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**Partnership Agreement**

between the Lead partner and its project

partners for the implementation of the project

# < project title, acronym, No: XXX>

**Interreg V-A Latvia-Lithuania Programme 2014 – 2020**

**§ 1**

**Subject of the agreement**

The following agreement is concluded between:

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| <title of the Lead partner (hereinafter referred to as LP) organisation in English language><title of the LP organisation in national language> |
| with its legal address at: | <address of the LP organisation> |
| and represented by: | <name of the authorised representative of the LP organisation> |
| Hereinafter referred to as **LP**, meaning the lead beneficiary of the project as defined in Article 13 of Regulation (EU) No 1299/2013. The LP is listed in the project data as **LP\_1.** |

and

|  |
| --- |
| <title of the project partner (hereinafter referred to as PP) organisation in English language><title of the PP organisation in national language> |
| with its legal address at: | <address of the PP organisation> |
| represented by: | <name of the authorised representative of the PP organisation> |
| and listed in the project data as **project partner No 2**.  |

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| <title of the PP organisation in English language><title of the PP organisation in national language> |
| with its legal address at | <address of the PP organisation> |
| represented by | <name of the authorised representative of the PP organisation> |
| and listed in the project data as **project partner No 3**.  |

*[more project partners to be added accordingly, if needed]*

All project partners named above hereinafter referred to as **partners**.

1. Subject of this agreement is the organisation of a partnership among partners and the stipulation of provisions in order to ensure sound implementation of the project <title, acronym and number of the project as indicated in the subsidy contract > (hereinafter referred to as project).
2. The subsidy contract No <indicate a number of the SC> between the Managing Authority of the Programme (hereinafter referred to as **MA**) and the LP dated < indicated a date of last contracting party signature> for the implementation of the project, including annexes and amendments, is considered to be an integral part of this agreement. The subsidy contract and any addendum to the subsidy contract shall be attached to this agreement as annex.

**§ 2**

**Legal framework**

Partners guarantee that the project is implemented and managed in accordance with the provisions of this agreement, the EU regulations and horizontal policies of the EU, applicable national legislation, the subsidy contract as well as that all practical instructions set out in the Programme manual concerning the management and implementation of the project are followed.

**EU legal basis:**

* Regulation (EU) 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, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ;
* Regulation (EU) No 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 any amendment (hereinafter referred to as the Regulation (EU) No 1303/2013), in particular Article 125.3 c);
* 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 any amendment (hereinafter referred to as the ERDF Regulation);
* 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, Article 13(2);
	+ Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council 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 (hereinafter referred to as the Commission Delegated Regulation (EU) No 480/2014);
* 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 any amendment (hereinafter referred to as the Commission Delegated Regulation on ETC eligibility rules);
* 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 (hereinafter referred to as the Commission Regulation (EU) No 1407/2013);
* Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest
* All other applicable EU legislation, including the Community rules laying down provisions on public procurement and entry into the markets, on competition, on state aid, on protection of environment, on sustainable development and on the promotion of equality between men and women and non-discrimination.

**Respective national legislation**

* National legal acts are applicable to the Programme authorities, to the LP and PPs in Latvia and Lithuania.

**The Programme documents**

* Interreg V-A Latvia-Lithuania Cross Border Cooperation Programme 2014 – 2020, CCI 2014TC16RFCB027, adopted by the European Commission decision C(2015) 8476 on 30 November 2015;
* The Programme Manual and other relevant Programme documents, its Annexes and guidance published in the Programme website [www.latlit.eu](http://www.latlit.eu);
* Latest version of the application submitted according to the chapter 6, section 6.1 of the Programme manual (hereinafter referred to as application).

**Principles to be followed:**

* For matters not covered by eligibility rules laid down in the Regulation (EU) No 1303/2013, ERDF Regulation[[1]](#footnote-1), ETC Regulation and Commission Delegated Regulation on ETC eligibility rules or in rules established by the Programme, the national rules of the Member State in which the expenditure is incurred shall apply;
* The hierarchy of rules sets out a priority of the EU legislation. Where no or no detailed provisions are stipulated in the EU rules, the Programme rules can be set up accordingly. National legislation only applies where specific issues are not regulated either by the EU legislation or the Programme rules.

