONE”**

**TO BE IMPLEMENTED DURING THE PERIOD**

**23.02.2012 – 31.01.2015**

Switzerland and the Slovak Republic

*Having regard to the friendly relations between the two countries,*

*Desirous of strengthening these relations and the fruitful co-operation between the two countries,*

*Intending to promote further the social and economic development in the Slovak Republic,*

*Referring to the Framework Agreement between the Swiss Federal Council and the Government of the Slovak Republic concerning the implementation of the Swiss-Slovak cooperation programme to reduce economic and social disparities within the enlarged European Union, concluded on 20 December 2007,*

*Considering the Swiss Grant for TOKAJ IS THE ONLY ONE, Slovak Republic,*

*have agreed as follows:*

## **Article 1** **Definitions**

In this Project Agreement, unless the context otherwise requires, the following terms shall have the following meaning:

- "Audit Authority" means the Slovak entity performing the compliance audit and ensuring the execution of system audits and audits of operation within the Swiss-Slovak Cooperation Programme pursuant to the Framework Agreement;
- "National Coordination Unit" (hereinafter referred to as "NCU") means the Slovak unit in charge of the coordination of the Swiss-Slovak Cooperation Programme. In reference to the Framework Agreement, Art 9., the Slovak Republic has authorized the Government Office of the Slovak Republic to act on its behalf as the NCU for the Swiss-Slovak Cooperation Programme;
- "Contracting Parties" of this Project Agreement means the Slovak Republic, represented by the Government Office of the Slovak Republic as the NCU on the one side and Switzerland, represented by the Swiss Agency for Development and Cooperation (hereinafter referred to as "SDC") on the other side;
- "Contribution" means the overall non-reimbursable financial contribution granted by Switzerland to the Slovak Republic under the Framework Agreement;
- "Effective Costs" means expenses incurred which are in compliance with the Framework Agreement and this Project Agreement;
- "Embassy of Switzerland" (hereinafter referred to as "Swiss Embassy") means the official representative of the Swiss Confederation for the implementation of the Contribution in the Slovak Republic. The Swiss Embassy acts as a contact unit between the Slovak and Swiss side regarding the Swiss-Slovak Cooperation Programme;

- "Executing Agency" is the Zdruzenie Tokajska vinna cesta (association of the Tokaj wine route) mandated by the NCU to implement the Project financed under this Project Agreement;
- "Framework Agreement" means the Agreement between the Swiss Federal Council and the Government of the Slovak Republic concerning the implementation of the Swiss-Slovak Cooperation Programme to reduce the economic and social disparities within the enlarged European Union, concluded on 20 December 2007, as amended;
- "Grant" means the non-reimbursable financial contribution granted by Switzerland under this Project Agreement;
- "Implementation Agreement" means an agreement between the NCU and the Executing Agency for the implementation of the Project;
- "Paying Authority" means the organisational unit in the Government Office of the Slovak Republic ensuring coordination of the financial management and appropriate financial control within the Swiss-Slovak Cooperation Programme;
- "Project Agreement" means the Agreement between the Swiss Agency for Development and Cooperation (SDC) and the Government Office of the Slovak Republic acting as the NCU which lays down the rights and obligations of the Contracting Parties regarding the implementation of the Project;
- "Project" means all activities undertaken under this Project Agreement;
- "Swiss Agency for Development and Cooperation" means the Swiss unit within the Federal Department of Foreign Affairs that is authorized by Switzerland for the implementation of the Swiss-Slovak Cooperation Programme;
- "Tender Evaluation Report" describes the evaluation methodology, evaluation criteria, scoring regime utilised to short list and evaluate the Tenderers against the requirements of Request for Tender and the subsequent justification for recommending the preferred Tenderer.

## **Article 2**

### **Objectives and Scope of the Project**

- 2.1 The objective of the Project TOKAJ IS THE ONLY ONE is to contribute to an improved quality of life of the citizens of the Tokaj region in Eastern Slovakia by widening the offer to tourists in the Tokaj region through the achievement of the Project results listed in the Logframe in annex 2.
- 2.2 The Project has to be implemented by the NCU according to the following documents, listed by order of legal applicability: The Framework Agreement and its Annexes, this Project Agreement with the confirmation of the Project approval by SDC (annex 1 of this Project Agreement), the Final Project Proposal (annex 2 of this Project Agreement), and the Indicative disbursement plan (annex 3 of this Project Agreement).

### **Article 3**

#### **Amount and Utilization**

- 3.1 The total budget of the Project amounts to **CHF 1'543'000.- (one million five hundred and forty-three thousand Swiss Francs)** (see annex 2 of this Project Agreement). Amounts stated in this article in Swiss Francs are binding to Contracting Parties.
- 3.2 Switzerland shall provide a Grant of up to **CHF 1'291'000.- (one million two hundred and ninety-one thousand Swiss Francs)**, to the Slovak Republic for the implementation of the Project defined in Art. 2 of this Project Agreement.
- 3.3 The Grant shall cover **a maximum of 85%** of the total eligible costs of **CHF 1'519'000.- (one million five hundred and nineteen thousand Swiss Francs)** of the Project in Swiss Francs. This percentage shall not be exceeded during the project implementation. It shall be calculated on the basis of effective costs in Swiss Francs. The NCU shall ensure the timely provision of the co-financing of up to **CHF 228'000.- (two hundred and twenty-eight thousand Swiss Francs)** i.e. **15%** of the eligible costs by the Slovak Republic State Budget.
- 3.4 As stipulated in Art. 7.1 of the Framework Agreement, the Value Added Tax (VAT) shall be considered as an eligible cost only if it is genuinely and definitively borne by the Executing Agency. VAT, which is recoverable, by whatever means, shall not be considered eligible even if it is not actually recovered by the Executing Agency.
- 3.5 As stipulated in Art. 7.2 of the Framework Agreement, other levies, taxes or charges, in particular direct taxes and social security contributions on salaries and wages, shall constitute eligible expenditure only if they are genuinely and definitively borne by the Executing Agency.
- 3.6 The following costs shall not be eligible for grant support: expenditures incurred before the entering into effect of this Project Agreement, interests on debt, the purchase of real estate, staff costs of the Slovak Government and recoverable VAT as specified in Art. 3.4 of this Project Agreement.
- 3.7 Any works, supplies and/or services carried out or delivered after the end of the Project as defined in Art. 23.2 are not eligible for grant support, except services for reporting, auditing and evaluation provided not later than 12 months after the end of the Project.
- 3.8 The final date for eligibility of costs shall be 12 months after the end of the Project. Reimbursement requests must have been received by Switzerland not later than six months after the final date of eligibility of costs.
- 3.9 Any unutilised portion of the Grant remaining at the completion of the Project shall be eligible for re-commitment according to Art. 5.3 of the Framework Agreement, unless otherwise mutually agreed by the Contracting Parties.

## Article 4

### Reimbursement Procedures

- 4.1 Reimbursements are made in accordance with the Framework Agreement, Annex 2, chapters 3 and 4 and with the approved annex 3 of this Project Agreement based on requests for reimbursements submitted by the Paying Authority.
- 4.2 The reimbursements shall be conditional upon receipt and approval by Switzerland of the reports pursuant to Art. 9 and 10 of this Project Agreement.
- 4.3 Before reimbursement can be made, the Swiss Embassy shall be provided with a Project Interim Report, according to Art. 9, in electronic and hard copy. The Project Interim Report shall cover a period specified in Art. 9.1.
- 4.4 When the required documents have been provided Switzerland shall verify that they are in the correct form and that the conditions for the reimbursement have been met. Reimbursements, if the Reimbursement Requests have been submitted correctly, shall be made by Switzerland without undue delays, within three months after the receipt of the reimbursement request. Switzerland shall notify the Paying Authority when such reimbursement order has been given.
- 4.5 In case of an error made in relation to a reimbursement resulting in a higher amount paid than required under this Project Agreement, the NCU through Paying Authority shall, upon request from Switzerland, reimburse without delay any amount unduly reimbursed. Similarly, if an error results in a lower amount paid than required, Switzerland shall, as soon as possible after being made aware of such an error, reimburse the missing amount.
- 4.6 When the reimbursement has been made, and received by the Paying Authority in full, Switzerland has fulfilled its obligations relating to that reimbursement.
- 4.7 The Reimbursement Requests sent to Switzerland by the Paying Authority shall be expressed in Swiss Francs, whereas the Paying Authority shall convert the local currency into Swiss Francs at the daily exchange rate prevailing at the date of issuance of the Reimbursement Request which is stipulated by the European Central Bank.
- 4.8 The equivalent value in local currency of each reimbursement made by Switzerland in Swiss Francs pursuant to the approval of the Reimbursement Requests will be received on the account of the Paying Authority and recorded by the Paying Authority in accordance with the national legislation.
- 4.9 The Contracting Parties may amend the Indicative disbursement plan (annex 3 of this Project Agreement) depending on the progress of the work and the expenses incurred.
- 4.10 At Project completion: A final reimbursement of maximum **CHF 65'000.- (sixty-five thousand Swiss Francs)** will be made by Switzerland after fulfilment of all contractual obligations of the Zdruzenie Tokajska vinna cesta (association of the Tokaj wine route), after the receipt of the final Reimbursement Request, the corresponding last Project Interim Report, the Project Completion Report and the Final Financial Audit Report .

