

Model of Partnership Agreement
Between the Lead Partner and the Project Partners
for the implementation of the project
[Project number, full title and acronym]
funded by the

Interreg VI-B Interreg IPA Adriatic Ionian Programme (IPA ADRION)

The present document is a model of partnership agreement offered by the IPA ADRION programme to the lead partners and project partners acting as beneficiaries in contracted projects in accordance to Article 26 (1) (a) of Interreg Regulation. This template contains the minimum compulsory requirements the partnership agreement signed within the project partnership should contain.

Additional elements can be included by the partnership in order to better suit the agreement with the specificities of the project: they must be in line and in accordance with the legal framework, programme rules and objectives as reported in the subsidy contract.

The project partners are strongly advised to read the present document carefully and to timely ensure that all the requirements in force in the respective national legislations, if applicable, are available.

Partners of San Marino are advised to sign the present agreement.

The Managing Authority cannot under any circumstances or for any other reason whatsoever be held liable for damage or injury sustained by the application of this document. The Managing Authority cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

Following the signature of the subsidy contract between the IPA ADRION Managing Authority (hereinafter: MA) and the Lead Partner (hereinafter: LP) of the project No xxx – project name - acronym on dd/mm/yyyy the following agreement is signed between the LP of the aforementioned project

Name of the LP

Address

Represented by

and its project partners:

<i>Name</i>	<i>Address</i>	<i>Represented by</i>	<i>Project Partner No. as in the latest approved application form</i>
xxx	xxx	Xxx	PP1
xxx	xxx	Xxx	PP2
xxx	xxx	Xxx	PP x

For the implementation of the above-mentioned project, approved by the Monitoring Committee of the Interreg IPA ADRION programme on dd/mm/yyyy.

Article 1

Legal framework

The following legal provisions and documents constitute the contractual basis of this partnership agreement and the legal framework for the implementation of the project [No xxx – project name - acronym]:

- Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012
- Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021, laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund, and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and repealing Council Regulation (EC) No 1303/2013, hereinafter referred to as CPR Regulation;
- Regulation (EU) No 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund, and repealing Regulation (EC) No 1301/2013, hereinafter referred to ERDF Regulation;
- Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, hereinafter referred to Interreg Regulation;
- Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing directive 95/46/EC (General Data Protection Regulation, GDPR);
- Regulation (EU) No 2021/1529 of the European Parliament and of the Council of 15 September 2021, establishing the instrument for Pre-Accession Assistance (IPA III), hereinafter referred to as IPA III Regulation;

- Articles 107 and 108 of the Treaty on the Functioning of the European Union, Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid;
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- Directives and rules on public procurement;
- Delegated and Implementing acts as well as all applicable decisions;
- The INTERREG VI-B IPA Adriatic Ionian Cooperation Programme, approved by the European Commission (EC) on 30 November 2022 (Decision number C(2022)8953);
- The Interreg IPA ADRION Environmental Screening Report;
- Financing agreements, signed between the IPA participating countries, the European Commission and the country hosting the IPA ADRION Managing Authority (MA);
- The laws of the Republic of Italy applicable to this contractual relationship;
- National rules applicable to the lead and project partners and their activities;
- All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, equal opportunities and non-discrimination, equality between men and women;
- All manuals, guidelines and any other documents relevant for project implementation (e.g., Application manual, Implementation Manual) in their latest version, as published on the programme website or handed over to the LP directly during the project implementation.

Should the above-mentioned legal norms and documents, and any other documents or data of relevance for the contractual relationship be amended, the latest version shall apply.

Article 2

Definitions

The following definitions shall be used in the present agreement:

1. *Lead Partner*: the project partner designated by all partners and which takes the overall responsibility for ensuring the implementation of the entire project according to art. 26 of Interreg Regulation (hereinafter referred to as LP);
2. *Project Partner*: any organization included in the approved application form and financially participating and contributing to the project implementation and reporting; this definition also affects the Assimilated Partner (hereinafter referred to as: PP);

3. *Associated Partner*: any organization included in the approved application form and involved in the project without financially contributing to it (hereinafter referred to as: AP);

Article 3

Specific conditions for project partners of San Marino

1. PPs of San Marino participating to the project but not benefitting from EU support commit themselves, through the signature of the present contract, in respecting those obligations not linked to the use of Interreg funds.

Article 4

Subject of the Partnership Agreement

1. The subject of this partnership agreement is the laying down of the arrangements ruling the relations between the LP and all PPs in accordance with the latest version of the approved application form and of the subsidy contract that are integral part of this agreement. The LP shall be in charge of updating the agreement and of informing the PPs accordingly. The LP and PPs shall commit themselves in fully respecting the present agreement and in jointly implementing the approved project with the aim of reaching the planned goals and realizing the proposed outputs to their best capacity and ability.

