Partnership Agreement for standard projects

(Interreg Programme Slovenia-Hungary (hereinafter IP SI-HU))

Based on the Open Call for Proposals, reference number: 4300-1/2023, and having regard to Article 26 of the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments, with all the amendments,the following has been agreed between

*<Lead Partner name and address*>, represented by *<name, function of the signatory*> (hereinafter referred to as the LP)

and

*<name and address*>, represented by *<name, function of the signatory*> (hereinafter referred to as PP 2);

*<name and address*>, represented by *<name, function of the signatory*> (hereinafter referred to as PP 3);

*<name and address*>, represented by *<name, function of the signatory*> (hereinafter referred to as PP 4);

*<name and address*>, represented by *<name, function of the signatory*> (hereinafter referred to as PP n);

for the implementation of the project <*project title*>, with acronym <*project acronym*>.

**Article 1**

**Legal framework**

The Parties declare at the outset that they are also bound by the legal framework stated in the ERDF Subsidy Contract between the Managing Authority and the Lead Partner:

1. Regulation (EU, Euratom) No 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 and repealing Council Regulation (EC, Euratom) No 966/2012, together with related Delegated or Implementing Acts, with all the amendments;
2. Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget, with all the amendments;
3. The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, especially:

* Regulation (EU) 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 (Common Provisions Regulation – hereinafter referred to as **CPR**), with all the amendments;
* Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (hereinafter referred to as **Interreg Regulation**), with all the amendments;
* Regulation (EU) 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 (hereinafter referred to as **ERDF Regulation**), with all the amendments;

1. 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, hereinafter referred to as **GDPR**), with all the amendments;
2. 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 relevance, Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, with all the amendments; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of State aid;
3. Community and national rules for public procurement and entry into the markets, protection of the environment, equal opportunities between men and women, State aid/de minimis rules and prevention of fraud;
4. Commission Decision C (2019) 3452 of 14 May 2019 laying down the guidelines for determining financial corrections to be made to expenditure financed by the Union for non-compliance with the applicable rules on public procurement, with all the amendments;
5. Regulation (EU, Euratom) No 883/2013, as regards cooperation with the European Public Prosecutor’s Office and the effectiveness of the European Anti-Fraud Office investigations, with all the amendments;
6. National and EU rules applicable to the LP and its Project Partners (hereinafter referred to as **PP**) and their activities;
7. Interreg Programme Slovenia-Hungary 2021-2027, with all the amendments;
8. Strategic Environmental Assessment (SEA) of the Interreg Programme Slovenia-Hungary 2021-2027;
9. Open Call for Proposals for standard projects, with all the amendments;
10. Manual for Beneficiaries for the IP SI-HU, with all the amendments;
11. Latest valid version of the Application Form, including all approved changes, as stored in the Joint electronic monitoring system (hereinafter referred to as **Jems**);
12. Decision of the Monitoring Committee (hereinafter referred to as the MC) on the approval of the project.

**Article 2**

**Definitions**

For the purposes of this partnership agreement, the following definitions apply:

a. PP n any institution participating in the project by ensuring own financial resources and contributing to its implementation, as identified in the latest valid version of the Application Form. It corresponds to the term “beneficiary” used in the European Structural and Investment Funds Regulations.

b. LP the project partner designated by all PPs and who assumes responsibility for ensuring the implementation of the entire project according to Articles 23 (5) and 26 (1) b of Regulation (EU) No 2021/1059.

The LP and PPs together are referred to as all parties in the Partnership Agreement.

**Article 3**

**Subject of the Partnership Agreement**

1. This partnership agreement lays down the arrangements regulating the relations between the LP and all the PPs, in order to ensure sound implementation of the project as in the latest valid version of the Application Form, as well as in compliance with the conditions for support set out in Article 1 of the Partnership Agreement.
2. The signed Partnership Agreement defines the mutual responsibilities of all parties concerning the administrative and financial management of the project.
3. The signed Partnership Agreement is an Annex to the Application Form.

**Article 4**

**Objectives of the project**

The project *<acronym*> shall contribute to the objectives set out in the IP SI-HU. The project objectives and results are, in summary, to <*list the main objectives and results or make reference to the project documents*>:

* ..............
* .............