- 4.11 All payments related to this Project Agreement shall be transferred in Swiss Francs to the Government Office of the Slovak Republic, account 7000407048, [IBAN: SK27 8180 0000 0070 0040 7048], Swift Code: SUBASKBX, State Treasury (Štátna pokladnica) Radlinského 32, 810 05 Bratislava 15, Slovenská republika, by Switzerland.

## **Article 5**

### **Procurement**

- 5.1 Procurement will be made by the Executing Agency in accordance with the Slovak national law and regulations and in compliance with the EU directives. A confirmation of compliance with the relevant procurement rules shall be provided to Switzerland by the NCU within 30 calendar days after the award of the contract. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause.
- 5.2 According to Annex 2, Art. 3.4 of the Framework Agreement, in general, for public tenders within the scope of the EU directives on public procurement (2004/17/EC and 2004/18/EC), an English translation of the official tender evaluation report shall be provided to Switzerland for information at the latest 30 calendar days after the award of contract.
- 5.3 In addition to the above, for tenders above the threshold of CHF 500`000.--, Switzerland may also request at the time of the final decision on the final project proposal a copy of the tender documents for non-objection and of the contracts for information. These documents shall be submitted at the latest 20 calendar days before the commencement of tendering and 20 calendar days after the signing of the contract, respectively.
- 5.4 Furthermore, for tenders above the threshold of CHF 1 Million, Switzerland may also request that an English translation of the tender documents and the draft contracts are made available to tenderers and contractors, respectively. Additional translation costs shall be borne by the Project and financed under the Contribution.
- 5.5 In accordance with Art. 6.5 of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request.
- 5.6 Switzerland shall have the right to participate in the tender committee as an observer.
- 5.7 Switzerland shall have the right to conduct an audit of the procurement practices and procedures in general.

## **Article 6**

### **Main Responsibilities of National Coordination Unit**

- 6.1 The NCU shall take all actions within its field of competences and responsibility, including coordination, the provision of advanced payment, and control of the co-financing, construction permits and other measures, necessary or appropriate, for carrying out the Project.
- 6.2 The NCU is responsible for the implementation, controlling and evaluation of the Project as well as for the use of the Grant in accordance with this Project Agreement and as stated in the Framework Agreement. The NCU shall ensure that all involved bodies fulfil the obligations and objectives stated in this Project Agreement and the Framework Agreement.
- 6.3 The NCU shall conclude an Implementation Agreement with the Zdruzenie Tokajska vinna cesta (association of the Tokaj wine route) that shall be assigned as the Executing Agency for this Project. The Implementation Agreement shall comply with this Project Agreement as well as with the Framework Agreement. Any other contract concluded in the framework of the implementation of this Project must not be in contradiction to the abovementioned agreements.
- 6.4 The NCU undertakes to support, advise and inform SDC with regard to project-related issues, including irregularities. The NCU undertakes to inform the Swiss Embassy immediately in writing with regard to key issues that could affect the implementation of the Project. In the event of the threat of any irreparable disadvantage, the NCU shall immediately take the requisite precautions.
- 6.5 The NCU or the Executing Agency will at all time clearly state that they are acting within the framework of the Swiss-Slovak Cooperation Programme to reduce economic and social disparities within the enlarged European Union. All publications referring to this Project Agreement must be labelled with the following term: "Swiss-Slovak Cooperation Programme". The general public in the Slovak Republic will be informed adequately about the Project and the support provided by Switzerland.

## **Article 7**

### **Project Organisation**

- 7.1 The NCU supervises and steers the implementation of the Project; it establishes an adequate monitoring and financial auditing system.
- 7.2 Strategic decisions related to the Project are taken by the steering committee of the Project. The steering committee of the Project shall hold at least one meeting per year. If deemed necessary by one of the voting members of the steering committee, additional meetings are to be held. The meetings shall be organised by the Executing Agency, which also shall act as secretariat.

Members of the steering committee are representatives of the following parties:

- NCU

- Executing Agency,
- any other party invited by the NCU or the Executing Agency.

Switzerland shall be invited to the Steering Committee meetings as an observer.

The steering committee shall i.a.:

- Discuss operational and financial parts of the Project Reports;
- Propose requests on amendment of this Project Agreement;
- Discuss and approve any measures considered necessary to fully achieve the planned objectives.

### **Article 8**

#### **Monitoring and Review**

The NCU shall ensure the establishment of a monitoring system that allows assessing periodically the status of achievement of the stated objectives. Results and conclusions have to be part of the project reports as mentioned in Art. 9 of this Project Agreement and should be the base of the annual reports on the Swiss-Slovak Cooperation Programme as stipulated in Art. 8 of the Framework Agreement.

### **Article 9**

#### **Reporting**

- 9.1 Project Interim Reports cover a period of **4 months** and are due to the Swiss Embassy not later than three months after the end of the period covered. The first Project Interim Report covers the period starting with the month of entering of this Project Agreement into effect and covers a period of **5 months**. Project Interim Reports support payment claims and are therefore to be presented to Switzerland with the corresponding Reimbursement Request. They include information on financial and physical progress, compare actual with planned expenses and provide an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested.
- 9.2 Annual Project Reports cover a period of one calendar year and are due to the Swiss Embassy not later than four months after the end of the reported calendar year. The first Annual Project Report covers the year of conclusion of this Project Agreement. Annual Project Reports have an operational part that describes the progress of the Project and include a financial part (Financial Report) having a summary data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any deviation has to be justified and corrective measures suggested. Annual Project Reports are not linked to Reimbursement Requests.



- 9.3 The Project Completion Report is due to the Swiss Embassy not later than six months after the final date of eligibility of costs, meaning not later than 31st of July 2016 for this Project. The Project Completion Report - together with the last Project Interim Report and the conclusions of the Final Financial Audit - is the base for the payment of the final reimbursement. The Project Completion Report has an operational part that documents and comments the overall achievement of outputs and outcomes against the original plan, the compliance with principles such as cross cutting themes and sustainability, and suggests lessons learned and conclusions. It contains a financial part (Final Financial Report) having a summary of financial data for the whole project and compare effective with planned expenses.
- 9.4 The financial parts of the Annual Project Reports and of the Project Completion Report, based on invoices or documents of equivalent value, are to be presented in local currency. The Reimbursement Requests are issued in Swiss Francs, the corresponding amount being calculated with the daily rate. The amount in local currency is also to be mentioned on the Reimbursement Requests.

## **Article 10**

### **Audit**

- 10.1 The NCU shall ensure that the Executing Agency will closely cooperate with the Audit Authority during the execution of audits. Any actual or alleged fraud or irregularity shall be followed, based on the respective national legislation.
- 10.2 An external licensed auditor will carry out intermediary Financial Audit(s) covering two years of the implementation. The conclusions and recommendations have to be presented to Switzerland by the NCU latest three months after the termination of the second year in question.
- a) The 1st intermediary Financial Audit should cover the period of 23<sup>rd</sup> of February 2012 from the beginning of the Project to 31st of December, 2013; conclusions and recommendations have to be presented to Switzerland by the NCU not later than 31st of March, 2014.
- 10.3 At Project completion, an external licensed auditor will carry out a Final Financial Audit. The audit shall cover the period from 1st of January, 2014 to 31st of January, 2015. It shall also provide a final declaration based on the results of any intermediary financial audits conducted. The conclusions and recommendations shall be transmitted to Switzerland, together with the Project Completion Report, by the NCU latest six months after the final date of eligibility of costs, not later than 31st of July, 2016.
- 10.4 The NCU shall ensure that an external licensed auditor will be appointed for the purpose of execution of the financial audit of the Project in line with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants. The NCU will submit to Switzerland for approval the name of the selected audit organisation. In case of external auditor: The costs are eligible for reimbursement and are included in the Project budget.