Article 5

Duration of the partnership agreement

1. The present partnership agreement shall come into force once it has been signed by the LP and each PP individually or by all PPs simultaneously. It shall remain in force until the LP and PPs have completed in full their obligations towards the MA and any relevant European body.

Article 6

Object of use and eligibility of expenditure

1. The LP and PPs shall exclusively use Interreg funds granted by the IPA ADRION programme for the implementation of the project.
2. As a general rule, project expenditure shall be considered eligible and qualified for a subsidy if it has been incurred and paid within the start and end date reported in the approved application form and in it listed, with the exception of costs calculated as flat rate, and costs related to the fulfilment of project administrative obligations for project closure, for which specific rules apply.
3. Rules on eligibility of costs are provided in the Application and Implementation Manuals in accordance with Chapter V of the Interreg Regulation.

Article 7

Activities of Project Participants in the project

1. Activities and roles of the LP, PPs and APs shall be those as reported in the latest approved application form.

Article 8

Obligations and responsibilities of the Lead Partner

1. The LP shall be the sole responsible partner towards the MA with regard to the coordination, management, and implementation of the approved project, and shall respect all conditions and requirements set forth in the subsidy contract.
2. In addition, the LP shall:
 - a) Inform the PPs on the signature of the subsidy contract;
 - b) Inform the MA without delay when the present agreement is signed by all PPs;
 - c) Be in charge of the setting in place of the project coordination structure through the appointment of key figures (e.g.: a project coordinator, a finance coordinator and a communication manager) operating for the entire partnership;
 - d) Keep all PPs informed on a regular basis about all relevant communications with MA via the JS, including the announcements to participate to seminars organized by the Programme;
 - e) Inform all PPs about all essential issues related to the project implementation without any delay;
 - f) Ensure that the expenditure presented by the PPs has been verified by controllers appointed by the participating countries where the PPs are located according to the specificities of the national systems, and further entrusted by them;
 - g) Ensure that the expenditure declared by the PPs has been incurred only for the purpose of implementing the project and corresponds to the activities agreed between the LP and PPs themselves in the frame of the approved application form;
 - h) Submit the request for payment together with the project progress reports to the MA via the JS by the deadlines given in the subsidy contract;
 - i) Submit the MA via the JS the project final report at the closure of the project;
 - j) Transfer the Interreg funds to the PPs following each application for payment approved by the MA via the JS, without delay and in any case no later than xxx [timeframe to be defined by the partnership]. The MA reserves the right to ask the LP the date of funds transfer to PPs;
 - k) No deduction, retention or any other specific charges can be made by the LP concerning the approved amount when transferring the contribution and no legal dispute between the LP and the PP concerned could be subject to any compensation from the approved amount to be transferred by the LP to the PP;
 - l) In case the LP is located in Italy, transfer the amounts of the Italian rotation funds to the Italian PPs. The transfer shall take place without delay and in any case no later than xxx [timeframe to be defined by the partnership]. No deduction, retention or any other specific charges can be made by the LP concerning the approved amount when transferring the contribution and no legal dispute between the LP and the PP concerned could be subject to any compensation from the approved amount to be transferred by the LP to the PP;

- m) Have a separate accounting system for project implementation so as to allow the identification of costs within the project and assure transparent financial flows of project funds (e.g.: open separate (sub)account);
- n) Use JEMS for exchanging information and reporting to relevant programme bodies;
- o) Ensure the adequate storage of data (physical and electronical) in accordance with the requirements of the IPA ADRION programme;
- p) Ensure that the envisaged achievement of output and result indicators is in accordance with the set timeline and evidenced by the requested supporting documentation;
- q) Ensure the respect of public procurement rules;
- r) Ensure that in case part of the funded activities are granted under the *de minimis* regime, all the necessary requirements are respected during project implementation [specific contractual conditions on State Aid elaborated for the project following project assessment are to be added];
- s) Ensure that all supporting documents related to the project are kept at the appropriate level for a 5-year period from 31 December of the year in which the last payment by the managing authority to the beneficiary is made; the supporting documentation shall be kept for a period of 10-year with regard to the eventual application to State Aid *de minimis* regime.
- t) Ensure the respect of horizontal principles like equal opportunities, protection of environment, equal opportunities between men and women and non-discrimination;
- u) Guarantee the reimbursement of amounts unduly paid to the MA upon receiving a recovery order following the detection of an irregularity on behalf of the affected PPs(s) (itself or other PP (s)).

Article 9

Obligations of the Project Partners

1. Each PP shall comply with the relevant legal framework as set out in art. 1 and shall ensure that all the supporting documents necessary for the project implementation have been obtained.