**Article 5**

**Duration of the Partnership Agreement**

1. This Partnership Agreement is valid from the date of the signature by all parties. It shall remain in force until the Lead Partner has discharged in full his obligations towards its partners and the Managing Authority (MA) and any relevant European body, including the period of availability of documents for financial controls.
2. This Partnership Agreement shall also remain in force if there is any non-resolved dispute among the partners at an out-of-court arbitration body.
3. The breach of the obligations of this Partnership Agreement by one of the partners or when one partner continues violating its obligations despite a reminder from the Lead Partner, may lead to an early resignation of his participation in the project. This resignation has to be decided by consensus by all the other partners involved into the project and approved by the Monitoring Committee (MC) of the IP SI-HU. The partner withdrawing from the project is according to the present Partnership Agreement obliged to carry out all activities and pay all expenditures incurred during its participation in the project. In case of the proposal of the exclusion of a partner, Joint Secretariat (JS) must be immediately informed.

**Article 6**

**Role and responsibilities of the Lead Partner**

1. The Lead Partner is responsible for the overall coordination, management and implementation of the project. The Lead Partner is the lead beneficiary of the European Regional and Development Fund (ERDF) grant and shall manage the funds in accordance with the details of this Partnership Agreement. The Lead Partner assumes responsibilities for the entire project.
2. According to the present Partnership Agreement the Lead Partner is obliged to:
   1. appoint a project manager who has the operational responsibility for the implementation of the overall project;
   2. ensure timely commencement and implementation of the activities within the lifetime of the project, in compliance with all obligations to the MA. The LP must notify the JS of any factors that may adversely affect implementation of the project activities and/or the financial plan immediately upon detection;
   3. monitors the delivery of the agreed work plan setting out tasks to be undertaken as part of the project, the role of the PPs in their implementation, and the project budget;
   4. ensure the fulfilment of all conditions, appointed by the MC by the approval of the project;
   5. react promptly to any request made by the MA and JS;
   6. represent Project Partners towards the MA of the programme;
   7. inform Project Partners on the progress of the overall project;
   8. inform Project Partners about any variation of the conditions at the basis of the present agreement or about any modification that could influence the implementation of the project, the information activities or the disbursement of the ERDF funds;
   9. support Project Partners in implementing their obligations by giving them the correct information, indications and clarifications on the procedures, the forms and other relevant documents;
   10. notify the Project Partners immediately of any event that could lead to a temporary or final discontinuation of the project or any other deviation of the implementation of the project;
   11. provide the partners with copies of all relevant project documents, and reports on the implementation of the project. The LP must regularly inform the PPs of all relevant communication between the LP and the JS/MA;
   12. guarantee the sound financial management of the funds allocated for the implementation of the project, including the separate set-up of the project accounting and the supporting documents storage system;
   13. agree with the Project Partners beforehand on any request to the MA or JS for the changing of the Application Form, including eventual reallocations of the approved budget;
   14. constantly monitor the spending of the project budget foreseen for each PP, and ensure that budget shifts are carried out within the limits and according to the rules as set out by the programme in the Manual for Beneficiaries;
   15. ensure that no double funding or double reporting of costs takes place;
   16. ensure that the expenditure presented by all partners has been paid in implementing the project and corresponds to the activities agreed between all partners and is in accordance with the ERDF Subsidy Contract;
   17. verify that expenditure incurred by Project Partners and actions constituting the basis for reimbursement according to Article 63 (1) of the CPR have been checked by national controllers prior they are forwarded to the Body performing accounting function (BAF), through the MA within the form for reimbursement;
   18. prepare and submit to JS the periodic project reports, final project reports, claims for reimbursement, according to the Manual for Beneficiaries and any additional requested documents and/or information from the JS and MA;
   19. guarantee the correct and timely transfer of funds to all Project Partners in their amount of ERDF without any delay when received from the BAF;
   20. inform the JS about transfer of ERDF funds to partners;
   21. is, in general, the contact point representing the partnership for any communication with the JS/MA or any other of the programme bodies;
   22. the LP must 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 AA, relevant national authorities, authorised representatives of the EC, 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. The LP 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;
   23. guarantee the access to the databases and documents to all representatives of the institutions in charge of the controls foreseen by the IP SI-HU as well as to the bodies authorized to monitor the project. The Lead Partner must also guarantee the respect of the mentioned rules on the part of his Project Partners;
   24. guarantee to the European Union (EU), MA, JS, Controller and National Authorities in charge the access to the place where the project has been implemented and to the headquarters of all Project Partners in order to implement the foreseen “on-the-spot” checks within the activity of control of the project;
   25. guarantee to the independent evaluators in charge the access to every document or information regarding the part of project he is in charge of deemed to be necessary for their activity;
   26. comply with European Union and national legislation;
   27. prepare the required documents and records for the project closure;
   28. inform the JS without any delay about any envisaged changes of the Partnership Agreement;
   29. *<any other task agreed with the partners*>.
3. In case of failure to achieve the targets relating to output indicators, financial corrections may apply at the level of the project.