- 10.5 The objective of the audit of financial statements of the project is to enable the external licensed auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework (ISA 200, point 2). Thus, financial statements need to be prepared in accordance with one, or a combination of the international accounting standards, the national accounting standards or another authoritative and comprehensive financial reporting framework which has been designed for use in financial reporting and is identified in the financial statements (ISA 120, Point 3). The NCU shall ensure that the external licensed auditor will conduct the financial audit in accordance with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error (ISA 200, point 17). Results of any previous audits shall be taken into consideration. The NCU shall ensure that the external licensed auditor will take into account additional requirements that may be suggested by the Audit Authority or by Switzerland.
- 10.6 In addition to the auditor's report on the financial statements, the external licensed auditor is expected to provide the Executing Agency with a management letter concerning any material weaknesses in accounting and internal control systems detected by the external licensed auditor. Audit's arrangement with the external licensed auditor shall be effective for the whole project duration unless it is terminated, amended or superseded with appropriate justifications.
- 10.7 The NCU shall express its opinion to the conclusions of the financial audit and take appropriate correcting measures.

### **Article 11**

#### **Right of Examination**

Switzerland, as well as any third party appointed by it, shall have the right to visit the Project, conduct a comprehensive assessment or evaluation, and shall be granted full access to all documents and information related to the Project settled by this Project Agreement, during its implementation and ten years after the end of the project as defined in art. 23.2 of this Project Agreement. The NCU shall, upon request, ensure that the above mentioned authorised representatives are accompanied by the relevant personnel and are provided with the necessary assistance. Requests under this article shall be sent at least two weeks before planned visit.

### **Article 12**

#### **Goods purchased under this Project Agreement**

For the duration of the Project, goods procured under the Grant shall remain at the unrestricted disposal of the Executing Agency and shall not be diverted without prior written approval of Switzerland. No ownership transfer is allowed within five years after the completion of the Project, unless the Contracting Parties agree otherwise. Switzerland shall assume no liability whatsoever in connection with said goods.

### **Article 13**

#### **Liability**

Switzerland does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Project, including, but not limited to inconsistencies in the planning of the Project, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the NCU to satisfactorily address such issues.

### **Article 14**

#### **Common Concern**

The Contracting Parties share a common concern in the fight against corruption, which jeopardizes good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition based on price and quality. They declare, therefore, their intention of combining their efforts to fight corruption and, in particular, declare that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract within the framework of this Project Agreement, or during its execution, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds to justify annulment of this Project Agreement, the procurement or resulting award, or for taking any other corrective measure laid down by the applicable law.

### **Article 15**

#### **Irregularities Clause**

- 15.1 The NCU shall ensure efficient and prompt investigation of any suspected and actual cases of fraud and irregularity. The NCU shall, immediately report to the competent Swiss and Slovak authorities all suspected and actual cases of fraud and irregularity as well as all measures related thereto, taken by competent national authorities.
- 15.2 The Contracting Parties shall immediately inform each other if they become aware of any legal actions initiated or continued in relation to the Project.
- 15.3 In case of irregularities, wilfully or negligently caused by the NCU or the Executing Agency, regarding the execution of this Project Agreement and its annexes, Switzerland is entitled to:
- a) stop reimbursements immediately,
  - b) instruct the NCU to stop payments from the Swiss Contribution,
  - c) ask repayment of illegitimately paid reimbursements at any stage of the activities.
- 15.4 Irregularities are notably considered to be all actions or non-actions that are aimed at the illegitimate obtainment and/or usage of the Contribution - notably fraud, misappropriation, misrepresentation, breach of contractual duties, breach of duty of care and the like.

- 15.5 In case of irregularities, SDC shall immediately and in written form communicate the standpoint and reasons for their respective instructions and corrective measures to the NCU and all involved bodies.

### **Article 16**

#### **Post-Completion Obligations**

- 16.1 The NCU shall ensure that the Project is operational at least 5 years after it has been completed. An ex-post evaluation of the Project may be carried out by Switzerland. Non compliance with this Project Agreement or with the Framework Agreement may give Switzerland reasons to take corrective action, including claiming the reimbursements of the Grant.
- 16.2 Switzerland has neither responsibility for nor obligation to ensuring the maintenance, the repair or the undertaking of any measures for ensuring the safety and protection of persons, equipment, installations, of all objects on site or in the vicinity.
- 16.3 The Contracting Parties shall store all documents concerning this Project Agreement and its implementation for 10 years after the end of the project as defined in art. 23.2 of this Project Agreement.

### **Article 17**

#### **Annexes**

The following annexes form an integral part of this Project Agreement:

- annex 1: Confirmation of the Project approval by SDC
- annex 2: Final Project Proposal composed of the Logframe of the Project, Budget of the Project and the respective Grant Application,
- annex 3: Indicative disbursement plan.

### **Article 18**

#### **Language**

- 18.1 All correspondence with Switzerland, including operational, financial and financial audit reports as well as project documents and any other documents related to the Project, shall be in English.
- 18.2 To the extent that original documents are not available in English, the documents shall be accompanied by full and accurate translations into English.

## **Article 19**

### **Competent Authorities**

- 19.1 The contracting parties shall take all appropriate and necessary measures to ensure the fulfilment of the obligations and objectives arising out of this Project Agreement.
- 19.2 The contracting parties agree to provide all information necessary for the good functioning of this Project Agreement and to apply the highest degree of transparency and accountability as well as the principles of good governance, sustainable development and gender equality.
- 19.3 The contracting Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Project.
- 19.4 All communication to Switzerland with regard to this Project Agreement shall be directed to the Swiss Embassy in Bratislava, which generally represents Switzerland towards the NCU.
- 19.5 Competent authority for the Slovak Republic:

Government Office of the Slovak Republic  
Department of Management and Implementation of the Swiss Contribution  
Námestie slobody 1  
813 70 Bratislava  
Slovak Republic  
T: +421 2 572 95 111  
F: +421 2 524 97 595  
E: [sfm@vlada.gov.sk](mailto:sfm@vlada.gov.sk)

- 19.6 Competent authorities for Switzerland:

Swiss Agency for Development and Cooperation (SDC)  
Freiburgerstrasse 130  
CH - 3003 Bern  
Switzerland  
Tel: +41 31 322 34 75  
Fax: +41 31 324 16 94

Embassy of Switzerland  
Swiss Contribution Office  
Michalska 12  
811 01 Bratislava  
Slovak Republic  
T: +421 2 5930 1111  
F: +421 2 5930 1100

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**Article 20**  
**Settlement of Disputes**

20.1 In accordance with Art. 11 of the Framework Agreement, any dispute which may result from the application of this Project Agreement shall be solved by diplomatic means.

**Article 21**  
**Amendments**

21.1 Any amendment to this Project Agreement and its annexes shall be made in writing with the mutual agreement of the Contracting Parties and according to their respective procedures, except changes in articles 19.5 and 19.6 that will be communicated without undue delays by an official letter only.

21.2 Any increase of the Project budget, any significant changes within the budget as well as any strategic changes or conceptual adjustments to the Project shall be discussed with and approved by Switzerland.

**Article 22**  
**Termination, Suspension**

22.1 This Project Agreement can be terminated at any time by one of the Contracting Parties upon a three-month prior written notice. The Contracting Parties shall decide by mutual agreement on any consequences of the termination.

22.2 If either Contracting Party considers that the aims of this Project Agreement can no longer be achieved or that the other contracting party is not meeting its obligations, it shall have the right to suspend immediately the application of this Project Agreement by giving the other Contracting Party a written notice on the grounds.

**Article 23**  
**Entry into Force, Duration**

23.1 This Project Agreement shall enter into force on the date of its signing by the Contracting Parties and enter into effect on 23.02.2012, and shall remain in force until all obligations under it have been fulfilled.

