

PROJECT PARTNERSHIP AGREEMENT
within the Interreg - IPA CBC Bulgaria – the former Yugoslav Republic of
Macedonia Programme

concluded on:.....(day/month/year), at(place)
 by and between:

Full name of the institution	Address of the institution	Represented by
Lead Partner/PP1:		*(on the basis of the power of attorney dated) ¹
Project Partner 2:		*
Project Partner 3:		*
Project Partner n...		*

IMPORTANT

Insert the above information for every Project Partner.

hereinafter referred to as the "Parties",

Having regard to:

- the European Community legislation, in particular:
 1. Regulation (EC) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-Accession Assistance (IPA II);
 2. Commission Implementing Regulation (EU) No 447/2014 of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European

¹ If applicable

Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II);

3. 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;
4. 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;
5. Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action;
6. 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;
7. Council Regulation (EU) No 966/2012 of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC) No 1605/2002;
8. Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
9. Regulation (EU, EURATOM) 2015/1929 of the European parliament and of the council Of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union; Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015 amending Delegated



Regulation (EU) No 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;

• And:

1. Interreg - IPA CBC Bulgaria – the former Yugoslav Republic of Macedonia Programme, approved by the European Commission by Decision No (2015) 5653/05.08.2015 with programme reference number CCI 2014TC16I5CB006, amended with Decision C(2016) 2851 from 4.5.2016 and Decision C(2016) 8627 from 13.12.2016 (hereinafter referred to as Programme);

Application Form, that will be jointly submitted within the Interreg - IPA CBC Bulgaria – the former Yugoslav Republic of Macedonia Programme;

2. Guidelines for Applicants for the Second Call for Proposals under the Interreg - IPA CBC Bulgaria – the former Yugoslav Republic of Macedonia Programme.

The Parties agree:

§ 1. Definitions

1. Whenever this agreement mentions:

- 1) **Fund** – European and National Funds;
- 2) **Programme** – this shall mean Interreg - IPA CBC Bulgaria – the former Yugoslav Republic of Macedonia Programme;
- 3) **Application Form (AF)** – this shall mean the Application Form for funding/co-financing from the Programme together with all Annexes;
- 4) **Project** – this shall mean the operation defined in the Application Form;
- 5) **Controllers** - shall be understood as the controllers designated in both countries according to the Article 23(4) of Regulation (EU) No 1299/2013 responsible for verification of expenditures of the project partners;
- 6) **Partners** – this shall mean the bodies indicated in the Application Form participating in the Project implementation;
- 7) **Subsidy** – shall be understood as European and National Funds transferred to the bank account of the Lead Partner;

- 8) **Eligible expenditures** – shall be understood as expenditures qualified as eligible according to the Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 , the Programme documents, and Applicant's guidelines;
- 9) **Progress Report** – shall be understood as report submitted by the Lead Partner to the Joint Secretariat, stating entire project implementation progress;
- 10) **Managing Authority** – shall be understood as the authority designated in accordance with the Article 125 of Regulation (EU) No 1303/2013;
- 11) **Joint Secretariat** – this shall mean the body designated according to resolutions of the Programme, in order to assist the appropriate authorities, in particular Managing Authority, in carrying out their respective duties;
- 12) **Subsidy Contract** – shall be understood as the agreement between the Lead Partner and the Managing Authority, specifying the conditions upon which the Managing Authority transfers subsidy for the Project implementation;
- 13) **Project bank account** – shall be understood as account in EUR, established for the purposes of project implementation by the Lead partner;
- 14) The **“force majeure”** represents any unpredictable and insurmountable event, occurred after the signing of the present agreement and that prevents the total or the partial execution of the agreement.

§ 2. Subject of the agreement

- 1. The subject of this agreement is establishing cooperation principles and procedures as well as mutual obligations of the Parties within the cross-border partnership created in order to implement the project[full title of the project], under the Programme.
- 2. The agreement specifies the requirements for the Parties for correct management of the subsidy granted for project implementation, as well as rules governing recovery by the Lead Partner of the amounts incorrectly spent.
- 3. The terms and conditions herein are acknowledged and accepted by all parties.

