



Model Partnership Agreement

Acronym:

Project title:

European Territorial Co-operation 2007 – 2013



**Partnership Agreement
for the implementation of the project
[Acronym]
[title]
within the
South East Europe Transnational Cooperation Programme (SEE)**

between

Lead Partner [full name and address]

and

Project Partner 1 [full name and address]

Project Partner 2 [full name and address]

Project Partner n.. [full name and address]

IPA Partner 1 [full name and address]

IPA Partner 2 [full name and address]

IPA Partner n.. [full name and address]

10% Project Partner 1 [full name and address]

10% Project Partner 2 [full name and address]

10% Project Partner n.. [full name and address]

On the basis of:

- COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;
- REGULATION (EC) No 1080/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund;
- the South East Europe Transnational Cooperation Programme, approved by the European Commission on 20 December 2007, Decision No. C(2007)6590;
- the SEE Programme Manual and the SEE Implementation Manual laying down the programme specific rules for the implementation of the SEE Projects.

Article 1 Definitions

1. Lead Partner (ERDF Lead Partner): the Lead Partner is chosen among the Project Partners and has full financial and administrative responsibility for ERDF contribution for the entire duration of the project. The Lead Partner is also responsible for the proper reporting of progress during project implementation to the Joint Technical Secretariat, as stipulated in the subsidy contract. In principle, the Lead Partner has functional (coordination of the operation's activities) and financial responsibilities related to ERDF contribution (corresponds to the term "lead beneficiary" used in the Article 20 of Regulation (EC) No. 1080/2006 and is hereinafter referred to as "LP").
2. Project Partner (ERDF Project Partner): an actor which commits himself to implement a project part according to the Application Form as approved by the Monitoring Committee (corresponds to the term "beneficiary" used in the Article 20 of Regulation (EC) No. 1080/2006 and hereinafter referred to as "PP").
3. IPA Project Partner: a beneficiary that receives IPA contribution and complies with IPA rules.
4. 10% Project Partner: in line with Article 21 of Regulation (EC) No. 1080/2006, the ERDF partners can finance the expenditures of a non-EU partner of the programme area, for up to 10% of the ERDF project's budget.
5. Project Participants: means LP, PPs, IPA PPs, 10% PPs.
6. Observer Partner: selected projects may decide to invite actors to take part in the project in an observant role or with advisory capacity. These actors are referred as "non financing partners" in the Operational Programme, or "Observer Partners", and do not contribute to the implementation of the projects in terms of financial contributions.
7. Project Part: covers a set of activities undertaken by a Project Partner and presented by an ERDF partner's budget in the Application Form.

Article 2 Subject of the Partnership Agreement

1. The subject of this Partnership Agreement is the organisation of the partnership by regulating the rights and obligations of all Project Participants in order to successfully implement the transnational project [**project title and Acronym**].
2. The approved Application Form and the subsidy contract will become integral part of this Agreement after the approval of the project by the Monitoring Committee. The Project Participants have to fully respect the content and obligations set by the abovementioned documents.

Article 3 Duration of the agreement

1. This agreement shall take effect on the date on which it is signed by all Project Participants. It shall remain in force until the LP has discharged in full its obligations arising from the subsidy contract towards the Managing Authority.

Article 4
Activities of Project Participants in the project

1. Activities of the Project Participants as well as the role of each PP in the project are described in the Application Form.
2. In case the PPs foresee common activities in the Application Form, the following rules shall apply for the management of the common activities:
 - a. For each common activity, a responsible partner is selected among the PPs, and the responsible partner is indicated in the Application Form. This partner is in charge of the subcontracting of the common activity according to the relevant rules on public procurement in its country on behalf of all PPs involved in the common activity.
 - b. The proportions of sharing a common cost are fixed in the Application Form for each PP participating in the common activity, and have to be applied even if the amount subcontracted is lower or higher than the planned amount in the Application Form.
 - c. PPs understand that the budget assigned to the common activities is not an additional budget, but a part within each PPs' budget participating in the common activity. Therefore the relevant share of the common cost has to be submitted for validation by each PP participating in the common activity separately to its Controller.
 - d. In case the total amount of the common activity is paid in advance by the responsible partner to the sub-contractor, the PPs commit themselves to transfer the respective shared amount in full to the responsible partner before the submission of their expenditures for validation.
 - e. Complementary to the above set rules, the PPs agree on specific rules for the management of common activities as follows:
 - i. [To be defined by the partnership]
3. In case the Project Participants set up a Project Steering Committee, the following rules shall apply:
 - a. [To be defined by the partnership]