In relation to the part of the project it is involved in, each PP shall:

- a) Ensure that the expenditure presented has been verified by the controller appointed by the participating country where the PP is located according to the specificities of the national system, and further entrusted by it;
- b) Ensure the adequate storage of data (physical and electronical), in accordance with the requirements set forth in the Implementation Manual and communicate it to the LP, including eventual changes on location;
- c) Ensure an adequate audit trail of all the transactions related to the project implementation, through a separate accounting system or adequate accounting codes, in order to allow the identification of all the financial operations within the whole project duration;
- d) Ensure the respect of horizontal principles like protection of environment, equal opportunities between men and women and non-discrimination;
- e) Ensure the respect of public procurement, irrespective of its legal status;
- f) Ensure that in case part of the funded activities are granted under the *de minimis* regime, all the necessary requirements are respected during project implementation [specific contractual conditions on State aid elaborated for the project following project assessment and affected PPs are to be added];

- g) Ensure that all or part of its activities is not funded by other public funds (national, European or granted by other international organizations);
 - h) Ensure the use of JEMS for exchanging information and reporting to relevant programme bodies.
2. As far as the project implementation is concerned, each PP shall:
- a) Timely start its project activities in accordance with the project calendar and through the setting in place of timely measures;
 - b) Appoint the necessary staff to ensure the sound and timely project implementation;
 - c) Provide the requested information and data to experts or bodies appointed by the programme authorities for evaluation or research activities;
 - d) Timely provide the information requested by the LP on behalf of the MA via the JS;
 - e) Immediately inform the LP if problems in project implementation arise, if there are difficulties in reaching the spending performance and if a revision of its involvement in the project is necessary;
 - f) Be responsible for the sound financial management of the received funds, including the repayment of the contributions unduly received;
 - g) Ensure that the envisaged achievement of output indicators is in accordance with the set timeline and evidenced by the requested documentation;
 - h) Ensure that a copy of produced deliverables – when possible – or related descriptive materials (e.g.: photos) is submitted to the MA via the JS together with the progress report; ensure also that a copy of the produced deliverable/material is stored on JEMS for verification, audit and control purposes;
 - i) Immediately inform the LP if it finds itself in the situation of undertaking in difficulty, within the meaning of point 18 of Article 2 of Regulation (EU) No 651/2014 and in compliance with article 7.1. (d) of ERDF Regulation;
 - j) Provide access to the premises, documents and information, irrespective of the medium in which they are stored, for verifications by the MA, the JS, the Audit Authority, relevant national authorities, authorised representatives of the European Commission, the European Anti-Fraud Office, the European Court of Auditors, the Group of Auditors and any external auditor authorised by these institutions or bodies. These verifications may take place up to 5 years from 31 December of the year of the last payment from the programme to the LP or PP. The PPs must ensure that all original documents, or their certified copies, in line with the national legislation related to the implementation of the project, are made available until the above final date of possible verifications, and until any on-going audit, verification, appeal, litigation or pursuit of claim has been completed.

Article 10

Project steering committee

1. In order to ensure a sound project management and implementation, the LP and PPs shall set in place a steering committee.
2. The steering committee is a decision-making body at project level and shall be composed by duly authorised representatives of the LP and all PPs. The steering committee shall meet on a regular basis and be ruled by its own procedures. The steering committee may also involve the APs and other stakeholders external to the project partnership if so decided.
3. The steering committee shall, at least:
 - a) Be responsible for the monitoring of the implemented activities;

- b) Be responsible of the monitoring of the achievement of set output and result indicators as envisaged in the approved application form;
 - c) Be responsible for the monitoring of the financial performance and of the eventual countermeasures to be adopted;
 - d) Be informed and approve project deviations or changes, including changes within the partnership;
 - e) Be responsible for the settlement of any disputes within the partnership;
 - f) Be responsible for the setting in place of ad hoc working groups or task forces within the project if necessary.
4. The LP shall invite the MA via the JS to participate in project Steering Committee meetings as an observer and send the related minutes to the MA via the JS.