23.2 The Project shall be implemented in 36 months, starting on 23.02.2012 and ending on 31.01.2015.

Done in Bratislava on 21.02.2012, in six originals in the English language and in six originals in the Slovak language. NCU shall receive five originals in both language versions and SDC shall receive one original in both language versions. In case of divergence in the interpretation of this Project Agreement the English version shall prevail.

For the Federal Department of  
Foreign Affairs  
Swiss Agency for Development and  
Cooperation

For the Government Office of the  
Slovak Republic

H.E. Christian Fotsch  
Ambassador of Switzerland

Viktor Nižňanský  
Head of the Government Office of the  
Slovak Republic



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Federal Department of Foreign Affairs FDFA

**Swiss Agency for Development and Cooperation SDC**  
Cooperation with Eastern Europe

CH-3003 Bern, DEZA, KKU

**A Post**  
**National Coordination Unit**  
Mr. Ivan Ivančin  
Director of the Department of Management and  
Implementation of Swiss Financial Mechanism  
Government Office of the Slovak Republic  
Námestie slobody 1  
813 70 Bratislava  
Slovak Republic

Your reference: 13876/2011/ORISFM

Our reference: 7F-07920.01/ FRI

Berne, 19 January 2012

**Subject: Swiss Contribution to the Enlarged EU – Cooperation Programme with Slovakia**  
**Decision Letter on the Final Project Proposal**  
**Project Name: TOKAJ IS THE ONLY ONE**  
**Project N°: 7F-07920.01**

Dear Mr. Ivančin,

The Final Project Proposal mentioned above and submitted by the NCU on 31st October 2011 has been considered by Switzerland. I have the pleasure to inform you that the project has been.

**Approved subject to conditions**  
**Approved Swiss grant: CHF 1'291'000.-**

The total eligible costs of the project, as mutually agreed between the NCU and SDC, have been decreased by CHF 27'725 (1 EUR = 1.25 CHF). The basis for this budget change is a proposal in the NCU's letter dated 25.11.2011 as well as subsequent clarifications in respect of the project budget.

You are kindly requested to take into account the condition and the recommendations expressed below before proceeding with the finalization of the Project Agreement as fixed in the Annex 2 of the Framework Agreement, section 2.

Swiss Agency for Development and Cooperation SDC  
Kurt Kunz





Condition	Indicator of fulfilment	date / period
<p>1. <u>Logical Framework (Logframe)</u></p> <p>The applicant is asked to further improve the Logical Framework. The Overall Objective should mention the higher income and higher employment rate of citizens as an objective; the widening of services and products should be described as a mean to achieve the mentioned objective and not be defined as an objective in itself. In addition to the indicators "lower unemployment" and "more local citizens involved into the services and selling products", the indicators "higher income of citizens" and the "higher turnover of local businesses" may be added. Given the fact that economic benefits may mainly be achieved after completion of the project, the assessment of those benefits has been formulated as a recommendation and not as a condition.</p>	<p>Required information is provided before signing the Project Agreement.</p>	<p>Before signature of the Project Agreement</p>

Recommendations:

1. It may be relevant to approximately assess the economic benefits of the investments made by the project after its completion as well as to survey the visitors regarding their satisfaction with the Tokaj Region and its tourism services, in particular the sightseeing tower, the unified navigation and information system, the Tokaj information centres in Cerhov and Trebisov, the recreational park "Tokaj for all" and the satisfaction of local citizens, while starting from a baseline describing the current situation. Indicators could include the number of additional visitors and their estimated spending in local businesses as well as degrees of satisfaction.
2. The Executing Agency is recommended to clarify if it is possible to institutionalize the training measures which are planned. This means that the content of the trainings should – if possible – also be integrated into existing curricula (of local schools, professional schools, tourism institutes, universities, etc.) in order to assure that the beneficial effects of the trainings are not limited to the duration of the project only, but that they are maintained in the long term.
3. A more detailed explanation of the justification for and the expected services of a new navigation and information system would be beneficial.
4. There is no indication to establish a business plan for the "Recreational Park Tokaj for all". It is recommended to do so with a link to Activity 3.

The fulfillment of the condition is a prerequisite to the signature of the Project Agreement.

Yours sincerely,

Swiss Agency for Development and Cooperation SDC



Kurt Kunz, Ambassador, Assistant Director-General

Copies:

Swiss Contribution Office Prague  
Swiss Embassy in Bratislava

## Annex 2: Logframe - TOKAJ IS THE ONLY ONE

Project description	Indicators	Source of verification	Assumptions
<p><b>Overall objectives</b> Increasing the competitiveness and the employment in Tokaj region exploiting the natural a cultural potential of the region for tourism.</p>	<ul style="list-style-type: none"> <li>- 20% increase in visitors of TOKAJ region compared to 2010 with reduced portion of one/day tourism which in 2010 was 70%</li> <li>- More inhabitants involved in tourism services and products compared to 2010</li> <li>- Higher rate of inhabitants working in the tourism services in 2015 compared to 2010</li> <li>- Higher earnings from tourism products and services compared with 2010</li> </ul>	<ul style="list-style-type: none"> <li>- Local labor offices' statistics</li> <li>- Statistical statements and reports prepared by 10 municipalities of Tokaj region</li> <li>- Region inhabitants' survey</li> <li>- Statistical statements prepared by the hospitality and accommodation providers</li> </ul>	
<p><b>Project purpose</b> Enlargement of set and quality of tourism services offered in Tokaj region based on the region's specifics involving a wide range of tourism actors.</p>	<ul style="list-style-type: none"> <li>- Number of filed providers of accommodation services on the area of 10 municipalities of Tokaj region (incl. on-private and farms) increases by 5 compared to 2010 offering 20 beds more compared to existing 220 inclusive of camping</li> <li>- Quality of offered tourism services improved compared to 2012</li> <li>- Offer of traditional tourism products and services linked to the vineyard tradition of Tokaj region compared to 2010 is enlarged and are offered at least in 2 new tourism facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Web page – visitors reactions</li> <li>- Periodical visitors satisfaction survey by IC employees</li> <li>- Service evidence system in IC and municipalities</li> <li>- Statistical statements and reports prepared by 10 municipalities of Tokaj region</li> </ul>	<ul style="list-style-type: none"> <li>- Participation of other tourism actors and partners in promotion and publicity of the region</li> <li>- Cooperation with tourism actors (including tour operators) outside Tokaj region and coordination of tourism activities in broader region</li> </ul>
<p><b>Results</b> Tourism services providers and inhabitants from Tokaj region have necessary skills and knowledge allowing the tourism development based on local sources and cultural heritage</p> <p>Functional tourism information and promotion system in Tokaj region</p> <p>Tourism infrastructure for active repose in Tokaj region is improved and completed</p>	<ul style="list-style-type: none"> <li>- 40 Tokaj region guides trained by 2015</li> <li>- 205 local inhabitants, craftsmen and trades trained in tourism and traditional crafts area by 2015</li> <li>- 3 strategic/operative documents adopted and available to all tourism service providers in Tokaj region</li> <li>- 2 functional information centers (Čerhov, Trebišov)</li> <li>- Web page offering up-to-date information and GPS navigation to destinations,</li> <li>- 15 traditional events in region and cities organized by 2015</li> <li>- Length of marked and maintained cycle-roads in Tokaj region increased by 38.3 km to 85.8 km</li> <li>- The Tokaj region entrance portal and 12 m high gazebo constructed</li> </ul>	<ul style="list-style-type: none"> <li>- Project completion report</li> <li>- Attendance sheets</li> <li>- Legal take over of IC Trebišov, IC Čerhov and gazebo</li> <li>- Tokaj region web page</li> </ul>	<ul style="list-style-type: none"> <li>- Interest of local inhabitants in public affairs and conservation of cultural and economic traditions of Tokaj region</li> <li>- Interest of tourism actors inclusive of NGO's and self-governments to communicate and actively participate in the decision taking process including the update of planning and operational tourism documents</li> <li>- Support to SME and crafts from the side of the state/self-government</li> </ul>

