**GRANT CONTRACT**

**Indicative model**

**- from INTERREG Funds -**

<Grant contract identification number>

(the ‘Contract’)

Ministry of Development, Public Works and Administration

16 Libertatii Blvd, Bucharest, Romania, postal code 050706, fiscal code 26369185

acting as the Managing Authority for the (Interreg VI-B) NEXT Black Sea Basin Programme, ("the MA"), represented by <name of legal representative>, Minister

of the one part,

<Full official name of the Lead Partner>

[<Legal status (organisation)>]

<Full official address>

**<**VAT number, for VAT registered Partners, or registration number**>**, acting as Lead Partner, represented by <name of legal representative>, <title>

("the Lead Partner")

of the other part,

on the basis of the approved application no. <JEMS code>, having as legal basis:

➢ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (CPR Regulation);

➢ Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (Interreg Regulation);

➢ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund;

➢ Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU and repealing Regulation (EU) 2017/1601 and Council Regulation (EC, Euratom) No 480/2009;

* Regulation (EU, Euratom) 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 (Financial Regulation);
* Commission Decision No. C (2022) 9608 from 13th of December 2022 approving the (Interreg VI-B) NEXT Black Sea Basin Programme for 2021-2027 period;
* Commission Decision No. C (2022) 8959 from 15th of December 2023 modifying the Commission Decision No. C (2022) 9608 from 13th of December 2022 approving the (Interreg VI-B) NEXT Black Sea Basin Programme for 2021-2027 period;
* The Financing Agreement(s) concluded between the European Commission and the Partner Country(ies),

have agreed as follows:

**Article 1 – Purpose of the contract and general provisions**

1. The purpose of this Contract is the award of an Interreg grant by the MA for the implementation of the project entitled: <*title of the project>* ("the project") described in Annex I.
2. The Contract is signed in accordance with the decision of the Monitoring Committee of the (Interreg VI B) NEXT Black Sea Basin Programme (“the Programme”) no …. from <date/month/year> to award a grant to the project.
3. The Lead Partner will be awarded the Interreg grant on the terms and conditions set out in this Contract and its annexes, which the Lead Partner hereby declares it has noted and accepted.
4. The Lead Partner accepts the Interreg grant and assumes responsibility for ensuring the implementation of the entire project.
5. The Lead Partner shall implement the project jointly with the Partners with the requisite care, transparency and diligence, in line with the principles of sound financial management and with the best practices in the field. The Lead Partner and the Partners shall mobilise all the financial, human and material resources required for its implementation.
6. The Lead Partner receives the Interreg grant from the MA and ensures it is managed and distributed in accordance with the grant Contract and its annexes.
7. This Contract and the payments attached to it may not be assigned to a third-party in any manner whatsoever, unless otherwise required by exceptional circumstances.
8. The Lead Partner and the Partners understand and agree that the Managing Authority may delegate tasks related to monitoring of the project implementation to the Joint Secretariat of the Programme (“the JS”). The Lead Partner and the Partners must answer all written requests from the MA/JS within the deadline stipulated in the respective request and must also support the MA/JS in fulfilling their tasks, including on-site visits and other tasks related to the monitoring, evaluation and implementation of the Programme and the project.
9. The Lead Partner and the Partners understand and agree that, for the sound implementation of the Contract, the MA, either directly or through the JS, may issue mandatory instructions, guidelines, manuals, etc., in line with the provisions of the Contract.
10. The Lead Partner and the Partners must use the control system established at national level for the verification of their expenditures.
11. The Lead Partner and the Partners shall upload and validate data in the Joint electronic Monitoring System (Jems) of the Programme in accordance with the MA/JS instructions.
12. All references to days in this grant Contract are to calendar days, unless otherwise specifically stated.

**Article 2 - Duration of the grant contract**

1. This Contract shall enter into force on the date when the last of the two Parties signs.
2. Implementation of the project shall begin on:

*choose one of the following:*

- [the day following that on which the last of the two Parties signs]

- <a later date (specify the date)>.

1. The project's implementation period, as laid down in Annex I, is <*number of months>* months, without exceeding 31st of December, 2029.
2. The project's implementation period may be increased before its finalization based on justified grounds, through an addendum approved by the MA.
3. The validity period of this Contract shall end five years from 31st December of the year in which the last payment by the Managing Authority to the Lead Partner is made or request for recovery, whichever occurs later. If the case, the time period shall be extended until any on-going audit, verification, appeal, litigation or pursuit of claim is disposed of.

**Article 3 - Project budget**

1. The total eligible cost of the project is estimated at <... .......EURO >, as set out in Annex II.
2. The MA undertakes to finance a maximum of <... .....EURO >, equivalent to <enter applicable percentage, maximum 90%> of the estimated total eligible cost of the project; the final amount of the eligible costs shall be established in accordance with Articles 8 and 12. The Lead Partner and the Partners shall provide 10% of co-financing, per project and per partner.
3. During project implementation, the grant value may be increased, based on justified grounds and subject to the availability of funds, through an addendum approved by the MA.

**Article 4 Payments and reimbursement of the expenditure**

*Advance payment*

1. An advance may be granted from Interreg funds, representing 30% of the value mentioned in article 3.2, subject to the availability of Interreg funds. In order to receive the advance payment, the Lead Partner must send an advance payment request to the MA, stipulating the amount and the bank account.
2. The MA shall verify the advance payment request in maximum 15 days from the registration date at the MA level. The MA may suspend this deadline in case clarifications, modifications or other additional information are needed. The information/clarifications/additional documents must be provided by the Lead Partner in maximum 5 working days from the request.
3. The MA shall transfer the advance to the Lead Partner in maximum 10 days from the date of the approval of the advance payment request. The payment date is considered to be the date when the payment is done from the MA account.
4. The advance will be recovered by deducting 20% from the eligible value of the Interreg funds included in the next payment requests until the amount is cleared. If the advance is not cleared from the interim payment requests, the percentage for deduction may be increased in the request for the final balance.

*Further Payment requests*

1. The LP is entitled to request further payments from the MA by following the reporting procedures defined in the JeMS. The payment request shall be accompanied by:

a) a narrative and financial report in line with Article 5;

b) a control report in line with Article 4.6.

*Control report*

1. A control report for Lead Partner and each Partner, conforming to the instructions of the MA according to Article 1.9, produced by a controller appointed in accordance with the control system established at national level, shall be attached to the requests for payments;

The controller examines whether the costs declared by the Lead Partner /Partner are real, accurately recorded and eligible, including necessary for the implementation of the project, in accordance with the Contract, and issues a control report conforming to the instructions of the MA according to Article 1.9.

The Lead Partner will submit to the MA the control reports accompanied by the Control Certificate issued by the Controllers of all Project Partners.

The control reports accompanying a request for payment of the final balance covers all expenditure not covered by any previous control report.

Based on the control reports, conforming to the instructions of the MA according to Article 1.9, the MA determines the total amount of eligible expenditure and the amount of MA contribution, according to the provisions of Article 3.2.

The MA reserves the right not to accept – in part or in full – expenditure validated by controllers if – as a result of its own checks and/or controls or audits performed by another authority – the validation or the facts stated therein prove to be incorrect, or if the underlying activities or expenditure are not in line with the legal framework as set out in this contract.

The Lead Partner and the Partners grant the controller all access rights necessary for the verification.

*Payment deadlines*

1. The advance payment shall be made according to art 4.1-4.3.

Interim and final payments shall be made by the MA within 80 days of receipt of the payment request from the Lead Partner, subject to the approval by the MA of the accompanying interim and final reports.

The Lead Partner shall transfer the corresponding amounts of the Grant to the Partners within 7 days as from the date of receipt of the advance or further payments, proportionally to each Partner’s contribution to the project, in accordance with the provisions of the Contract and the Partnership Agreement, without making any deduction, retention or further specific charge, and shall submit the proof of transfer to the MA.

*Suspension of the period for payments*

1. Without prejudice to Article 16, the MA may suspend the time-limits for payments by notifying the Lead Partner that:

a) the amount indicated in its request of payments is not due, or;

b) proper supporting documents have not been supplied, or;

c) the MA needs to request clarifications, modifications or additional information to the narrative or financial reports, or;

d) the MA has doubts on the eligibility of expenditure and needs to carry out additional checks, including on-the-spot checks to make sure that the expenditure is eligible, or;

e) it is necessary to verify whether presumed substantial errors, irregularities, fraud or corruption have occurred in the grant award procedure or in the implementation of the project, or;

f) it is necessary to verify whether the Lead Partner and/or the Partners have breached any substantial obligations under this Contract, or;

g) in other exceptional circumstances.

The suspension of the time-limits for payments starts when the above notification is sent by the MA to the Lead Partner. The Lead Partner shall provide any requested information, clarification or document within the deadline stipulated in the request, but no more than 15 days of the request. The time-limit starts running again on the date on which the requested information, clarification or document is recorded.

If, notwithstanding the information, clarification or document provided by the Lead Partner, the payment request is still inadmissible, or if the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, corruption or breach of obligations, then the MA may refuse to proceed further with payments and may, in the cases foreseen in Article 17, terminate accordingly this Contract.

1. In addition, the MA may also suspend fully or partially payments as a precautionary measure, with prior notice of the Lead Partner, prior to, or instead of, terminating this Contract as provided for in Article 17. Moreover, where the award procedure or performance of the Contract is vitiated by substantial errors or irregularities or by fraud or corruption attributable to the Lead Partner and/or the Partners, the MA may refuse to make payments or may recover amounts already paid, in proportion to the seriousness of the errors, irregularities, fraud or corruption.

*Rules for currency conversion*

1. Reports shall be submitted in euro. For the purpose of reporting, conversion into euro shall be made using the monthly accounting exchange rate of the European Commission of the month during which the expenditure was submitted for control in accordance with Article 4.6.

*Other*

1. The MA shall make payments in euro to the Lead Partner to the bank account referred to in the financial identification form in Annex IV, which allows the identification of the funds paid by the MA
2. If exceptional circumstances occur, the MA may retain the payments to the Lead Partner or request the Lead Partner to retain the payments to the Partners.
3. If the Lead Partner considers that the transfer should not be done to one or more Partners, either because the EU funds could be jeopardized, or because the contract was/is breached by the Partner / Partners concerned, it shall consult the MA accordingly. The MA may suspend fully or partially payments as a precautionary measure.
4. The MA shall make each payment under the condition of availability of funds.

**Article 5 - Obligation to provide information and reports**

1. The Lead Partner and the Partners shall provide the MA/JS with all required information on the implementation of the project, in the language of the Contract. To that end, the Lead Partner must draw up reports and provide any other information requested by MA/JS.

*Interim and Final Reports*

1. The reports shall describe the implementation of the project according to the activities envisaged, difficulties encountered and measures taken to overcome problems, any changes introduced, as well as the level of achievement of its outputs (including the specification of the results that the outputs are related to) as measured by corresponding indicators. The level of detail in any report should match that of the Description of the project and of the Budget for the project. The Lead Partner shall collect from the Partners all the necessary information and draw up consolidated interim and final reports. These reports shall:

a) cover the project as a whole, regardless of which part of it is financed by the MA;

b) consist of a narrative and a financial report;

c) provide a full account of all aspects of the project's implementation for the period covered;

d) include the outputs achieved by the project;

e) propose any relevant measures necessary for performing the activities of the project, producing the intended results, achieving the purpose/s of the intervention;

f) be drafted in the currency and language of this Contract;

h) include a status of the procurement procedures and implementation of the contracts awarded under Article 9.

When submitting a report, the Lead Partner shall ensure that all the Partners have the same reporting period.

1. Interim reports shall be submitted accompanied by the payment request conforming to the model in Annex IV and a control report as specified in Article 4.6 for every 4 months of the implementation period, in maximum 60 days after the respective 4 months have elapsed;

The final report accompanied by the payment request conforming to the model in Annex IV and a control report as specified in Article 4.6 shall be submitted no later than 60 days after the end of the implementation period as defined in Article 2. If needed, this period may be reduced through the MA’s instruction as provided for in Article 1.9.

1. The Lead Partner and the Partners shall ensure that any information provided is complete, reliable and true and is substantiated by adequate supporting documents that can be checked and that the costs declared have been incurred and paid and can be considered as eligible in accordance to this Contract.
2. Adequate supporting documents referred to in Article 5.4 and which will be verified depending on the type of budget (i.e. regular project, small scale project) include, without limiting at:

a) Relevant extracts of accounting records (computerised or manual) from the Lead Partner and the Partners’ accounting system such as general ledger, sub-ledgers and analytical accounting sheet, cash flow statement and fixed assets registers and other relevant accounting information;

b) Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;

c) Proof of commitments such as contracts and order forms;

d) Proof of delivery of services such as approved reports, studies, publications, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), proof of organisation of meetings (invitations, agenda, minutes, list of participants) etc.;

e) Proof of receipt of goods such as delivery slips from suppliers;

f) Proof of completion of works, such as acceptance certificates;

g) Proof of purchase such as invoices and receipts;

h) Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;

j) For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;

k) Staff and payroll records such as contracts, salary statements, time sheets and any other documents related to the remuneration paid.

