

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF HUNGARY
CONCERNING
THE HUNGARIAN-AMERICAN COMMISSION FOR EDUCATIONAL
EXCHANGE**

**PART I. STATUS AND ACTIVITIES OF THE HUNGARIAN-
AMERICAN COMMISSION FOR EDUCATIONAL EXCHANGE**

The Government of the United States of America and the Government of the Republic of Hungary (hereinafter referred to as "the Parties");

Desiring to continue and expand programs to promote further mutual understanding between the peoples of the United States of America and the Republic of Hungary through educational and cultural contacts; and

Considering the mutual benefits derived from such programs and the desire of the Parties to cooperate and assist further in the financing and administration of such programs for the further strengthening of international cooperation;

Have agreed as follows:

ARTICLE 1

LEGAL STATUS OF THE HUNGARIAN-AMERICAN COMMISSION FOR EDUCATIONAL EXCHANGE

- 1) The Hungarian-American Commission for Educational Exchange (hereinafter referred to as "the Commission") shall be continued as established on the basis of the Agreement Between the Government of the United States of America and the Government of the Republic of Hungary for the Establishment of the Hungarian-American Commission for Educational Exchange, signed on December 6, 1990.
- 2) The Commission shall enjoy autonomy of management and administration, subject to the provisions of this Agreement.
- 3) The Parties shall recognize the Commission as an organization created and established for the implementation of programs based on the provision of assistance and services (including, for example, the provision of financial support to the citizens of Hungary and citizens and nationals of the United States of America in the form of scholarships and subsidies for the reimbursement of travel expenses, costs of tuition, accommodation and food and other forms of social and other aid), as well as the provision of educational, research, cultural, informational, student advising, consulting and other services specified by this Agreement. These programs, and the costs of the Commission's operation related to their implementation, shall be financed from the funds provided to the Commission by the Parties in accordance with the provisions of this Agreement. The Commission shall also be entitled to obtain funds from other sources.

4) The Commission shall be entitled to carry out other activities outside the scope of, but consistent with, this Agreement. The other activities shall be funded from sources other than those provided by the Parties to the Commission on the basis of this Agreement, and separate accounting records shall be kept for them.

ARTICLE 2

ACTIVITIES OF THE COMMISSION

In order to accomplish the objectives of this Agreement, the Commission shall conduct the following activities:

- a) On the basis of the interests and needs of both Parties, plan, adopt, and conduct programs of the Commission described in Article 1, paragraph 3, above, by:
 - (1) Financing studies, research, instruction and other educational activities
 - (a) of or for citizens and nationals of the United States of America in the Republic of Hungary, and
 - (b) of or for citizens of the Republic of Hungary in United States schools and institutions of higher learning;
 - (2) Financing visits and interchanges between the Parties of students, trainees, research scholars, teachers, instructors, professors, artists, and professionals; and

(3) Financing and/or implementing other educational, research, informational, student advising, consulting, and other activities.

(4) Developing for approval by the Parties a draft Commission application for the next fiscal year's funding (proposing the requested total amount of the financial contribution of the Parties), and a comprehensive proposal of the Commission's activities that shall be carried out on the basis of this Agreement in the next fiscal year, detailing particularly the extent, amount, types and focuses of purpose, if any, of the financial support which shall be granted. For the purposes of this Agreement, a fiscal year shall be defined as October 1 of one calendar year through September 30 of the following calendar year for the United States of America, and a calendar year for the Republic of Hungary.

- b) Prepare each fiscal year an announcement of application instructions for a national public competition in the Republic of Hungary, setting forth the details of the financial support offer for the appropriate fiscal year, including information on procedures for the distribution and submission to the Commission of applications for participating in the program and for granting the financial support; and assess these applications and select applicants who will be proposed to participate in the Commission's program and to receive the financial support.
- c) Submit to the J. William Fulbright Foreign Scholarship Board of the United States of America (hereinafter referred to as the "Fulbright Foreign Scholarship Board"), appointed by the President of the United

States of America and with its seat in the United States of America, for selection, students, trainees, academic scholars, research scholars, teachers, instructors, artists and professionals who are proposed by the Commission and who represent a wide range of fields of study, who are citizens residing in the Republic of Hungary, or citizens or nationals of the United States of America, for participation in such programs, as well as proposals by the Commission for participation in such programs of institutions with a seat in the Republic of Hungary or in the United States of America.