Article 11

Reporting obligations of the Project Partners

1. Each PP may submit a project report only after having submitted proofs of progress of its respective activities in relation to the planned deliverables, outputs and related indicators as reported in the latest approved application form. Progress in activities shall be described in the partner activity and financial reports. The progress in the project implementation shall be in compliance with the principle of sound financial management (principles of economy, efficiency and effectiveness).
 2. Progress in activities and advancement in expenditure shall be provided through the accurate filling in of the reporting templates to be submitted via JEMS to the LP. Changes in the content of the requested documentation and data set by the programme shall not be possible. Reports shall be accompanied by the certificates of national controllers attesting the eligibility of expenditure in accordance with the requirements set forth in the Interreg Regulation.
 3. As a general rule, and in accordance with art. 6, each project report shall cover the expenditure incurred in the reference eligible project period and paid until the end date of the given reporting period and the costs calculated as flat rate related to the given reporting period respectively.
 4. All PPs expenditure shall be reported in Euro (EUR). Expenditure incurred by PPs in a currency other than EUR shall be converted into EUR by JEMS by using the monthly accounting exchange rate of the European Commission in the month during which expenditure is submitted for verification to the national controller (https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en).
- Expenditure incurred by APs, if any, shall be finally borne by any of the PPs or by the LP as reported in the last approved application form in order to be considered as eligible.
5. The exchange rate risk is borne by the PP concerned.
 6. Each PP commits itself in submitting its activity and financial report no later than xxx [to be filled in by the partnership] working days before the deadline set in the subsidy contract for the submission of the project progress report by the LP to the MA via the JS.
 7. Requests for postponing the deadline for the submission of the reports and of the requested documentation may be accepted by the LP only in exceptional and duly justified cases. The LP shall submit the MA via the JS the request for postponement at least 5 working days before the deadline reported in the subsidy contract.
 8. In accordance with art. 6.4 of the subsidy contract, PPs expenditure verified beforehand by the appointed national controllers shall be confirmed by the LP in accordance with art. 9.1 of the present agreement.

9. If the LP casts doubts on some expenditure item claimed by a PP, the LP shall clarify the issue with the concerned PP in order to find an agreement. In case the agreement cannot be found, the procedures described in the Implementation Manual shall be followed.
10. Payments not requested in time and in full or not compliant with the payment schedule reported in the subsidy contract or lack of compliance with the goals indicated in the approved application form may make the funds lost.
11. LPs and PPs documentation attesting the incurred expenditure may be not accepted in full or in part by the MA following own checks and /or controls or audits performed by other authorities, or if activities and costs in it described reveal being incorrect or not compliant with the legal framework of the present agreement.
12. Following the approval of the project progress report by the MA via the JS and the transfer of the respective Interreg shares to the LP account, the LP shall forward the respective shares to each PP without any delay and in full to their bank accounts. Similarly, in case the LP is located in Italy, it shall also transfer the received corresponding shares related to the rotation funds to the Italian PP(s).
13. With reference to the above, the maximum tolerance delay in transferring of funds to the PP(s) by the LP is of xxx [to be filled in by the partnership] working days. In case of unjustified delays in the transfer of Interreg funds to the PPs imputable to the LP and of the rotation funds shares to the Italian PP(s), if any, the PPs may claim interest rates to be paid by the LP with own resources (i.e.: not to be attributed to the project budget).
14. Payments shall not be higher than the amount reported in the request for payment by the LP.
15. Bank accounts shall be, whenever possible, specific for the project and in EUR currency in order to ensure the registration of the expenditure and eventual interests generated by the project. Changes of the PP account number shall be duly notified to the LP.
16. Conditions for disbursement of the Interreg funding by MA as reported in art. 2 paragraphs 4-7 of the subsidy contract shall apply.
17. Upon prior MA decision, requests for payments of Interreg funds may be disentangled from the report of activities. Additionally, the MA reserves the right to set additional compulsory reporting deadlines for the submission of the project progress reports, in order to avoid decommitment of Interreg contribution at programme level. The additional deadlines shall be communicated in advance to the LP by the MA via the JS.

Article 12

Verification of expenditure

1. Each project progress report and the final project report submitted by the LP to the MA via the JS shall be accompanied by certificates confirming the eligibility of expenditure, both at LP and PP level. Certificates attesting the verification of expenditure shall be issued by the national controllers as referred to art. 46(3) of Interreg Regulation according to the system set up by each participating country and in compliance with the legal framework as reported in art. 1 of this agreement. The PPs shall deliver the required and necessary documents to enable the LP to fulfil its obligations.
2. National controllers shall base their work on the rules provided by the EU Regulations, the IPA ADRION and their respective national ones.
3. PPs from participating countries with a decentralised control system shall ensure that controllers are selected in accordance with the system set up by the affected participating country and that they meet the requirements of qualification and independence presented in the programme Implementation Manual and Manual for Controllers. Furthermore, these PPs shall acknowledge that the MA reserves the

right, after agreement with the national responsible institutions, to require that the controller directly selected by a PP is replaced if considerations, which were unknown when the subsidy contract was signed, cast doubts on the controller's independence or professional standards.

4. Information on the controller including its coordinates updates, shall be notified by the LP on behalf of the PPs to the MA via the JS in accordance with the rules of the Implementation Manual.