1. For projects including infrastructure, feasibility study, the building permit and any other execution details, technical documentation, approved architectural and engineering drawings, consents, approvals, authorizations and agreements, following the issue of the building permit, etc, as requested by the national laws of the respective country, shall be available and uploaded in Jems as supporting documents, at the date of submission of the report with investment related expenditure for verification to the controller.
2. Approval of the reports by the MA shall not imply recognition of their regularity nor of the authenticity, completeness and correctness of the declarations and information they contain.
3. The MA reserves the right to require that the controller referred to in Article 46 of Interreg Regulation be replaced if considerations which were unknown cast doubt on the controller's independence or professional standards, inter alia due to the non-reliability of the submitted reports, if so detected by the National Controller, National Authority, MA or the Audit Authority.

*Expenditure commitment*

1. The minimum amount each partner commits to spend and submit for control, until half of the implementation period has elapsed, is provided below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Month of implementation** | **Amounts to be submitted for verification** | | |
|  | **LP** | **P2** | **P3** |
| **Amount submitted for verification until half of the implementation period has elapsed (month N)** | **X** | **Y** | **Z** |
| **Partner’s total budget** |  |  |  |

1. In case the amounts submitted for verification are lower compared to the amounts forecasted for the half of the implementation period, as mentioned in art. 5.9, the MA is entitled to decomit project funds, by reducing the original project budget and the corresponding Interreg contribution, as follows:

-up to10% reduction of the budget for the partners who have submitted for verification an amount lower than 75% of the amount mentioned in art 5.9;

-up to 15% reduction of the budget for the partners who have submitted for verification an amount lower than 50% of the amount mentioned in art 5.9.

1. In case of a decision to reduce the project budget, the Lead Partner shall submit to the MA a revised budget, reflecting the decommitment, within 10 days following the receipt of MA’s notification. In case of failure to respect the deadline, the reduction shall be applied proportionally to all budgetary lines. The modification of the contract in case of reduction at project level shall take the form of a decision of the representative of the MA signing the contract, which will be notified to the Lead Partner and which becomes part of the contract.
2. The reduction shall be done without prejudice the partners’ obligation to implement all the activities and achieve all the results, according to the approved project.

*Reports on sustainability*

1. In case of a project including an infrastructure component, the Lead Partner shall provide the MA/JS with all required information related to ensuring the sustainability of the project, in accordance with Article 13.3 of this Contract. In this respect, the Lead Partner shall submit yearly sustainability reports, for five years following the project closure.
2. The MA may decide to ask the Lead Partner of projects which do not include an infrastructure component to provide sustainability reports for the five years following the project closure.
3. The annual deadline for submission of the above-mentioned reports is of maximum 30 days from the day and month of the payment of the final balance to the project.

*Other information to be provided*

1. The MA/JS may request additional information at any time. The Lead Partner shall provide this information within the deadline stipulated by the request, but not later than 10 days of the request.
2. In the absence of submitting the documents required by the MA, the payment will not be made and the Contract may be terminated and the advance payment recovered.
3. The Lead Partner shall inform the JS on the upcoming major project events with sufficient time before, but not less than 15 days prior to carrying out the event.

**Article 6 - Role of the Lead Partner**

1. The Lead Partner shall:

a) assume responsibility for ensuring implementation of the entire project, respectively monitor and ensure that the entire project is implemented in accordance with this Contract, the Application Pack, the Programme and the EU and applicable national legislation and ensure coordination with all Partners in the implementation of the project;

b) be the intermediary for all communications between the Partners and the MA. Notwithstanding the provisions of this point, the MA/JS may address directly any of the Partners if the Programme rules or circumstances require this measure in the process of fulfilling its tasks, with copy to the Lead Partner;

c) be liable towards the MA for ensuring that all the Partners and contractors fulfil their obligations under and in accordance with this Contract.

d) be responsible for supplying or uploading in the electronic system (Jems) of the Programme all documents and information to the MA/JS which may be required under this Contract, in particular in relation to the reports, modification requests and the requests for payment. Where information from the Partners is required, the Lead Partner shall be responsible for obtaining, verifying and consolidating this information before passing it on to the MA.

Any information provided, as well as any request made by the Lead Partner to the MA, shall be deemed to have the agreement of all the Partners;

e) inform the MA of any event likely to affect or delay the implementation of the project;

f) inform the MA of any change in the legal, financial, technical, organisational or ownership situation of the Lead Partner or of any of the Partners, as well as, of any change in the name, address or legal representative of the Lead Partner or of any of the Partners;

g) be responsible in the event of audits, checks, monitoring missions or evaluations, as described in Article 11 for ensuring the provision of all the necessary documents, including e.g. the accounts of the Partners, copies of the supporting documents and signed copies of any contract concluded according to Article 9;

h) ensure that expenditure presented by all partners has been paid in implementing the project and corresponds to the activities agreed between all the partners, and is in accordance with this contract;

i) verify that the expenditure presented by the Partners has been examined pursuant to Article 4.6;

j) submit to the MA the payment requests in accordance with the Contract;

k) be the sole recipient, on behalf of all of the Partners, of the payments from the MA. The Lead Partner shall ensure that the appropriate payments are then made to the Partners without delay and in full accordance with the arrangements laid down in the Partnership Agreement (Annex III). No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce those amounts for the Partners. Notwithstanding the provisions of this paragraph, the provisions of Article 5.11, 18.5 and 18.6 shall apply;

l) not delegate any, or part of, these tasks to the Partners or other entities;

m) commits itself to take the necessary measures to ensure that all Partners ensure their own contribution and the non-eligible expenditure, as well as the temporary availability of funds for the proper implementation of the project until they are reimbursed by the MA.

**Article 7 – Liability**

1. The MA cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Lead Partner and of the Partners while the project is being carried out or as a consequence of the project. The MA cannot accept any claim for compensation or increases in payment in connection with such damage or injury.
2. The Lead Partner and the Partners shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out or as a consequence of the project. The Lead Partner and the Partners shall discharge the MA of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the Lead Partner and by the Partners or the Lead Partner’s and the Partners’ employees or individuals for whom those employees are responsible, or as a result of violation of a third party’s rights. For the purpose of this Article 7, employees of the Lead Partner and of the Partners shall be considered third parties.

**Article 8 - Eligible Costs**

*Cost eligibility criteria*

1. Eligible costs are costs incurred by the Lead Partner and/or the Partners which fall under the categories reffered to in art 39-44 of Interreg Regulation and which meet all the following criteria:
2. Be related to the costs estimated and indicated in the project budget, necessary for implementing a project, in accordance with the signed grant contract;
3. Be related to costs that were not already financed from other EU Funds or other contributions from third parties (no double funding);
4. Be related to activities implemented in accordance with the programme rules as concerns the eligible geographical location where programme activities are being implemented;
5. Be identifiable, verifiable and registered in the partner’s accounts through a separate accounting system or appropriate accounting codes for all transactions relating to the project;
6. Comply with the requirements of the applicable EU and national legislation;
7. Be supported by invoices, proof of payment and/or accounting documents of equivalent probative value;
8. Observe the relevant public procurement rules, as applicable;
9. Be reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency, and with the visibility requirements;
10. The cost must be incurred during the implementation period of the Project and paid before the submission of the final report.
11. An exception is made for costs relating to final reports, only for control reports, and, if the case, final evaluation of the project, which may be incurred after the implementation period of the project.
12. Costs related to documentation for projects including an infrastructure component are eligible even if they are incurred during the project preparation period, but not before 1.01.2021.
13. Subject to Article 8.1 and, where relevant, to the provisions of Article 9 being respected, the costs of the Lead Partner and/or the Partner shall be reimbursed as follows:

[For regular projects]

a) On the basis of real costs, for the following cost categories: Travel and accommodation External expertise and services, Equipment, Infrastructure and works;

b) As flat rates:

- Staff costs - up to 20 % of the eligible direct costs other than staff costs;

- Office and administration costs - up to 7% of the eligible direct costs, including staff costs.]

[Option 1 for small scale projects

1. On the basis of real costs for the Staff cost category.

As a flat rate of 40 % of eligible direct staff costs, in accordance with art. 56.1 of the CPR Regulation, in order to cover the remaining eligible costs of the project, except Infrastructure and works.]

[Option 2 for small scale projects:

a) real costs (for all direct cost categories: Staff costs, Travel and Accommodation, External expertise and services and Equipment).

b) flat rate (Office and Administration) – up to 7% of eligible direct costs, in accordance with art.54 a) of the EU Regulation no. 2021/1060 (CPR)]

1. No justifying /supporting documents proving the expenditure incurred under cost categories calculated as flat rates have to be provided. Nevertheless, some documents may be required in order to verify the existence of the Staff costs category, where calculated as flat rate.

*In kind contributions*

1. Any contributions in kind do not represent actual expenditure and are not eligible costs.

*Non-eligible costs*

1. The following costs shall not be considered eligible:

a) debts and interest on debts;

b) costs declared by the project partners and financed by another project or programme from any other sources;

c) purchases of land or buildings;

d) costs related to fluctuation of foreign exchange rate;

e) loans to third parties;

f) costs of gifts;

g) fines, financial penalties and expenditure on legal disputes and litigation;

h) provisions for losses or liabilities.

1. In case the project is not finalized during the eligibility period of expenditure, the Lead Partner and the Partners shall ensure from their own budget the necessary funds for the finalization of the project, within a timeframe established between the Parties.

**Article 9 – Procurement rules**

1. If the Lead Partner and the Partners have to conclude procurement contracts with contractors in order to carry out certain project activities, they shall respect the procurement rules set out in Interreg Regulation.
2. Contracting authorities or contracting entities (within the meaning of the Union law applicable to public procurement procedures) located in Member States shall apply national laws, regulations and administrative provisions, as laid down in Article 58.1(a) of the Interreg Regulation.
3. In all other cases, the public or private Partners shall apply the provisions set out in Article 58.2 of the Interreg Regulation, supplemented by the provisions of Financing Agreement where the case.
4. The Lead Partners and the Partners shall ensure that the conditions applicable to them under Articles 7, 10, 11, 13, 14, 20 and 21 of this Contract are also applicable to contractors awarded a procurement contract.
5. If it is not foreseen otherwise in the national legislation of the Lead Partner and/or of the Partners, procedures to award contracts may have been initiated and contracts may be concluded by the Lead Partner and/or the Partners before the start of the implementation period of the project, provided the provisions of this Article have been respected.

**Article 10 Communication and Visibility**

1. The Lead Partner and the Partners must take all necessary steps to publicise the fact that the European Union has co-financed the project. Such measures must comply with the Communication and Visibility Manual for the Programme.
2. In particular, the Lead Partner and the Partners shall use the emblem of the Union and the term ‘Interreg’ next to the emblem of the Union in accordance with the Communication and Visibility Manual for the Programme when carrying out visibility, transparency and communication activities.
3. Each Lead Partner / Partner shall acknowledge the support from the Programme by:
4. providing on the Lead Partner / Partner’s official website or social media sites, where such sites exist, a short description of the operation, proportionate to the level of support provided by the Programme, including its aims and results, and highlighting the financial support from the Programme;
5. providing a statement highlighting the support from the Programme in a visible manner on documents and communication material relating to the implementation of the operation, intended for the general public or for participants;
6. displaying durable plaques or billboards clearly visible to the public, presenting the emblem of the Union in accordance with the Communication and Visibility Manual for the Programme, as soon as the physical implementation of an operation involving physical investment or the purchase of equipment starts or purchased equipment is installed;
7. Communication and visibility materials shall be made available upon request to Union institutions, bodies, offices or agencies and a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it shall be granted to the Union in accordance with the Communication and Visibility Manual for the Programme.

**Article 11 - Accounts and technical and financial checks**

1. The MA and/or the JS reserve the right to check, at any time, the conformity of the Programme funds' commitment and disbursement with the rules. In particular, MA and/or JS verifies, on sample basis, that services, supplies or works have been performed, delivered and/or installed and whether expenditure declared by the Lead Partner and the Partners has been paid by them and that this complies with applicable law, Programme rules and conditions for support of the projects. Verifications, made on sample basis, might include administrative verifications and on-the-spot project verifications.

*Accounts*

1. The Lead Partner and the Partners shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and double-entry book-keeping system.

The accounts:

a) may be an integrated part of or an adjunct to the Lead Partner and the Partners’ regular system;

b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;

c) shall enable expenditure relating to the project to be easily traced, identified and verified.

1. The Lead Partner shall ensure that any financial report as required under Article 5 can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose, the Lead Partner and the Partners shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

*Right of access*

1. The Lead Partner and the Partners shall allow verifications to be carried out by the Audit Authority, the European Commission, the European Anti-Fraud Office, European Public Prosecutor’s Office, the European Court of Auditors, the relevant authorities in the countries participating in the Programme, the MA and any bodies / entities authorised by the MA or the above mentioned institutions and bodies that may exercise their power of control concerning premises, documents and information irrespective of the medium in which they are stored. The Lead Partner and the Partners have to take all steps to facilitate their work.

The verifications described above shall also apply to the activities of contractors, subcontractors and any recipient of Union financing. To this end, the Lead Partner and the Partners shall ensure, through contractual provisions and any other means at its disposal, that these persons are legally bound by the same obligations as the Lead Partner and the Partner itself toward the Audit Authority, the European Commission, the European Anti-Fraud Office, European Public Prosecutor’s Office the European Court of Auditors, the relevant authorities in the countries participating in the Programme, the MA and any bodies / entities authorised by the MA or the above mentioned institutions and bodies, and that its own documentation can remedy any shortcoming to the effective enforcement of the said obligations.

1. The Lead Partner and the Partners shall allow the entities mentioned in Article 11.4 to:

a) access the sites and locations at which the project is implemented;

b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the project;

c) take copies of documents;

d) carry out on the-spot-checks;

e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the project.

1. Additionally, the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

Where appropriate, the findings may lead to recovery by the MA.

1. Access given to agents of the Audit Authority, the European Commission, European Anti-Fraud Office, European Public Prosecutor’s Office and the European Court of Auditors, the relevant authorities in the countries participating in the Programme, the MA and to any bodies / entities authorised by the MA carrying out verifications as provided for by this Article as well as by Article 4.6 shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

*Record keeping*

1. The Lead Partner and the Partners shall keep all records, accounting and supporting documents mentioned in art 5.5 related to this Contract for a 5-year period from 31st December of the year in which the last payment by the Managing Authority to the Lead Partner is made or request for recovery, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of.

They shall be easily accessible and filed so as to facilitate their examination and the Lead Partner and the Partners shall inform the MA of their precise location upon request.

1. All the supporting documents shall be available in the original form and in electronic form in Jems.

**Article 12 - Final amount of the grant**

1. If the eligible costs of the project at the end of the project are less than the estimated eligible costs as referred to in Article 3.1, the grant shall be limited to the amount obtained by applying the percentage laid down in Article 3.2 to the eligible costs of the project approved by the MA.
2. In case the project is not finalized during the implementation period as defined by Article 2.3 and depending on the category of non-achieved indicators (ie. contributing to Programme indicators), the Lead Partner and the Partners shall ensure funds from their own resources outside the project budget to finalize the project within a timeframe established between the Parties. The decision regarding the closure of the project will be taken in accordance with the relevant instructions/guidelines/manuals, which the Lead Partner and Partners are obliged to observe.

**Article 13 – Sustainability, ownership/use of results and assets**

1. The sustainability arrangements declared and assumed in the project are binding for the Lead Partner and the Partners and shall be monitored and verified accordingly by the MA.
2. The MA is entitled to verify the sustainability of the project after the payment of the final balance, including by requesting relevant reports or other documents.
3. In case the project includes an infrastructure component, if, within five years of the project closure, the project is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives, the Lead Partner shall repay to the MA the Interreg grant. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the requirement has not been fulfilled.
4. The MA is entitled to verify the fulfilment of the Result indicators at project level up to one year after project completion.
5. Ownership of, and title and intellectual and industrial property rights to, the project's results, reports and other documents relating to it will be vested in the Lead Partner and the Partners. The Lead Partner and the Partners are responsible for the purposeful use of equipment after its receipt.
6. Without prejudice to Article 13.5, the Lead Partner and the Partners shall grant the MA, the National Authorities of the countries participating in the Programme and the European Commission the right to use freely and as they see fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents and information deriving from the project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
7. The Lead Partner and the Partners shall ensure that they have all rights to use any pre-existing intellectual property rights necessary to implement this Contract.
8. The LP shall ensure that communication and visibility material realized by the project is made available upon request to programme bodies, Union institutions, bodies, offices or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union, in accordance with point 2 from Annex IX of CPR Regulation.

**Article 14 – Evaluation/monitoring of the project**

1. If the MA/JS or the European Commission carries out an interim or ex post evaluation or a monitoring mission, the Lead Partner and the Partners shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 11.

**Article 15 - Amendment of the Contract**

1. Any amendment to the Contract, including the annexes thereto, must be set out in writing in an addendum.
2. The amendment may not have the purpose or the effect of making changes to this Contract that would call into question the grant award decision or be contrary to the equal treatment of applicants.
3. If an amendment is requested by the Lead Partner, the Lead Partner shall submit a duly justified request to the MA with 30 days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by the MA.
4. Notwithstanding the provisions of Article 15.1, changes which do not alter in a significant way the project and is not contrary to the principle of equal treatment of the partners, may be performed by means of a notification. The modifications may include, without limiting at, change of the contact person of the Lead Partner/Partners, change of the bank account, minor changes in the Work plan related either to a change of format or to rescheduling of activities/deliverables, correction of inconsistencies, transfers of amounts between items within the same main budget heading, transfer between main budget heading involving a variation of 20% or less of the initial contracted amount in the source budget heading, not having a major impact on the budget.
5. Any change performed by the Partners in projects prior to the Managing Authority’s approval of the Addendum or prior to receiving the JS acceptance in JeMS for a request for modification following a Notification will be made on the responsibility and on the financial risk of the partners (Lead Partner or Partner).
6. The partners should be fully aware on the risk of performing a change which will not be approved, later on, by the Programme bodies and which may imply ineligibility of expenditure.

**Article 16 - Extension and Suspension**

*Extension*

1. The Lead Partner shall inform the MA without delay of any circumstances likely to hamper or delay the implementation of the project. The Lead Partner may request an extension of the project's implementation period as laid down in Article 2 in accordance to Article 15 no later than 45 days before it ends, unless circumstances duly justified and accepted by the MA occur. The request shall be accompanied by all the supporting evidence needed for its appraisal. A final decision on such requests is a subject of approval by the Monitoring Committee.

*Suspension by the Lead Partner*

1. The Lead Partner may suspend implementation of the project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Lead Partner shall inform the MA without delay, stating the nature, probable duration and foreseeable effects of the suspension.
2. The Lead Partner or the MA may then terminate this Contract in accordance with Article 17.1. If the Contract is not terminated, the Lead Partner and/or the Partners shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing the MA accordingly.
3. The Lead Partner shall communicate the suspension without delay, in writing, to the MA. The communication shall contain all information foreseen by Article 16.2 and by indicating the start date of the suspension as well as the duration.
4. After verifying the circumstances described by the Lead Partner, following the proposal of the JS, the MA shall issue a decision of the representative of MA signing the contract, confirming the suspension of the contract, or any part thereof, as the case, starting with the date indicated by the Lead Partner. If there is a risk that the suspension, as presented by the Lead Partner, jeopardizes the implementation of the project, the MA may agree with the suspension under specific conditions or may reject the proposal. The MA will communicate without delay its decision to the Lead Partner.
5. Extension of the suspension period may be requested by the Lead Partner and the suspension will be considered as continuous, provided that the request is made during the suspension period and approved by the MA under the same conditions as described above.
6. If circumstances that led to the suspension cease to affect the project implementation at any time during the period of suspension communicated to MA, the Lead Partner may decide, in agreement with all project partners, to resume the implementation of the project activities before the suspension deadline, and inform without delay the MA. The MA shall issue a decision of the representative of MA signing the contract, confirming the earlier restart of project implementation, starting with the date indicated by the Lead Partner in its written information.
7. During the suspension period no activity shall be performed and no payments shall be made, except for the payments related to activities performed before suspension by any of the project partners or, in case of partial suspension, by the concerned partners(ies).
8. The partial suspension may have effects also on other obligations as laid down in the Grant Contract and/or Partnership agreement(s), therefore addenda may need to be concluded to adapt the implementation to the respective circumstances.
9. The new implementation period as a result of a suspension, as foreseen by art.16.2 of this Contract, shall duly consider the implementation period of the programme, laid down in the Interreg Regulation and shall not jeopardize the Programme closure.

*Suspension by the MA*

1. The MA may request the Lead Partner to suspend implementation of the project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, the MA shall inform the Lead Partner stating the nature and probable duration of the suspension.
2. The MA or the Lead Partner may then terminate this Contract in accordance with Article 17.1. If the Contract is not terminated, the Lead Partner and/or the Partners shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow and after having obtained the approval of the MA.
3. The MA may also suspend this Contract or any part thereof if the MA has evidence that, or if, for objective and well justified reasons, the MA deems necessary to verify whether presumably:

a) the grant award procedure or the implementation of the project have been subject to substantial errors, irregularities, fraud or corruption;

b) the Lead Partner and/or the Partners have breached any substantial obligation under this Contract.

1. The Lead Partner shall provide any requested information, clarification or document within the deadline stipulated in the request, but no more than 15 days of receipt of the requests sent by the MA. If, notwithstanding the information, clarification or document provided by the Lead Partner, the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, corruption or breach of obligations, then the MA may terminate this Contract according to Article 17.2.

*Force majeure*

1. The term force majeure, as used herein, covers any unforeseeable events, not within the control of either party to this Contract and which by the exercise of due diligence neither party is able to overcome such as strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion. A decision of the European Union to suspend the cooperation with the partner country is considered to be a case of force majeure when it implies suspending funding under this Contract.

*Extension of the implementation period following a suspension*

1. In case of suspension according to Articles 16.2, 16.11 and 16.13, the implementation period of the project may be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Contract that may be necessary to adapt the project to the new implementing conditions.

**Article 17 – Termination of the Contract**

*Termination in case of exceptional circumstances*

1. In the cases foreseen in Article 16.2 and 16.11, if the Lead Partner or the MA believes that this Contract can no longer be executed effectively or appropriately, it shall duly consult the other. Failing agreement on a solution, the Lead Partner or the MA may terminate this Contract by serving a written notice, without being required to pay indemnity.

*Termination by the Managing Authority*

1. Without prejudice to Article 17.1, in the following circumstances the MA may, after having duly consulted the Lead Partner, terminate this Contract without any indemnity on its part when:
2. the Lead Partner and/or the Partners fail, without justification, to fulfil any substantial obligation incumbent on them individually or collectively by this Contract and, after being given notice by letter to comply with those obligations, still fails to do so or to provide a satisfactory explanation within 15 days of receipt of the letter;
3. the activities of the project fall under the State aid rules;
4. the Lead Partner or the Partners have impeded or prevented the auditing, control or monitoring mission or the recommendations resulted from these missions are not observed;
5. the Lead Partner and/or the Partners have shown significant deficiencies in complying with main obligations in the performance of a contract financed by the European Union budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF, European Public Prosecutor’s Office (EPPO) or the European Court of Auditors;
6. the Lead Partner and/or the Partners have misrepresented the information required as a condition for participating in the call for proposals;
7. the European Commission decides to discontinue the Programme.
8. the Lead Partner and/or the Partners fall under the exclusion situations described in art 136, paragraph 1 and 4 of Regulation (EU, Euratom) 2018/1046.
9. This Contract will be terminated automatically if it has not given rise to any payment by the MA within 6 months of its signature.

*Effects of termination*

1. Upon termination of this Contract, the Lead Partner shall take all immediate steps to bring the project to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

Without prejudice to Article 8, following a case-by-case analysis, the MA may agree that the Lead Partner and the Partners might be entitled to payment only for the part of the project carried out, proportionally to the achieved indicators, excluding costs relating to current commitments that are due to be executed after termination, subject to the approval of the Monitoring Committee.

In such cases, the Lead Partner shall submit a payment request to the MA within the time limit set by Article 5.3 starting from the date of termination.

In the event of termination according to Article 17.1, the MA may agree to reimburse the unavoidable residual expenditure incurred during the notice period, provided that the first paragraph of this Article 17.4 has been properly executed.

**Article 18 - Administrative and financial penalties**

1. Without prejudice to the application of other remedies laid down in the Contract, the Lead Partner and/or the Partners who have made false declarations, were subject to fraud or corruption or were in serious breach of its contractual obligations may be excluded from all contracts and grants financed by the MA.
2. In addition, or in alternative to the administrative sanctions laid down in Article 18.1, the Lead Partner and/or the Partners may also be subject to financial penalties.
3. The MA shall apply the financial corrections required in connection with individual or systemic irregularities detected in the project. The financial corrections shall consist of cancelling all or part of the Union contribution to the project. The MA shall take into account the nature and gravity of the irregularities and the financial loss and shall apply a proportionate financial correction.
4. The criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial correction are those adopted in accordance with CPR Regulation, in particular Article 104 and Annex XXV.
5. If the Lead Partner / Partner fails to provide any report or fails to provide any additional information requested by the MA within the set deadline without an acceptable and sufficient written explanation of the reasons, the MA may apply measures, taking into account the principle of proportionality, by cancelling up to 5 % of the support from the Programme to the Lead Partner / Partner concerned or may terminate this Contract according to Article 17.2 a).
6. Where the Lead Partner/Partner does not comply with its obligations under art. 10.2 and art.10.3 and where remedial actions have not been put into place, the MA shall apply measures, taking into account the principle of proportionality, by cancelling up to 2 % of the support from the Programme to the Lead Partner/Partner concerned.
7. The MA shall formally notify the Lead Partner and/or the Partners concerned of any decision to apply such penalties.
8. In case the European Commission applies individual financial corrections to the Programme according to Article 104 of CPR Regulation, the MA may decide to cancel part of the grant, in order to cover these corrections from the projects’ budgets, concerned by the corrections.
9. In case the European Commission applies financial corrections to the Programme according to Article 104 of CPR Regulation and the financial corrections concern systemic deficiencies in the programme management and control system in relation with irregularities at projects level, the MA may decide to cancel part of the grant in order to cover these corrections from the project’ budgets, as follows:

a) if the systemic deficiency concerns one specific country, the Lead Partner and/or the Partners established in the respective country may be required to reimburse to the Programme accounts the amount identified by MA as a result of the financial correction;

b) if the systemic deficiency concerns the whole system, the Lead Partner and each Partner may be required to reimburse to the Programme accounts the amount representing the percentage of the financial correction applied to the expenditure incurred by the Lead Partner and the Partners and declared by the MA to the European Commission at the date of the decision to apply the financial correction.

1. In case the European Commission decommits any amount in the programme according to Article 105 of CPR Regulation, as a result of the Partners failing to submit their payment requests according to the calendar set at the project level and the delays generate decommitment at the Programme level, the MA may decide to cancel part of the grant, subject to a MC decision in this respect.
2. In case of a decision to cancel a part of the grant, the Lead Partner shall submit to the MA a revised budget, within 14 days following the receipt of MA’s notification. In case of failure to respect the deadline, the cancellation shall be applied proportionally to all budgetary lines. The modification of the contract in case of cancellation at project level shall take the form of a decision of the representative of the MA signing the contract, which will be notified to the Lead Partner, and which becomes part of the Contract.
3. Subject to art 97 of CPR Regulation, the MA has the right to temporarily withhold payments to a particular Partner (Lead Partner or Partner) or the project as a whole. Payment suspension(s) shall be lifted as soon as observations and/or reservations raised by the Commission have been withdrawn and the MA has received sufficient evidence on the solution of the systemic error(s) detected.
4. In addition, and without prejudice to its right to terminate this Contract pursuant to Article 17, if the project is implemented poorly or partially - and therefore not in accordance with the Description of the project - or late, the MA may, by a duly reasoned decision and after allowing the Lead Partner to submit its observations, reduce the initial grant in line with the actual implementation of the project and in accordance with the terms of this Contract.

**Article 19 - Recovery**

1. If recovery is justified under the terms of this Contract, including where the award procedure or performance of the Contract is vitiated by substantial errors or irregularities or by fraud or corruption attributable to the Lead Partner and/or the Partners or if any amount is unduly paid to the Lead Partner and/or to the Partners or if any amount paid by the MA falls under the State aid rules, the Lead Partner undertakes to repay the MA these amounts, within 45 days of the communication of the MA of the debit note, the latter being the letter by which the MA requests the amount due by the Lead Partner and/or by the Partners, including bank charges incurred by the MA for the payment to the Lead Partner of the amounts which become due to the MA.
2. For amounts due by a Partner (previously established as “unduly paid amounts”), the Lead Partner shall request these amounts from that affected Partner in order to repay the MA. The affected Partners may also repay the amounts due directly to the MA, notifying the Lead Partner about this decision. If the Lead Partner does not manage to recover the amounts due from the affected Partner despite having carried out its obligations, it will inform the MA.
3. If recovery is justified under the terms of this Contract as mentioned in article 19.1, the MA is entitled to offset the amount to be reimbursed against the affected Lead Partner or Partner in the next payment.
4. If there are no additional payments linked to expenditure of the affected Lead Partner or the affected partner and the MA did not recover the amounts due following Articles 19.1 and 19.2 the participating country on whose territory the affected partner is located shall reimburse the MA in accordance with Article 52(3) of the Interreg Regulation. The participating country is then entitled to claim the amounts due from the affected partner, pursuant to its national law.
5. Payments made do not preclude the possibility for the MA to issue a debit note following a control report, an audit or further verification of the payment request or any other type of verifications, for which the procedures mentioned above will be applied.
6. If a verification reveals that an amount corresponding to real costs has been unduly paid and has to be recovered, the MA shall be entitled to recover proportionately the amount corresponding to flat rate financing.
7. Without prejudice to the prerogative of the MA, if necessary, the Member State or the partner country where the Lead Partner and/or the concerned Partner is established may proceed itself to the recovery by any means from the respective Lead Partner and/or Partner.

*Interest on late payments*

1. Should the Lead Partner fail to make repayment within the deadline set by the MA, the MA shall increase the amounts due by adding interest of one and a half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.
2. The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the MA, and the date on which payment is actually made.

*Other provisions*

1. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the Lead Partner.

**Article 20 - Conflict of interests and good conduct**

1. For the purpose of this Contract, the conflict of interest shall mean any situation where there is a divergence between the fulfilment of responsibilities under this grant Contract by the Parties and the private interest of the persons involved in the Contract, which may adversely affect the impartial and objective exercise of the functions of any person involved in the implementation/verification/control/audit of this Contract, for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.
2. The Lead Partner and the Partners shall prevent or end any situation that could compromise the impartial and objective performance of this Contract. Any conflict of interests which may arise during performance of this Contract must be notified in writing to the MA without delay. The Lead Partner and the Partners shall take appropriate actions to remedy any negative effects of the conflict of interest within 30 days from the notification of the MA.
3. The MA reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.
4. The Lead Partner and the Partners shall ensure that their staff, including their management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to their obligation under this Contract, the Lead Partner and the Partners shall replace, immediately and without compensation from the MA, any member of their staff in such a situation.
5. The Lead Partner and the Partners shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

**Article 21 – Confidentiality**

1. Subject to Article 11, the MA and the Lead Partner and the Partners undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until the end of the validity period of this Contract as defined by Article 2.5 above.
2. As an exception from the rule provided in the previous paragraph, the data used for visibility purposes, for informing on and promoting the use of Interreg funds, shall not be considered as having confidential status.
3. Notwithstanding the obligations set forth by this contract and its Annexes concerning the provision of information and documents required by the authorized institutions/departments in order to perform audit and control activities, the parties hereby undertake to preserve the confidential nature of the Personal Data, according to the provisions of Directive (EU) 2016/680 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 by competent authorities for the purposes of the prevention, detection, investigation or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA and according to the provisions of the Regulation No 679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
4. The Parties shall bare no responsibility for releasing information on the Contract if:

a) the information was released with the written agreement of the other Party; or

b) the Party was legally forced to release the information.

1. The Lead Partner and the Partners shall not use confidential information for any aim other than fulfilling their obligations under this Contract unless otherwise agreed with the MA.

**Article 22 - Protection of personal data**

1. Any personal data will be processed solely for the purposes of the performance, management and monitoring of this Contract by the MA and may also be passed to the bodies in charge with monitoring or inspection tasks or any bodies/entities authorised by the MA. The Lead Partner and the Partners will have the right of access to their personal data and the right to rectify any such data. If the Lead Partner and the Partners have any queries concerning the processing of personal data, they shall address them to the MA.
2. The Lead Partner and the Partners shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of this Contract and shall adopt all appropriate technical and organisational security measures necessary to preserve the strictest confidentiality and limit access to this data.
3. Personal Data collection, processing and storage shall be performed according to the provisions of the Regulation No 679/2016[[1]](#footnote-2) for the purpose of project implementation and monitoring, fulfilment of its objectives, as well as statistical purpose.
4. Personal Data, as classified by Regulation No 679/2016, shall be processed in accordance with the legislation aforementioned throughout the contractual period, including during the period of monitoring and verification of the contractual objectives, for the purpose and the legal bases for which this contract was concluded.
5. The Lead Partner and the Partners shall take appropriate technical and organizational actions, according to their own responsibilities and institutional competencies, in order to ensure a proper Personal Data security level, during their processing and re-processing, their transfer to third-parties and publishing on internal or external public sources.
6. The Lead Partner and the Partners shall ensure, according to their own responsibilities and institutional competencies, all the technical and organizational conditions to preserve the confidentiality, integrity and availability of Personal Data.
7. The Lead Partner and the Partners shall inform and notify the MA about any security breaches regarding the processing of Personal Data related to their contract, in order to be urgently adopted the required technical and organizational actions and to be notified the Romanian National Supervisory Authority for Personal Data Processing (ANSPCDCP), according to the obligations arising from the provisions of Regulation No 679/2016.
8. The Lead Partner and the Partners, through their representatives assigned to process the Personal Data related to this contract and its possible addenda, shall keep records of the processing activities according to Article 30 of the Regulation No 679/2016.
9. In order to maintain security and to prevent processing in infringement of the Regulation No 679/2016, the Lead Partner and the Partners shall evaluate the risks related to Personal Data collection, processing and storage and implement measures to mitigate those risks. When a high-risk results, it is necessary to carry out an assessment of the impact of the envisaged processing operations on the protection of personal data, as foreseen by art 35 of Regulation No 679/2016.
10. Each Lead Partner and the Partners has the obligation of obtaining and keeping the records of the acknowledgements of the persons which are part of the project’s target group, as well as of all the persons involved in the implementation of the project whose Personal Data are being used (e.g project team members, external experts, guests to events, etc.), for the activities in their responsibility, for the attainment and implementation of the project’s objectives.

**Article 23 - Applicable Law and Dispute Settlement**

1. This Contract shall be governed by the law of the country of the MA.
2. The parties to this Contract shall do everything possible to settle amicably any dispute arising regarding the implementation of this Contract. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. The Lead Partner and the MA shall reply to a request sent for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced an agreement within 120 days of the first request, the Lead Partner or the MA may notify the other part that it considers the procedure to have failed.
3. In the event of failure of the above procedures, each party to this Contract may submit the dispute to the courts of Romania.

**Article 24 - Contact addresses**

1. Any communication relating to this Contract must be in English language, in writing, state the number and title of the project and be sent to the following addresses:

For the MA:

Ministry of, Development, Public Works and Administration  
Directorate General European Territorial Cooperation

Bulevardul Libertatii nr. 16  
050706 Bucuresti, sector 5

Romania

For the JS:

Joint Secretariat

Bulevardul Tomis, nr. 48, Constanta

900742 Constanta

Romania

For the Lead Partner:

<Address of the Lead Partner for correspondence, including e-mail address>

**Article 25 -** **Annexes**

25.1 The following documents are annexed to this Contract and form an integral part of the Contract:

Annex I: Description of the project

Annex II: Budget for the project

Annex III: Partnership Agreements between the Lead Partner and the Partners

Annex IV: Standard request for payment and financial identification form

Annex V: Declaration by the Lead Partner

25.2 In the event of conflict between the provisions of the Annexes and those of the grant Contract, the provisions of the grant Contract shall take precedence.

Done in English in two originals, which will be uploaded in the Jems by the JS.

|  |  |  |  |
| --- | --- | --- | --- |
| **For the Lead Partner** | | **For the MA** | |
| Name: | | Ministry of Development, Public Works and Administration  Name: | |
| Title: | | Title: Minister of Development, Public Works and Administration | |
| Signature |  | Signature |  |
| Date |  | Date |  |

1. 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) [↑](#footnote-ref-2)