**Interreg V-A — Estonia–Latvia**

**Cross-Border Co-operation Programme under**

**The European Territorial Co-operation Goal**

**Agreement between the lead partner and the project partners (the Partnership Agreement)[[1]](#footnote-1)**

Having regard to

* Article 13.2.(a) of the 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 (hereinafter referred to as the ‘*ETC Regulation*’) the lead beneficiary shall lay down the arrangements with other beneficiaries in an agreement comprising provisions that, *inter alia*, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid,
* As well as *mutatis mutandi* from the subsidy contract provisions Article 125.3.c) of the 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 (hereinafter referred to as the ‘*Common Provisions Regulation*’), as regards the selection of operations, the managing authority shall ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution,
* the whole Article 13 on beneficiaries and Article 12.5, according to which for each operation, the managing authority shall provide to the lead or sole beneficiary a document setting out the conditions for support of the operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution, of the of the ETC Regulation,
* Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes,
* Cooperation programme Interreg V-A — Estonia–Latvia,

– Programme Manual of the Cooperation programme Interreg V-A – Estonia-Latvia, applicable to a particular call, guidelines and templates available on the programme web-site,

the following agreement shall be made between

........... [Organisation], with its registered address at [address], represented by its authorised representative [name],

hereinafter referred to as the lead partner’, in the meaning of lead beneficiary as defined in Article 13.2 of the ETC Regulation,

and

........... [Organisation], with its registered address at [address], represented by its authorised representative [name],

........... [Organisation], with its registered address at [address], represented by its authorised representative [name],

........... [Organisation], with its registered address at [address], represented by its authorised representative [name],

........... [Organisation], with its registered address at [address], represented by its authorised representative [name],

hereinafter referred to as the ‘project partners’, in the meaning of other beneficiaries, as defined in Article 13.2 a) of the ETC Regulation

for the implementation of the Interreg V-A — Estonia–Latvia (hereinafter referred to as the ‘Programme’) project .......... [Est-Lat number and title of the project] (hereinafter referred to as the ‘project’).

The project was selected for financing by the MC on …….. [date] in ………………[place]. Based on this selection decision, the Managing Authority (hereinafter referred to as the MA) made its financing decision no………… on ………….[date]

The total budget of the Project is……… EUR, of which the ERDF contribution is ………….. EUR and co-financing by the project partners is …………… EUR. The ERDF contribution makes up ………. % of the total project budget.

**Article 1**

**Project Objectives**

* 1. The project......... [Est-Lat number and title of the project] conducted on the basis of the Programme shall contribute to the overall objective and priority objectives set out in the Programme.

**Article 2**

**Subject of the Partnership Agreement**

* 1. By the present agreement the lead partner and the project partners shall define the rules of procedure for the work to be carried out and the relations that shall govern them within the cross-border partnership set up in order to complete the project......... [Est-Lat number and title of the project] as indicated in the annexes. The annexes comprise:
* Annex 1: Final version of the Application Form validated in the eMS including annexes
* Annex 2: Other relevant documents;
* Additional clauses may be added to the agreement by the consent of the project partners and by the approval of the MA.
	1. The annexes – including all provisions they are based on and refer to – are considered to be an integral part of this agreement.

**Article 3**

**Duration of the Agreement**

1. The Partnership Agreement shall be concluded prior to signing the Subsidy Contract and shall enter into force on the date on which the last signature is given. The Partnership Agreement shall remain in force until the lead partner has discharged in full his obligations toward the MA.