Article 5
Specific obligations of the Lead Partner

1. The LP shall take all the steps needed to correctly manage the project in accordance with the Application Form approved by the Monitoring Committee and the subsidy contract.
2. In addition the LP shall:
 - a) inform all Project Participants on the signature of the subsidy contract, and provides the copy of the subsidy contract for all Project Participants;
 - b) keep the Project Participants informed on a regular basis about all relevant communication between the LP and Joint Technical Secretariat and LP and Managing Authority;

- c) inform the Project Participants about all essential issues connected to the project implementation without any delay;
- d) be responsible for the verification 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 PPs in the frame of the approved Application Form;
- e) be responsible for the verification that the expenditure declared by the PPs and had been validated by the designated Controller at national level;
- f) submit the Application for Reimbursement together with the Progress Report to the Joint Technical Secretariat for the deadline given in the subsidy contract;
- g) transfer the ERDF contribution to the PPs participating in the project according to the Application for Reimbursement approved by the Joint Technical Secretariat, within [Timeframe to be defined by the partnership];
- h) agree with its PPs before applying for budget reallocation between budget lines and/or work packages in accordance with the subsidy contract;
- i) agree with the Project Participants (or PPs if it is related to ERDF issues only) of the project before submission of any request for amendment of the subsidy contract to the Joint Technical Secretariat.

Article 6
Obligations of the Project Participants and PPs

1. The Project Participants respect all the rules and obligations set forth in the subsidy contract.
2. They commit themselves to do everything in their power to foster the implementation of the project.
3. The Project Participants shall support the LP to fulfil its tasks according to the subsidy contract.
4. In particular, each Project Participant shall:
 - a) provide the LP without any delay with any information needed to draw up the Progress Reports and the Final Report, to react on any request by the Managing Authority or the Joint Technical Secretariat, or provide with any further information needed by the LP;
 - b) inform the LP immediately about any circumstance that could lead to a temporary or final discontinuation of the project.
5. In particular, each PP shall:
 - a) maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project;

- b) inform the LP on the details of the bank account where the ERDF contribution of the PP shall be transferred before the submission of the first Application for Reimbursement,
- c) complete their activities foreseen for each reporting period of the project implementation;
- d) have their expenditures incurred and paid in the given reporting period validated by the designated Controller of their Member State and submit the declaration on validation of expenditure issued by the Controller to the LP. The expenditure of the PPs not covered by declarations on validation of expenditure in the given reporting period can be requested only for the next reporting deadline following to the reporting period concerned.
- e) comply with Community and national rules, including rules on public procurement, state aid, publicity, rules on environmental protection, and equal opportunities.;
- f) be responsible for the sound financial management of the funds allocated to the project part, including the arrangements for recovering amounts unduly paid (ERDF, state contribution and other public contribution).

Article 7
Specific obligations of the IPA partners

- 1. The IPA Project Partners respect all the rules and obligations set forth in the IPA Grant Contract and the related EC and national regulations.
- 2. They commit themselves to complete all activities foreseen for each year of the project implementation.
- 3. Each IPA partner shall be responsible for the sound financial management of the requested IPA and state contribution.

Article 8
**Specific obligations of the 10% Project Partners
and the sponsoring ERDF partners**

- 1. The 10% Project Partners and the “sponsoring” ERDF PPs have to follow the rules for the expenditure under the 10% flexibility rule set by the SEE Programme Manual, in particular:
 - a) the 10% Project Partner shall complete its activities as described in the approved Application Form;
 - b) when subcontracting the activities for the benefit of the 10% Project Partner, the “sponsoring” ERDF PP is responsible for the procurement according to its national public procurement rules. The contents of the terms of reference should be agreed with the 10% Project Partner;
 - c) the expenditure of the 10% Project Partner has to be planned in the budget of the “sponsoring” ERDF LP or ERDF PP in the Application Form;