**Article 7**

**Role and obligations of the Project Partners**

1. Project Partners are responsible for carrying out specific project activities to deliver outputs in the manner and scope as indicated in this Partnership Agreement and in the latest valid version of the Application Form.
2. According to the present Partnership Agreement the Project Partners are obliged to:
   1. actively cooperate in the implementation of the project;
   2. appoint a contact person for the implementation of the parts of the project under their responsibility and authorize the contact person to represent the Project Partner;
   3. assure the implementation of the part of the project they are responsible for in accordance with the latest valid version of the Application Form and the project work plan or otherwise agreed;
   4. strictly follow the EU eligibility rules as well as further eligibility rules set up by the programme in the Manual for Beneficiaries and in line with the ERDF Subsidy contract signed between the MA and the LP and, if applicable, national rules;
   5. guarantee a sound financial management of funds, including the separate project accounting;
   6. set up a physical and/or electronic archive where data, records and documents composing the audit trail are stored, in compliance with the requirements described in the Manual for Beneficiaries;
   7. in cases of recovery, guarantee the reimbursing the LP or relevant programme body directly for unduly paid programme funds;
   8. guarantee that reported and paid costs have incurred for the implementation of the project and correspond to the activities agreed among Project Partners in the latest valid version of the Application Form;
   9. regularly submit expenditures for verification to the designated controllers, according to the rules set at programme and national level. Verified expenditures must be submitted through the programme's electronic monitoring system (Jems) to the LP immediately after verification;
   10. guarantee the timely performance of the project according to the work plan and in particular that expected outputs are actually delivered;
   11. notify the Lead Partner immediately of any event that could lead to a temporary or final discontinuation of the project or any other deviation of the implementation of the project, including any variations to his part of project budget or his project work plan;
   12. respect the relevant rules concerning, inter alia, equal opportunities, protection of the environment, financial management, branding, public procurement and State Aid;
   13. 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 AA, relevant national authorities, authorised representatives of the EC, 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. 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;
   14. guarantee the access to the databases and documents to all representatives of the institutions in charge of the controls foreseen by the IP SI-HU as well as to the bodies authorized to monitor the project when required;
   15. guarantee to the EU, MA, JS, Controllers and National Authorities in charge the access to the place where the project has been implemented and to the headquarters of all Project Partners in order to implement the foreseen “on-the-spot” checks within the activity of control of the project;
   16. guarantee to the independent evaluators in charge the access to every document or information regarding the part of project he is in charge of deemed to be necessary for their activity;
   17. repay the Lead Partner the amounts unduly paid (if applicable);
   18. inform the Lead Partner of all changes including bank details;
   19. respond immediately to any request of the MA or JS transmitted by the Lead Partner;
   20. report in accordance with the existing legislation and national guidelines if the project activities contain elements of State aid;
   21. comply with European Union and national legislation;
   22. *<any other task agreed with the partners*>.
3. If a PP fails to inform the LP of any deviation from the latest valid version of the Application Form, the LP is then entitled to refuse to include in the project report the costs of this partner that are connected to such deviations and/or that result in an overspending of the approved budget of this partner. Similarly, if a PP fails to provide the necessary input for the preparation of the project reports within the deadline agreed with the LP, the LP may refuse to report the costs of this PP to the programme, in agreement with the JS/MA.
4. Project Partners agree to take all necessary steps enabling the Lead Partner to comply with its responsibilities as set out in the latest valid version of the Application Form and ERDF Subsidy Contract.

**Article 8**

**Third parties contracts, liability and outsourcing**

In the case of cooperation with third parties including but not limited to sub-contractors and in-house bodies, with regard to the project, the relevant PP remains solely responsible towards the other PPs concerning compliance with its obligations as set out in the Manual for Beneficiaries. PPs must inform each other about the scope of such contracts and the names of the contracted parties.

Should a PP not comply with its obligations, this PP must be solely responsible for damages and costs resulting from this non-compliance.

