

DEMOCRACY – Consortium Agreement

1. Preamble

This **Consortium Agreement** (hereinafter: *Agreement*) is concluded between the Parties listed below for the implementation of the project “**DEMOCRACY – Network for strengthening local democracy through participatory methods**”, funded by the **European Education and Culture Executive Agency (EACEA)** under the **Citizens, Equality, Rights and Values (CERV)** Programme, pursuant to **Grant Agreement No. 101249775 - CERV-2025-CITIZENS-TOWN-NT**.

The Agreement regulates the internal cooperation of the consortium for fulfilling the objectives, activities and obligations defined in the Grant Agreement (GA) and its Annexes.

Parties

Coordinator:

1. **Hungarian Association for Community Development (HACD)** (PIC: 949445119; established in: Szövetség utca 9/A, H-1074 Budapest, Hungary; represented by Edit Kovács, president)

Beneficiaries / Partners:

2. **Slagalice – Zaklada za razvoj lokalne zajednice (SLAG)** (PIC: 932071352; established in: Trg Augusta Senoe 1, Osijek 31000, Croatia; represented by Jelena-Gordana Zloić, director)

3. **Asociatia GAL Homorod-Kukullo Leader (HKLA)** (PIC: 900163784; established in: 397, Lueta 537140, Romania; represented by: László Lázár, executive director)

4. **Stowarzyszenie Centrum Wspierania Aktywnosci Lokalnej (CAL)** (PIC: 946100365; established in: Michala Paca 40, Warszawa 04 386, Poland; represented by: Bohdan Skrzypczak, president)

5. **Budapest Főváros XIV. Kerület Zugló Municipality (ZM)** (PIC: 932572939; established in: Pétervárad u. 2., H-1145 Budapest, Hungary; represented by: András Rózsa, mayor)

6. **Bürgerstiftung Barnim Uckermark (BBU)** (PIC 872376194, established in: Eisenbahnstrasse 3, 16225 Eberswalde, Germany, represented by: Kai Jahns, managing director)

Associated Partners (non-signatories):

1. **Municipality of Budapest District II.** (PIC: 892224334; established in: Mechwart liget 1., H-1024 Budapest, Hungary)

2. **Municipality of Budapest District XI.** (PIC: 941487142; established in: Bocskai út 39-41., H-1113 Budapest, Hungary)

3. **Municipality of Budapest District XII.** (PIC: 901312846; established in: Böszörményi út 23-25., H-1126 Budapest, Hungary)

The associated partners commit to carrying out the tasks allocated to them in the project, as formally confirmed in the declaration annexed to the Consortium Agreement.

The provisions of the Grant Agreement shall prevail over any conflicting clause of this Consortium Agreement.

2. Purpose and Scope of the Agreement

The purpose of this Agreement is to establish the rights, duties and operational rules governing cooperation among the consortium partners for implementing the DEMOCRACITY project.

This Agreement:

- supplements the Grant Agreement,
- governs internal financial, administrative and coordination arrangements,
- defines responsibilities, reporting obligations and governance procedures.

Duration

The Agreement enters into force on **1 January 2026** and remains valid until **31 December 2027**, or until all obligations arising from the GA are fulfilled, including post-project reporting and record retention duties.

3. Responsibilities of the Parties

3.1 General Obligations

Each Party shall:

- act in good faith,
- perform tasks with due care and on time,
- ensure financial transparency,
- provide data, documentation and reports as required,
- comply with EU, national and GA rules.

3.2 Coordinator Responsibilities (HACD)

The Coordinator shall:

- liaise with EACEA,
- supervise GA implementation,
- prepare and submit technical and financial reports,
- manage pre-financing and payment transfers,
- coordinate communication within the consortium,
- monitor deadlines and deliverables,
- support partners in quality assurance,
- prepare and facilitate audits and checks.

3.3 Partner Responsibilities

Each partner shall:

- implement its Work Packages as per GA Annex 1,
- prepare deliverables on time,
- maintain proper documentation,
- comply with visibility and communication rules,
- cooperate with the Coordinator and partners.

3.4 Specific Roles

- **SLAGALICA:** participatory grantmaking, local philanthropy; Town Meeting on Shared Funds.
 - **HKLA:** social hackathon method, rural participation model; Town Meeting on Community Ideation.
 - **CAL:** community cooperation for green transition; dissemination leader.
 - **Municipality of Zugló:** participatory budgeting pilot; Town Meeting on Participatory Budgeting.
 - **BBU:** community development, integration within vulnerable and young groups, neighbourhoods
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4. Governance Structure and Decision-Making

The governance structure includes:

- **Steering Committee (SC)** – main decision-making body, one vote per partner.
- **Coordinator** – operational management.
- **Work Package Leaders** – responsible for WP-level implementation.

Decision-making

- Primarily by consensus; failing that, by simple majority.
- In case of tie: the Coordinator's vote prevails.