- d) eligible expenditure of the 10% Project Partner are only those supported by invoices clearly addressed and directly paid by the “sponsoring” ERDF PP;
 - e) the expenditure of the 10% Project Partner has to be validated by the designated controller of the “sponsoring” ERDF PP;
 - f) the ownership of the outputs and results such as products delivered by the external expertise and services, the ownership of the equipment and the small scale investment shall remain at the property of the “sponsoring” ERDF PP;
 - g) the involvement of 10% Project Partner for the implementation of the project and the achievements of its objectives has to be clearly demonstrated in the Partner Reports of the „sponsoring” ERDF PP and in the Progress Report of the LP;
 - h) the benefit of the EU territory has to be demonstrated in the Application Form as well as during the implementation of the project.
2. In addition, each 10% Project Partner shall:
- a) shall support the “sponsoring” ERDF PP to fulfil its tasks according to the subsidy contract and the present Partnership Agreement.
 - b) provide the “sponsoring” PP and the LP without any delay with any information needed to draw up the Progress Reports and the Final Report, to react on any request by the Managing Authority or the Joint Technical Secretariat, or provide with any further information needed by the LP;
 - c) inform the “sponsoring” ERDF PP and the LP immediately about any circumstance that could lead to a temporary or final discontinuation of the project.
3. Complementary to the above set rules, the 10% Project Partners and the “sponsoring” ERDF partners agree on specific rules as follows:
- a) [To be defined by the partnership]

Article 9 Responsibilities of LP and PPs

1. The LP solely assumes responsibility for the entire project towards the Managing Authority.
2. Each Project Participant is directly and exclusively responsible to the LP for the due implementation of its respective contribution to the project and for the proper fulfilment of its obligations as set out in this agreement. Should a Project Participant not fulfil its obligations under this contract in due time, the LP shall admonish him to fulfil them within a reasonable period of time. The Project Participants will undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the LP may decide to debar the Project Participant concerned from the project with approval of the other Project Participants. The Joint Technical Secretariat shall be promptly informed of such an intended decision by the LP and the change in the partnership has to be approved by the Monitoring Committee according to the provisions of the subsidy contract.
3. Each PP shall take the financial responsibility for the ERDF contribution and the related state contribution it has received for the project.

4. In case of irregularities the LP bears the overall responsibility towards the Managing Authority for the repayment of the amounts unduly paid. By way of the derogation from this principle if the irregularity is committed by a PP the concerned PP shall repay to the LP the amounts unduly paid.

Article 10 **Reporting obligations of the PPs**

1. The LP can only submit application for reimbursement to the Joint Technical Secretariat by providing proof of progress of the project. Therefore, in order to provide adequate information on the progress of the project, each PP has to submit a Partner Report to the LP consisting of an activity report describing the activities carried out and their outputs and results during the reporting period and a financial report presenting the financial progress of the project in accordance with the approved Application Form.
2. The PPs has to respect the reporting deadlines of the subsidy contract, and submit their Partner Report and declaration on validation of expenditure to the LP in due time, until [To be defined by the partnership]. Partner Reports and declarations on validation of expenditure not submitted to the LP within the set deadline will not be included in the progress report of the LP to be submitted to the JTS.
3. The Partner Reports should be drawn up in Euro. In case PPs from Member States which have not adopted the Euro as their currency are participating in the project, the PPs shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for validation to the responsible controller of the Member State. The expenditures shall be converted into Euro using the monthly accounting exchange rate of the Commission in force in the last month of the reporting period. (<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>) The exchange rate risk is borne by the PP concerned.

Article 11 **Audits**

1. For audit purposes each PP shall:
 - a) retain all files, documents and data about the project at least until 31 December 2020, either in original or as certified copies on commonly used data media safely and orderly;
 - b) enable the responsible auditing bodies of the European Union and the auditing bodies of the state it is based in to audit the proper use of funds;
 - c) give these authorities any information about the project they request;
 - 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, at least until 31 December 2020;
 - e) give them access to their 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 at least until 31 December 2020;

- f) provide the LP with any information needed related to such an audit without any delay.

