



Partnership Agreement between the Lead Partner and the other project partners

Foreword

This Partnership Agreement is signed on the basis of the following documents that form the legal framework applicable to the rights and obligations of parties; they undertake to comply with the applicable provisions:

- European Commission **Decision C (2015) 3756 final** approving the Interreg MED Cooperation Programme and its amendments;
- **Regulation (EU) No. 1303/2013** of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006, and its amendments;
- **Regulation (EU) No. 1301/2013** of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, and its amendments;
- **Regulation (EU) No. 1299/2013** of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, and its amendments;
- **Regulation (EU) No. 231/2014** of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), and its amendments;
- **Regulation (EU, Euratom) No. 966/2012** of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, and its amendments;
- **Commission Delegated Regulation (EU) No. 1268/2012** of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No. 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, and its amendments;
- **Commission Implementing Regulation (EU) No. 821/2014** of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards

detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data, and its modifications;

- **Commission Delegated Regulation (EU) No. 481/2014** of 4 March 2014 supplementing Regulation (EU) No. 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes, and its amendments ;
- **Article 20 of Regulation (EU) No. 651/2014** of the Commission of 17 June 2014 declaring certain categories of aid compatible with the internal market within the meaning of Articles 107 and 108 of the Treaty, and its amendments;
- Commission **Regulation (EU) No. 1407/2013** of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, and its amendments;
- **Directive 2014/24/EU** of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, and its amendments;
- **Regulation (EU) No. 1302/2013** of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No. 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings, and its amendments;
- Financing agreements signed between the competent authorities of the European Commission, each IPA country in question and the Interreg MED Programme's Management Authority, and their amendments;
- National Regulations on competition, State aid and public procurement and their amendments;
- The **Interreg MED Cooperation Programme** and its amendments;
- The Programme Manual approved by the Programme Monitoring Committee and its updates.

Considering:

- Art. 13 of Regulation 1299/2013 (principle of Lead Partner);
- Art. 27.2 of Regulation 1299/2013 (reimbursement of overpaid funds).

Article 1 – Purpose of the Agreement

- 1.1 The purpose of this Agreement is to organise the partnership and define the responsibilities of each partner in order to implement the project entitled <Project title>, acronym <Project acronym> and internal reference number <JS management number> in accordance with the consolidated application form meeting the conditions of the Interreg MED Programme Steering Committee, held on <date>.
- 1.2 This Agreement, like the Managing Authority's (hereafter MA) communication notifying the Lead Partner (hereafter LP) of the decision of the Programme Steering Committee and the consolidated application form, is an annex to the Subsidy Contract signed between the LP and the MA. An up-to-date computerised copy of the aforementioned documents must be kept by all the partners.

Article 2 – Duration of the Agreement

- 2.1 This Agreement enters into force on the date of its signing by the last signatory. It will end on the date on which the last project partner receives its share of the final payment, although the obligations under EU and national legislation remain applicable, especially the conditions set out for audits and archiving obligations as in Article 140 of Regulation (EU) No. 1303/2013 and in Article 3.3 of this Agreement. This Agreement and these articles are null and void if the financing of the proposal is not approved.

Article 3 – The partnership

- 3.1 The ERDF and the IPA partners, if applicable, appoint commonly <name of Lead Partner> as only Lead Partner and as the main responsible for the project.

3.2 A project steering committee must be formed in which all the partners are represented. It approves its internal rules of procedure at its first meeting. These include its own decision-making procedures which are validated by all partners. The obligatory tasks of the said Committee are set out in the Programme Manual.