**Article 4**

**Lead Partner**

* 1. The lead partner is responsible for the overall coordination, management and implementation of the project. The lead partner shall be the beneficiary of the ERDF grant and shall manage the funds in accordance with the details of this Partnership Agreement, the approved application and the subsidy contract. The lead partner assumes sole responsibility for the entire project vis-à-vis the MA.
	2. The lead partner shall fulfil all obligations arising from Article 13 of the ETC Regulation, the subsidy contract and the approved application. In particular, the lead partner shall fulfil the following obligations:
		1. appoint a project manager who shall accept the operational responsibility for the implementation of the overall project, and a financial manager;
		2. prepare a work-plan setting out the activities of the project, the role and tasks of the project partners in their implementation and a detailed time-schedule;

4.2.3 ensure that tasks of the project partners set forth in the work-plan are subsequently fulfilled;

4.2.4 draw up and present via eMS progress reports, consisting of an activity report and an verified financial reports of the project partners, to the Joint Secretariat of the Programme (hereinafter referred to as the ‘JS’) as well as the final report as defined in the Programme Manual Chapters 5.3, 7.9, 7.11 and in the subsidy contract;

4.2.5 request payments from the MA;

4.2.6 receive payments from the MA and take actions to transfer portions due to the partners on the basis of the financial report approved by the MA within five (5) working days after receiving the payment from the MA;

4.2.7 manage and verify appropriate spending of the subsidy awarded;

4.2.8 carry out the project's overall accounting;

4.2.9 communicate with the bodies implementing the Programme;

4.2.10 react promptly to any request by the bodies implementing the Programme;

4.2.11 notify its partners immediately of any event that could lead to a temporary or final discontinuation or any other deviation of the project;

4.2.12 produce all documents required for the financial control bodies, provide necessary information and give access to its premises and the locations where take place the project activities;

4.2.13 retain at all times for audit purposes all files, documents and data about the part of the project for which it is responsible on customary data storage media in a safe and orderly manner at least until the date, which is specified in the subsidy contract; other possibly longer statutory retention periods, as might be stated by national law, shall remain unaffected;

4.2.14 provide the independent assessors carrying out evaluations of the Programme with any document or information necessary to assist with the evaluation;

4.2.15 comply with EU and national legislation.

**Article 5**

**Project Partners**

Every partner shall accept the following duties and obligations:

5.1 to authorise the lead partner to sign the subsidy contract with the MA and represent project partners in all dealings with the MA in the context of the Project’s implementation;

5.2 appoint a project co-ordinator who shall be the contact point between the project partner and the project manager and give the project co-ordinator the authority to represent the partner in the project;

5.3 expeditiously carry out the specific activities set out in the project work-plan;

5.4 submit a partner report via eMS to the national financial control body within 10 working days after the reporting period;

5.5 guarantee submission of a verified partner report to the lead partner for drawing up the progress report within five (5) days after receiving it from the financial control bodies;

5.6 produce and deliver to the lead partner all information necessary for payment requests;

5.7 notify the lead partner immediately of any event that could lead to a temporary or final discontinuation or any other deviation of the project (e.g. replacement of the project co-ordinator, changes in partner’s budget, deviations from work-plan etc.);

5.8 enable the financial control, JS, MA and abovementioned authorities to carry out on the spot visits in the premises of the partner and in the locations where take place the project activities; and to provide them with all necessary information and documents requested during on the spot visits;

5.9 produce all documents required for financial control bodies, provide necessary information and, for audit purposes, give access to its premises and in the locations where take place the project activities;

5.10 retain at all times for audit purposes all files, documents and data about the part of the project for which it is responsible on customary data storage media in a safe and orderly manner at least until the date which is specified in the subsidy contract; other possibly longer statutory retention periods, as might be stated by national law, shall remain unaffected;

5.11 provide the independent assessors carrying out evaluations of the Programme with any document or information necessary to assist with the evaluation;

5.12 respect all rules and obligations laid down in the subsidy contract and the co-financing statement each partner has signed for the application;

5.13 react promptly to any request by the lead partner and the bodies implementing the Programme;

5.14 comply with the publicity requirements of the Programme;

5.15 comply with EU and national legislation.