- d) Recommend to the competent organizations in the Republic of Hungary candidates who are citizens or nationals of the United States of America for studies, research, instruction, and other educational activities in the Republic of Hungary.
- e) Recommend to the Fulbright Foreign Scholarship Board qualifications for the selection of participants who shall receive the financial support that the Commission may deem necessary for achieving the purposes of this Agreement.
- f) Authorize the disbursement of funds and the making of grants, including payment for transportation, accommodation, food, tuition, maintenance and other expenses incident thereto, if the Fulbright Foreign Scholarship Board approves of the selection of individual applicants for participation in the Commission's program and of the granting of financial support, subject to the conditions and limitations as set forth herein.

- g) Conduct each fiscal year an audit of the accounts of the Commission, according to the support given by each Party, the results of which shall be submitted to the appropriate bodies of the Parties responsible for the execution of this Agreement. If so requested by one of the Parties, the Commission shall also permit other auditing of its accounts by representatives of either or both Parties.
- h) Prepare each fiscal year a report of its activities, the form and contents of which shall be specified by the Parties, and submit such reports to the appropriate bodies of the Parties responsible for execution of this Agreement.
- i) Administer or assist in extending financial support offers and other aid in furtherance of the purposes of this Agreement, as agreed to by both Parties; and
- j) Acquire, hold and dispose of property in the name of the Commission, as it may consider necessary or desirable, and with the full agreement of its Board, provided, however, that adequate office facilities for the activities of the Commission shall be assured.

PART II. BODIES OF THE COMMISSION

ARTICLE 3

THE BOARD OF THE COMMISSION

- 1) The Commission shall be governed by a ten-member Board (hereinafter referred to as "the Board"). The Board shall consist of five citizens of the United States of America and five citizens of the Republic of Hungary.
- 2) The Chairperson of the Board shall act on behalf of the Board in all matters.
- 3) The Chief of the Diplomatic Mission of the United States of America to the Republic of Hungary shall have the power to appoint and, consistent with Hungarian law, remove, the American members of the Board, two of whom shall be Officers of the United States Foreign Service in the Republic of Hungary. The Hungarian Ministry of Education and Culture shall have the power to appoint and, consistent with Hungarian law, remove, the Hungarian members of the Board, two of whom shall be governmental representatives of the Republic of Hungary.
- 4) The Board members shall be appointed for two-year terms and shall be eligible for reappointment for an additional two years. Vacancies by reason of resignation, expiration of service or otherwise, shall be filled in accordance with the preceding paragraph for the balance of the term remaining.

- 5) Each member of the Board shall have one vote. The decision of the Board shall be made by a majority of the votes cast. The Chairperson shall cast a second and deciding vote in the event of a tie vote by the Board.
- 6) Appointment to the Board shall not give rise to an employment relationship with the Commission. The members of the Board shall serve without compensation, but the Commission is authorized to defray necessary expenses incurred by the Board in attending meetings of the Commission, which shall take place at least once every three months, and in performing other official duties assigned by the Commission.
- 7) The Board shall adopt such by-laws and appoint such committees as it deems necessary for the conduct of its affairs.
- 8) The office of the Commission shall be in Budapest, Hungary. The meetings of the Commission may be held in such other places as the Commission may from time to time determine. Any Commission official or employee may carry out Commission activities at such places as may be approved by the Commission.

ARTICLE 4

CHAIRPERSON OF THE BOARD OF THE COMMISSION

A Chairperson shall be elected by the Board from its own membership for a period of service of one year, provided that the Chair shall be assumed alternately by a citizen of the United States of America and a citizen of the Republic of Hungary.

ARTICLE 5

TREASURER AND ALTERNATE TREASURER OF THE COMMISSION

A Treasurer and Alternate Treasurer of the Commission shall be elected from its own membership, subject to removal by the Board. One of them shall be a citizen of the United States of America and the other a citizen of the Republic of Hungary. The Treasurer, and in his or her absence the Alternate Treasurer, shall perform financial management duties as designated by the Commission Board.