Article 13

Modifications, withdrawal from obligations

1. The LP and each PP shall not withdraw from the project unless there are unavoidable reasons for doing so. Should this nonetheless happen, the LP and the remaining PPs must find a solution in agreement with the rules and procedures as described in the Implementation Manual.
2. Should a PP fail to comply with its obligations under this partnership agreement, the partnership may decide as a last resort to remove this PP from the project and request modifications as outlined in the Implementation Manual.
3. The LP shall be entitled to exercise the right of withdrawal if implementation of the project becomes impossible caused by circumstances independent from it. Such decision shall be approved by the project steering committee. In case of withdrawal by the LP, the LP shall repay the whole amount of Interreg funds at the same time when the notification of withdrawal has been sent to the MA via the JS ex art. 13.7 of the subsidy contract.
4. The LP can, if necessary, request modifications of the latest approved application form to the MA via JS. Any modifications requested, including budget, partnership and operational changes, must be prior agreed and authorised by the project steering committee.
5. The LP and PPs shall strictly follow the provisions of the Implementation Manual when requesting and/or implementing modifications in the project.

Article 14

Information and communication, publicity and branding

1. The LP and the PPs shall comply with the EC publicity rules as well as the communication requirements outlined in the Implementation Manual, and provide any material developed during the lifetime of the project that may be useful to publications at the programme level.
2. The LP and PPs shall ensure that any outcome and result produced during project implementation can be used by all interested parties and organisations and are in the public interest and publicly available. Moreover, the PPs shall support the LP and play an active role in any actions organised by the programme to disseminate and capitalise on project results.

In particular:

- a) The LP and the PPs shall ensure adequate promotion of the approved project both towards potential beneficiaries and the general public with a focus on the implemented outputs and achieved results.
- b) Each PP shall take full responsibility for the content of any notice, publication, information product or marketing (including presentations at conferences or other public events, steering committee/partnership meetings), which shall include that the project is implemented through the financial support of the IPA ADRION programme, in accordance with Annex IX of CPR, and with the programme documents.

- c) The MA, on behalf of the MC and of other programme promoters at national level, shall be entitled to use the outputs of the project in order to guarantee a wide spread of the project deliverables and outputs and to make them available to the public. All PPs shall agree that the MA forward the outputs to other programme and bodies of the participating countries taking part in the programme and that they are allowed to use this material to showcase how the subsidy is used.
 - d) Each PP shall also be liable in case a third party claims compensation for damages (e.g. due to an infringement of intellectual property rights). The affected PP(s) shall indemnify the LP in case the LP suffers any damage because of the content of the publicity and information material. Responsibility shall lie on the affected PP even if communication activities have been implemented by third parties.
 - e) Any notice or publication related to the project made in any form and by any mean, including Internet, shall include a statement according to which it only reflects the author's view and that the programme authorities are not liable for any use that can be made of the information contained therein.
 - f) Each eligible communication content shall comply with CPR and IPA ADRION publicity and branding obligations as described in the Implementation Manual.
 - g) The LP and each PP shall authorise the programme authorities, including national authorities and the National Contact Points - in accordance with the relevant EC and national rules on personal data protection - to publish, in any kind of form or by any kind of professional environment, including Internet, the following information in accordance with Article 49 (3) of CPR:
 - i. beneficiary names (the legal entities);
 - ii. project name;
 - iii. the purpose of the project and its expected achievements;
 - iv. project start date;
 - v. project end date;
 - vi. total cost of the project;
 - vii. funds concerned;
 - viii. specific objective concerned;
 - ix. Union co-financing rate;
 - x. location of the beneficiaries;
 - xi. type of intervention.
3. Any communication campaign, media appearance or other publicity of the project shall be communicated to the MA via the JS for potential programme website updates or showcases.
 4. Each PP shall ensure that outputs and contribution to the achievement of programme results, especially studies and analyses, produced during project implementation shall be made available to the general public free of charge, and be used by all interested persons and organizations in the same way and under the same conditions as by the LP or its PPs.
 5. Each PP shall allow the MA the right to use the outputs and results for information and communication actions. In case there are pre-existing intellectual and industrial property rights, which are made available to the project, these shall be fully respected.

Article 15

Cooperation with third parties, assignment, legal succession

1. In case of cooperation with third parties (e.g. concluding sub-contracts), each PP shall remain the sole responsible toward the LP concerning compliance with its obligations as set out in this agreement. APs, and PPs including those of third countries, if any, cannot be involved as service providers.
2. The PPs shall not have the right to assign their rights and obligations under this agreement to other third parties, neither in part nor in whole. Only in exceptional cases and in well-founded circumstances PPs shall be allowed to assign their duties and rights under this agreement only after prior written consent of the MA and in compliance with the procedure specified in the programme Implementation Manual.
3. In case of legal succession, e.g. when one of the PP changes its legal form, the PP shall be obliged to transfer all duties under this agreement to the legal successor. The PP shall notify the LP in written form within one month. The legal successor shall take over all responsibilities of the activities fulfilled by the legal predecessor and be financially responsible for any amount unduly paid to it.
4. In case of assignment or any form of legal succession of any PP, the PP concerned shall be obliged to assign all rights and obligations and all project related documents to each and any assignee or legal successor. Related reports to the MA as requested by the Implementation Manual shall be forwarded by the LP.
5. In case art. 13 applies, the present agreement shall be amended accordingly.