§ 3. Duration of the Partnership Agreement

1. The Partnership Agreement enters into force **on the day of signing by the last party**. The last party signing has the obligation to note the date.
2. The real implementation of the Partnership Agreement begins on the starting date of the implementation of the operation (as specified in art. 2 (2) of the Subsidy contract).
3. The implementation period of the operation is **months**. The present Agreement shall continue until fulfilling of all obligations of the Lead Partner as written in the Subsidy Contract. The agreement is valid for 5 years from the ending date of the project.

§ 4. Rights and obligations of the Lead Partner

1. The Lead Partner is responsible before the Managing Authority for general coordination, management and implementation of the Project. In particular, it is responsible for provision of correct management of subsidy granted for the implementation of the Project by all Partners implementing the Project.
2. The Lead Partner is the only body entitled to contact the Managing Authority. The Lead Partner is obliged to make available to the other Partners, both in paper and electronic form, documents and information received from the Managing Authority needed and useful for implementation of their actions.
3. The Lead Partner will ensure timely start and management of the project implementation and implementation of all actions written in the project in accordance with the *Application Form* elaborated jointly with the other Partners and annexed to the Subsidy Contract. If necessary, the Lead Partner is obliged to take actions in order to update the timetable.
4. The Lead Partner is obliged:
 - 1) to ensure correct implementation of actions within the Project and promptly inform the Partners, as well as the Managing Authority, on all circumstances that may have negative impact on dates and scope of actions established in the *Application Form*;
 - 2) to monitor the progress of the Project and Project output indicators in particular;

- 3) to take all actions necessary for timely reception of subsidy, as well as prompt transfer of relevant parts of subsidy to Partners' bank account, within 5 working days from the date the subsidy was accounted on the Lead Partner account. In particular, the Lead Partner should collect all information and documents in accordance with the monitoring and reporting rules set by the Managing Authority;
- 4) to report to the Joint Secretariat the project progress;
- 5) to apply to the Managing Authority for reimbursement of the Project eligible expenditures, on the basis of submitted Request for payment and within periods specified in the Subsidy Contract;
- 6) to ensure audit trail allowing for identification of each financial operation;
- 7) to return the amounts unduly paid, within the period and upon conditions specified by the Managing Authority;
- 8) to coordinate the information measures implemented by particular partners, resulting from arrangements written in the Application Form;
- 9) to provide appropriate number of competent staff and technical resources necessary for effective meeting of obligations resulting from fulfilling the function of the Lead Partner;
- 10) to implement the project activities according to the Application Form;
- 11) to inform the MA for any modifications of the Partnership Agreement.

§ 5. Rights and obligations of the Partners

1. Each Partner is obliged:

- 1) to fulfil its obligations resulting from the documents governing implementation of the Programme, defined in the preamble to this agreement;
- 2) to undertake all actions necessary for timely and full implementation of its part of the project;
- 3) to take all necessary actions in order to allow the Lead Partner to meet the obligations provided in the Subsidy Contract. With respect of the above, each Partner is obliged to transfer all documents and information required by the Lead Partner by dates allowing it to implement the obligations towards the Managing Authority as specified in the Subsidy Contract, in particular to prepare relevant documents in terms of technical and financial project

implementation in accordance with the provisions of the Subsidy Contract (e.g. Progress report, Request for verification of expenditures, Request for payment, ect.).

