

Interreg IPA Cross-border Cooperation Programme

Croatia - Bosnia and Herzegovina - Montenegro

2014-2020

Partnership Agreement

OPERATION TITLE:	
OPERATION ACRONYM:	
OPERATION NUMBER:	
LEAD BENEFICIARY/PARTNER 1:	
PARTNER 2	
PARTNER 3	
PARTNER 4	
PARTNER 5	
PARTNER 6	
IMPLEMENTATION PERIOD:	

Partnership Agreement

for the implementation of the Operation

<title of the Operation>

<Acronym>

within the Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014 – 2020

This document serves as model for the partnership agreement to be established between the lead partner and all partners in compliance with Article 13(2) of Regulation (EU) No 1299/2013. This document provides all minimum compulsory requirements that the signed partnership agreement must hold.

Having regard to:

- the legal framework as in Preamble of the Subsidy Contract signed between the Managing Authority and [redacted] acting as Lead Beneficiary of the Operation <title of the Operation>, acronym [redacted], ID [redacted];
- Article 13(2) of Regulation (EU) No 1299/2013;
- Article 4 of the abovementioned Subsidy Contract;

the following Agreement shall be made between:

<insert full name and address of the Lead Beneficiary>, hereinafter referred to as the Lead Beneficiary ,
represented by:

<insert the name of the legal representative>

and

<insert full name and address of Project Partner 2 institution>,
represented by:

<insert the name of the legal representative>

and

<insert full name and address of Project Partner 3 institution>,
represented by:

<insert the name of the legal representative>

and

<insert full name and address of Project Partner 4 institution>,

represented by:

<insert the name of the legal representative>

and

<insert full name and address of Project Partner 5 institution>,

represented by:

<insert the name of the legal representative>

and

<insert full name and address of Project Partner 6 institution>,

represented by:

<insert the name of the legal representative>

hereinafter referred to as the Parties.

The Parties have agreed as follows:

IMPORTANT

Insert the above information for every Project Partner.

Article 1 - Definitions

For the purposes of this Partnership Agreement the following terms shall have the following meanings:

- a) The Programme: Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014 – 2020;
- b) Subsidy Contract: agreement between the Managing Authority (hereinafter referred to as MA) and the Lead Beneficiary, specifying the conditions upon which the Managing Authority transfers subsidy for the Operation implementation to the Lead Beneficiary (on behalf of all Project Partners);
- c) Lead Beneficiary: the project partner who takes the overall responsibility for the submission and the implementation of the entire Operation, as well as the responsibility for the financial management (hereinafter referred to as LB);
- d) Project Partner: any institution participating in the Operation and contributing to its implementation according to the Subsidy Contract and this Agreement (hereinafter referred to as PP).

Article 2 - Subject of the Agreement

1. The subject of this Agreement is laying down arrangements and establishing cooperation principles which regulate the rights and responsibilities among the Parties for successful implementation of the Operation **<title of the Operation>** within the Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 (hereinafter referred to as Operation).
2. The LB and all PPs commit themselves to jointly implement the Operation in accordance with the distribution of tasks as set in the Subsidy Contract, with the aim to reach the Operation main objectives and result.
3. The terms and conditions herein are acknowledged and accepted by all Parties. The LB/PPs are obliged to respect all rules and fulfil all obligations set forth in the present Agreement, Subsidy Contract and the conditions under which the Programme grants subsidies to the selected operations.

Article 3 - Duration of the Partnership Agreement

1. This Partnership Agreement shall become valid under the condition that Subsidy Contract is signed between the LB and MA to finance the Operation.
2. The present Agreement shall continue until fulfilling of all obligations among the Parties, and the LB towards the MA, as stipulated in the Subsidy Contract.