Article 12 Information and Publicity

1. Any publicity measure undertaken by any of the Project Participants shall be conducted according to the Commission Regulation (EC) no. 1828/2006, and the Information and Publicity guidelines of the SEE Programme.
2. Information and publicity measures will be coordinated among the Project Participants. Each Project Participant is equally responsible to promote the fact that financing is provided from the European Union funds in the framework of the South East Europe Transnational Cooperation Programme and to ensure the adequate promotion of the project.
3. The Project Participants take note of the fact that the results of the project as well as any study or analysis produced in the course of the project will be made available to the public and they agree that the results of the project shall be available for all Project Participants and for the public free of charge.

Article 13 Changes in the Project Partnership

4. Being aware of the fact that all changes in the partnership need an approval of the Monitoring Committee and the Managing Authority is entitled to withdraw from the subsidy contract if the number of Project Participants falls below the minimum number of participants, the Project Participants agree not to back out of the project unless there are unavoidable reasons for it.
5. In case a Project Participant withdraws from the project or is debarred from it the remaining Project Participants will undertake to find a rapid and efficient solution to ensure the further proper project implementation without any delay. Consequently, the Project Participants will endeavour to cover the contribution of the withdrawing Project Participant, either by assuming its tasks by one or more of the present Project Participants or by asking one or more new participants to join the project partnership, regarding the respective programme provisions.
6. The LP will inform the Joint Technical Secretariat as soon as changes in the project partnership are foreseeable. The changes in the partnership enter into force only after approval by the Monitoring Committee.
7. The provisions set for audits in Article 11 remain applicable to the PP that backed out of the project or was debarred from the project.

Article 14 Irregularities and repayment of funds

1. If the Managing Authority should – based on the provisions of the subsidy contract – request the repayment of ERDF contribution from the LP, the LP shall ask the PP that has caused the irregularity resulting in repayment of the ERDF contribution unduly paid according to the request of the Managing Authority.

2. The PP affected has to repay the requested ERDF contribution together with the interests chargeable to the LP, and the corresponding state contribution to the responsible national body as stipulated in the contract on the state contribution.
3. The PP has to respect the deadline given by the Managing Authority to the LP for the repayment of ERDF contribution. The PP has to transfer the requested ERDF contribution together with the interests chargeable to the LP [To be defined by the partnership] days before the deadline of the LP.

Article 15

Cooperation with third parties, assignment

1. In case of cooperation with third parties (e.g. concluding subcontracts) the Project Participant shall remain the sole responsible toward the LP concerning compliance with its obligations as set out in this agreement.
2. Project Participants are allowed to assign their rights and obligations under this agreement with prior consent of the other Project Participants and only after prior written consent of the Managing Authority and the Monitoring Committee.
3. In case of legal succession, e.g. when the Project Participant changes its legal form, the Project Participant is obliged to transfer all duties under this contract to the legal successor. The participant shall notify the LP in written form within [To be defined by the partnership] days.

Article 16

Language

The working language of the partnership shall be [language chosen by the project participants]. Any official internal document of the operation shall be made available in the language of the subsidy contract, i.e. in English.

Article 17

Applicable law

1. This agreement is governed by the [law of the LP's country], being the law of the country of the LP.
2. This partnership agreement is concluded in English. In case of a translation of this agreement and its annexes into another language than English, the English version shall prevail.

Article 18

Concluding provisions

1. Any amendments to this agreement shall be in writing signed by all Project Participants.
2. Amendments and supplements to the present agreement and any waiver of the requirement of the written form must be in written form and have to be indicated as

such. The LP shall notify to the Joint Technical Secretariat 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 parties. In this case the parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.
4. The LP and all the Project Participants commit themselves to taking measures to ensure that all staff members carrying out the work respect the confidential nature of information regarded as such, and do not disseminate it, pass it on to third parties or use it without prior written consent of the LP and the Project Participant that provided the information.
5. The parties will make an effort to settle any disputes arising from this agreement out of the court. In case an agreement cannot be made in due time, the parties herewith agree that [place of venue] shall be the venue for all legal disputes arising from this contract.
6. [number of Project Participants signing the Partnership Agreement+1] original copies will be made of this agreement; of which each party keeps one original and one original is attached to the Application Form.

Place, Date:
Name of Lead Partner:
Name of legal responsible:
Signature:

Place, Date:
Name of Project Participant:
Name of legal responsible:
Signature:

Etc.
Place, Date:
Name of Project Participant:
Name of legal responsible:
Signature:

Etc.