Activities	Means/ inputs	Costs and financial sources (CHF)	
1. FPP elaboration	51 – Services (FPP, translation)	NPP	24 000
2. "Investment in people" – educational program	50 – Consumed purchase (training material)	NFP 100 %	200
	51 – Services (fare, accommodation)	NFP 100 %	125 000
	52 – Own personnel (lectors 580 h.)	NFP 100 %	22 000
3. "What will be next in the Tokaj region?" – Tourism development strategy, business plan and marketing plan	51 – Services (fare, accommodation)	NFP 100 %	1 800
	52 – Own personnel (experts)	NFP 100 %	51 200
4. Revival of traditional crafts – "Crafts pay off even in Tokaj" – training program	02 - Tangible assets (technology for courses of fruit drying)	NFP 100 %	3 100
	50 – Consumed purchase (training materials)	NFP 100 %	1 200
	51 – Services (fare, accommodation, publications)	NFP 100 %	21 800
	52 – Own personnel (lectors 448 h.)	NFP 100 %	17 000
5. "No one will get lost in the Tokaj region anymore" – Tokaj region unified navigation and information system	02- Building Procurement (IC, tables, signposts)	NFP 100 %	626 400
	02 - Tangible assets (furniture, reconstruction of historical tractor)	NFP 100 %	21 600
	51 – Services (GIS, GPS, web page actualization)	NFP 100 %	64 600
	52 – Own personnel (IC employees)	NFP 100 %	48 700
6. Recreational park - infrastructure	02- Building Procurement (gazebo, rest places)	NFP 100 %	203 300
	02 – Tangible assets (cycle road maintenance)	NFP 100 %	5 300
	50 – Consumed purchase (material - maintenance)	NFP 100 %	7 500
	52 – Own personnel (cycle-road maintenance wages)	NFP 100 %	22 700
7. TOKAJ-Cultural region"- TOKAJ and KOSICE – European Capital of Culture (EHMK) 2013 and beyond	51 – Services (open air, trains)	NFP 100 %	64 500
	Indirect project costs	NFP 100 %	128 600
	Reserve (buildings)	NFP 100%	82 500
		Overall project expenses:	1 543 000
		<b>Eligible expenses of Project:</b>	<b>1 519 000</b>
		Grant from PPF:	24 000
		<b>Non-repayable assistance (NRA):</b>	<b>1 519 000</b>
		(100 % of eligible expenses of project)	
			Pre-condition: In case of buildings (e.g. IC) fulfillment of conditions for start-up of construction in line with the Act 50/1976 Coll. Building Code

## Annex 2: Budget of the Project

<b>Budget Breakdown</b>			
<b>Expenditure group</b>	<b>Total expenditure (CHF)</b>	<b>Eligible expenditure (CHF)</b>	<b>% of eligible expenses on total eligible expenses of the project</b>
<b>a)</b>	<b>b)</b>	<b>c)</b>	<b>d)</b>
01 – Intangible asset	0	0	0,00%
02 – Building Procurement	824 900	824 900	54,30%
02 – Tangible asset	35 100	35 100	2,31%
03 – Land Procurement	0	0	0,00%
50 – Consumed Purchase	8 900	8 900	0,58%
51 - Services	250 300	226 300	14,92%
52 – Own Personnel	241 000	241 000	15,86%
Indirect project costs	100 300	100 300	6,60%
Reserve	82 500	82 500	5,43%
<b>Total project expenditure (CHF)</b>	<b>1 543 000</b>	<b>1 519 000</b>	<b>100,00%*</b>

\* minor differences in percentage of eligible expenses on total eligible expenses of the project may occur due to rounding up of the total eligible expenditure of the project



Švajčiarsky finančný mechanizmus

## NATIONAL COORDINATION UNIT

## GRANT APPLICATION

<b>1. Type of Application</b>	<b>Final Project Proposal</b>
<b>Applicant:</b>	<b>Združenie Tokajská vínna cesta</b> (Association of Tokaj wine route)
<b>Type of Project</b>	<b>Individual project</b>
<b>Project Title</b>	<b>„TOKAJ IS THE ONLY ONE“</b>
<b>Thematic Focus</b>	<b>Security, Stability and support of reforms</b>
<b>Focus Area</b>	<b>Regional development Initiatives in peripheral or disadvantage regions</b>
<b>Project specific area</b>	<input type="checkbox"/> tourism planning at regional and district level
	<input checked="" type="checkbox"/> mobilisation of tourism potentials
	<input type="checkbox"/> strengthening and improving the social network
<b>Geographical focus</b>	<b>NUTS II Východné Slovensko</b>
<b>Project duration (in months)</b>	<b>36 months</b>
<b>Indicative start date of the Project Implementation (MM/YYYY)</b>	<b>03 2012</b>
<b>Indicative end date of the Project implementation (MM/YYYY)</b>	<b>02 2015</b>
<b>Project Total Budget (EUR)</b>	<b>1 256 062,40</b>
<b>Requested Grant (EUR)</b>	<b>1 237 238,40</b>
<b>Swiss Contribution out from the requested Grant (EUR)</b>	<b>1 051 652,64</b>
<b>% of Grant on Total Budget</b>	<b>100%</b>

<b>Code of Call</b>	<b>2010-3</b>
<b>Code of Project application</b>	<b>9472/2010/ORIŠFM</b>

<b>1. Applicant</b>		
Applicant's full legal name	<b>Združenie Tokajská vínna cesta</b> (Association of the Tokaj wine route)	
Legal status	<b>Non profit organization</b> (under the law no. 83/1990 Zb. On creation of associations) <b>- association of physical entities and law entities</b>	
Official address	<b>SNP 1049/76, 075 01 Trebišov</b>	
Postal address	<b>NA</b>	
Organization Identification No.	<b>42102014</b>	
VAT payer	<b>nie</b>	
Date of establishment	<b>17. 06. 2008</b>	
Web page	<b>http://www.tvc.sk/</b>	
Members of the Statutory Body	<b>Jaroslav Macík; TOKAJ MACIK WINERY, Malá Trňa</b> <b>Pavol Balogh, mayor of Čerhov village</b> <b>Monika Rakacká, mayor of Malá Trňa village</b> <b>Mgr. Beáta Kereštanová, director, Nat. Hist. Museum, Trebišov</b> <b>Patrik Mikula, KAMELOT, Travel agency Trebišov</b> <b>Ing. Stanislav Štefan, Assotiation for development of the South Zemplin region</b>	
Full name of contact person	<b>Ing. Stanislav Štefan</b>	
Fax of contact person	<b>NA</b>	
Email of contact person		
Main activities of the organization with regard the submitted Project (max 900 characters)	<b>Association of Tokaj wine route is an association of physical and legal entities as non profit organizations, businesses, and local governments from the Tokaj region whose aim is:</b> <ul style="list-style-type: none"> <li>• <b>Support of development traditional viniculture with the importance on united label of the Tokaj region</b></li> <li>• <b>Preserve cultural and historical heritage of the Tokaj region an strengthen „genius loci“</b></li> <li>• <b>Cooperate with stakeholders from Hungarian part of the Tokaj region, and with the other wine regions</b></li> <li>• <b>Improve quality of life in communities from social, cultural, economic point of view</b></li> <li>• <b>Increase attractiveness of the Tokaj region for tourists</b></li> <li>• <b>Promote the Tokaj region with the aim to support complex development of the region as tourist destination</b></li> <li>• <b>Contribute to the unified information system in the region</b></li> <li>• <b>Propose the Tokaj region to put on the list of UNESCO</b></li> </ul> <b>Main activities of the Association are defined in the statute.</b>	
Total number of employees by the last day of the previous month	<b>0</b>	
Turnover (v thousands EUR)	2007	
	2008	<b>4 081,45 EUR (123 048 Sk)</b>
	2009	<b>1 500,03 EUR</b>
	2010	<b>4 976,10 EUR</b>
Assets (in thousands EUR)	2006	
	2008	<b>479,29 EUR (14 439 Sk)</b>
	2009	<b>1 002,26 EUR</b>
	2010	<b>1 703,63 EUR</b>
Accounting	Single entry <input checked="" type="checkbox"/> Double entry <input type="checkbox"/>	
Previous experience in project implementation in similar area	The association has not wide experience with implementation of projects, although the members have realized many projects. The Association has support of the members (please see the Annex 3, B.1 organizational structure) and is prepared to implement this project, if will be awarded.	