**§ 3**

**Duration of the agreement**

1. This agreement shall take effort retrospectively from the date when the subsidy contract entered into force, and it will remain in force until complete fulfilment of the LP and PPs’ obligations under this agreement and the subsidy contract.
2. The LP has the right of termination of the partnership agreement if termination of the ERDF co-financing is put into force by the MA. Right of termination and reduction of the ERDF co-financing are stipulated in § 10 of the subsidy contract.
3. The MA/Joint Secretariat (hereinafter referred to as **JS**) are not parties in the agreement or in the disputes that may arise between the contracting LP/PPs or towards third parties.

**§ 4**

**Project objectives, project partnership and disputes**

1. The LP and the PPs commit themselves in doing everything in their power to jointly implement the project in accordance with the application form and to support one another with the aim to reach the objectives of the project. This also includes the commitment to produce qualitative outputs and to achieve the results set in the application form.
2. The PPs entitle the LP to represent the PPs in the project. They commit themselves to undertake all steps necessary to support the LP in fulfilling its obligations specified in the subsidy contract and in this agreement.
3. The applicable law for this agreement shall be the law of the LP country. Any dispute between the PPs which could not be resolved amicably concerning their contractual relationship and, more specifically, the interpretation, performance and termination of this agreement shall be addressed in accordance with the national legislation of the country in which the LP is established.

**§ 5**

**Obligations of the LP**

1. The LP shall be responsible for the overall coordination, management and implementation of the project; in particular it shall be responsible for ensuring proper management of funding intended for the project implementation by all the partners who implement the project.The LP shall be the beneficiary of the ERDF co-financing and shall manage the funds in accordance with the details of this partnership agreement, the approved application and the subsidy contract and shall fulfil all obligations arising to the LP from Article 13(2) and (3) of the Regulation (EU) No 1299/2013, the subsidy contract as well as the Programme manual in particular:
	1. The LP shall ensure the timely start of the project implementation and the completion of all the actions provided under the project, in accordance with the time plan and expenditures agreed jointly with the remaining partners.
	2. The LP shall:
* Ensure that actions under the project are implemented correctly and shall inform PPs, MA and JS immediately about any circumstances which might affect the deadlines and scope of activities provided in the project application form;
* Monitor the progress in implementing the project output indicators;
* Take any actions which are necessary for timely receipt of funding, as well as for transfer relevant portions of co-financing immediately to the PPs’ bank accounts (within 5 working days);
* Timely report progress on the project implementation (according deadlines provided in the application form) and apply for refund of eligible expenditures incurred for the project implementation;
* Provide for audit trail to enable identifying each financial operation;
* Return unduly paid co-financing for the project to MA, in full or in part, as appropriate, if funds were paid due to non-eligible expenditures, unduly incurred expenditures or if the agreement was violated, or if the funds were taken unduly or in excessive amount;
* Conduct and coordinate recovery from PPs of unduly paid funds, due to expenditures borne by the PPs;
* Coordinate information and promotion actions carried out by particular PPs, resulting from arrangements provided for in the application;
* Provide for an adequate number of competent staff and technical measures necessary for effective fulfilment of obligations resulting from acting as a LP. In particular the LP shall appoint a project coordinator who shall be responsible for coordinating and implementing all the operational actions necessary for the project implementation and financial manager, who shall be responsible for financial implementation of the project;
* Implement actions agreed with the PPs, which are necessary to fully implement the project goals.
1. The LP shall make sure that expenditures presented by the partners participating in the project have been incurred for the project implementation and have been compatible with the actions agreed among the partners.
2. The LP shall verify whether the expenditures presented by the PPs have been approved of by the financial controllers.

In addition to the responsibilities of the LP stipulated above, specific obligations of the PPs do also apply to the LP.