Article 16

Liability

1. According to the subsidy contract, the LP shall bear the overall financial and legal responsibility for the project and for the PPs towards the MA, other programme authorities.
2. Within the partnership, each party of this agreement shall be liable to the other parties and shall indemnify and hold harmless such other party for and against any liabilities, damages and costs resulting from the non-compliance of its duties and obligations as set forth in this agreement and its annexes or of other legal norms. Eventual repayment of undue funds by the PPs to the LP, for which the LP is liable towards the MA shall be ruled in art. 18 of the present agreement.
3. The LP shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out as stipulated in art. 9 of the subsidy contract. The LP shall be entitled to subrogate against the PP that caused the damage. The PP causing damage shall be liable to the LP.
4. The LP and PPs shall accept that the MA cannot be under any circumstances or for any reason whatsoever held liable for damage or injury sustained by the staff or property of the LP or any PP while the project is being carried out. No claims shall be accepted by the MA for compensation in connection with such damage or injury.
5. No party shall be held liable for not complying with obligations ensuing from this agreement in case of force majeure as described in art. 27 of this agreement.

Article 17

Financial controls and audits

1. For audit purposes the LP and each PP shall:
 - a) Retain all files, documents and data about the project. In case of State Aid granted according to *de minimis* regime, all related files, documents and data must be kept and be available for a period of 10 fiscal years from the date on which the aid was granted. The files, documents and data should be kept

either in original or as certified copies in accordance with the rules set forth in the Implementation Manual; other possible longer statutory retention period – as might be stated by national law – shall remain unaffected;

- b) Enable the European Commission, the European Court of Auditors (ECA), the European Anti-Fraud Office (OLAF), the auditing bodies at participating country level, the programme bodies – MA, Audit Authority, Group of Auditors - to audit and control the proper use of Interreg funds; the responsible bodies can arrange that audits and controls are carried out by authorized persons. The LP and PPs shall be notified in due time about any audit to be carried out on their expenditure;
 - c) Give the above-mentioned authorities any information they request about the project;
 - d) Give them access to the accounting books and accounting documents and other documentation related to the project, whereby the auditing bodies decide on this relation;
 - e) Give them access to business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out checks related to the project;
 - f) Provide the LP with any information needed related to such an audit with no delay;
 - g) Respect the guidance provided in the Implementation Manual.
2. The provisions set for audits of the previous paragraphs shall remain applicable to the withdrawn PP which shall bear financial responsibility for the implemented activities, including the responsibility for repayment of the amount unduly paid in line with art. 18 of this agreement.
 3. If, as a result of the controls and audits, any expenditure is considered non eligible according to the regulatory framework as in art. 1, the procedure described in art. 18 of this agreement shall apply.

Article 18

Irregularities, withdrawal and recovery of unduly paid Interreg funds

1. If the MA – based on the provisions of the subsidy contract – requests the repayment of the contribution already transferred to the LP, due to irregularity or withdrawal from the subsidy contract, every PP shall be obliged to transfer its portion of undue paid out amount to the LP in compliance with art. 52 of Interreg Regulation. The LP shall ask in writing the PP(s) concerned to repay the Interreg unduly paid. When possible, the repayment amount shall be offset against the next payment of the MA to the LP or, where applicable, remaining payments can be suspended.
2. In case repayment is deemed as necessary, this repayment shall be due within one month following the date of the letter by which the MA asserts the repayment claim to the LP. The LP shall be entitled to set an internal deadline to the concerned PPs in order to meet the MA requests. The amount repayable shall be subject to interest according to art. 13.4 of the subsidy contract. Further provisions of the subsidy contract shall apply by analogy.
3. In case the PP does not repay the LP the irregular amounts by the set deadline, the LP shall inform the MA without delay in written form and within the deadline for repayment. In duly justified cases, the MA shall inform the participating country where the PP concerned is located to recover the unduly paid amounts from this participating country.
4. After the reimbursement made by the participating country concerned, the latter shall hold the right to secure repayment from the PP located on its territory, if necessary, through legal action. For this purpose, the MA and the LP shall assign their rights arising from the subsidy contract and the present agreement to the participating country in question.
5. In case no PP can be held responsible for the request for repayment, the amount to be repaid shall be apportioned between all PPs pro rata to their project budget share.