**Article 9**

**Assignment, Legal succession**

1. No partner in the project shall have the right to transfer its rights and obligations under this Partnership Agreement without the prior consent of other Project Partners in the project and the responsible programme implementing bodies. The parties to this contract are aware of the provisions of the ERDF Subsidy Contract whereupon the Lead Partner is allowed to assign its duties and rights as laid down in the available template of the ERDF Subsidy Contract, published in the Application Pack, only after prior written consent of the MA.
2. In the case of legal succession; e.g., where the LP or any PP changes its legal form, the LP or PP is obliged to transfer all duties and obligations under this contract to its successor. Legal succession shall be formalised according to the rules as set out in the Manual for Beneficiaries.

**Article 10**

**Communication, publicity measures and dissemination of results**

1. The Lead Partner and the Project Partners shall jointly implement the information and communication activities in accordance with the work plan in the latest valid version of the Application Form to ensure adequate promotion of the project towards the target groups and towards the general public.
2. The LP and the PPs must comply with the EU publicity rules as well as the communication requirements outlined in the Manual for the Beneficiaries, and provide any material developed during the lifetime of the project that may be useful to publications at the programme level.
3. Each Project Partner shall point out in the framework of any activities, especially by public relations measure, including the public procurement procedures, that the project is implemented with the financial assistance from ERDF funds under the IP SI-HU.
4. The LP and PPs 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 will support the LP and play an active role in any actions organised by the programme to disseminate and capitalise on project results.
5. The partners agree that the Lead Partner provides the MA with information concerning the project to publish in any form, unrestricted as far as data protection is concerned.

**Article 11**

**Ownership – Use of Results**

1. The LP and PPs must undertake to enforce all applicable national and EU law, including but not limited to laws on intellectual property rights, especially copyright, regarding any output produced as a result of project implementation.

The LP or PP shall ensure that it has all rights to use any pre-existing intellectual property rights, if necessary for the implementation of the project.

1. Without prejudice to the previous paragraph, the Project Partner grants the MA the right to make free use of the results of the project. The Lead Partner ensures that results and outcomes of the project are joint property of all Project Partners. Consequently, the Lead Partner safeguards that each Project Partner shall grant a simple, non-exclusive right of use of any produced work to all other Project Partners. The Lead Partner also ensures that while granting these rights to Project Partners the specific national rules and instructions relevant for the ownership rights of the project outcomes and results are taken into account when necessary.
2. The LP and PPs are obliged to take all necessary measures in order to avoid conflicts of interest, and to keep each other informed without delay on any circumstances that have generated or may generate such conflict.
3. The LP and PPs are obliged to inform the relevant programme bodies if there is any sensitive or confidential information related to the project that may not be published or made publicly available. This clause does not affect the LP and PPs obligation to make all results and outputs of the project available to the public.

The Lead Partner and its Project Partners agree that owners of the investments (in equipment and infrastructure) are defined in the latest valid version of the Application Form.

1. The investment owner shall carry out maintenance works on the investment during project implementation and at least five years of the final payment to the Project Partner or within the period time set out in State Aid rules, where applicable and shall keep records of the investments made.
2. In accordance with Article 65 of the CPR, all concerned Project Partners, including Lead Partner, shall repay the ERDF contribution if within five (5) years of the final payment to the LP or within the time set out in State aid rules, where applicable, the infrastructure or productive investment projects are subjects to any of following:
3. a cessation or transfer of a productive activity outside the NUTS level 2 region in which it received support ;
4. a change in ownership of an item of infrastructure which gives to a firm or public body an undue advantage;
5. a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
6. Projects without investments in infrastructure or productive investments shall repay the ERDF contribution if they are subject to an obligation for maintenance of investment under the applicable State aid rules and they undergo a cessation or reallocation of a productive activity within the period laid down in those rules.
7. The rules related to eligibility of costs and the maintenance of purchased equipment (as stated in Manual for Beneficiaries) of Lead Partner and each Project Partner after project closure shall be taken into account.
8. The Lead Partner and the other Project Partners in the project agree that the results of the project, including studies or analysis produced during the implementation, are available to the public in order to guarantee a widespread publicity of the project’s outcomes in accordance to the latest valid version of the Application Form.

**Article 12**

**Reporting**

1. The Lead Partner has the overall responsibility for monitoring the actions undertaken by Project Partners on an on-going basis.
2. The Lead Partner is responsible for submitting project reports and the final report to the JS.
3. Each Project Partner commits to submit its partner report via Joint electronic monitoring system (Jems) within 30 calendar days after the end of the reporting period as well as to provide the Lead Partner with the information needed to draw up periodic and final project reports and other specific documents required by the MA or JS. In case an individual project report is delayed by more than 6 months, the MA may decide not to approve the costs included in that report. Any unjustified delay in reporting or in the clarification process of the Project Report, either by Lead Partner or by Project Partners, can imply a reduction or ending of the Subsidy payments. The reporting periods for the entire project are laid down in the Jems after the signature of the ERDF Subsidy Contract. The MA may require or agree on additional reporting.