<b>2. Project Partner's data</b>		
Number of partners in project		
<b>No.</b>	<b>Full legal name</b>	<b>Justification of the involvement of the partner (max. 600 characters per partner)</b>
1.	<b>The Agency for the Support of Regional Development Košice, n.o.</b>	<b>The Agency has long term cooperation with many members of the association, with the TOKAJ region. The project managers are skilled with project proposal development and its implementation, they have realized many projects either on local, regional, national or international level. The Agency will be responsible in this project to implement the activities dealing with education, training. Together with the Regional Edification Center in Trebišov and the Košice Regional Self government will guarantee that the project will be implemented in accordance the Slovak and EU legal standards.</b>
2.	<b>Institute of Tourism, University of Applied Sciences and Arts, Luzerne, Switzerland</b>	<b>The Lucerne University and its Institute of Tourism has wide experience in travel business, destination management, cooperation management in tourism, strategies in tourism and in destination and city Marketing. They have cooperated internationally with Bulgaria, Romania and Poland on topics related to tourism strategy, destination management etc. Swiss partner in the Tokaj region will coordinate development of the Strategy for tourism development and concrete results are expected from the business and marketing plan.</b>
3.		

<b>3. Project</b>		
<b>3.1 Project title</b>	<b>“TOKAJ IS THE ONLY ONE”</b>	
<b>3.2 Geographical identification of the project implementation</b>		
Region:	<b>East Slovakia</b>	
Self-government territorial unit:	<b>Košice Self governing region</b>	
District:	<b>Trebišov</b>	
Municipality:	<b>Bara, Borša, Černochovej, Čerhov, Malá Trňa, Slovenské Nové Mesto, Veľká Trňa, Viničky, Zemplín, Ladmovce</b>	
<b>3.2a Project specific area</b>	<input type="checkbox"/> tourism planning at regional and district level	
	<input checked="" type="checkbox"/> mobilisation of tourism potentials	
	<input type="checkbox"/> strengthening and improving the social network	
<b>3.3 Project results</b>		
<b>Project Result</b>	<b>Output indicator</b>	<b>Value</b>
<b>Improved cooperation among the stakeholders working in tourism sector, and involvement of local people in the sector's services and into the project implementation</b>	Number of persons involved into the project activities according the target groups	<ul style="list-style-type: none"> <li>• 25 local citizens effectively communicate, cooperate and decide (members of the Association and the others)</li> <li>• 80 local citizens educated within the scope of Activity 2 acquired new knowledge and skills. 20 of them improved their language skills, 40 trained guides</li> </ul>
<b>Offer of services and products for tourism are widen</b>	Number of new “innovative” traditional products. Number of new services for visitors. Increased quality of services	<ul style="list-style-type: none"> <li>• 120 locals trained – potential businessmen, who have acquired skills in the field of traditional products production (within the Activity 4 framework)</li> </ul>
<b>Functional infrastructure for active rest – bicycle routes marked, and the resting areas with gazebos etc. are completed</b>	Number of information points, direction signs constructed and established, including new information centres which will help tourists to move in the region	<ul style="list-style-type: none"> <li>• entering the Tokaj region you will register immediately – new entry portal built – typical for the Tokaj region</li> <li>• new attraction in the Tokaj region built – sightseeing tower – 12 meters high, visited by locals and visitors</li> <li>• bicycle routes are well marked (47 direction signs and other types of painted 675 signs in total)</li> <li>• bicycle routes are maintained by locals</li> <li>• bicycle routes are well equipped for resting by 4 gazebos and 48 locations by seating and benches</li> <li>• 50 pieces of information boards offer information about interesting things from the region</li> </ul>
<b>Functional unified navigation and information system in the Tokaj region</b>	Number of visitors in the region, number of visitors on the web page and those who utilize information on web page	<ul style="list-style-type: none"> <li>• 2 functional information centers offer their services and besides this the most need service – affordable accommodation – 12 beds in 3 rooms, parking for caravans and garden for tents (no the other in the region)</li> <li>• Web page updated and offering video and audio guides, GIS maps and GPS guide will navigate you via your cell phone to the Tokaj and its treasures</li> <li>• 15 traditional events in the region organized in the Tokaj region and outside, preferably in Košice city and Trebišov city</li> </ul>



<b>3.4 Activities on results achievement (max 1200 characters per activity)</b>
<b>Activity 1</b>
<p>“Project Preparation Facility (PPF)“ activity was an important activity, as it was important that the project activities proposed in the Final Project Proposal were tailored to the needs of the region of Tokaj. <b>The defined activities of the Final Project Proposal have been proposed based on the real potential of the Tokaj region.</b></p> <p><i>Documents prepared within the framework of the Project Preparation Facility:</i></p> <ul style="list-style-type: none"> <li>- <i>Audit of the Tokaj Region – Reviews of Options and Needs</i></li> <li>- <i>Project documentation for the sightseeing tower located in the Tokaj region</i></li> <li>- <i>Updating of the Tokaj region cycling routes network and its completion</i></li> <li>- <i>Technical project documentation for tourist infrastructure</i></li> </ul> <p>Thus, implementation of the project “TOKAJ IS THE ONLY ONE” (“Tokaj je len jeden”) has a realistic chance to significantly contribute towards the transformation of the Tokaj region from purely winemaking region to a unique region offering products and services attractive for tourists.</p>
<b>Activity 2</b>
<p><b>„Investment in people, – educational programme</b> – the aim of this activity is to provide necessary education which will strengthen cross sectoral partnership in the Association of Tokaj Wine Route and others. Participants will learn and will be trained about decision making process in a community or group, about efficient cooperation, etc. Locals will become eager to know more about the TOKAJ region, and than will be ready to share this information with visitors. This is an assumption to attract visitors, to make break in tourism.</p>
<b>Activity 3</b>
<p><b>“What will be next for the Tokaj region?“ - Tourism development strategy, business plan and marketing plan</b> – The aim of this activity is to create the tourism development strategy of the Tokaj region, to prepare the business plan and, on its basis, develop the marketing plan. All these documents will be prepared on the basis of the promotion and support of such development intents in the region that will create favorable conditions for the extended offer of tourism services and products based on wine tourism. Through these documents, economical activities of all business entities operating in the region focused on “luring” of the visitors to the region and keep them in TOKAJ and its surroundings as long as possible, will be supported, too. The activity will be coordinated by the Swiss project partner.</p>
<b>Activity 4</b>
<p><b>Revival of traditional crafts – “Crafts pay off even in Tokaj” – training program</b></p> <p>- people in the TOKAJ region, their ancestors, used different technologies in the past, as this one used for the Tokaj wine production, in order to produce some products. Nowadays, most of the traditional handicrafts technologies are dying up, because are too time consuming, difficult to do. Revival of the traditional techniques a technological procedures. Growing number of new „revived” products and services will widen and will increase the offer on the market.</p>
<b>Activity 5</b>
<p><b>„No one will get lost in the Tokaj region anymore “ – Tokaj region unified navigation and information system</b> - will be established and will facilitate visitors’ access to all necessary information through “classical” navigation and information system – high-quality and efficient marking of tourist infrastructure and important places and using of virtual canals for spreading the information about the region – using the most advanced technologies (GPS guide, audio, video guide, maps etc.). <b>Tokaj Information centers</b> in the municipality of Čerhov and in Trebišov – rebuilt/reconstructed will offer to visitors information and services. Very specific will be the information center in Čerhov where alternative renewable energy technologies will be installed (heat pump, photovoltaic cells and additional biomass heating). It will be the first sort of buildings in the Košice region and will serve to the citizens, mainly to school children, as an example. In the building affordable accommodation ( 4 three-bed rooms will available), in garden space for tents and for a limited number of caravans. Tokaj lacks accommodation facilities of this kind completely. Services for cyclists will be offered too.</p>
<b>Activity 6</b>
<p><b>„Recreational park in Tokaj for all “ - Functional infrastructure for an active rest in the TOKAJ region - A</b> necessity in the region of TOKAJ, as well as in Slovakia in general, is to create a functional infrastructure for an active rest/leisure time for domestic and foreign visitors. It represents one of the conditions – to offer them possibilities for active rest and allow them to discover the region. 47.5 km of cycling routes were identified in the region, which can be extended to 85.8 km, as proposed in the technical documentation. Very important unit in the tourist infrastructure will be the sightseeing towe – 12 meter high which will be an attraction for locals and visitors. Information boards with bicycle routes maps and other interesting information will be displayed (50 pcs), 4 gazebos a 48 seating and benches too. 47 direction signs and other types of signage, incl. painted: 675 signs will be marked in total.</p>
<b>Activity 7</b>
<p><b>“TOKAJ – Cultural Region” - TOKAJ and KOŠICE – European Capital of Culture (ECoC) 2013 and beyond</b> – although, better picture about how to attract tourists to the TOKAJ region will be received from the business plan and marketing plan. The TOKAJ region will be presented and introduced in the Košice city and Trebišov city with well prepared 15 cultural events.</p>