2. The Partner is entirely and solely responsible for implementation of its tasks, in accordance with the description contained in the Application Form and in the Subsidy Contract.
3. Each Partner should promptly inform the Lead Partner on relevant circumstances having impact on correctness, timeliness, effectiveness and completeness of its actions.
4. Each Partner has the right to receive via Lead Partner subsidy from the Programme, in accordance with the project budget contained in the Application Form, subject to fulfilment of its obligations resulting from this agreement and the documents governing implementation of the Programme.
5. Every Partner is obliged to provide quarterly Progress Report pertaining to the tasks provided for the Partner in the Application Form as well as certificate of expenditures issued by the national controller in accordance with the procedures specified within.....² days.
6. In order to provide audit trail allowing for identification of each financial operation, each partner is obliged to have separate accounting for project implementation so as to allow for identification of each financial operation within the whole Project.
7. Every Partner is liable for any irregularities found in implementation of the Project tasks specified for a given Partner in the Application Form.
8. Every Partner agrees for processing its personal data for monitoring, control, promotion and evaluation of the Project.
9. Every Partner is liable towards other partners for any damages resulting from the project and consequences of damages, resulting from the tasks and obligations delegated to the Partner within the Project in accordance with § 6 of this Partnership Agreement.
10. At any time, the Partners may apply to the Lead Partner for requesting the Managing Authority for information necessary for correct implementation of their part of the Project. In such case the Partner/s is obliged to simultaneously transmit

² The date established by the project partners.

to the Lead Partner all relevant information and documents necessary for preparation of request.

11. The reports, advance and reimbursement claims, as any other official document submitted for the implementation of the operation must be signed by the legal representative of the Partner or by its mandate.

§ 6. Division of tasks between the Partners

Activities to be implemented by the Lead Partner and particular Partners are specified in the Application Form annexed to this Partnership Agreement.

§ 7. Cooperation with external for the project bodies

1. In case of cooperation with external bodies, including subcontractors, the Partner is solely responsible before the Lead Partner for compliance of activities of the external body acting in its name and on its behalf, with provisions of the Partnership Agreement. The Lead Partner should be promptly informed on the subject and scope of the agreement concluded with the external for the project body.
2. Rights and obligations resulting from the agreement may not be transferred, neither in part nor in whole, to other body without prior consent of other Partners and the Managing Authority.
3. Outsourcing implementation of either part of tasks assigned to a given Partner should take place in accordance with appropriate Community and national regulations, Subsidy contract, Application Form and procurement rules under Chapter 3 of Title IV of Part Two of Regulation (EU Euratom) No 966/2012 and Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012.

§ 8. Budget and Payments

1. Financial share of particular partner in the Project costs as well as the maximum amount of co-financing from Programme funds for particular Partner are established in the project budget defined in the Application Form and in the Co-financing Statement, annexed to the Application Form.
2. The Lead Partner transfers the funds to the accounts of the Partners in appropriate amount and proportionally according to the Request for payment approved by the Managing Authority. The basis for preparation of the Request for payment is a list

of expenditures incurred in a given reporting period. Acceptance of particular expenditures in the list depends on their verification by the Controllers. Subject to reimbursement are only the expenditures that may be qualified as eligible according to provisions of Programme documents and in accordance with the Guidelines for Applicants.

3. The LP transfers (in euro) the received IPA co-financing to all partners and the Bulgarian national co-financing to all Bulgarian partners within 5 (five) working days as of cashing in the amounts from the MA.
4. The transfer of funds by the Lead Partner to the Partners depends on fulfilment of obligations resulting from this Partnership Agreement, approval of the Request for payment by the Managing Authority and a transfer to the bank account of the Lead Partner in accordance with the Subsidy Contract.

§ 9. Recovery of funds

1. When on the basis of the Request for payments, financial controls conducted by authorised bodies or any other sources is found that the Partner:
 - used the whole or a part of the subsidy granted not as intended, without adhering to the applicable procedures;
 - took funds in an undue manner or in excessive amounts,the Partner shall be obliged to reimburse these funds, respectively in part or in whole, together with interest, on the specified terms and deadlines.
2. In case the Partner did not perform the reimbursement when due, as referred to in item 1, the Lead Partner shall undertake actions aiming to recover the subsidy, including initiating the legal proceeding. The costs of actions aimed to recover the subsidy shall be borne by the Partner.
3. The interest referred to in item 1 shall be calculated as those for tax liabilities and charged from the day the subsidy transfer referred in item 1 was transferred to the Partner account.