**Article 13**

**Financial management**

The ERDF contribution will be paid by the BAF to the account of the Lead Partner (or in exceptional cases only to Project Partners) who is responsible for the administrative and financial management of the funds. The Lead Partner has to distribute the funds between Project Partners in accordance with their validated expenditure incurred for project actions effectively carried out by bank transfer within XX calendar days to the bank account of each Project Partner. No deduction, retention or further specific charges shall be made.

**Article 14**

**Modifications, withdrawals and disputes**

1. This Partnership Agreement can only be changed by means of a written amendment that is agreed by all Project Partners. Any modification to the present agreement shall be attached to it as an addendum and signed by all Project Partners.
2. The LP and each PP agree not to withdraw from the project unless there are unavoidable reasons for doing so. If this were nonetheless to happen, the LP and the remaining PPs shall cover the contribution of the withdrawing Project Partner, either by assuming its tasks and budget or by asking one or more third parties to join the Partnership, with the previous authorization of the MC.
3. The LP can, if necessary, request modifications of the latest valid version of the Application Form to the JS/ MA. Any modifications requested, including budget, partnership and operational changes, must be agreed and authorised by the PPs beforehand, according to pre-agreed rules of procedure or other decision-making mechanism established in the partnership.
4. In case of any dispute among themselves the Project Partners are obliged to work towards an amicable settlement. When agreement cannot be reached, the Project Partners are obliged to seek an out-of-court arbitration procedure. Failing this, each and any legal disputes that may result from or in connection with this present Partnership Agreement, including such over the validity of this present Partnership Agreement itself and this arbitration clause, will be finally decided in accordance with the jurisdiction of the country where the Lead Partner is domiciled. The disputes will be settled at the competent court in *<name and address*>.

**Article 15**

**Recovery**

1. In case that the partner in the project does not fulfil his obligations, the Lead Partner should remind him in writing to fulfil them within a reasonable period, which can be a maximum of one month.
2. In the event of total or partial incompletion of the obligations of any of Project Partners in the project, or in the event of failure to comply with sound financial management of project activities, each cosignatory member of the present Partnership Agreement undertakes to reimburse the Lead Partner any funds that have been unduly received, within 30 days following the receipt of the notification.
3. The Lead Partner has the right of termination of the Partnership Agreement if termination of the ERDF Subsidy Contract is put into force by the MA. The Project Partners have to repay the funds to the Lead Partner within 45 calendar days.
4. In case of irregularities, the concerned Project Partners have to repay the funds to the Lead Partner within 45 calendar days.

**Article 16**

**Termination**

1. The Partnership Agreement must be terminated as a consequence of termination of the ERDF Subsidy Contract.
2. Following termination of the Partnership Agreement, the LP and PPs are still obliged to comply with all the requirements of the programme after closure, such as recoveries or document retention for audit and evaluation purposes.

**Article 17**

**Liability and Force Majeure**

1. This Partnership Agreement is governed by the law of the country of the Lead Partner***.*** Each partner, including the Lead Partner, shall be liable to other Project Partners and shall indemnify for any damages or costs resulting from the non-compliance of its contractual duties as set forth in this contract.
2. No Project Partner shall be held liable for not complying with the obligations ensuing from this Partnership Agreement in case of force majeure.In such a case, the involved partner must announce this immediately in writing to the other partners of the project.

**Article 18**

**Working Language**

The working language of the Partnership is *<language*>. In case of translation of any document into another language, the *<language*> version shall be the binding one.

**Article 19**

**Concluding provisions**

1. This Partnership Agreement is done in <*number*> originals, of which <*number*> is received by each of the contracting parties.
2. In case of discrepancies between the ERDF Subsidy Contract and this Partnership Agreement, the

ERDF Subsidy Contract prevails.

Name of the Lead Partner:

Name and title of legal representative:

Place, date and stamp (if applicable):

Signature

Name of the Project Partner 2:

Name and title of legal representative:

Place, date and stamp (if applicable):

Signature

Name of the Project Partner 3:

Name and title of legal representative:

Place, date and stamp (if applicable):

Signature