Traditionally organized events, festivals in the TOKAJ region will be supported in order to increase their quality and performance, and several open air courses for artists will be organized.			
<b>3.5 Project's target groups (please indicate their number)</b> The project with its complexity has an ambition to approach nearly <i>all local people who live in the TOKAJ region</i> and <i>outside of the region the most suitable target groups</i> . The activities of the project are focused on four target groups and the numbers people involved will be specified after having the need assessment completed .			
Target group – name		Target group – number	
<i>Wine producers</i>		20	
<i>Local inhabitants graduates from education program</i>		80	
<i>Potential businessmen - graduates from trainings</i>		120	
<i>Members of the Association TVC and others “natural” leaders</i>		25	
<i>Citizens of the Košice city and its visitors</i> (more details after the regional marketing strategy will be done)			
<b>Relevance of the project</b>			
<b>3.6 Project purpose (max 600 characters)</b>	<b>The aim of the project TOKAJ IS THE ONLY ONE is to improve the quality of lives of the citizens living in the TOKAJ region by optimal utilization of all potential of the region. People will make this improvements. The offer to tourists will be widened by revival of traditional products, services and quality of services will increase. The TOKAJ region will became the unique tourist destination and good place for life. Under the TOKAJ brand the whole region with all tractions, traditions, people will be recognized.</b>		
<b>3.7 Project justification in relation to the initial situation (max 1800 characters)</b>	<p>The TOKAJ wine region is unique because of the wine brand TOKAJ which is sold all over and has many fans. The uniqueness is hidden in the traditional technology used in the process to get the product - wine. This technology has been developed over the centuries by hands and brains of locals. And this is a real genuine uniqueness. This wine has been produced when locals discovered specific local natural condition - tuffs (stone) and micro/mezzo climatic condition (close air humidity thanks to the rivers and marshes) . This is why the TOKAJ region deserves to be unigue – the humans, nature, region.</p> <p>The TOKAJ region, its people, nature, culture and history are hidden, not known, not enough presented. Not known are the other products, services which had been developed in the past hand in hand with the traditional technology for wine production.</p> <p>The project TOKAJ IS THE ONLY ONE takes this as an opportunity to discover these uniqueness of nature, history, culture – and people who created all this.</p>		
<b>3.8 Project's contribution to the objectives of the micro-regional/ local, regional and national development plans</b>	<p><b><u>A. Economic and Social development Plan of the Košice Self government region (PHSR KSK):</u></b>  Priority 3.3. building infrastructure for tourism  Measure 3.3.1. support creation of common regional information system for tourism and common promotion of the region to tourism, including creation of information centers  Measure 3.3.2. support of local products production including construction of infrastructure for tourism on the Wine rote.  Measure 7.4.2. improving quality of services in rural tourism,  Measure 7.4.3. improving promotion of microregions of the Košice Self government region.</p> <p><b><u>B. National Regional Development Strategy of the Slovak republic :</u></b>  <b>Priority area 2: Human resources;</b>  <b>Measures:</b></p> <ul style="list-style-type: none"> <li>▪ Protect cultural heritage of the regions and continuity of cultural development of the regions, protect and revitalize traditional handicrafts skills</li> <li>▪ Interconnect education with the needs of the market, widen an offer of further education and build whole life education system</li> <li>▪ Secure enough qualified people for economy development</li> </ul>		
<b>Organization of the Project</b>			
<b>3.9 Organisational part responsible for the Project implementation</b>	<b>Project team</b>	<b>Number of employees</b>	<b>4</b>
<b>3.10 Personnel provision for the project</b>			
Role in the project		Number of persons	
Project coordinator		1 (half working time)	
Project manager		1(half working time)	
Administrator		1(half working time)	

Financial manager/accountant	1 (half working time)
Members of the Project Steering committee	7
Project managers of the partner – Agency + Institute of Tourism, Switzerland + Regional Edification Centre	20
<b>3.11 Technological provision for the project</b>	The project team has strong support from the Regional Edification Centre in Trebišov (pls see the Appendix 3, organizational management B.1)
<b>3.12 Publicity and information measures (max 600 characters)</b>	The flow of information is secured via the members of the Association (28 different stakeholders from the region) and with help of Regional Edification Centre in Trebišov. Each activity includes edition of information materials which will be distributed widely in the region and abroad. The interactive web page will be interconnected with the web pages of the Association members. Publicity and promotion of the region will be delivered on fairs, festivals which are planned to attend (9), and on the cultural events, festival traditionally organized in the region (12) . Important role will play the information centers.

<b>4. Scheduled and related expenses of activities</b>					
Activity	Activities timeframe (in months)	Total direct expenses on activity (EUR)			% from total direct expenses of all activities
		Current expenses	Capital expenses	Total (c+d)	
a)	b)	c)	d)	e)	f)
Activity 1	2	18 824,00		18 824,00	1,70%
Activity 2	36	133 954,40		133 954,40	12,07%
Activity 3	24	42 341,00		42 341,00	3,81%
Activity 4	24	35 228,60	2 500,00	37 728,60	3,40%
Activity 5	36	90 562,60	518 390,00	608 952,60	54,87%
Activity 6	36	42 360,00	170 865,00	213 225,00	19,21%
Activity 7	32	54 876,80		54 876,80	4,94%
<b>Total</b>		<b>418 147,40</b>	<b>691 755,00</b>	<b>1 109 902,40</b>	<b>100,00%</b>

<b>5. Budget Breakdown</b>				
<b>Expenditure group</b>	<b>Eligible expenditure (EUR)</b>	<b>Non-eligible expenditure (EUR)</b>	<b>Total expenditure (EUR) (b+c)</b>	<b>% of eligible expenses on total eligible expenses of the project</b>
<b>a)</b>	<b>b)</b>	<b>c)</b>	<b>d)</b>	<b>e)</b>
01 – Intangible asset			0,00	0,00%
02 – Building Procurement	663 740,00		663 740,00	53,65%
02 – Tangible asset	28 015,00		28 015,00	2,26%
03 – Land Procurement			0,00	0,00%
50 – Consumer Purchase	7 106,00		7 106,00	0,57%
51 - Services	222 173,20	18 824,00	240 997,20	17,96%
52 – Own Personnel	170 044,20		170 044,20	13,74%
Indirect costs – external financial audit	2 500,00		2 500,00	0,20%
Indirect costs for enhancement of capacities of the applicant to manage the project	77 660,00		77 660,00	6,28%
Indirect project costs				
Reserve	66 000,00		66 000,00	5,33%
<b>Total project expenditure (EUR)</b>	<b>1 237 238,40</b>	<b>18 824,00</b>	<b>1 256 062,40</b>	<b>100,00%</b>

<b>6. Risk and risk management</b>								
	<b>Influenced activity</b>	<b>Description of potential risk</b>	<b>Likelihood</b>	<b>Impact on project implementation</b>			<b>Risk mitigation measures</b>	<b>Value of reserve (in EUR)</b>
				<b>Extension of the time of project implementation</b>	<b>Increase of expenditures</b>	<b>Outputs reduction</b>		
1.	Education	Low interest to educate among locals	middle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Project was prepared by the members of the Ass. and they are the owners of the aims	
2.	Management of the project	Worsen communication among the Association members	Small	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Education will teach them how to communicate, cooperate and make decisions	
3.	Management of the project	Not enough cooperation between the applicant and partners		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Clear division of responsibilities on activities and management	
4.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
5.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Total financial reserve</b>								

<b>7. Public Procurement</b>					
<b>No.</b>	<b>Public procurement subject</b>	<b>Procurement method</b>	<b>Activities covered</b>	<b>Start date</b>	<b>Contract value net VAT</b>
1.	The Tokaj Tourist Information Center in Cerhov	Open Procedure	Activity 5	April 2012	333 333,33
2.	Navigation and Information System	Open Procedure	Activity 5-6	June 2012	73 804,16
3.	Sightseeing Tower	Open Procedure	Activity 6	April 2012	108 333,33
4.	Virtual Information System	Open Procedure	Activity 5	September 2012	36 833,33
5.	Recreational Park - small infrastructure	Open Procedure	Activity 6	June 2012	28 000,00
<b>Total</b>					<b>580 304,15</b>
1.	The Tokaj Tourist Information Center in Trebisov	Open Procedure	Activity 5	April 2012	16 666,66
2.	IT Equipment	Open Procedure	Activity 2-7	April 2012	2583,33
3.	Language Program	Open Procedure	Activity 2	March 2014	9750,00
4.	Office Supplies	Open Procedure	Activity 2-7	March 2012	1838,33
5.	Tractor Repair, Trailer Production	Open Procedure	Activity 5	April 2012	6041,66
<b>Celkovo</b>					<b>36 879,98</b>