**§ 6**

**Obligations of the PP**

1. Each PP undertakes to comply with the body of rules and regulations referred to in §1of the subsidy contract (including any amendments made to these rules and regulations) as well as relevant national regulations and all other rules applicable to the PP.
2. That means in particular that each PP:
* Appoints a project coordinator who shall accept the operational responsibility for the implementation of the overall project, and a financial manager;
* Completes all activities foreseen in the detailed work plan, as well as is responsible for setting up and fulfilling the quality criteria for the project main outputs;
* Complies with the rules on eligibility of expenditure as provided for in the chapter 9, section 9.2 of the Programme manual;
* Guarantees a sound financial management of its budget as indicated in the last approved version of the application form;
* In accordance with § 9of this agreement, provides proof of progress in the implementation of project activities and the achievement of outputs and submits a proof of verification of the eligibility of the project-related expenditure by a financial controller designated by the respective country;
* Assumes responsibility in the event of any irregularity in the expenditure it has declared;
* Ensures that double financing of eligible expenditure from the EU funds or other sources does not occur within the partner’s part of the project under implementation;
* Prepares and conducts public procurement procedures as well as awards public contracts under the part of the project implemented by the respective partner in accordance with the provisions of EU and national law;
* Repays the LP any amounts unduly paid and complying with any request for repayment by the MA and/or the LP based on the § 13of the subsidy contract,
* Is responsible for information and communication measures as referred in the § 8of the subsidy contract and § 14 partnership agreement.
* Keeps the ownership of project outputs having the character of investments in infrastructure or productive investments within the period of time and under the conditions set in Article 71 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council and according the information stipulated under § 9 of the subsidy contract;
* Keeps available all its documents related to the project in line with the requirements indicated under chapter 7, section 7.4 of the Programme manual.
* Follows Programme requirements regarding durability of project results stipulated in the Programme Manual and submits to LP any information regarding durability of project results requested by the MA.
* Is aware that in order to ensure compliance with legal framework and to ensure fulfilment of functions, Programme implementing bodies process natural person data in accordance with the Regulation (EU) 2016/679 of the European Parliament and of the Council 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). Any personal data will be processed solely for the purposes of performance, management and monitoring of the project and thereof related concluded Contracts by the Managing Authority and may be passed to the bodies as set out in respective provisions of the Financing Agreement. PP will have the right of access to their personal data and the right to rectify any such data. If the PP has any queries concerning the processing of personal data, they shall be addressed to the Managing Authority.
1. By signing this agreement, each PP declares that it:
	* is familiar with and follows the content of the subsidy contract and the provisions it bases on and refers to;
	* is familiar with and follows to the latest approved version of the application;
	* undertakes to inform the LP immediately about all circumstances that delay, hinder or make impossible the realisation of the project as well as all circumstances that mean a change of the disbursement conditions or which would entitle the MA to terminate the subsidy contract, to discontinue payments or to demand repayment of the ERDF co-financing in full or in part, according to § 10 of the subsidy contract.

**§ 7**

**Financial management**

1. LP/PPs can only report eligible expenditure according to the rules defined in the Programme manual, subsidy contract and relevant EU and national legislation.
2. The LP bears the responsibility to the MA and the Monitoring Committee for the administrative, budgetary and financial management of the project. The LP shall be responsible for the realisation of payment requests and the transfer of payments to the PPs as well as for submission of the request for project changes, according to the provisions set in the subsidy contract and the chapter 7, section 7.3 of the Programme manual. The LP shall obtain the approval of the PPs before submission of the request for project changes to the MA/JS.
3. After receiving the payment of the ERDF co-financing from the MA to the LP according to the approved progress report, the LP shall transfer the received ERDF co-financing to the PPs within maximum 1 (one) month the sums assigned to each PP. No deduction, retention or further specific charge shall be made except in cases described in point 7 below. After transfer to each partner is made, LP shall upload proof (bank account statement) to the eMS within 5 (five) working days.
4. The LP must ensure the correctness of the accounting and financial reports and documents drawn up by the PPs. The LP may request further information, documentation and evidence from the PPs to that effect.
5. Each PP will be responsible for its budget up to the amount as to which the PP participating in the project and pledges to provide its part of the national co-financing.
6. Each PP commits to keep:
	1. separate accounting system or project specific accounting code to record project costs;
	2. project index is written or stamped on original invoices reported to the Programme. In case the invoice is partly reported to the Programme also exact reported amount should be indicated on the invoice;
	3. book-keeping lists/overviews ‒ i.e. list of all expenditures for all transactions relating to the project without prejudice to national accounting rules.
7. In default of evidence or in the event of non-fulfilment of the rules concerning eligibility of expenditure the LP shall ask the PPs to redraft submitted financial documents. In case of repeated non-fulfilment, the LP shall be entitled to deny the expenditure declared by the PPs. In that case, the LP is obliged to inform the PPs concerned on the denial of the expenditure declared; also, the MA/JS shall be informed via email.