Article 4 - Financing the Operation

1. The total costs of the Operation are estimated as follow:

Total	EU amount	Co-financing amount
<insert amount>	<insert amount>	<insert amount>
100%	Max. 85%	Min. 15%

2. The total costs will be calculated on the basis of reported eligible expenditures of the Operation.
3. Indicative amounts per Project Partner are as stipulated in Subsidy Contract.

Article 5 - Rights and obligations of the Lead Beneficiary (LB)

1. The LB shall:
 - a) assume responsibility for ensuring implementation of the entire Operation and ensure a professional management of the Operation (the LB will ensure that all activities foreseen within the Operation are carried out respecting the rules and regulations referred to in the Annex 2 of this Agreement, all relevant EU and national legislation, and in line with the horizontal principles of the Programme);
 - b) ensure that expenditure presented by all partners has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and in accordance with the Subsidy Contract;
 - c) ensure that the expenditure presented by other PPs has been verified by a controller(s);
 - d) coordinate the start, implementation and closure of the Operation according to the time schedule as indicated in the Subsidy Contract (taking into account minor and major changes that occurred);
 - e) guarantee that it is entitled to represent the PPs participating in the Operation as well as that all partners have complied with all legal requirements and that all necessary approvals for the proper implementation of the Operation have been obtained. The LB is liable for infringements of obligations under this Contract by the PPs in the same way as for its own conduct;
 - f) guarantee the sound financial management of the funds allocated to the Operation (including the arrangements for recovering amounts unduly paid);
 - g) ensure a separate accounting system for Operation implementation so as to allow the identification of costs within the Operation and assure transparent financial flows of Operation funds (open separate (sub)account);
 - h) be responsible for transferring the EU contribution to the PPs participating in the Operation at latest 10 working days after the reception of the funds by the CA;
 - i) be responsible for ensuring the implementation of the entire Operation in the respect to the indicative timeframe of envisaged activities and ensure that expenditure presented by all

- partners has been incurred in implementing the Operation and corresponds to the activities agreed between all the PPs;
- j) inform the JS/MA immediately about all circumstances that delay, hinder or make impossible the realization of the Operation as well as all circumstances that may cause modifications of this Agreement;
 - k) provide any information regarding the implementation of the Operation of any PP (including himself/herself) upon request of the FLC/JS/MA/CA at latest within 7 working days, without any delay;
 - l) use relevant electronic monitoring system (hereinafter eMS) for exchanging information and reporting to relevant Programme bodies.
2. The Lead Beneficiary is responsible for setting up the joint project team at the beginning of the Operation implementation period, which shall supervise the proper implementation of the Operation and perform other tasks in order to fulfil obligation stated in the Subsidy Contract.

Article 6 - Rights and obligations of the Project Partners (PPs)

1. Each Project Partner is obliged:
- a) to undertake all actions necessary for full and timely implementation of its part of the Operation and is entirely and solely responsible for implementation of its tasks, in accordance with the description of tasks in the Subsidy Contract;
 - b) to take all necessary actions in order to allow the LB to meet the obligations provided in the Subsidy Contract and other obligations/requests in the deadline stipulated in the respective requests;
 - c) to promptly inform the LB on relevant circumstances having impact on correctness, timeliness, effectiveness and completeness of its actions;
 - d) ensure timely reporting on its activities and costs in accordance with the time schedule of the Operation;
 - e) to timely transfer all documents and information required by the LB, allowing it to fulfil the obligations towards the FLC/JS/MA/CA as specified in the Subsidy Contract (in particular to support the LB in preparation of the Project Progress Reports/Final Report and other relevant documents in accordance with the provisions of the Subsidy Contract);
 - f) to provide JS/MA with any information regarding the implementation of the Operation (during the implementation and after the Operation closure) regarding output indicators, sustainability and other, in line with deadline specified in the request;
 - g) to install a separate accounting system for Operation implementation so as to allow identification of costs within the Operation;
 - h) to comply with the relevant regulations of the European Union, the Programme rules and the applicable national legislation and regulations concerning horizontal principles (e.g. equal opportunity, environment, state aid, public procurement) as well as Programme and Project implementation documents;