<b>8. Source of project funding</b>		
<b>1. Total project expenditures</b>	EUR	1 256 062,40
1.1. Total non-eligible expenditure	EUR	18 824,00
1.2 Total eligible expenditure	EUR	1 237 238,40
<b>2. Requested Grant</b>	EUR	1 237 238,40
<b>3. Applicant own sources</b>	EUR	0,00
3.1 Bank loans out of Applicant own sources	EUR	0,00

<b>9. Horizontal criteria</b>
1. How will the project contribute to the objectives of the sustainable development strategy? The aims of the project are realistic, identified by locals who know what are their problems, and with the support of project managers from the partnering organization, the activities have been proposed. Its realistic to achieve the objectives set up in the project, because of the trade mark which TOKAJ wine has. Nowadays people are coming to the region because of wine, and soon, during the project implementation and after, their number will increase significantly. The strategy how to improve lives of the people in the region fully meets all principles of the sustainable development strategy, because is built on the optimal utilization of natural and human resources of the TOKAJ region. The project with its activities will not harm the environment, will not endangered future generation. It is realistic to expect that the activities proposed will generate earnings in a sustainable way and after the project will end, activities will continue.
2. What are the environmental impacts of the project implementation? What measures are proposed to mitigate the negative environmental impact? All activities in the project proposed comply with the nature protection goals and will contribute to the nature protection. It will not have any negative environment impacts. On the contrary, the activities will set up new systematic approach of urban planning in this wine region will contribute to the optimal utilization of natural resources. The uniqueness of this region will be preserved and maintained properly.
3. How are the gender equality and the non-discrimination principles applied in the project implementation? The key stakeholders of the TOKAJ region have established Association for the purpose of solving their problems and no one is persecuted or excluded form the team, because of gender, race, nationality or religion.
4. How will the project contribute to the enhancement of the bilateral relations with the Swiss Confederation? Institute of Tourism, University of Applied Sciences and Arts, Luzerne, Switzerland is partner 2 in this project and they have contributed to the development of the Final Project Proposal . They have an interest to participate on the whole project management.
5. What innovative technologies/processes will be applied within the project implementation? Revival of the traditional technologies (e.g. traditional wine production used just in the TOKAJ region) will tie up on the past when locals have invented this rare technology. New products and services will increase an offer of the region.

<b>10. Project readiness and Project Preparation Facility (PPF)</b>	
<b>10.1 Project readiness</b>	<input type="checkbox"/> planned
Most of the activities proposed in the project its possible to implement right after receiving the grant. Just some of the activities which will contribute to make the infrastructure functional needs preparation phase needed to develop the technical documentation – for information centres, bicycle route construction and for the Tokaj educational trail construction.	<input type="checkbox"/> under development
	<input checked="" type="checkbox"/> ready
<b>10.2 Assistance applied from the PPF for completion of the documentation</b>	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
<b>10.3 Grant requested from the PPF (EUR)</b>	<b>18 824,00</b>

<b>11. Sustainability of project's results</b>	
1.Financial sustainability	New products and services developed over the project implementation will be marketable, sellable in the region and thus will create an opportunity to create new jobs. All this will create a profit. Important tool how to contribute to the cooperation of the key stakeholders in the region will be booking system and information system which will generate profit too. The members of the Association has a strategy how increase cooperation, products and services marketing, quality of services. All this is proposed on the very reasonable way.
2. Institutional sustainability	As is described in Annex 3, Organizational structure of the project (B.1), its realistic to expect smooth project implementation. This sustainability is realistic because the key stakeholders has united, created the Association with the support of the key institutions from the region who help them.
2 a) Development and maintenance of the partnerships and cooperation in the micro-regional/local and the regional context	The Association consists of the different stakeholders, from different sectors and has set up a platform for communication . Within the project implementation, namely within the activity 2 and 3, their capacities for effective communication, cooperation and decision making process will be strengthen.
3. Sustainability at the level of policies and strategies	Full compatibility with the priorities on the regional and national level is listed above. This is confirmed in the letter attached (Annex 17) from the regional Self government.
3 a) Project's multiplier effect and potential for a lead project	The project is with its character complex, is based on the active participation of locals in the project implementation. It brings important multiplication effect by optimal utilization of the natural and human resources, which will improve quality of lives of locals and it will became attractive for visitors also.

<b>12. Signature and declaration</b>	
I, the undersigned, <b>Jaroslav Macík</b> , declare being the person authorized to sign this Application form. I certify that:	
<ul style="list-style-type: none"> <li>• The information given in this Application and its Annexes is correct and exact;</li> <li>• All attached copies of the Application including the Annexes and the electronic version are identical with the original Application and the Annexes;</li> <li>• English and Slovak versions of the Application and the Annexes 1 to 8 are content wise identical;</li> <li>• For the submitted Project no Grant has been provided from other national, international programmes or EU funds up to the date when the Grant Application is submitted;</li> <li>• For the submitted Project no Grant has been requested from other national, international or EU funds.</li> </ul>	
Place:	Malá Trňa, Trebišov district
Date:	September 12, 2011
Signature of the statutory body:	

<b>13. List of Annexes to the Grant Application</b>		
No.	Name of the Annex:	Project Outline/Final Project Proposal
1.	Project implementation and expenses schedule	<input checked="" type="checkbox"/>
2.	Budget breakdown with detailed comment	<input checked="" type="checkbox"/>
3.	Description of the Project implementation	<input checked="" type="checkbox"/>
4.	Log frame	<input checked="" type="checkbox"/>
5.	Partner description	<input checked="" type="checkbox"/>
6.	Grant application within the Project Preparation Facility	<input checked="" type="checkbox"/>
7.	Project financial analysis	<input checked="" type="checkbox"/>
8.	Tender dossiers	
9.	Abstract from the respective organization register	<input checked="" type="checkbox"/>
10.	Statutes or Articles of Association	<input checked="" type="checkbox"/>
11.	Statement of finances	<input checked="" type="checkbox"/>
12.	Annual report	<input checked="" type="checkbox"/>
13.	VAT payer registration certificate from the competent tax authority	<input checked="" type="checkbox"/>
14.	Extract from the Penal Register of all members of the statutory body of the Applicant	<input checked="" type="checkbox"/>
*15.	Confirmation from the Social insurance, health insurances and respective tax authority certifying that there are no due liabilities towards these institutions	<input checked="" type="checkbox"/>
*16.	Declaration that the applicant has access to financial sources for the implementation of the investment project above the limit of the grant (e.g. Decree of the local council, general assembly, board of directors, bank loan standby for the proposed project)	<input checked="" type="checkbox"/>
*17.	Other documents	<input checked="" type="checkbox"/>

\* The Applicant submits the relevant Annexes in compliance with the Instructions to the Applicant

### Annex 3: Indicative disbursement plan

Name of Project: "Tokaj is the only one"

Implementation Start: 02/2012

Disbursement No.	Months of implementation covered	Disbursement month	Amount in CHF*	Other documents submitted to Switzerland related to Disbursement
1	0 – 5	12/2012	28 200	PIR
2	6 – 9	04/2013	131 600	PIR
3	10 – 13	08/2013	141 930	PIR, PAR
4	14 – 17	12/2013	209 700	PIR
5	18 - 21	04/2014	328 790	PIR
6	22 – 25	08/2014	164 510	PIR, PAR, FAR
7	26 – 29	12/2014	79 230	PIR
8	30 – 33	04/2015	72 040	PIR
9	34 - 36	10/2016	65 000	PIR, PCR, FAR
Total*:			1 221 000	

\* Does not include the aliquot part of the Reserve which should be financed from the Grant in line with the conditions specified in the Project Agreement and upon a prior agreement of the contracting parties

FAR Financial Audit Report  
PAR Project Annual Report  
PCR Project Completion Report  
PIR Project Interim Report