**§ 8**

**Spending forecast**

1. Based on the spending forecast for project expenditure included in the latest application form the LP and the PPs have agreed on a detailed spending plan at the level of all partners to this agreement.
2. All PPs declare that they will request payments according to the timeframe established in chapter § 9 of this agreement. Payments not requested in time and in full as indicated in the spending plan may be lost. Moreover the maximum amount of ERDF co-financing approved might be reduced, if the amounts of actual payment requests are less than the expected payment requests.

**§ 9**

**Monitoring and reporting**

1. The LP/PPs are responsible for implementation of their duties, in accordance with the application. The LP in addition has overall responsibility for monitoring the actions undertaken by the PPs on an ongoing basis.
2. The LP/PPs have to comply with the requirements, set in the chapter 7, section 7.3 of the Programme manual and according to § 5 of the subsidy contract about project reporting and payments.
3. The progress reports have to be submitted via eMS after each reporting period as indicated in the application form. The LP must ensure that PPs’ report/-s is/are submitted via eMS to the financial controller within 2 (two) weeks after the end of reporting period. The LP has to submit via eMS consolidated progress report no later than 3 (three) months after the end of reporting period.
4. In order to enable the LP to meet the deadlines for submission of progress reports according the application form, the following dates of submission apply for each PP:

|  |  |  |
| --- | --- | --- |
| Partner report No: | Reporting period: | Deadline for submission of partner report to financial control:  |
| Start date | End date |
| 1 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |
| 2 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |
| 3 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |
| 4 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |
| 5 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |
| 6 | xx/xx/xxxx | xx/xx/xxxx | xx/xx/xxxx |

1. In case a PP ascertains that it will be behind schedule with its contribution to the progress report, the PP shall immediately inform the LP via email; such an information must not be submitted later than the actual deadline for submission of the given partner report. The PP concerned and the LP, supported by the other partners to this agreement, shall make any effort to jointly sort out the problem causing the default. If necessary, the LP shall submit a request for postponement of the deadline for submission of the progress report to the MA/JS.
2. In case a PP does not comply with the requirement to inform via eMS or e-mail the LP, does not sort out any problem causating the default, the LP shall be entitled to exclude the partner report in the relevant reporting period.

**§ 10**

**Electronic submission**

1. In accordance with § 4of the subsidy contract all exchange of information between the LP and Programme bodies shall be carried out within the eMS. Accordingly, exchange of information between the LP and PPs, where relevant, shall be done by using the eMS;
2. Each PP is responsible for keeping safe the user name and password and is responsible for all activities done with the user name.

**§ 11**

**Recovery of ineligible and/or Irregular expenditures**

1. In case the MA demands, in full or in part, repayment of the ERDF co-financing already paid to the LP in accordance with the provisions of the subsidy contract, each respective PP is obliged to transfer its portion of any amount unduly paid to the LP in compliance with Article 27(2) of Regulation (EU) No 1299/2013. The LP within 10 (ten) working days shall inform the PPs by forwarding a copy of the letter by which the MA has asserted the repayment claim. Moreover, the LP shall notify each PP in writing of the amount repayable to the account of the LP. Alternatively, and where applicable, the repayment amount will be offset against the next payment by the MA to the LP or remaining payments can be suspended.
2. If the LP does not succeed in securing repayment from the respective PP, it shall inform the MA. In case of Article 27(3) of Regulation (EU) No 1299/2013 the LP shall be entitled to transfer its right to demand repayment from the PP to the Member State on which territory the PP is located.

**§ 12**

**Withdrawal from the partnership**

1. The LP and each PP agrees not to withdraw from the project unless there are unavoidable reasons for it. If this were nonetheless to happen the LP and the remaining PPs shall endeavour to cover the contribution of the withdrawing PP either by directly assuming its tasks or by asking new organisation to join the partnership.
2. The LP/PPs are aware that the MA is entitled to terminate the subsidy contract if the number of PPs falls below the minimum number of partners that is set in the chapter 5, section 5.2. of the Programme manual.
3. In case of change in the partnership, the LP/PPs will observe provisions on changes determined in the chapter 7, section 7.2 of the Programme manual.