Conflict Resolution

1. Internal negotiation
2. Steering Committee
3. Mediation / Arbitration (Hungarian Chamber of Commerce and Industry)

5. Financial Provisions

5.1 Lump Sum Funding

The project receives **EUR 208,630** as lump-sum support according to GA Annex 2.

5.2 Budget Distribution

Partner	Workpackage	Breakdown (EUR)	Total (EUR)
HACD (koordinátor)	WP 1, 7, 8	15 710 + 29 070 + 18 500	63 280
SLAG	WP 3, 11	15 855 + 13 215	29 070
HKLA	WP 6, 13	15 855 + 13 215	29 070
CAL	WP 5, 10	15 855 + 13 215	29 070
ZM	WP 2, 9	15 855 + 13 215	29 070
BBU	WP 4, 12	15 855 + 13 215	29 070
Total			208 630

Payment distribution in the prefinancing system

Partner	Total Grant EUR	PreFin 60pct EUR	Final 40pct EUR
HACD	63 280	37 968	25 312
ZM	29 070	17 442	11 628
CAL	29 070	17 442	11 628
SLAG	29 070	17 442	11 628
HKLA	29 070	17 442	11 628
BBU	29 070	17 442	11 628
Total	208 630	125 178	83 452

5.3 Payments

- Pre-financing: transferred by the Coordinator after project start.
- Interim payments: there is no interim payment in this project.
- Final payment: after acceptance of final report by EACEA.
- Overpayments must be reimbursed by the partner concerned.

5.4 Accountability

Each partner is individually responsible for its share and must retain documentation for at least **5 years** after the approval of the final report by the EACEA.

6. Liability and Indemnification

- Partners act as independent legal entities.
 - Liability towards EACEA is joint but limited to each partner's budget share.
 - A breaching party must indemnify others for direct damages caused.
 - No liability for indirect or consequential damages.
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7. Intellectual Property, Access Rights and Visibility

7.1 Background

Each Party retains ownership of pre-existing knowledge.

7.2 Results

Results belong to the generating partner(s); joint results are jointly owned.

7.3 Access Rights

Royalty-free, non-exclusive access is granted to partners for project purposes.

7.4 Visibility

All public materials must include the European flag and the founding statement:

“Funded by the European Union. Views and opinions expressed are those of the author(s) and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency.”

7.5 Publication

Any publication requires prior notification of the Coordinator.

8. Confidentiality and Data Protection

Confidential information must not be disclosed for **5 years** after project closure.

Personal data management must comply with **GDPR** and national laws.

Data breaches must be immediately notified to the Coordinator.

9. Communication, Dissemination and Visibility

Partners communicate results transparently and inclusively.

The Coordinator oversees communication, branding and visibility compliance.

10. Record Keeping, Control and Audit

Documents must be stored for **5 years** after the approval of the final report by the EACEA.

EACEA, EC, OLAF, and the European Court of Auditors may conduct audits.

Partners must provide all requested information.

11. Amendment, Suspension and Termination

- Amendments require written agreement of all Parties.
 - Suspension possible in case of force majeure.
 - Termination: project end, withdrawal/exclusion of partner, or GA termination.
 - Confidentiality, data protection and IP rules survive termination.
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12. Dispute Resolution, Applicable Law and Miscellaneous

- Disputes resolved via consultation → Steering Committee → mediation/arbitration.
- Applicable law: **EU law** and **Hungarian law**.
- The Agreement exists in English and Hungarian; both are authentic.
- By signing the consortium agreement, all signatories declare that they do not have any outstanding debts towards other EU bodies. If such debts are revealed to exist or arise before the grant is fully paid to the Coordinator leading to a deduction from the granted amount by the Granting Authority
 - any such deductions will first be made from the portion of the grant intended for the indebted signatory during the allocation of the granted amount by the Coordinator
 - the compensation for the amount exceeding the portion of the grant intended for the indebted signatory of any debts that exceed the portion of the grant intended for the indebted signatory will be divided equally between all other signatories during the allocation of the granted amount by the Coordinator
 - the indebted signatory will be obligated to compensate the other signatories for any deductions made. Such compensation is to be conducted through the Coordinator.

Signatures

For the Coordinator	Name & Title	Signature	Date
Hungarian Association for Community Development (HACD)	Edit Kovács, president	_____	_____

For the Beneficiaries	Name & Title	Signature	Date
SLAGALICA – Foundation for Development of the Local Community	Jelena-G ordana Zloić, director	_____	_____

Asociația GAL
Homorod-Kukullo
LEADER

László
Lázár,
executive
director

CAL – Centrum Wspierania
Aktywności Lokalnej

Bohdan
Skrzypczak,
president

Municipality of Zuglő,
Budapest District XIV

Rózsa
András,
mayor

Bürgerstiftung Barnim
Uckermark (BBU)

Kai
Jahns,
managing
director