**Article 6**

**Budgetary and financial management, accounting principles**

* 1. The lead partner is the sole responsible party to the MA and the Monitoring Committee for the budgetary and financial management of the project. The lead partner shall be responsible for the realisation of payment requests and the transfer of payments to its partners as well as for an application for reallocation between budget lines. For each financial claim, following payment of funds to the lead partner, the lead partner shall take actions to transfer portions due to the partners on the basis of the financial report approved by the MA within five (5) working days after receiving the payment from the MA; No deduction, retention or further specific charge shall be made.
	2. The lead partner must ensure the correctness of the accounting and financial reports and documents drawn up by the partners. The lead partner may request further information, documentation and evidence from the partners to that effect.
	3. Every partner will be held responsible for its budget up to the amount as to which the partner participates in the project and pledges to release its part of the co-funding.
	4. Every partner commits to open a separate bank account or a separate cost centre in the accounting system for the project and to ensure that any received subsidy can be clearly identified.
	5. Every partner is obliged to have their expenditure certified by a national financial control body.
	6. The lead partner shall be entitled to request partners accounting reports or other documents, including copies of all pieces of evidence (invoices, documents related to tender, bank statement, etc.).

In default of evidence or in the event of non-fulfilment of the rules concerning eligibility of expenditure, the lead partner shall ask the partners to redraft the submitted financial documents. In case of repeated non-fulfilment, the lead partner shall be entitled to deny the expenditure declared by a partner. In that case, the lead partner is obliged to inform the partner concerned on the denial of the expenditure declared and the motivation thereto; also, the JSshall be informed.

**Article 7**

**Cost-sharing**

7.1 In the event of cost-sharingthe project partners have to sign a cost-sharing agreement. Otherwise the cost-sharing is not eligible.

7.2 Shared costs are eligible only in case those are paid out from project partners’ accounts. A cost-sharing, where lead partner is withholding a certain amount of partners’ expenditure after receiving payment from the MA, is not eligible.

**Article 8**

 **Conflict of interests**

8.1 The lead partner and project partners must undertake all necessary precautions to avoid conflicts of interest and must inform the JS without delay of any situation constituting or likely to lead to any such conflict.

8.2. There is a conflict of interests where the impartial and objective exercise of the functions of any person involved in the project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.

**Article 9**

**Modification of the work-plan and budget reallocation**

* 1. Before applying to the JS for reallocation of total costs as stated in the approved application from one budget line to another, the lead partner shall obtain the approval of its partners.
	2. Any request for amendment of the subsidy contract presented by the lead partner to the MAshall be authorised by the partners of the project beforehand.
	3. Any modification of the work-plan shall be authorised by the partners of the project beforehand.

**Article 10**

**Reports**

10.1 Every partner commits to providing the lead partner with the information needed to draw up progress reports and other specific documents required by the JSor other bodies implementing the Programme. The reporting periods as laid down in the subsidy contract Article 4, Programme Manual Chapters 7.9, 7.11 as well as instructions in the reporting forms must be observed.

10.2 The submission of progress reports and all relevant official communication with the bodies implementing the Programme will take place via eMS and will be available for all the project partners in the eMS.

**Article 11**

**Information and publicity**

11.1 The lead partner and the partners ensure adequate promotion of the project both towards potential beneficiaries and towards the general public.

11.2 Any notice of publication by the project, including at a conference or a seminar, must specify that the project has received a subsidy from the Programme funds, in compliance with the requirements set in the Programme Manual and Publicity Guidelines; as well as in compliance with the requirements set by the regulatory framework in Article 1 Applicable legal framework.

In any public material used to promote or disseminate the project activities whether printed or electronically available, on objects and information carriers, the use of the Programme logo, that includes the EU emblem (flag) and reference to the European Regional Development Fund, is mandatory as set out in the Programme Manual and Publicity Guidelines.

11.3 During the implementation of the project, the beneficiary the project partner shall inform the public about the support obtained from the programme funds by providing on the beneficiary’s project partner’s website, where such website exists, a short description of the project and by placing at least one poster with information about the project (minimum size A3) at a location readily visible to the public.

11.4 The partners commit to playing an active role in any actions organised to capitalise on, disseminate and valorise the results of the project. If requested by the JS/MA, the partners will undertake necessary actions in order to gather and save the project data and information for the input to the evaluation of the Programme.

11.5 The partners agree that the MA, European Commission and JS shall be authorised in the framework of the Programme to publish, in whatever form and on or by whatever medium, including the Internet, the following information:

* the name of the lead partner and its partners,
* the purpose of the subsidy,
* the amount granted and the proportion of the total costs of the project accounted for by the funding,
* the geographical location of the project,
* Information on earlier publicity of the project.

11.6 Any notice or publication by the project, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author’s views and that the MA is not liable for any use that may be made of the information contained therein.

**Article 12**

**Confidentiality**

* 1. Although the nature of the implementation of the project is public, part of the information exchanged in the context of its implementation between the lead partner and the partners, the partners themselves or bodies implementing the Programme can be confidential. Only documents and other elements explicitly provided with the statement “confidential” shall be regarded as such.
	2. The lead partner and the partners commit to taking measures to ensure that all staff members carrying out the work respect the confidential nature of this information, and do not disseminate it, pass it on to third parties or use it without prior written consent of the lead partner and the partner institution that provided the information.
	3. This confidentiality clause shall remain in force for two years following the termination of this agreement.

**Article 13**

**Cooperation with third parties, delegation and outsourcing**

* 1. In the event of cooperation with third parties, delegation of part of the activities or outsourcing, the partners shall remain the sole responsible parties to the lead partner and through the latter to the bodies implementing the Programme concerning compliance with their obligations by virtue of the conditions set forth in this agreement including its annexes.
	2. The lead partner shall be informed by the partners about the subject and party of any contract concluded with a third party.

**Article 14**

**Assignment, legal succession**

* 1. Neither the lead partner nor the partners are allowed to assign their duties and rights under this agreement without the prior consent of the other parties to this agreement, the MA and Monitoring Committee

14.2 The change of the partnership, whether of the lead partner or project partners, which involves the assignment of the duties and rights by the lead partner or project partners to new organisations, must be approved by the MA and Monitoring Committee.

14.3 In the case of legal succession, the lead partner or the partner concerned is obliged to transfer all duties under this agreement to the legal successor.

**Article 15**

**Non-fulfilment of obligations or delay**

* 1. Every partner is obliged to promptly inform the lead partner and to provide the latter with all necessary details should there be events that could jeopardise the implementation of the project.
	2. Should one of the partners be in default, the lead partner shall admonish the respective partner to comply within a reasonable period of time, a maximum of one month. The lead partner shall make any effort to contact the partners in resolving the difficulties including seeking the assistance of the JS.
	3. Should the non-fulfilment of obligations continue, the lead partner may decide to exclude the partner concerned from the project, with approval from the Monitoring Committee. The JS shall be informed immediately if the lead partner intends to exclude a partner from the project.
	4. In default of providing timely the lead partner with the information needed to draw up progress reports, the lead partner shall be entitled to deny the expenditure requested by a partner.
	5. The excluded partner is obliged to refund to the lead partner any Programme funds received which it cannot prove on the day of exclusion that they were used for the implementation of the project according to the rules of eligibility of expenditure.
	6. In case of non-fulfilment of a partner's obligation having financial consequences for the funding of the project as a whole, the lead partner may demand compensation to cover the sum involved. Based on the claim sent by the lead partner, the respective partner has to repay the requested amount.

**Article 16**

**Demand for repayment by the Managing Authority**

16.1 Should the MA of the Programme submit a Financial Correction Decision to the lead partner in accordance with the provisions of the subsidy contract and other Programme documents and demand repayment of subsidy already transferred, every partner concerned is obliged to transfer its portion of the repayment amount to the lead partner. The lead partner shall, without delay, submit the letter by which the MA has asserted the repayment claim to the project partners and notify every partner of the amount repayable.

16.2 In case the partners have signed the cost-sharing agreement according to Article 7 of this Partnership Agreement, and the expenditure under the cost-sharing agreement has become ineligible, the repayment shall be effected as stipulated in the cost-sharing agreement.

16.3 The repayment by the partners to the lead partner is due within two weeks following the notification by the lead partner. The lead partner will transfer the repayable amount to the MA as specified in the Financial Correction Decision sent by the MA to the lead partner.

**Article 17**

**Disputes between partners**

* 1. In case of any disputes among themselves, the project partners are obliged to work towards an amicable settlement.
	2. The project partners may form a body consisting of the representatives of the project partners and representatives from outside the project should they so wish for solving the disputes.
	3. The lead partner will inform the non-involved partners on a dispute and may, on its own initiative or upon request of a partner, ask the JS for advice.
	4. Should a compromise between the project partners or within a body consisting of the representatives of all project partners not be possible, the matter will be finally decided in accordance with the jurisdiction of the country where the lead partner is located.

**Article 18**

**Representation of the project and partners in complaint procedure**

18.1 Lead partner represents the project and all the partners in complaint procedures towards third bodies and is entitled to file a complaint. Lead partner collects and brings forward the complaint reasons from all project partners.

**Article 19**

**Durability and ownership of results**

19.1 In accordance with Article 71 of the Common Provisions Regulation and with Chapter 7.12 of the Programme Manual the ownership of the outputs having the character of investments in infrastructure and productive investments produced during the project implementation shall remain with the LP or PPs for at least five years from the final payment to the LP. In case of SMEs the time-limit is three years.

19.2 Project partners are obliged to repay the ERDF contribution if within five years of the final payment to the beneficiary, within ten years in case of State aid, or within three years in cases concerning the maintenance of investments or jobs created by SMEs, the respective partner is subject to any of the following:

* a cessation or relocation of a productive activity outside the programme area;
* a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
* a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

The lead partner is obliged to notify the MA of any such changes described beforehand. Sums unduly paid in respect of the operation shall be recovered by the MA in proportion to the period for which the requirements have not been fulfilled.

19.3 The lead partner ensures that the arrangements with respect to ownership, title and industrial and intellectual property rights relating to the outputs of the projects are in accordance with Chapter 7.12 of the Programme Manual.

19.4 Where relevant, the LP and project partners ensure that results and outputs of the project are available and accessible to the public free of charge.

**Article 20**

**Working languages**

20.1 The official working language of the programme shall be English. All official correspondence between the Programme authorities and the project partners shall be in English. In case of need any official internal document of the project shall be made available in English.

**Article 21**

**Applicable law, translation languages**

* 1. This agreement is governed by law of the lead partner’s country.
	2. In the event of translation of this agreement and its annexes, the English version shall prevail.

**Article 22**

**Nullity**

22.1 If any provision in this agreement should be wholly or partly ineffective, the parties to this agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.

**Article 23**

**Amendment of the agreement**

* 1. This agreement shall only be amended in writing by means of an amendment to that effect signed by all parties involved.
	2. Modifications to the project that have been approved by the Monitoring Committee and the JS can be carried out without amending this agreement.

**Article 24**

**Lapse of time**

24.1 Legal proceedings concerning any issue ensuing from this agreement may not be lodged before the courts more than three years after the claim was constituted. In the event of legal proceedings concerning a claim to the repayment of funds, a period of three years following the last transfer shall be applied.

**Article 25**

**Domicile**

25.1 To the effect of this agreement, the partners shall irrevocably choose domicile at the address stated in the application form (Annex I to this agreement) where any official notifications can be lawfully served.

25.2 Any change of domicile shall be forwarded to the lead partner within fifteen (15) days following the change of address by registered mail.

 Drawn up at .............................. [place].

 **Lead partner**

 Signature Date

 **Project partner 1**

 Signature Date

 **Project partner 2**

 Signature Date

 **Project partner 3**

 Signature Date

 **Project partner 4**

 Signature Date

 **Etc.**

1. *If any provision of this Agreement or the application of any such provision shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision in the Agreement* [↑](#footnote-ref-1)