



## Fact Sheet 14 - Partnership Agreement

	Valid from	Valid to	Main changes
Version 2	27.04.15		A previous version was available on the programme website but <b>all</b> projects must use this version.

Core message: It is a regulatory requirement that all projects draw up and sign a Partnership Agreement. This fact sheet provides a template from which to develop the agreement and highlights some of the main issues to consider.

### Background

This Fact Sheet provides Lead Beneficiaries with a starting point for establishing a Partnership Agreement and aims to ensure that all essential elements are addressed explicitly, including provisions for protecting the audit trail and for dealing with shared costs within a project<sup>1</sup>. Creation of a Partnership Agreement for the project is a Lead Beneficiary responsibility in accordance with the regulations.

A template is attached as an important input in the drafting process. It should, however, serve as a minimum requirement only and should be adapted as necessary to each individual project. When adaptations of the text are made, it must be ensured that the new text still complies fully with the requirements in the regulations.

### Guidance

- Every project must have a Partnership Agreement signed by all project beneficiaries – this also includes all co-beneficiaries collaborating in a local partnership (see Fact Sheet 13 on Roles and Responsibilities in Project Partnerships)
- The Partnership Agreement must be concluded after the project contract is issued but before the first claim for payment is submitted. It is, however, recommended to make agreements on shared costs, the division of preparation costs and financial liabilities as part of the application process
- Changes in the partnership must be reflected in an amended Partnership Agreement or Addendum

<sup>1</sup> European Territorial Cooperation Regulation 1299/2013 §13.2 (a)



- Partnership Agreements should indicate and explicitly explain how shared management costs will be calculated for all beneficiaries. The agreed method for how to calculate and report shared costs can only be changed if all beneficiaries agree to it and sign off an amended Partnership Agreement
- In addition to the elements mentioned in the template, other points may be added such as:
  - Deadlines for internal reporting (taking into account requirements of different national systems)
  - Internal procedures and deadlines for requesting changes
  - Dates and venues of main meetings foreseen etc.

Relevant legal advice may be necessary before finalising the agreement. Programme bodies cannot be held responsible for any financial loss incurred as a result of applying the template attached to this Fact Sheet.

## References

- 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 (ETC-Regulation) Article 13 & 27
- Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 Article 13 & 25.
- 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 CPR Regulation) Article 125(9)



**Important note on Article 11: Article 11 on the requirement to make all project deliverables and outputs available to the general public free of charge does not apply to beneficiaries approved under a state aid scheme in line with section 5.3 of the Cooperation Programme**

## Partnership Agreement for the project **XXX**

*Model Agreement between the lead beneficiary and project beneficiaries of an Interreg North Sea Region project.*

*This document serves as an example and represents the minimum requirements of a partnership agreement under the North Sea Region Programme. It must be negotiated between partners and tailored to the partnership's individual needs. The partnership can amend the document as necessary but no elements of the model agreement can be omitted.*

Fact Sheet 14

### Definitions and Abbreviations

For the purpose of this agreement, the following words and abbreviations shall have the following meanings:

**Agreement** means the Partnership Agreement

**Approval Decision** means the approval decision of the Steering Committee as indicated in the Subsidy Contract

**Approved Application** means the application which was approved by the Steering Committee. The approved application serves as the reference point for all project activities.

**Lead Beneficiary** means: lead beneficiary as referred to in Article 13 of Regulation (EU) No 1299/2013

**Programme** means the Interreg North Sea Region Programme

**Programme Authorities** means the Managing Authority, Joint Secretariat, Certifying Authority and/or Audit Authority

**Programme Manual** means the latest published version of the programme manual



**Project Beneficiaries** means the project beneficiaries named in the approved application, including the Lead Beneficiary

**Project** means *[FILE NO, ACRONYM, TITLE]* as described in the approved application

**Subsidy** is the maximum ERDF/ERDF equivalent co-financing allocated to the project in accordance with the approved application



**[FILE NO, ACRONYM and TITLE of the project]**

Having regard to:

- Article 13(2) of Regulation (EU) no 1299/2013 of the European Parliament and of the Council of 17 December 2013, on the European Territorial Cooperation goal,
- The programme manual section “project partnership agreement”, whereupon beneficiaries in a project funded under the Interreg North Sea Region Programme have to conclude an agreement concerning their mutual financial and legal responsibilities, including the functions and responsibilities of the lead beneficiary,
- The subsidy contract signed between the managing authority and the lead beneficiary, section F5.

For the implementation of the Interreg North Sea Region project *[FILE NO, ACRONYM and TITLE of the project]*, approved by the Steering Committee – on *[DATE]*, the following agreement shall be made between the beneficiaries in the project.