3.3 Each project partner, including the LP, agree to the following duties and obligations:

- a. To carry out the part of the project activities for which it is responsible for within the planned deadlines;
- b. To Introduce a separate accounting system for identifying expenses using a specific project accounting code to record the expenses;
- c. To notify the receipt of funds;
- d. In accordance with Article 140 of Regulation (EU) No. 1303/2013 and the procedures mapped out in the Programme's audit trail, to keep at all times for audit purposes, on customary data storage carriers, all the financial, legal and commercial documents relating to the life of the project and all supporting documents relating to the expenses incurred for the part of the project for which the partner is responsible, in a safe and orderly manner until 31 December 2028 or longer if required by the country's legislation. These documents should either be originals, or certified true copies of the originals, or on commonly accepted data carriers;
- e. To provide all the documents and information required for the audit and allowing access to premises for checks;
- f. To provide the evaluators mandated to undertake the Programme assessment with any document or information useful in this assessment;
- g. To contribute to the smooth implementation of the communication and capitalisation activities of the horizontal project to which it is attached, as per the procedures set out in the Programme Manual and the relevant terms of reference (only applicable to modular projects);
- h. To comply with all the rules and obligations set out in the Subsidy Contract and in the partner declaration signed by every party ;
- i. To ensure that there are no clear violations of the community and national regulations committed, especially in State aid and public procurement issues;
- j. To ensure that the activities implemented by its structure do not conflict with the European and national policies and legislation and that any eventually necessary authorisations required have been obtained;
- k. In the case of those in charge of work packages, to take on responsibility for coordinating the activity group as described in the consolidated application form and assisting the LP in the smooth implementation of the project;
- l. To attend the project steering committee meetings, participating in the smooth governance of the project and in the decision making according to the project internal regulations.

Article 4 – The Lead partner

The LP agrees to the following duties and obligations:

- a. To take responsibility for the project with respect to the MA and the Certification Authority (hereafter CA) and their sole contact;
- b. To coordinate the other signatory partners to this Agreement and take full responsibility for coordinating project implementation as described in the consolidated application form;
- c. To inform all project partners of any communication with the MA/JS, including the outcome of the project assessment and the decisions of the Interreg MED Programme Monitoring Committee;
- d. To ensure the organisation of the first project steering committee meeting within two months after the official project start-up date. At this occasion, the steering committee internal rules

must be adopted and the minutes of the meeting validated in a session or by written procedure, have to be sent to the Programme Joint Secretariat (hereafter JS) within one month, confirming the start of activities as indicated in the consolidated application form.

- e. To nominate a coordinator to take operational responsibility for the entire project implementation, a financial manager (if the functions are separate) and a contact person for communication between the project and the horizontal project (the latter applicable to modular projects only);
- f. To undertake and implement the project in line with the descriptions of each of its work packages described in the consolidated application form;
- g. To manage the funds and check that they are used correctly;
- h. As soon as the project starts, to duly inform the partners on the contents of the Subsidy Contract, the certification and reimbursement procedure and the Programme rules concerning them, especially the eligibility of expenditure, compliance with public procurement regulations, communication measures and the certification timetable, as soon as possible;
- i. To pre-check that the activities foreseen in the operation do not conflict with the relevant European and national policies and legislation in all countries involved and that any authorisations required for their implementation have been obtained;
- j. To review the expenses submitted by each partner and check whether they relate to the partner's participation in the project as provided for in the consolidated application form and verify that the first level controls are conducted in accordance with the national FLC system requirements for each partner;
- k. To draw up and submit payment claims to the MA/JS. These will be accompanied by progress reports, their relevant annexes, certificates of first level controllers for all expenses included in the payment claim, as well as information on the progress of established indicators in the consolidated application form, in accordance with the deadlines laid down in the Subsidy Contract. A final report on project outcomes will have to be submitted;
- l. To keep the originals of the project's contractual documents and all exchanges and notifications of the Interreg MED Programme;
- m. To react immediately to any request for information and to any modification of information exchanges requested by the Programme authorities and its project partners;
- n. To inform immediately the project partners and the MA/JS of any event likely to cause a temporary or permanent interruption in project implementation or any other deviation during the implementation;
- o. To guarantee the successful contribution to the activities of communication and capitalisation of the horizontal project to which it is assigned, according to the procedures set out in the Programme Manual and the relevant terms of references (paragraph not applicable to horizontal projects);
- p. If applicable, an Agreement setting out the relationship between the two types of projects is signed;
- q. To inform the Programme authorities of clear violations of the EU and national regulations, especially in State aid and public procurement issues;
- r. To draw up provisions for sound financial management of funds allocated to the project, including a system for recovering overpaid amounts from the partners, in accordance with Article 27 of Regulation (EU) No. 1299/2013.

Article 5 – Responsibility of the partners

- 5.1 Every partner (including the LP) is responsible towards the other partners and guarantees them with regard to all responsibilities, damages or costs resulting from it failing in its duties and obligations listed in Article 3 of this Agreement.