- i) to upload reports and any other documents in the eMS, including scanned originals of supporting documents, in line with Programme and Project implementation documents.
 - j) retain for audit purposes all files, documents and data about the Operation. The documents must be properly archived;
 - k) provide access (during implementation and after Operation closure) to all bodies involved in Programme management, implementation, control and audit to all documents and results of the Operation (including the inventory for the activities as a result of using the funds);
 - l) to respect the communication, visibility and information provisions, as well as all other provisions stated in the Programme and Project Implementation documents;
 - m) to make available Operation results and information about the Operation to the general public.
2. Each PP, including the LB, shall be responsible to the other PPs and shall pay for the damages resulted from not observing the tasks and obligations established by this Agreement and its annexes.

Article 8 – Exchange rate

1. For reporting purposes all expenditure incurred by LB/PPs in currency other than EUR shall be converted by the eMS to EUR using the monthly accounting exchange rate of the Commission (published _____ on _____ website: http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm) in the month during which that expenditure was submitted for verification to the designated controller.
2. The LB shall transfer the funds received by the CA to the PPs within the deadline set in Article 5, paragraph 1, point h), using the middle exchange rate of the National bank. Exchange rate risk shall be borne by the LB.

Article 9 – Reporting

1. Each PP shall submit a Partner Progress Report and Statement of Expenditure to declare its expenditures to the relevant national controller.
2. The submission of the Partner Progress Report and Statement of Expenditure shall be done electronically via e-MS within 10 working days after the end of the reporting period (as stated in the Subsidy Contract). The report is to be completed in line with the Programme templates and drafted in the Programme language (English).
3. During the control of the report, PPs shall provide any additional information related to their part of Operation implementation, if requested by the LB, FLC or any other body.
4. Each PP shall provide the LB with all information that LB deems necessary for the preparation of reports and other specific documents as requested by JS/MA/FLC.

5. The LB shall provide all PPs with copies of any report and document that will be submitted to JS/MA and keep the PPs informed about all relevant communication with JS/MA.
6. After the reports have been approved by JS/MA, the Payment Claim approved by MA and CA, the CA shall transfer the funds to the LB's account. The LB shall forward the funds to the PPs as stipulated in Article 5. In case of delay by the LB, the PPs may claim interest applying commonly used interest rates, which the LB must pay from its own funds (not including the approved Operation budget).

Article 10 - Irregularity and recovery of funds

1. Any irregular amount detected during the implementation of the Operation by the FLC/JS/MA/CA shall be deducted from the next payment to the LB.
2. In case that irregularity is confirmed after the final payment has been made and/or after additional controls have been performed after Operation closure, the MA shall issue a request for recovery to the LB.
3. The LB is obliged to recover any amount requested to be recovered within the 30 calendar days upon receipt of the request for recovery issued by the MA.
4. The LB shall without delay forward the request for the recovery to the concerning PP specifying the internal deadline for the recovery in order to respect the MA's request. The PP is obliged to reimburse the requested amount to the account indicated by the LB, in accordance with Article 27(2) of the ETC Regulation. The LB is obliged to transfer the requested amount received from the PP to the CA.
5. In case the PP does not recover the irregular amount to the LB by the deadline specified in the recovery letter, the LB shall inform the MA without delay. If the PP does not repay the amount within the specified deadline, the LB may claim interest applying commonly used interest rates.
6. The bank charges resulted from reimbursing the unduly paid amounts are borne exclusively by the PP making the reimbursement.

Article 11 - Control and Audit

1. For the purposes of control and audit the LB and PPs undertake to:
 - a) provide all necessary documents to the FLC and all other bodies involved in the process of management, implementation, control and audit of the Programme;
 - b) retain documentation and data pertaining to the implemented project for the two year period from 31 December following the submission of the accounts in which the final expenditure of the completed Operation is included, 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 proof value);
 - c) allow the JS/MA/AA and any other relevant body to perform control activities.