**§ 13**

**Non-fulfilment of obligations and reimbursement**

1. In case a PP repeatedly does not fulfil its obligations stipulated in the subsidy contract and this agreement, the LP may decide to exclude the PP from the project, with approval of the MA. In case the exclusion is approved by the MA, the PP is obliged to refund to the LP any Programme funds received by the day of exclusion for which it cannot prove that they were used for the implementation of the project according to the rules of eligibility of expenditure. Each PP is obliged to promptly inform via email the LP by indicating necessary details should there be events that could jeopardise the implementation of the project.
2. Should one of the PP be in default, the LP shall warn the respective PP to comply within a reasonable period of time, a maximum of 1 (one) month. The LP shall make any effort to contact the PPs in resolving the difficulties includingseeking the assistance of the MA/JS.
3. In case of non-fulfilment of obligations of a PP having financial consequences for the funding of the project as a whole, the LP may demand compensation to cover the sum involved.

**§ 14**

**Information, communication and visibility**

1. The working language of the project shall be English.
2. Each PP undertakes to inform the public about the funding obtained from the Programme. Any piece of information, publication, audio-visual material, marketing product including those provided at events and/or infrastructure works, equipment/items purchased by each PPs, must specify that the project was co-financed from funds of the Programme, in compliance with the requirements set in Commission Implementing Regulation (EU) No 821/2014 (in particular Articles 3 to 5 thereof), Regulation (EU) No 1303/2013 of the European Parliament and of the Council (in particular annex XII, section 2.2 thereof) as well as in the chapter 8 of the Programme manual and Communication Guidelines for the Projects of the Interreg V-A Latvia–Lithuania Programme 2014–2020.
3. Each PP takes full responsibility for the content of any piece of information, publication, audio-visual material and marketing product provided to the LP which has been developed by the PP or third parties on behalf of the PP.
4. The LP shall submit via eMS evidence of any publicity and information material produced by LP/PPs during the project together with respective progress report and final report.
5. LP/PPs shall retain 1 (one) copy of any publicity and information measures to ensure audit trail.

LP/PPs agree that the MA/JS have the right to publish the information on the project and products deriving from the project.

**§ 15**

**Confidentiality requirements**

1. The LP/PPs are obliged to inform via email the MA/JS if there is any sensitive or confidential information related to the project that may not be published.
2. The LP and the PPs commit to ensuring that all staff members involved in the implementation of the project respect the confidential nature of information, and do not disseminate it, pass it on to third parties or use it without prior written consent of the organisation that provided the information.
3. The abovementioned rules on confidentiality shall not affect LPs’ and the PPs’ obligation to make all outputs and results of the project available to the public and to secure public access to the project outputs and results.

**§ 16**

**Amendment of the partnership agreement**

1. This agreement shall only be amended in writing by means of an amendment to that effect signed by LP/PPs.
2. If any provision of this agreement should become wholly or partly ineffective, the LP/PPs shall undertake to replace the ineffective provision by an effective provision coming as close as possible to the purpose of the ineffective provision.
3. Amendments to the agreement, if any, shall be uploaded via eMS. The LP and the PPs shall observe the rules set in the chapter 7, section 7.2 of the Programme manual.

**§ 17**

**Legislation and force majeure**

1. This agreement is governed by the national Law, being the Law of the country of the LP. None of the LP/PPs shall be held liable for not complying with obligations deriving from this agreement should the non-compliance be caused by force majeure. In such case, the LP/PPs involved must announce this within 10 working days in writing to the other partners.

**§ 18**

**Concluding provisions**

1. This agreement is concluded in English. In case of translation of this document and its annexes into another language, the English version shall be the binding one.
2. <number of executed copies of this agreement depending on number of partners to this agreement> executed copies of this agreement shall be signed by the LP and the PPs. Each PP shall keep one copy. The same rules shall apply to any amendments or annexes to this agreement that may be made.

**Lead partner:**

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| --- | --- | --- |
|  |  |  |
| *Name* |  | *Name* |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Title* |  | *Title* |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Signature*  |  | *Signature*  |

|  |  |  |
| --- | --- | --- |
|   |  |  |
| *Place, date* |  | *Place, date* |

## Project partner 2:

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Name* |  | *Name* |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Title* |  | *Title* |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Signature*  |  | *Signature*  |

|  |  |  |
| --- | --- | --- |
|   |  |  |
| *Place, date* |  | *Place, date* |

*[more project partners to be added accordingly, if needed]*

1. 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 [↑](#footnote-ref-1)