- 5.2 No party will be held responsible for its breach of obligations resulting from this Agreement if this is due to a case of *force majeure*. If such a situation occurs, the concerned partner is required to inform the MA and the other project partners immediately in writing.
- 5.3 Each project partner agrees to the following duties and obligations with regard to the LP:
- a. To establish and submit to the LP all information required for the payment requests, including the reports of first level control certificates and other accounting documents and any annexes upon request of the LP within project set deadlines;
 - b. To assist the LP in drawing up progress reports and the final report, by providing the information requested within project set deadlines;
 - c. To inform the LP immediately of any event likely to cause a temporary or permanent interruption in project implementation or any other deviation;
 - d. To respond to all requests made by the LP or the Programme's MA/JS within project set deadlines;
 - e. To making every effort to ensure compliance with financial commitments, as provided for in Article 5.1 of the Subsidy Contract;
 - f. To inform the LP of the procedure started to ensure reimbursement of overpaid funds to the MA.

Article 6 – Budgetary and financial management, accounting principles, first level control and audits

- 6.1 The LP is the sole party responsible to the MA and the Programme Monitoring and Steering Committees for the budgetary and financial management of the operation. It is incumbent on the LP to submit the payment claim and ask for any change to the budget as set out in the consolidated application form attached to the Subsidy Contract.
- 6.2 The LP must ensure the reliability and compliance of progress reports and first level control certificates of the project partners. For this purpose, the LP may request additional information and supporting documents from these partners.
- 6.3 Every partner will be held responsible for its budget up to the amount the partner is contributing financially to the project and commits himself to secure its share of national co-financing.
- 6.4 All project expenditure to be co-financed must be verified by the responsible first level control public or private body; following the rules set out in the relevant national first level control (FLC) system.
- 6.5 Each project partner should get in touch with the designated FLC body in its territory as soon as possible to clarify which documents are necessary for the checks.
- 6.6 In addition to FLC checks, audits will be carried out by bodies working on behalf of the EU, national authorities or the Programme authorities and each project partner shall keep files available and make necessary arrangements to ensure that the audit can be carried out smoothly, as detailed in the articles 3 and 4 of this agreement.
- 6.7 Every partner agrees to maintain separate accounts or predefined budget lines for the implementation of the project. These accounts record in euros the total project expenditure and any revenues.
- The reports and other accounting documents, including certified copies of all the original documents (namely, invoices, documents relating to calls for tenders and bank statements) will be submitted to the LP upon request in line with their obligations listed in Article 3 of this agreement.
- 6.8 During the check of partner expenditure, should there be discrepancies between a partner and the LP, the LP will ask the concerned partner to submit the expense and any supporting documents again. The LP cannot accept the expense declared by a partner if a discrepancy is repeated. In this case, the LP is required to inform the concerned partner of the rejection of the declared expense and its reasons for doing so.
- The MA/JS and the competent national contact point are immediately informed.

- 6.9 For EU partners located outside the cooperation area, the payments of ERDF funds will only be possible if the specific Agreement on Management, Audit and Control responsibilities has been signed before between the MA of the Interreg MED Programme and the authorities of the relevant country. If this Agreement is not signed in due time, the external EU partner will be excluded from the project.

Article 7 – Project changes

- 7.1 Before being submitted to the MA/JS, any request to change the consolidated application form must have been approved by all parties involved in the project, either in writing or as a decision included in the minutes of a project steering committee meeting.
- 7.2 In terms of budgetary readjustment of budget lines or work packages, within the 20% limit (rule of flexibility), this change does not require a change to the application form. Nevertheless, the LP must ensure compliance with this rule of flexibility.

Article 8 – Project communication and publicity measures

- 8.1 The LP and the project partners will jointly implement a communication plan that promotes the project appropriately to both target groups and the general public.
- 8.2 The LP and the project partners undertake to advertise the European co-funding as per the provisions stipulated by Regulations (EU) No. 1303/2013 (mainly Annex XII) and No. 821/2014 and in the Programme Manual.
- 8.3 More precisely, any communication or publication about the project, including information published online or during a conference or seminar must mention that the project has been co-funded by the European Union, ERDF or IPA funds and the Interreg MED Programme, as per communication rules of the Programme. In addition, the LP and all partners should ensure that the information on the content and on the partner's participation to the co-financed project is published.