6. Bank charges incurred by the repayment of amounts due to the MA via the LP shall be borne entirely by the concerned PP(s).
7. In case the PP affected by undue payment has also received national contribution to the project part, the corresponding national contribution shall be repaid to the responsible national body.
8. In case factors behind the recovery procedure show violation of the subsidy contract, the MA shall consider the termination of the contract as last resort. In any case the LP and PPs shall be heard before taking a final decision on the termination of the contract.
9. If the recovery concerns the LP alone, the LP must not stop payments to the other PPs.
10. If the LP or a PP involved in this project fails to repay unduly paid funds in another project funded by the programme, the MA has the right to withdraw the corresponding funds relating to the LP or PP in question from any open payment in this project.

Article 19

Conflict of interests

1. Conflict of interests exists where the impartial and objective exercise of the functions of a financial actor or other person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest, thus to affect the respect of the present agreement.
2. In compliance with art. 61 of Financial Regulation No 1046/2018, the LP and PPs shall be obliged to take all necessary measures in order to avoid any conflict of interests and to keep each other informed without delay on any circumstances that have generated or may generate such conflict. Any conflict of interests that arises during the implementation shall be immediately notified by the LP to the JS/MA, which shall, in turn, inform the Monitoring Committee.

Article 20

Decommitment of project budget

1. Each project shall be subject to a mid-term review after 18 months' implementation. The maximum acceptable Interreg budget underspending after three reporting periods is of 20% of the spending forecast related to 18 months' implementation period.
2. An underspending rate higher than the threshold above, may bring to the project Interreg budget reduction for the exceeding percentage. Budget reduction shall be approved by the Monitoring Committee.
3. In accordance with art. 14 of the subsidy contract, the MA shall be entitled to reduce the project budget and the corresponding Interreg contribution in case decommitment at programme level applies in accordance with the rules set forth in the Implementation Manual.
4. If decommitment of funds applies, the PPs agree that the deduction of funds shall be imputed to those PPs which have contributed to the decommitment of funds unless differently decided by the Monitoring Committee. Deduction of funds shall be done in a way not to jeopardize the future involvement of those PPs in the project and their implementation of activities.

Article 21

Advance payment

1. MA shall transfer the respective Interreg advanced shares to IPA LP and PPs after having received notice of the signature of the present agreement by all PPs, upon condition that the amount is under the MA availability.

Advance payment shall be up to 20% of Interreg contribution of each IPA budget shall be paid by the MA to the LP which shall transfer to the affected PPs without delay and in full in accordance with art. 8 of the present agreement.

2. The advance payment shall be compensated, with the final request for payment submitted by the LP.
3. In case the submitted requests for payment do not reach the advanced amount, the MA will send a recovery order to the LP for the share/quota of the advance payment not spent by IPA PP

Article 22

Durability of operation, ownership, use of outputs and contribution to the achievement of programme results

1. Ownership, title, industrial and intellectual property rights in the use of project outputs, reports and other documents relating to them shall, depending on the applicable national law, vest in the LP and/or its PPs.
2. The ownership of outputs having the character of productive investments realized within the project shall remain with the concerned LP and/or PP(s) at least 5 years and under the conditions set in art. 65 of CPR.
3. In case of joint ownership, the following specific provisions shall apply: xxx [to be filled in by the partnership].
4. Each PP shall inform the programme authorities via the LP if any of the conditions above are not met. Unduly paid Interreg contribution in proportion to the period for which the requirements have not been fulfilled shall be recovered by MA.
5. Each PP shall respect all applicable rules and the basic principles related to competition law as well as the principles of equal treatment and transparency within the meaning provided by the legal framework as in art. 1 and it shall ensure that no undue advantage, i.e. the granting of any advantage that would undermine the basic principles and political objectives of the funding regime, is given to anybody.
6. Outputs and contribution to programme results, especially studies and analyses, produced during project implementation shall be made available to the general public free of charge and can be used by all interested persons and organizations in the same way and under the same conditions as by the LP or its PPs.
7. Use of pre-existing intellectual property rights for information and communication actions by MA or other bodies are ruled under art. 14.5 of the present agreement.

Article 23

Confidentiality

1. The LP and PPs shall adopt measures to ensure the confidential nature of information exchanged with the programme authorities and within the partnership. They shall not disseminate information, pass it on to third parties or use it without prior written consent of the LP and the participant that provided the information.

Article 24

Working language

1. The programme language is English and all communications to the MA via the JS by the LP and related documentation shall be in English language.
2. The present agreement shall be finalized in English.
3. All documentation produced thanks to the EU contribution must be drafted in English.

Article 25

Duration and right of termination

1. The duration of the project shall be provided in the latest version of the application form.
2. This agreement shall take effect on the date on which it is signed by all the participants. It shall remain in force until the LP has discharged in full its obligations arising from the subsidy contract towards the MA.
3. The partnership agreement must be terminated as a consequence of termination of the subsidy contract. Following termination of the present agreement, the LP and PPs are still obliged to comply with all the requirements after closure, such as recoveries or document retention for audit and evaluation purposes.
4. Without prejudice to the rules governing State Aid, all supporting documents related to the project shall be kept for a 5-year period from 31 December of the year in which the last payment by the MA to be LP is made. This time period shall be interrupted either in the case of legal proceedings or by a request of the European Commission.
5. If there is a non-resolved dispute between any of the participants arising from the implementation of the project, this agreement shall remain in force until the case is settled by the competent body.
6. The administrative obligations related to the project closure shall take place after the scheduled project closure in a time span no longer than three months after the project ending date.

Article 26

Force majeure

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this agreement, which is beyond the control of the LP and PPs and cannot be overcome despite their reasonable endeavours (e.g. substantial changes due to changes in political or financial terms). Any default of a product or service or delays in making them available for the purpose of performing this contract and affecting the project performance, including, for instance, anomalies in the functioning or performance of product or services, labour disputes or financial difficulties do not constitute force majeure.
2. If the LP or PPs are subject to force majeure liable to affect the fulfilment of its/their obligations under this agreement, the LP shall notify the MA via the JS without delay, stating the nature, likely duration and foreseeable effects.
3. Neither the LP nor PPs shall be considered to be in breach of their obligations to execute the project if it has been prevented from complying by force majeure. Where LP or PPs cannot fulfil their obligations to

execute the project due to force majeure, grant for accepted eligible expenditure occurred may be made only for those activities which have actually been executed up to the date of the event identified as force majeure. All necessary measures shall be taken to limit damage to the minimum.

Article 27

Applicable law

- 1. This agreement is governed by the [law of the LP's country], being the law of the country where the LP is located. The law of xxx [country where the LP is located] shall apply to all legal relations arising in connections with this agreement.
- 2. This agreement is concluded in English. In case of translation of this agreement and its annexes into another language than English, the English version shall prevail.

Article 28

Final provisions

- 1. Any amendments to this agreement shall be in written form, agreed and signed by all the participants.
- 2. Amendments and supplements to the present agreement and any waiver of the requirement of the written form shall be in written form and have to be indicated as such. The LP shall notify to the MA via the JS of any amendment or supplement of the present agreement.
- 3. If any provision in this agreement should be wholly or partly ineffective, the remaining provisions remain binding for the LP and PPs. In this case the LP and PPs shall undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.
- 4. In case of situations that are not ruled by this agreement, the parties shall agree to find a joint solution.
- 5. All mentioned cited laws, EU regulations, programme documents and national laws as reported in art. 1 of the present agreement, are applicable in their currently valid version. The LP and all PPs ensure that updated rights and obligations derived thereof shall apply.
- 6. The LP and all the PPs shall irrevocably choose domicile at their addresses stated in the partner section of the application form (Annex 1 to this agreement) where any official notifications can be lawfully served.
- 7. Any change of domicile shall be forwarded by the concerned PP to the LP within 15 days following the change.
- 8. The present agreement shall be signed by the LP and all PPs and evidence of the occurred signature has to be provided at the latest within two months after the entering into force of the subsidy contract between the MA and the LP. The MA reserves the right to check the partnership agreement in order to verify that it has been signed and that it is in conformity with the minimum requirements as provided for in art. 9.3 of the subsidy contract.
- 9. Any costs, fees or taxes not eligible or any other duties arising from the conclusion or the implementation of this agreement shall be borne by the LP and PPs.
- 10. The MA shall process beneficiaries' data in compliance with the Regulation (EU) 679/2016 (GDPR) (see Annex 4).
- 11. xxx copies of this agreement are made, of which each party keeps one.

Place, Date:



Name of Lead Partner:

Name of legal responsible:

Signature:

Stamp

Place, Date:

Name of Project Partner:

Name of legal responsible:

Signature:

Stamp

Place, Date:

Name of Project Partner:

Name of legal responsible:

Signature:

Stamp

Place, Date:

Name of Project Partner:

Name of legal responsible:

Signature:

Stamp

List of annexes:

Annex 1: Latest version of the approved application form.

Annex 2: Copy of the subsidy contract signed between the MA and the LP, including any revision(s).

Annex 3 – LP signed declaration on behalf of the partnership on absence of double funding.

Annex 4 - Information on the processing of personal data of beneficiaries.