*Article 1*

**Parties to the agreement**

The parties to this agreement are the lead beneficiary and the project beneficiaries as listed in the approved application.

*Article 2*

**Subject of the agreement**

1. Subject of this agreement is the organisation of a partnership in order to implement the project *[FILE NO, ACRONYM and TITLE of the project]* as indicated in the annexes. The annexes comprise:
  - the application as approved by the Steering Committee
  - the subsidy contract between the Managing Authority and the lead beneficiary
  - Budget by budget line by beneficiary, spending plan by beneficiary, allocation of tasks and objectives, outputs and results by beneficiary (this information can be found in the approved application and the subsidy contract)



2. The annexes - including all provisions they are based on and refer to - are considered to be an integral part of this agreement.

### Article 3

## Obligations of the parties

### Lead beneficiary's obligations

1. The lead beneficiary will comply with all obligations deriving from article 13 (2) of Regulation (EU) No 1299/2013, the subsidy contract and the programme manual, and inter alia, ensure the transfer of the subsidy to the project beneficiaries as quickly as possible and in full unless otherwise agreed in the partnership as described in article 13 (3) of Regulation (EU) No 1299/2013.
2. The lead beneficiary will inform the other project beneficiaries on a regular basis about any relevant communication between the lead beneficiary and the joint secretariat. In addition all correspondence between the lead beneficiary and the programme will be available to the project beneficiaries in the Online Monitoring System. It is the responsibility of the individual project beneficiary to keep itself informed on all relevant communication regarding the project which is available in the Online Monitoring System.
3. Before submitting a request for change as described in Fact Sheet No 26 to the Joint Secretariat, the lead beneficiary shall obtain the approval of its project beneficiaries on the changes proposed. The lead beneficiary may set a deadline to the other project beneficiaries for this approval so that beyond this deadline the proposed changes are considered as approved by all project beneficiaries.
4. When relevant make arrangements for shared costs in line with Fact Sheet No 8.

*[If the project wants to provide more explicit information, it could be copied from the relevant Regulation, the subsidy contract and/or the programme manual and added to the Agreement as an annex.]*



### **The obligations of project beneficiaries**

5. To be eligible as project beneficiary under the Interreg North Sea Region Programme, the project beneficiary has to be a legal entity.
6. All project beneficiaries will do everything in their power to deliver the project as defined in the present agreement and in line with the latest approved version of the application.
7. All project beneficiaries shall comply with the provisions of the Cooperation Programme, the Subsidy Contract, the Fact Sheets and guidance regarding project activities issued by the national authorities participating in the Cooperation Programme or issued by the Joint Secretariat on behalf of those national authorities.
8. All project beneficiaries shall comply with the statutory rules under European law, national statutory regulations, orders, decrees and rulings, permits and exemptions which are relevant for the performance of the present agreement, specifically with respect to their own portion of the project.
9. It is the responsibility of each project beneficiary to ensure that the relevant national rules on data protection are observed.

In addition, project beneficiaries shall fulfil the following obligations:

10. To nominate a contact person(s) for the part of the project for which it is responsible and give the lead beneficiary the authority to represent the beneficiary in the project. In the event of changes of the person(s) in charge the lead beneficiary must be notified immediately;
11. To provide the lead beneficiary with all the information, in the prescribed form, necessary to draw up the mandatory reports for the project as described in the subsidy contract as well as all other reports on activities, requests for payment and other documents or information requested by the joint secretariat. The information so requested will be provided to the lead beneficiary on time and complete;
12. To follow the programme requirements i.e. making use of the Online Monitoring System in all exchanges of information with the programme authorities.



13. To make the beneficiary contributions available as foreseen in the approved application and this agreement;
14. To react promptly to any request of the lead beneficiary, of programme authorities and bodies involved in the programme implementation, in particular for what concerns requests related to the coordination, implementation and evaluation of the project;
15. To notify immediately the lead beneficiary of any event that could lead to a temporary or final discontinuation or any other deviation of the project, as well as any change related to the name of the organisation, its contact details, legal status or any other change concerning the beneficiary's legal entity which may have an impact on the project or on their eligibility to the programme.
16. To comply with the planned budget, spending plan by beneficiary, allocation of tasks and objectives, outputs and results by beneficiary as indicated in the approved application and to notify the lead beneficiary without delay of any event that may lead to a deviation.