Any communication or publication about the project, regardless of its form or medium, including via Internet, must state the author's liability and that the MA is not responsible for any use that could be made of information contained in the communication or publication.

- 8.4 The MA has the right to publish, regardless of its form or medium, including via Internet, the consolidated application form and especially the following information:
- Names of the LP and its partners;
 - Purpose of the funding;
 - Amount granted and co-financing rate in relation to the total eligible cost of the operation;
 - Geographical location of the implementation of the operation;
 - Progress in executing the project and the final report;
 - Deliverables and results of the operation, including extracts.
- 8.5 Any communication campaign, intervention in the media or other form of advertising about the project should be communicated to the JS to update the web platform or to further promote the information.
- 8.6 The project must comply with the requirements of the web platform described in the Programme Manual.

Article 9 – Intellectual property

- 9.1 In the spirit of cooperation and exchange, the LP and all the other project partners should ensure that all the deliverables and results produced in the project co-funded by the Interreg MED Programme are open to the public and free of rights.
- 9.2 The deliverables and results of the project should be accessible and available for free to the general public in a usable format. The MA/JS and any other relevant Programme stakeholder can use them for information and communication purposes.

Article 10 – Confidentiality

- 10.1 Despite the public execution of the project, part of the information exchanged in this context between the LP and the partners, between the partners themselves or the bodies implementing the Programme, may be confidential. On this basis, only the documents and other pieces of information provided explicitly with the statement "confidential" will be dealt with as such.
- 10.2 The LP and the project partners ensure to do everything necessary to ensure that all staff members with access to this information respect its confidentiality and do not disseminate it, forward it to third parties or use it without prior written consent from the LP and the partners that provided it.

Article 11 – Cooperation with third parties, delegation and outsourcing

- 11.1 When cooperating with third parties, delegating part of the activities or outsourcing, the project partner structures that are signatories to this agreement will alone remain responsible to the LP and the Programme authorities regarding the execution of their obligations by virtue of conditions set out in this agreement.
- 11.2 The LP will be informed by the project partners of the purpose of any contract signed with a third party if this information does not already figure in the consolidated application form.

Article 12 – Transfer of rights and obligations, legal succession

- 12.1 Neither the LP nor the partners may transfer or yield their duties and rights under this agreement without the prior consent of other parties signing this agreement and without the approval of the MA and the Programme Monitoring Committee.

For legal succession, the LP or the concerned partner is required to pass on all the obligations and responsibilities under this agreement to the legal successor and to inform the MA/JS and the national authority or authorities concerned of this immediately.

Article 13 – Breach of obligations or delay in implementing them

- 13.1 Each partner is required to inform the LP immediately and provide all necessary information if events occur that are likely to compromise project implementation.
- 13.2 The LP will request any partner failing in its obligations to correct this breach within no later than one month.
- 13.3 The LP will inform the partners about solving difficulties, including when the MA/JS have been involved for assistance.
- 13.4 If the partner continues to fail in its obligations, the LP can decide to exclude the concerned partner from the project with the approval of all the other partners (written procedure or meeting of project steering committee).
The MA/JS will be informed immediately of any decision by the LP to exclude the project partner.
Such exclusion must be approved by the Programme Steering Committee.
- 13.5 The excluded partner is required to reimburse the Programme all inappropriately received funds, in line with the Programme eligibility rules, in case it cannot be proven that the funds have been used for the implementation of the project.
- 13.6 If a breach of obligations by a partner has financial consequences for the financing of the entire project, the LP or the project steering committee can claim compensation from the party in question.
- 13.7 If the LP is the partner involved in any of the aforementioned situations, the partners must inform the MA/JS as quickly as possible.

Article 14 – Managing Authority recovery procedure

- 14.1 If, in accordance with the terms of the Subsidy Contract, the MA claims the reimbursement, duly justified, of funds already paid, every partner will be required to send the Programme its share of the amount to be reimbursed.

In accordance with Article 27.2 of Regulation (EU) No. 1299/2013, the notification of the recovery procedure will be sent to the project LP. The LP will forward a copy of the said communication and should notify each partner of the amount to be reimbursed.

This reimbursement will be payable within two months from the notification to the LP.