§ 10. Control and Audit

1. For the purposes of control and audit the Lead Partner and the other Partners undertake to:
 - 1) provide all necessary documents for control activities;

- 2) retain documentation and data pertaining to the implemented project for the period specified in the Subsidy contract, in particular documents pertaining to expenditures and controls required for provision of appropriate audit trail. All documents should be in original copies or copies authenticated by a person authorized to represent the Partner (in particular of invoices or other documents with equivalent value of proof);
- 3) allow the Managing Authority and other competent bodies to perform post-control activities pertaining to correctness of implementation of the Project;
- 4) timely transmit to the competent institutions, referred to in item 3, the information required by them, making accessible to them the account books, financial documents, and other documents related to the Project.

§ 11. Information and Promotion

1. All Partners should actively participate in distribution of information related to implementation of the project and its co-financing from the European Union.
2. Any document, publication, informational board, conference or training related to the Project must contain information on EU co-financing within the Programme. While implementing the information and promotion tasks the Partners are obliged each time to use the relevant provisions of the Communication and Visibility Manual for EU External Actions.
3. The Partners agree for publication in any form and media, including Internet, by the Joint Secretariat of the Programme, of the following information:
 - 1) name of the Lead Partner and the Partners institutions;
 - 2) project purpose;
 - 3) project amount including EU and national co-financing;
 - 4) project implementation area;
 - 5) project implementation report and the final report;
 - 6) was information on the project published, and how.

§ 12. Intellectual Property Rights

All Partners should strive for all the products of the Project to be free of limitations resulting from protection of these rights - within the limits of the national law pertaining to intellectual property. All project outputs, results and other products shall be made available for free to all interested individual or legal persons, in a non-discriminatory

way. Making the above available only for certain individual/s or legal person/s is strictly forbidden.

§ 13. Confidentiality Clause

1. All information obtained during implementation of the Project not a matter of information and promotion, should be treated as confidential.
2. The partners undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least five years from the official closure of the programme.
3. Failing to respect the confidentiality obligation gives the damaged party the right to claim compensations from the damaging party.

§ 14. Conflict of interests

1. In the present Agreement, the conflict of interests in the meaning of Article 57 of Regulation 966/2012 represents any impartial and objective exercise of the functions of any person under the project compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.
2. The parties are obliged to take all necessary measures in order to avoid any conflict of interests and to keep each other informed, in up to 5 (five) days from finding out, on any circumstances that have generated or may generate such a conflict. Any conflict of interests that arises during the implementation of the contract shall be immediately notified by the Lead Partner to the JS and MA/NA, which reserve the right to verify such circumstances and take the appropriate measures, where necessary.

§ 15. Modifications

1. Any modifications to this Partnership Agreement can be made only in the following cases:
 - Modification in the Application Form in the process of selection for funding;
 - Modification during the project implementation period.
2. Any modifications to this Partnership Agreement can be made only in the form of an addendum, accepted and signed by all parties of this Partnership Agreement.

3. The Lead Partner and the remaining Partners undertake to implement the Project, unless circumstances appear making withdrawal inevitable. If one of the Partners in case of “force majeure” withdraws from further implementation of the Project, the remaining Partners, will act for full implementation of the Project targets. The Partners remaining should be at least one on each side of border.

§ 16. Governing Law and Dispute Resolution

1. The governing law for this Agreement is the national law of the Lead Partner.
2. In case of disputes between the parties related to interpretation or implementation of the present Partnership Agreement, they will try to resolve them by mediations. To this aim each Partner will appoint one independent mediator. The tasks of the mediators team will include preparation within one month from creation of the team a solution to the dispute.
3. If the solution proposed by the mediators is not accepted by all Partners, the dispute will be subject to the general court competent for the office of the Lead Partner.

§ 17. Final Regulations

1. The agreement is made in copies in English. Each party receives one copy of the Partnership Agreement.
2. All communication within the Partnership will be held in English.

Lead Partner:

[Official name of the Lead Partner – PP1 institution]

[Surname, Name and position of the signing representative]

[Signature and Stamp]

Project Partner 2:

[Official Name of the Partner – PP2 institution]

[Surname, Name and position of the signing representative]

[Signature and Stamp]

IMPORTANT

Insert the above for every Project Partner!

Annex: Application Form