*Article 4*

**Eligibility of Expenditure**

1. Each project beneficiary can only report eligible expenditure. In order to be deemed eligible, the reported expenditure of each project beneficiary shall:
  - a. relate to activities and costs which are carried out and incurred within the eligibility period indicated in the subsidy contract;
  - b. relate to activities set out in the approved application which are necessary for carrying out the project and achieving the project's objectives, outputs and results, and are included in the budget of the approved application;
  - c. be reasonable, justified, and comply with the applicable EU and programme rules. In the absence of rules set at EU or programme level or in areas that are not precisely regulated national or institutional rules in accordance with the principles of sound financial management apply;
  - d. be incurred and paid out by the project beneficiary and be substantiated by proper accounting evidence allowing identification and checking;



- e. be identifiable, verifiable, plausible, determined in accordance with the relevant accounting principles, and recorded in a separate accounting system or with an adequate accounting code;
  - f. be verified by a designated first level controller in accordance with Regulation (EU) No 1299/2013, Article 23(4). For Swedish beneficiaries only Tillväxtverket can be designated as first level controller.
2. By derogation to Article 4.1 (a) to (e), simplified costs options are indicated in the programme manual or the Fact Sheets and must be applied accordingly by each project beneficiary.
  3. In case a project beneficiary does not comply with the eligibility rules, the lead beneficiary and/or the programme authorities may impose corrective measures which have to be implemented by the concerned beneficiary. Those corrective measures can lead to the exclusion of any ineligible expenditure and to the request for repayment of all or part of the concerned subsidy.

#### Article 5

#### **Decision-making under the agreement**

1. Decisions with regard to the:
  - general project activities will be taken by [...] (e.g. the lead beneficiary following consultations with the project beneficiaries)
  - individual activities of project beneficiaries will be taken by [...] (e.g. the lead beneficiary following consultations with the project beneficiaries)
  - general project budget will be taken by [...] (e.g. the lead beneficiary following consultations with the project beneficiaries )
  - individual budget of project beneficiaries will be taken by [...] (e.g. the lead beneficiary following consultations with the project beneficiaries)



- request for the exclusion and addition of beneficiaries will be taken by [...] (e.g. the lead beneficiary following consultations with the project beneficiaries)
- 2. The decision will be taken by [...], (e.g. majority vote, 5% majority etc.,)

*[Further details on the rules of procedure document]*

#### Article 6

### Financing of joint activities and preparation costs

1. The arrangements for sharing costs between beneficiaries are defined between the involved beneficiaries in line with Fact Sheet No 8: *[If applicable, concrete details on how the procedures and individual shares of shared costs for each beneficiary can be included here or as an annex to the agreement.]*
2. Preparation costs are € 40,000 funded at an intervention rate of 50% which means that the programme will pay out a sum of € 20,000. The amount is paid out as a lump sum in line with Regulation (EU) 1303/2013 §67.1(c). The specific rules in relation to preparation costs are found in Fact Sheet No 7.

#### Article 7

### Project and programme performance

1. In case a project beneficiary does not successfully reach one or more expected objectives, outputs or if the results as set out in the approved application are not successfully reached, the concerned project beneficiary is responsible to follow the requested corrective measures by the programme authorities.
2. In case one or more project beneficiary(ies) fail to respect the contractual arrangements on delivery in time, delivery to budget and delivery of outputs as defined in the annexes of this agreement, the programme may reduce the subsidy allocated to the project and, if necessary, stop the project by terminating the subsidy contract. In such cases, the



concerned project beneficiaries will be liable in compliance with article 8 of this agreement.

3. Subsidy payments not requested by each project beneficiary in time and in full as indicated in the spending plan included in the approved application may be lost for the concerned project beneficiary.

#### *Article 8*

#### **Liability**

1. In case a project beneficiary does not comply with its obligations as agreed upon in this agreement and its relevant annexes, the concerned project beneficiary shall be the sole responsible for any liabilities, damages and costs, resulting from the non-compliance.
2. No project beneficiary shall be held liable for not complying with its obligations as agreed upon in this agreement if the non-compliance be caused by force majeure. In such a case, the beneficiary involved must announce this immediately in writing to the other project beneficiaries.

#### *Article 9*

#### **Audit rights, evaluation of the project / archiving of documents**

1. The European Commission, the European Anti-Fraud Office, the European Court of Auditors, the EFTA Surveillance Authority and, within their responsibility, the relevant bodies of the participating EU Member States and Norway or other programme authorities are entitled to audit the proper use of funds by the project beneficiaries or arrange for such an audit to be carried out by authorised persons.
2. Each project beneficiary will with no delay produce all documents required for the audit, provide necessary information and give access to his/her business premises.



3. In accordance with Regulation (EU) 1303/2013, Articles 56 and 57 each project beneficiary undertakes to provide independent experts or bodies carrying out any project evaluation with any document or information necessary to assist the evaluation.
4. Each project beneficiary will archive documents related to the project implementation as described in Fact Sheet No 12 regarding documentation and the audit trail. For Norwegian and Swedish beneficiaries, accounting evidence and other supporting documents must be kept for ten full years from 31 December of the year in which the final payment is made to the project.
5. In accordance with Regulation (EU) No 1303/2013, Article 140 (the archiving of the documents) each project beneficiary must ensure that all documents are kept either:
  - a. In their original form;
  - b. As certified true copies of the originals;
  - c. On commonly accepted data carriers including electronic versions of original documents;
  - d. Or documents existing as electronic versions only.

Notwithstanding the foregoing, the archiving formats have to comply with national and EU legal requirements. Specific guidance on documents required for the audit trail can be found in Fact Sheet No 12.

6. The requirements as indicated in point (4) also apply to any project beneficiary which leaves the partnership before the end of the project.

#### *Article 10*

### **Communication and publicity**

1. Each project beneficiary will contribute as necessary to the delivery of the communication work package as described in the approved application that ensures adequate promotion of the project and its results towards potential target groups, project stakeholders and the



- general public in compliance with the Annex XII (2.2) of Regulation (EU) No 1303/2013, the Subsidy Contract and the programme Fact Sheets
2. Unless differently required by the managing authority, any notice or publication in relation to the project, made in any form and by any means, including the internet, must state that it only reflects the author's views and that the programme authorities are not liable for any use that may be made of the information contained therein.
  3. Each project beneficiary agrees that the programme authorities shall be authorised to publish, in any form and by any means, including the internet, the following information:
    - a. the name and a summary description of the project,
    - b. the name of the lead beneficiary and the project beneficiaries,
    - c. address(es) of the project website(s) and/or other information on how the project can be contacted,
    - d. the purpose of the ERDF-/ERDF equivalent - funding,
    - e. the amount of the ERDF-/ERDF equivalent - funding awarded and paid from the Cooperation Programme,
    - f. the duration of the project,
    - g. the geographical scope of the project,
    - h. the activity reports including the final activity report

#### *Article 11*

### **Intellectual Property Rights**

1. All intellectual property, outputs and results (whether tangible or intangible) that derive from the project will be the property of the lead beneficiary and the project beneficiaries but must be made available to the general public as described in section 5.3 of the Cooperation Programme.
2. In line with this, the results of the project have to be made available to the general public free of charge by the lead beneficiary and project beneficiaries. The Managing Authority and



any other relevant Programme stakeholder (such as the National Contact Points, the European Commission) may reserve the right to use them for information and communication actions in respect of the programme. If there are pre-existing intellectual and industrial property rights which are made available to the project, these will be fully respected provided that they are notified by the lead beneficiary and project beneficiaries to the Managing Authority in writing.

3. Any income generated by the intellectual property rights must be managed in compliance with the applicable EU, national and programme rules as described in the Fact Sheets.

*[If applicable, concrete details on how the project will handle and agree upon the intellectual property rights for the project's outputs and results can be included here.]*

#### Article 12

##### **Cooperation with third parties, delegation legal succession and outsourcing**

1. In case of cooperation with third parties including suppliers of good/services, the project beneficiary concerned shall remain solely responsible to the lead beneficiary concerning compliance with its obligations as set out in this project partnership agreement.
2. The lead beneficiary shall be informed by the project beneficiary about the subject and party of any contract concluded with a third party.
3. No project beneficiary shall have the right to transfer its rights and obligations under this project partnership agreement without the prior consent of the other project beneficiaries and the responsible programme implementing bodies.
4. In cases of legal succession, the lead beneficiary or concerned beneficiary is obliged to transfer all duties under this partnership agreement to the legal successor.
5. Outsourcing to consultants or to suppliers of goods/service shall be undertaken in accordance with procedures set out in the public procurement rules applicable e.g. relevant national rules and/or Fact Sheets to the contracting beneficiary and in compliance with the EU directives on public procurement.



### *Article 13*

#### **Duration and right of termination**

1. The agreement will enter into force on the date on which it is signed by all parties. (No payments will be made to the project by the programme authorities until the agreement is signed.) It will remain in force until complete fulfilment of the lead beneficiary and beneficiaries' obligations under this project partnership agreement and the subsidy contract i.e. until the final report from the project has been approved by the programme authorities and no outstanding issues in relation to audit remains.
  - a. In particular, all relevant provisions necessary for the fulfilment of the archiving and audit obligations defined in article 9 of this agreement shall remain in force until the end of the period referred to Fact Sheet No 12 and in article 140 of Regulation (EU) No 1303/2013.

### *Article 14*

#### **Non-fulfilment of obligations and disputes**

1. Should one of the project beneficiaries not fulfil its obligations, the lead beneficiary shall contact the concerned beneficiary and remind this beneficiary to comply within a maximum of [DAYS]. The lead beneficiary shall make any effort to contact the concerned beneficiary in order to solve the difficulties, including seeking the assistance of the Managing Authority / Joint Secretariat of the Programme.
2. Should the non-fulfilment of obligations continue, in spite of notifications as mentioned under point one of this article, the partnership may decide to exclude the concerned beneficiary from the project. The Managing Authority / Joint Secretariat shall be informed immediately by the lead beneficiary if the partnership intends to exclude a project beneficiary from the project.



3. In case of non-fulfilment of a project beneficiary's obligation having financial consequences for the funding of the project as a whole, the lead beneficiary may demand compensation to cover the sum involved.
4. In case of any disputes, even if regarded as such by only one of the project beneficiaries, which may arise owing to a further agreement or an actual action which is wholly or partly subject to the present agreement, the project beneficiaries shall first work towards an amicable settlement. In case the beneficiaries do not reach an amicable settlement, the settlement will be adjudicated by the competent court or by arbitration in the district in which the lead beneficiary has its registered office. The lead beneficiary's registered office is located in [address].

#### *Article 15*

#### **Demand for repayment**

1. Should the programme authorities in accordance with the provisions of the subsidy contract demand repayment of all or part of the subsidy already transferred, each project beneficiary concerned is obliged to reimburse its share of the subsidy amount unduly received to the lead beneficiary.
2. The lead beneficiary shall, without delay, inform the concerned project beneficiary about any ERDF/Norwegian equivalent amount unduly paid due to an irregularity as soon as it is informed by the Managing Authority/Joint Secretariat. It shall also forward, without delay, the letter by which the Managing Authority has asserted the recovery order and notify each project beneficiary of the amount to be repaid. This amount is due by the deadline indicated by the lead beneficiary in accordance with the recovery procedure described in the subsidy contract. In case the amount to be recovered shall be subject to interest, the interest rate will be determined in accordance with the relevant EU and national rules and would be applied to each concerned beneficiary.
3. According to article 122.2 of Regulation (EU) 1303/2013 and article 27.3 of Regulation (EU) 1299/2013, if the lead beneficiary does not succeed in securing repayment from other project beneficiaries or if the Managing Authority does not succeed in securing repayment



from the lead beneficiary, the Member State or third country on whose territory the beneficiary concerned is located shall reimburse the Managing Authority any amounts unduly paid to that beneficiary. The EU Member State or third country (Norway) on whose territory the concerned beneficiary is located shall be entitled to undertake any legal action that it may deem necessary towards the concerned beneficiary in order to recover the unduly paid amount, based on national jurisdiction rules and in accordance with any agreement the EU Member State or Norway may have entered into with the beneficiary. In that case, the lead beneficiary shall have the right to transfer its rights and obligations under this agreement to the EU-Member State or Norway on whose territory the concerned beneficiary is located provided that the EU-Member State or Norway agree to this transfer.

*Article 16*

**Amendment of the partnership agreement, withdrawals**

1. This agreement shall only be amended in writing. The amended agreement must be signed by all parties involved.
2. Modifications to the project (e.g. concerning activities, time schedule or budget) that have been approved by the programme authorities, in compliance with the procedure set in the Programme Manual, can be carried out without amending the present agreement.
3. If one of the project beneficiaries withdraws from the partnership, the lead beneficiary and the project beneficiaries shall endeavour to cover the contribution of the withdrawing project beneficiary, proposing to the programme authorities either to reallocate the tasks of the withdrawn beneficiary inside the partnership and/or to replace the withdrawn beneficiary by one or more new project beneficiaries.

*Article 17*

**Working language**

1. The working language of the project shall be English.



2. If more than one language version of the Agreement exists the English version of the Agreement is the binding one.

*Article 18*

**Final provisions**

1. This agreement is governed by [...] law [law of the country where the lead beneficiary is located].
2. If any provision in this agreement should be wholly or partly ineffective, the project beneficiaries undertake all to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.



### Signatures

**The lead beneficiary**

Title of the institution: .....

Place and date: .....

Name and function of the signatory: .....

Signature/Stamp: .....

**The project beneficiary [#number]**

Title of the institution: .....

Place and date: .....

Name and function of the signatory: .....

Signature/Stamp: .....