Article 12 - Visibility, communication and information activities

1. The LB/PPs agree that the Operation data and Operation results can be freely used and, in particular, store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Operation whatever their form, in order to ensure a widespread publicity of the Operation results and in order to make them available for the public.
2. The PPs ensure that any outcome and result produced during the implementation of the Operation can be used by all interested persons and organisations free of charge. Moreover, the PPs will support the LB and play an active role in any actions organised by the Programme to disseminate and capitalise on Operation results. The outcomes and results of the Operation have to be made available to the general public free of charge.
3. The LB and PPs shall respect the information and publicity measures set out in the Programme Communication Strategy and Programme Visibility Manual.
4. The LB and its PPs shall ensure that all Operation official communication (e.g. any information to final recipients, notice, publication, internal and annual report, web-site, Operation event, including conferences or seminars) clearly states that the Operation received funding from the European Union within the framework of the Interreg IPA Cross-Border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020. The European Union logo and the Programme logo shall be appropriately displayed.
5. The Parties grant the MA/JS to publish, in whatever form and on or by whatever medium, including the Internet, the following information:
 - a) the name of the Lead Beneficiary and its project partners;
 - b) the purpose of the Contract and Operation's outputs (i.e. the Operation's overall objective);
 - c) the total amount of the Contract and the EU co-financing rate;
 - d) the geographical location of the Operation;
 - e) information and communication materials (operation results, evaluations and summaries);
 - f) any other relevant information about the Operation.

Article 13 - Intellectual Property Rights and Ownership

1. The Parties undertake to enforce the applicable national law on intellectual property rights regarding any output that may be produced during the Operation implementation.
2. Each Project Partner is owner of the equipment it purchased during the Operation implementation.
3. The concerned LB and/or PPs must retain ownership of investments in infrastructure or productive investments realized within the Operation according to the timeframe and the conditions set in Article 71 of Regulation (EU) No 1303/2013.

Article 14 - Conflict of interests

1. In this Agreement, the conflict of interests represents any circumstances that have affected or may affect the execution of the Agreement by the Parties, in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections.
2. The Parties are obliged to take all necessary measures in order to avoid any conflict of interests and to keep each other informed without delay on any circumstances that have generated or may generate such conflict. Any conflict of interests that arises during the implementation shall be immediately notified by the LB to the JS/MA, which reserve the right to verify such circumstances and take the appropriate measures, where necessary.

Article 15 - Modifications of the Agreement

1. Modifications to this Partnership Agreement can be made during the Operation implementation period, in the form of an addendum, accepted and signed by all Parties.
2. LB shall notify the JS/MA regarding the change, respecting the provisions and procedure set out in the Subsidy Contract. Addendum enters into force the day following the signature of the last Party.
3. Being aware of the fact that all changes in the composition of partnership need approval from the MA and that MA is entitled to terminate the Subsidy Contract if the number of Project Partners falls below the minimum number of participants from each Participating Country, the Parties agree not to withdraw from the Operation unless there are unforeseeable reasons for it.
4. In case a PP withdraws from the Operation or is excluded from it, the remaining Project Partners will undertake to find a rapid and efficient solution to ensure the further proper implementation of the Operation without any delay. Consequently, the PPs will strive to cover the contribution of the withdrawing PP, either by assuming its tasks by one or more of the present PPs or by asking one or more new participants to join the project partnership, taking into account the respective Programme provisions.
5. The provisions set for control and audits in Article 11 remain applicable to the PP that withdrew of the Operation or was excluded from the Operation.
6. PPs should pay attention that any breach of the provisions of this Agreement may result in the termination of the Agreement and in de-commitment of financing and repayment of amounts unduly paid.

Article 16 – “Force majeure”

1. “Force majeure” is any unforeseeable and exceptional event affecting the fulfillment of any obligation under this Agreement, which is beyond the control of the LP and PPs and cannot be overcome despite their reasonable efforts.
2. If one of the Parties is prevented from performing any of its obligations under this Agreement due to “force majeure”, it shall give notice without delay to the other Parties and JS/MA.

3. The execution of this Agreement may be suspended during the period of “force majeure” if it is requested by the LB (on behalf of all Parties) to the JS/MA and approved by the MA.
4. In case that the Agreement must be suspended for this reason on a period longer than three months, the MA reserves the right to decide on the continuation/modification/termination of the Partnership Agreement.

Article 17 - Termination of the Agreement

1. In exceptional and duly justified cases, the Lead Beneficiary may decide to terminate the Agreement, by giving a written notification to all Parties and to the JS/MA. The obligations of the Parties towards the MA remain valid until the MA or the Joint Monitoring Committee decides to terminate the Subsidy Contract.
2. If the Operation is not implemented in line with Subsidy Contract, Programme and Project Implementation documents, MA reserves the right to terminate Subsidy Contract (in line with Article 12 of the Subsidy Contract) and this Agreement consequently.

Article 18 - Working language

1. The language of the Programme is English. Therefore, any official documents/communication regarding Operation shall be carried out in English.

Article 19 - Settlement of differences

1. This Agreement will be governed in accordance with the law of the Republic of Croatia. In case of differences that are not ruled by this Agreement, the Parties agree to find an amicable and mutually acceptable solution.
2. In the absence of amicable settlement, the Parties of will submit themselves to the exclusive competence of the Civil County Court in Zagreb in the first instance.

Article 20 - Entry into force

1. The Agreement shall enter into force on the date on which the last of the Parties sign this Agreement.
2. The present agreement is concluded in ... copies. Each copy must be countersigned by every Project Partner.

Lead Beneficiary:

Project Partners:

[Official name of the Lead Beneficiary – PP1 institution]

[Surname, Name and position of the signing representative]

[Signature]

[Official name of the Partner – PP2 institution]

[Surname, Name and position of the signing representative]

[Signature]

[Official name of the Partner – PP3 institution]

[Surname, Name and position of the signing representative]

[Signature]

[Official name of the Partner – PP4 institution]

[Surname, Name and position of the signing representative]

[Signature]

[Official name of the Partner – PP5 institution]

[Surname, Name and position of the signing representative]

[Signature]

[Official name of the Partner – PP6 institution]

[Surname, Name and position of the signing representative]

[Signature]

List of Annexes:

Annex 1 - LEGAL FRAMEWORK AND LIST OF ABBREVIATIONS

Annex 2 – Application Form

Annex 3 – Subsidy Contract

Annex 3 – List of bank accounts/Financial Identification Forms

Annex 1 - LEGAL FRAMEWORK AND LIST OF ABBREVIATIONS¹

LEGAL FRAMEWORK	
CPR	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
ETC 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
Delegated ETC Regulation	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
ERDF Regulation	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
IPA II	REGULATION (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) hereinafter referred to as IPA II Regulation
CPR EA	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
IPA II Implementing	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 1} The applicable Legal Framework is listed first. These shall be updated as relevant, including Programme documents.

Regulation	Parliament and of the Council establishing an Instrument for Pre-accession assistance (IPA II)
Financial regulation	REGULATION (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 Regulation (EU, EURATOM) No 547/2014 of the European Parliament and of the Council of 15 May 2014 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union
Delegated financial regulation	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
Interreg Programme	Interreg IPA Cross-border Cooperation Programme Croatia-Bosnia and Herzegovina-Montenegro 2014-2020 approved by the European Commission Decision No C(2015) 8447 of 24/11/2015
Community rules	Community rules regarding Community horizontal policies such as the rules for competition and entry into the markets, the protection of the environment, the equal opportunities between men and women and public procurement
National rules	National rules applicable to the Lead beneficiary and its Operation Partners