Article 15 – Automatic de-commitment of ERDF/IPA funds due to the failure of partners in achieving spending objectives

15.1 Should the ERDF/IPA funds for the project be subject to automatic de-commitment by the Programme Authorities because of non-spending or underspending compared to the budget and planned timetable, the LP will have one month after receiving an official communication to attribute this reduction to the partners that have contributed to underspending, following a distribution approved by the project steering committee.

Article 16 – Conciliation and mediation between partners

16.1 In case of any disagreement occurring between project partners, each partner is required to submit this disagreement to the LP as per rules of procedure of the project steering committee; or to the JS, if the LP is involved directly in the disagreement.

16.2 The LP will inform the other partners and could, on its own initiative or upon request of a partner, seek advice from the MA/JS.

16.3 Where compromise proves impossible through mediation by the project steering committee and once the LP has sought advice of the MA/JS, each partner involved will be required to agree to mediation by an Ad Hoc committee, on a proposal of the project steering committee.

The members of this Ad Hoc Committee will be of different nationalities, including some with the same nationality as the partners of the operation involved in the disagreement.

If the project steering committee has not set up the Ad Hoc Committee within one month from the partners' request, the LP could appoint members of this Committee as mediators.

If the mediators have only been appointed by the LP, the Programme will be represented during the mediation procedure.

This procedure is equally applicable when the LP is involved.

Article 17 – Conflict of interest and fraud prevention

17.1 The LP and all partners strive to prevent any conflict of interest which could hinder impartial and objective execution of this contract.

There is conflict of interest when the impartial and objective execution of the project is compromised for family or emotional reasons, political or national relationship, economic interest or any other reason.

17.2 The LP and all partners commit themselves to immediately solve any situation constituting a conflict of interest or likely to lead to a conflict of interest and to inform the MA of this.

17.3 The LP and all partners commit to comply with the principle of "zero tolerance" in terms of fraud prevention and corruption and to be especially vigilant on this subject. They also undertake to denounce any conduct likely to be considered as suspicion of fraud to the competent national authorities and to inform the MA of this.

17.4 The MA/JS can use a tool called ARACHNE made available by the European Commission to detect the potential risks of fraud that undermine the financial interests of the European Union. In this context, the data provided for in Annex III of the Delegated Regulation (EU) No. 480/2014 can be sent to the European Commission for processing. The MA/JS may consult the outcome of this processing and do whatever is necessary to protect the financial interests of the European Union.

Article 18 – Working languages

- 18.1 The official partnership languages match the two Programme official languages, English and French. The choice of the project language should be agreed within the partnership. All the project official documents should be available in either one of these languages.
- 18.2 The partners may use other languages as working languages inside the partnership.

Article 19 – Applicable law, translation languages

- 19.1 This agreement is governed by the legislation of the LP's country or of the country designated mutually by the partners.
- 19.2 If this agreement is translated, the English or French versions will be considered valid.

Article 20 – Nullity

- 20.1 Where any provision of this Agreement is declared null and void or illegal, or cannot be applied for any other reason, by any judicial authority whatsoever or any other competent authority, the parties will change this provision reasonably so that the intention of the parties can be executed. The other provisions remain unchanged.

Article 21 – Changing the Agreement

- 21.1 Changes to the project that have been approved under the Programme rules will in no way affect the terms of this agreement which, as stated in Art. 1.2 above, is an annex to the Subsidy Contract signed between the MA and the LP.
- 21.2 Any new partner joining the partnership should agree to the terms set out in this document by signing a new page of the agreement separately. The signed page will then be attached to this document. An amendment to the Subsidy Contract may then be signed by the LP and the MA.
- 21.3 When a partner leaves the partnership, the project partnership is not required to redo the Partnership Agreement.

Article 22 – Registered address and correspondence

- 22.1 Based on this Agreement, the partners agree to use as official address the postal address and e-mail stated on the consolidated application form. All official notifications will be sent to this address.
- 22.2 The partners will update their contact details (postal address, electronic address, contact person, bank details, etc.) and so inform the LP and the MA/JS within 15 working days.

Signed in duplicate in French or English (one for the MA and one for the LP)

Lead Partner: <Full name of the Lead Partner>

Name and function, signature and stamp

Date and place

Partner 1: <Full name of Partner no. 1 as stated in the application form in English or French >

Name and function, signature and stamp

Date and place

For information