ARTICLE 6

HONORARY CO-CHAIRPERSONS OF THE COMMISSION

The Chief of the Diplomatic Mission of the United States of America to the Republic of Hungary and a representative of the Republic of Hungary at the ministerial level shall be Honorary Co-Chairpersons of the Commission, entitled to participate in Board meetings as non-voting members.

ARTICLE 7

EXECUTIVE DIRECTOR OF THE COMMISSION

The Board shall employ an Executive Director (hereinafter referred to as the "Director") and a Deputy Director, both of whom shall be Commission employees. The Director shall oversee the administrative work of the Commission, and such other administrative and clerical staff as may be necessary, pay the salaries and

wages thereof, and incur other administrative expenses as may be necessary from funds made available under this Agreement. The Deputy Director shall perform the duties of the Director in the Director's absence.

PART III. OBLIGATIONS OF THE PARTIES

ARTICLE 8

FINANCIAL OBLIGATIONS

1) The Parties shall agree to make annual allocations of funds or contributions in-kind to the Commission for the purposes of this Agreement each fiscal year. The amount of such annual allocations shall be subject to the funds available to both Parties in accordance with their respective national laws and regulations. The Parties agree on the need for parity in their respective financial and in-kind contributions to the Commission, with both sides committed to providing substantial sharing of costs under this Agreement.

2) In the budgeting and accounting of funds of the United States of America, and in the financial and program reporting to the United States of America, the Commission shall follow the Department of State's Manual for Binational Commissions and Foundations. All commitments, obligations, and expenditures authorized by the Commission shall be made in accordance with the annual funding application of the Commission, as approved by the Parties.

- 3) In the budgeting and accounting of the funds of the Republic of Hungary, and in the financial and program reporting to the Republic of Hungary, the Commission shall follow the regulations of the Republic of Hungary.
- 4) The Republic of Hungary alone shall provide office space with public access at a suitable downtown location in Budapest for the Commission offices, and it shall also pay for these offices' utilities and operation; these expenses shall be included in the total amount of the financial allocation of the Republic of Hungary, as determined under paragraph 1) of this Article.
- 5) The Republic of Hungary shall provide the Commission with financial allocations in the form of a subsidy from the state budget of the Republic of Hungary. The Commission shall account for the allocation of the Republic of Hungary in accordance with the legal regulations of the Republic of Hungary.

ARTICLE 9

FACILITATING PROGRAM IMPLEMENTATION

- 1) The Parties shall make every effort to facilitate the programs of mutual exchange of persons approved by the Commission on the basis of this Agreement and to resolve problems that may arise in the operations thereof.
- 2) American and Hungarian scholarship recipients of the Commission approved by both the Commission and the Fulbright Foreign Scholarship Board,

shall not require work permits for employment in order to participate in their Fulbright grant programs, as determined in the certificates of participation issued by the Commission.

PART IV. GENERAL AND FINAL PROVISIONS

ARTICLE 10

BODIES OF THE PARTIES RESPONSIBLE FOR EXECUTION OF THE AGREEMENT

The bodies of the Parties responsible for the execution of this Agreement are:

- a) for the United States of America, the Department of State; and
- b) for the Republic of Hungary, the Ministry of Education and Culture.

ARTICLE 11

OPERATION OF LAWS AND REGULATIONS OF THE PARTIES

This Agreement and activities arising from it shall be performed in accordance with the laws and regulations of both Parties.

ARTICLE 12
VALIDITY OF THE AGREEMENT

- 1) This Agreement shall enter into force on the date on which the Parties shall have notified each other, in writing, of the completion of all internal legal requirements necessary for entry into force. This Agreement may be amended by written agreement.

- 2) This Agreement shall remain in force until terminated, in writing, by either Party, in which case the Agreement shall expire on the thirtieth day of the first calendar year following the date of delivery of the written termination notice to the other Party. Termination of this Agreement shall not affect programs previously initiated on the basis of this Agreement.

- 3) In the event of termination, any unliquidated funds and property of the Commission shall be used for similar purposes, as agreed by the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington, in duplicate, this 8th day of March, 2007, in the English and Hungarian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF THE
REPUBLIC OF HUNGARY:

