

Partnership Agreement under over-contracting conditions

eMS Code.....

**Agreement between Lead Beneficiary and Project Beneficiaries
in the project {name, project code}
financed under the Interreg V-A Romania - Hungary Programme**

**PARTNERSHIP AGREEMENT
INDICATIVE TEMPLATE**

Having regard to

- ✓ 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;
- ✓ 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,
- ✓ 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 the specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;
- ✓ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds;
- ✓ 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 of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
- ✓ Interreg V-A Romania-Hungary Programme (hereinafter referred to as Cooperation Programme), approved by the European Commission through Decision no. 9112 / 09.12.2015;

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- ✓ Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds;
- ✓ Memorandum of Implementation (MoI) - Arrangements between Member States participating in the Interreg V-A Romania-Hungary Programme - between the Ministry of Regional Development, Public Administration and European Funds from Romania, acting as Member State and Managing Authority with Certification function, the Prime Minister's Office from Hungary, acting as Member State and National Authority, and the Audit Authority within the Romanian Court of Accounts, acting as Audit Authority;
- ✓ Minister Order no. 6509/17.10.2017, regarding the approval of "De minimis aid scheme for activities within the investment priorities 6/c - Conserving, protecting, promoting and developing natural and cultural heritage, 7/c Developing and improving green transport systems (including low noise) and low-carbon transport systems including domestic and maritime river transport, ports, multimodal connections and airport infrastructure to promote sustainable regional and local mobility and 8/b - Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources" (hereinafter referred to as De minimis scheme), where applicable;
- ✓ Minister Order no. 6510/17.10.2017, regarding the approval of "State aid exempted scheme for investment priorities 6/c - Conserving, protecting, promoting and developing natural and cultural heritage 8/b - Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources" (hereinafter referred to as GBER scheme), where applicable.

The following documents have to be also respected in the framework of this Partnership Agreement:

- National rules applicable to the LB and its Project beneficiaries;
- Community and national rules on State aid;
- The relevant Call for Proposals;
- Project Implementation Manual laying down the programme specific rules for the implementation of the projects;
- Visual Identity Manual.

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the following Agreement is concluded between

..... [Name, address, fiscal registration number], represented byas Lead Beneficiary (hereinafter referred to as LB) of the project proposal called....<Acronym>

and

..... [Name, address, fiscal registration number], represented byas Project Beneficiary no.2 (hereinafter referred to as PB2),

..... [Name, address, fiscal registration number], represented by as Project Beneficiary no. 3 (hereinafter referred to as PB3),

..... *To be multiplied for as many PBs as necessary*

for the implementation of the project [index and title of the project], approved by the Monitoring Committee of the “Interreg V-A Romania - Hungary Programme” - on [date] in [place].

§ 1 Object

- 1) The object of this Agreement is the organisation of a partnership in order to implement the project [index and title of the project], selected under the Interreg V-A Romania - Hungary Programme.
- 2) Through the present Agreement, the parties establish their rights and duties, the way of achieving their tasks and the relations between Lead beneficiary and Project Beneficiaries, which shall apply in order to achieve the goals of the above-mentioned project.
- 3) The terms and conditions herein are acknowledged and accepted by all parties.

§ 2 Duration of the Agreement

- 1) The Agreement enters into force on the signature date the last party signs. The last party signing has the obligation to note the date.
- 2) The beginning date of the implementation of the project may be:
 - the next day the notification of approval of the project by the Monitoring Committee is received; or
 - the next day the Subsidy contract is signed; or
 - between notification and signing the Subsidy contract.

The project implementation starts on

- 3) The implementation period of the project is of months.
- 4) The Agreement is valid for 5 years from the official closure of the Interreg V-A Romania-Hungary Programme.

§ 3 Value of the project

- 1) The total eligible value is EUR <amount in figures> (non-refundable financing and the contribution of the beneficiaries-), out of which:
 - i. ... <amount in figures> EUR ERDF, representing ... %
 - ii. ... <amount in figures> EUR State Budgets Co-financing, representing ...%
 - iii. ... <amount in figures> EUR Beneficiaries own contribution, representing ...%
- 2) Any ineligible expenditure shall be supported by the LB and Project Beneficiaries, apart from the approved budget.

§ 4 Financing of the project

- 1) MA awards a non-refundable financing from the ERDF of<amount in figures> /EUR <amount in letters>, representing.....% of the total eligible value of the project mentioned at article 3 paragraph 1 from the present agreement.
- 2) MA awards to Romanian beneficiaries a non-refundable financing from the national state budget ofEUR <amount in figures> /<amount in letters> Euro, representing % of the total eligible value of the project specified at article 3 paragraph 1 from the present agreement.
- 3) NA awards Hungarian beneficiaries a non-refundable financing from the national state budget ofEUR <amount in figures> /<amount in letters> Euro, representing % of the total eligible value of the project specified at article 3 paragraph 1 from the present agreement.
- 4) The Lead Beneficiary and Project Beneficiaries participate in the project with their own contribution representing<amount in figures> /<amount in letters>, representing% of the total eligible value of the project mentioned in article 3 paragraph 1 of the present agreement and support the non-eligible expenditure, apart from the project budget, according to their contribution to the project.
- 5) The total eligible budget of LB / PB 2 / PB 3 is out of which ...% represents ERDF, ...% represents state national co-financing and ...% represents its own contribution¹.
- 6) The Lead Beneficiary is responsible in front of the Managing Authority for the sound financial management of the project.
- 7) The Lead Beneficiary receives the amounts mentioned at paragraph 1 directly from the MA, and is responsible for transferring the amounts to each Project Beneficiary, according to the Subsidy contract.
- 8) The Romanian Project Beneficiaries receive the amounts mentioned at paragraph 2 directly from the MA, according to the co-financing contract; the Hungarian Project Beneficiaries receive the amounts mentioned at paragraph 3 directly from the NA, according to the co-financing contract.
- 9) Any modification of the project has to be agreed by all Project Beneficiaries, justified and submitted by the LB to the Joint Secretariat in a written form.
- 10) In case the Programme exceeds the 100% absorption, or the maximum absorption

¹ This article shall be completed for each beneficiary.

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level in case of a decommitment, the Lead Beneficiary and all project beneficiaries commit to support from their own budgets the funds necessary for the implementation of the project, according to the provisions of the Subsidy Contract, the Application Form approved by the Monitoring Committee and its annexes, the present Agreement, the Project Implementation Manual, the European and of the national legislation in force.

§ 5 Eligible Expenditures

- 1) The expenditures related to the project are eligible provided that they respect the applicable European and national legislation in force, the Interreg V-A RO-HU Programme and Call for Proposal rules, they are stipulated in the project and the respective beneficiary budget, and provided that they comply with the terms and conditions stipulated in the Subsidy contract.

§ 6 Reimbursement of the expenditures

- 1) The total amount each partner commits to spend and request for first level control by the end of the month marking the half of the implementation period is provided below.

Month of implementation	Amounts ² to be requested for FLC		
	LB	PB2	PB3
Total of amounts requested for FLC at half of the implementation period (month N)			
Partner's total budget			

- 2) The LB has the possibility to ask expenditure for reimbursement to the MA via a project report submitted in the electronic system at any given time for one or more project beneficiaries in accordance with the defined periods within the electronic system (or with prior modification of the defined periods in the electronic system), provided that the expenditure claimed for reimbursement is not lower than 10,000 euro ERDF. The total amount to be requested for first level control mentioned at the half of the implementation cannot be changed.

- 3) In case the total amounts requested for first level control verification are lower compared to the total amounts forecasted for the half of the implementation period, the MA is entitled to decommit project funds by reducing the original project budget and the corresponding ERDF contribution, as follows:

- a) 10% reduction of the budget for the beneficiaries who have requested amounts for first level control lower than 75% of the initial amounts included in the schedule for first level control requests;
- b) 25% reduction of the budget for the beneficiaries who have requested amounts for first level control less than 50% of the initial amounts included in the schedule for first level control requests.

- 4) In case of a decision on the decommitment of the project, the Lead beneficiary shall submit to the MA a revised budget and Application Form, if the case, reflecting the

² Amounts will be introduced in Euro, rounded, without decimals

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decommitment, within two weeks following the receipt of MA's notification. In case of failure to respect the deadline, the decommitment shall be applied proportionally to all budgetary lines. The modification of the contract in case of decommitment at project level shall take the form of a decision of the legal representative of the Managing Authority signing the contract, which will be notified to the lead beneficiary, and which becomes part of the contract. The decommitment shall be done without prejudice for beneficiaries' obligation to implement all the activities and achieve all the results, according to the approved application form.

- 5) In case of decommitment, the Lead beneficiary together with the beneficiaries may decide to give up financing, and properly notify the MA within two weeks following the receipt of MA's notification. In this case, the LB has the obligation to repay to the MA all the funds received.
- 6) A first level control system has been established both in Romania and Hungary in order to check the expenditure made by the project beneficiaries from each country. Therefore, each beneficiary participating in the project has the obligation to ensure that its expenditures are checked and validated by a controller from the state on whose territory it is located, before the project report is submitted.
- 7) The LB must present all documents to the controllers and make sure that all project beneficiaries present their documents, in order to be verified (including the description of the activities' progress and relevant documents as foreseen by the draft of the partner reports within the electronic system) before drafting and forwarding the project report. All supporting documents should be uploaded by the beneficiaries via electronic system.
- 8) The LB must create and submit to Joint Secretariat (JS) the project reports including both financial and physical progress of the project via the electronic system integrating the information provided by the Project Beneficiaries in their reports, based on the conditions provided hereunder, in the Project Implementation Manual, eMS manual and in the applicable legislation. The beneficiaries will create partner reports and submit them to FLC for all defined periods within the electronic system no matter if they have realized or not expenditures to be requested to FLC verifications during a specific period. The description of the progress of the activities in partner reports will cover exactly the period of the requests for FLC verifications.
- 9) The project report submitted by the LB shall contain only validated expenditure and shall be supported by the First Level Control Report issued by the Controllers of the Project Beneficiaries. The expenditures that were not validated by the controllers are deemed to be non-eligible for the programme and shall not be requested for reimbursement.
- 10) The LB must include in a project report both physical and financial progress of the project. The LB shall submit progress reports to the JS every 3 months in case of projects with project implementation period under 18 months, and every 4 months in case of projects exceeding 18 months. The instructions presented in the reporting models must be followed exactly. All reports must be submitted in English.
- 11) The final Project progress report and the final Reimbursement claim have to be submitted to the JS at the latest within four months after the end date of the implementation period of the project.
- 12) The funds are reimbursed only in Euro and will be transferred into a special bank account, indicated by the LB. The LB can use the same bank account for more projects with the amendment that it will have a proper analytical accounting system for each project. The exchange rate differences are non-eligible expenditures for the project. The exchange rate risk is borne by the beneficiary concerned.
- 13) The expenditure incurred in a currency other than the euro shall be converted into euro

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by using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the first level controller. The LB transfers the received ERDF amounts to all project beneficiaries within 5 working days as of cashing in the amounts from the MA and will make no deduction, retention or further specific charge from the ERDF amounts it receives.

- 14) In case of projects financed under GBER/De minimis scheme, whenever a transfer of aid/advantage occurs, the signing of the aid awarding contract between the LB/PB and the beneficiary of aid shall be compulsory for the reimbursement of validated expenditures related to the project. Also, before signing the aid awarding contract, the LB/PB has to make sure that all eligibility characteristics of the aid are complied with and the relevant State aid declarations are submitted by the beneficiary of the aid.

§ 7 Rights and duties of the parties

A. Lead Beneficiary

In addition to the obligations of the LB as already stated, the LB undertakes the following duties:

- 1) The LB guarantees that it is entitled to represent all beneficiaries participating in the project and that it has established with its project beneficiaries the division of the responsibilities regarding the project in the form of the Partnership Agreement.
- 2) The LB has the responsibility of implementing the project according to the provisions of the Subsidy contract, of the Application Form and its annexes approved by the Monitoring Committee, of the present Partnership Agreement (annexed to the Subsidy contract) and of the European and national legislation in force. The LB shall be responsible in front of the MA for the implementation of the obligations assumed in the Subsidy contract and in the Partnership Agreement, for the implementation of the project and for achieving the goals stipulated in the contract and its annexes.
- 3) The LB guarantees furthermore that itself and all beneficiaries have complied with all legal requirements and that all necessary approvals for the proper implementation of the project have been obtained.
- 4) The LB ensures the implementation of the entire project and has to:
 - a. assume responsibility for ensuring implementation of the entire project;
 - b. ensure that expenditure presented by all Project Beneficiaries has been incurred in implementing the project and corresponds to the activities agreed between all the Project Beneficiaries, and is in accordance with the provisions of the Subsidy contract;
 - c. inform the MA, within 5 working days from the occurrence of such circumstances, if one of the disbursement conditions ceases to be fulfilled, or circumstances arise which entitle the MA to reduce payment or to demand repayment of the subsidy wholly or in part;
 - d. comply with the regulations referred to in the preamble to this contract as well as with relevant European and national legislation;
 - e. know and observe the provisions of the Guide for Applicants (GfA) afferent to the Open Call for Proposals, paying special attention to the limitations (value, percentage, duration etc) referred to therein, and of the Subsidy contract and Project

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Implementation Manual;

- f. observe and make sure that all Project Beneficiaries observe the European and national legislation on state aid, equal opportunities, sustainable development, environmental protection;
 - g. make and satisfy itself that all Project Beneficiaries make all expenditure according to the national laws on public procurement of the country on whose territory the beneficiary is located. The Romanian beneficiaries which are not stipulated as Contracting authority in the respective laws or in special laws regarding procurement should follow at least the general principles stated in the Programme' rules on eligibility of expenditure;
 - h. ensure that all the Project Beneficiaries select the final beneficiaries of the projects (target groups) by a transparent procedure;
 - i. present its own expenditure, and ensure that the Project Beneficiaries present their expenditures, to the controllers for verification, in maximum 15 working days after the end of the reporting period, except for the final report, where the cut-off date is extended to 30 working days, so that the deadline for submitting the reimbursement claim to the JS will be met. Requests for first level control not accompanied by appropriate supporting documents will not be taken into consideration;
 - j. ensure that all Project Beneficiaries submit their contributions to the reimbursement claim at least 10 calendar days before the deadline for submitting the reimbursement claim to the JS;
 - k. ensure that all Project Beneficiaries have a proper analytical accounting system and the expenditure is properly registered; the accounting system must be in line with the national legislation;
 - l. observe and make sure that all Project Beneficiaries observe the provisions of the Visual Identity Manual (published on the programme website www.interreg-rohu.eu).
- 5) The LB ensures that the first level controllers have verified the expenditure presented by the Project Beneficiaries participating in the project.
- 6) When drafting the reimbursement claim, LB is liable towards the MA for consolidating the information from all Project Beneficiaries requesting reimbursement of the expenditure, being responsible for collecting documents and information from every project beneficiary. Irrespective of the time when reimbursement claims are submitted, LB submits for each reporting period consolidated progress reports, being responsible for collecting documents and information from every project beneficiary.
- 7) LB is liable towards the MA for ensuring that all Project Beneficiaries have a legal status, that they have the capacity to manage the project, that they observe the provisions of the GfA. Moreover the LB is liable towards the MA for ensuring that the Project Beneficiaries fulfil their obligations regarding the implementation of the project. The LB is also liable towards the MA for all irregularities, even those committed by the Project Beneficiaries.
- 8) The LB must answer all written requests from the MA, JS or other bodies involved in the implementation of the Programme within the deadline stipulated in the respective request. The LB is responsible for gathering the information from all project beneficiaries in due time.

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- 9) The LB takes full responsibility for the damages caused to third parties from its own fault during the implementation of the project. The MA has no responsibility for the damages caused to third parties as a result of executing the contract.
- 10) The LB must not receive or have received money from other Programmes for the same project. The LB ensures that the Project Beneficiaries respect the same obligation.
- 11) Any results or rights related to the project, including author's rights and/or any other intellectual or industrial property rights, obtained from the implementation or as a result of the implementation of the contract, except the cases where such rights exist before the contract, shall represent the property of the LB and/ or of the project beneficiaries, according to the approved application form and the present agreement.
- 12) The LB cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the implementation period of the project and 5 years after the financial closure of the project
- 13) In case of projects comprising investment in infrastructure or productive investment, the Lead Beneficiary shall reimburse the MA the amounts received if within 5 years after the financial closure of the project it is subject to any of the following:
 - a) a cessation or relocation of a productive activity outside the programme area;
 - b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
- 14) The Lead Beneficiary understands and agrees that the MA has delegated tasks to the JS, according to the Framework Agreement concluded between the MA and the JS and therefore the Lead Beneficiary agrees to cooperate with the JS in the same way as with the MA.
- 15) In duly justified cases, not imputable to the beneficiaries, when a Project Beneficiary is in impossibility of fulfilling its obligations according to the contract, the partner may request through the Lead Beneficiary and with the written agreement of all beneficiaries, the suspension of the implementation period, for a clearly determined period of time. After verifying the conditions, the MA may approve, under its specific conditions, through a written decision of the Head of MA signing the contract, the suspension of the contract starting with the date indicated by the partner. The partner requesting the suspension of the implementation period has the obligation to inform MA in maximum 3 working days from the date when he took notice of the situation, in any written form (including e-mail) and the Lead Beneficiary has the obligation to submit all the relevant documents in maximum 5 working days, including the written agreement of all Project Beneficiaries. During the suspension period no activity shall be performed by any of the Project Beneficiaries.
- 16) The LB has the obligation to inform the MA about any situation that may cause the termination or delay in the execution of the subsidy contract, within 5 working days from the date of acknowledgment of such a situation. In this case, the MA may decide the termination / suspension of the subsidy contract.
- 17) If the MA demands repayment of the ERDF in accordance with the Subsidy contract, the LB is liable to the MA for the total ERDF that has been reimbursed to him.

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18) The LB is at all times obliged to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner. The LB guarantees that all of its Project Beneficiaries fulfil this duty.

19) During the implementation period of the project as well as after the end of the implementation period of the project, for a 3 years period after the official closure of the Interreg V-A Romania-Hungary Programme, the LB has the obligation to preserve and to present, to the Joint Secretariat (within the Regional Office for Cross-Border Cooperation Oradea for Romania-Hungary Border - BRECO, Romania), MA, Certifying Authority (within the Romanian Ministry of Regional Development, Public Administration and European Funds), Audit Authority (within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls or audits on the use of the financing, all project documents, including the inventory for the actives gained as a result of using the funds. The time period shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission. The documents must be properly archived. Also, the MA must be informed on the location of these documents.

In case of activities having State aid incidence, for all the documents related to the State aid, the above indicated period is extended to 10 years after the date of aid being awarded, or to the period provided by the relevant EU/national legislation/State aid scheme, depending on which period is the longest.

20) In case of remaining funds/economies, the LB must notify the MA within 15 calendar days following the finalization of implementation of the public procurement contracts at project level.

21) The LB must clearly specify in the notification the amounts of the remaining funds and if there is a need of re-using these within the project.

22) The LB and the project beneficiaries must ensure the sustainability of the project results and, after the project's implementation period has ended, the following 5 years from the financial closure of the project the LB has the obligation to submit annually a sustainability report.

23) The LB must observe the recommendations received after an audit, control, otherwise the MA has the right to terminate the Subsidy contract. The LB ensures that the Project Beneficiaries fulfil this obligation.

24) In case that during project implementation or during up to 5 years after the financial closure of the project³, illegal State aid and/or illegal indirect State aid incidence is discovered, the MA may apply a correction up to 100% for the respective project, and the amounts paid to the beneficiaries shall be recovered in whole or in part, by the Managing Authority, together with interest calculated depending on the amounts involved and the time period in which they were available to beneficiaries, and adding penalties and debts from the date of grant award to the date of recovery.

25) In case of projects financed under GBER/de minimis scheme, whenever a transfer of aid/advantage occurs, the LB and/or the Project beneficiary, as beneficiary of non-refundable financing, shall conclude with each beneficiary of aid a State aid/de minimis aid awarding contract, such condition being mandatory for the reimbursement of validated expenditures related to the project. The signing of the aid awarding contract is conditional on the aid beneficiary providing the relevant State aid declaration(s).

³ The date of the last financial transfer at project level

B. Project Beneficiaries (including the Lead Beneficiary where applicable)

- 1) LB/PB implements the part of the project for which it is responsible, in due time, according to the descriptions of the (individual components) Application Form approved by the Monitoring Committee and other documents agreed between the MA and the LB.
- 2) In case the Programme exceeds the 100% absorption, or the maximum absorption level in case of a decommitment, the Project Beneficiaries fail to ensure the implementation of the entire project from own resources, the MA has the right to request the LB all or part of the financing, proportionally with the reimbursed amounts. The Beneficiaries have the obligation of repaying the respective amounts within 30 calendar days from the receiving date of the MA notification. If the LB does not manage to recover the funds from all beneficiaries participating in the project, it will inform the MA and send all necessary documents to the MA, in order to take all necessary measures for recovering such amounts, according to the provisions of Mol and relevant legislation in force.
- 3) The Project Beneficiary has the responsibility of implementing the project according to the provisions of the present Agreement, of the European and national legislation in force.
- 4) PB notifies the Lead Beneficiary regarding any situation that may lead to the temporary or permanent impossibility or to any other drawback in the implementation of the project in maximum 3 working days from the event causing the impossibility.
- 5) LB/PB do the utmost to obtain the necessary approvals, agreements and construction authorizations within 6 months from the signing of Subsidy contract, if the case. After this period, the MA may request the above mentioned documents.
- 6) LB/PB observes the European and national legislation in general and especially on public procurement, state aid, equal opportunities, sustainable development and environmental protection.
- 7) LB/PB is responsible for its budget up to the amount it participates in the project.
- 8) LB/PB shall maintain a proper analytical accounting system; the accounting system must be in line with the national legislation.
- 9) The Project Beneficiary supports the Lead Beneficiary in drawing up progress reports and the final report by providing the required data on time; drafts and submits to the Lead Beneficiary all necessary data for the reimbursement claims.
- 10) The Project Beneficiaries have the obligation to respond to any request of the Lead Beneficiary within the deadline stipulated in the respective requests.
- 11) Each Project Beneficiary is responsible for uploading in the electronic system the progress report and any other documents, including copies of each supporting document (bills, documents related to the procurement procedure, bank account statements etc.) in due time and signed by the legal representative of the beneficiary, bearing the mentions "according to the original" and also the project code.
- 12) The beneficiaries must present the documents related to the expenditures to the first level control in 15 working days from the end of the reporting period, according to the spending forecast attached. Exception is the final report, where the cut-off date is extended to 30 working days, so that the deadline for submitting the reimbursement

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claim to the JS will be met.

- 13) LB/PB cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the implementation period of the project and 5 years after the financial closure of the project.
- 14) Each Project Beneficiary must submit to the Lead Beneficiary any documents necessary for drafting specific documents requested by the MA/JS or other implementing bodies of the programme.
- 15) The Project Beneficiary will produce all documents required for the audit, control or evaluation, provide necessary information and give access to its business premises. The Lead Beneficiary and the Project Beneficiary are at all times obliged to retain for audit and control purposes all files, documents and data about the project for 3 years after the official closure of the Interreg V-A Romania-Hungary Programme. The documents must be properly archived. Also, the MA must be informed on the location of these documents.

In case of activities having State aid incidence, for all the documents related to the State aid, the above indicated period is extended to 10 years after the date of aid being awarded, or to the period provided by the relevant EU/national legislation/State aid scheme, depending on which period is the longest.

- 16) The Project Beneficiaries must implement the measures included in the action plan, at the stipulated deadlines, set by the Lead Beneficiary/MA/JS, according to the recommendations resulted from the audit missions of the European Commission, Audit Authority or other empowered audit and control bodies.
- 17) All Project Beneficiaries understand that the Managing Authority (MA) and the National Authority (NA) are entitled to verify and to control the proper use of funds by the LB or by Project Beneficiaries. The verifications to be carried out by the Managing Authority/National Authority shall cover administrative, financial, technical and physical aspects of projects, as appropriate. The MA and NA shall be responsible for the control of the proper use of funds by the LB or by beneficiaries, by preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate.
- 18) The Project Beneficiaries understand and agree that the MA may delegate tasks to the JS, therefore JS may act in the name and on behalf of MA.
- 19) In case an irregularity is discovered, the Project Beneficiary is responsible to reimburse the ERDF amounts affected by the irregularity to the Lead Beneficiary, even if the irregularity was committed by a sub-contractor, in 20 calendar days from notification.
- 20) Any extra payment done by the Lead Beneficiary to a Project Beneficiary is considered unduly paid amount, and the Project Beneficiary has to repay the respective amounts in 20 calendar days from the receiving date of the notification from the Lead Beneficiary.
- 21) In case the unduly paid amounts are not reimbursed to the Lead Beneficiary in due time, the Project Beneficiary has to pay delay penalties. Starting with the 21st day as of the expiry of the deadlines stipulated at paragraphs 19, 20, an interest rate 1.5% higher than the rate applied by the European Central Bank as in force on the first working day from the month of the deadline date shall be applied to the owed amounts.
- 22) The bank charges resulted from reimbursing the unduly paid amounts are borne

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exclusively by the Project Beneficiary making the reimbursement.

- 23) Each Project Beneficiary, including the Lead Beneficiary, shall be responsible to the other Project Beneficiaries and shall pay for the damages resulted from not observing the tasks and obligations established by the present Agreement and its annexes.
- 24) Each Project Beneficiary is responsible for the damages caused to third parties from its own fault during the implementation of the project.

C. State aid related clauses - relevant for Calls for proposals falling under State aid incidence

1) Based on the results of the State aid assessment and with reference to the State aid related provisions of the relevant Guide for Applicants, the project activities are classified as follows:

- Activity.....: (non aid/SGEI/GBER/DEMINIMIS); (direct aid to...../Indirect aid to...../Indirect aid to third parties still to be identified); (amount of the aid)
- Activity.....: (non aid/SGEI/GBER/DEMINIMIS); (direct aid to...../Indirect aid to...../Indirect aid to third parties still to be identified); (amount of the aid)
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2) Each project beneficiary mentioned at paragraph 1) as State aid beneficiary within the project will observe EU and national legislation regarding State aid, where applicable, as completed by the relevant provisions of the Guide for Applicants and its annexes. In terms of national legislation for State aid, special care shall be attached to observing the requirements on State aid reporting for SANI purposes, as well as document preserving. In case of any discrepancies between EU and national State aid legislation, the former shall prevail;

3) Each project beneficiary commits to maintain and respects all the declarations provided in connection to the State aid incidence of the project during the application and the pre-contracting phase. Each project partner, through the LB, will immediately report to the MA every information, act or fact, related to itself or any other relevant subject, which is suitable to determine a modification of what declared in these phases;

4) Each project beneficiary is responsible to immediately report to the MA, through the LB, every fact, behaviour or situation which is suitable to determine a case of indirect aid not already detected and arranged for during the evaluation and pre-contractual phases. Following this report, the MA will assess and decide upon the situation, proposing, if needed, an addendum modifying Article 7, part C. paragraph 1) of the Subsidy contract in order to include the new aid. In such case, paragraph 1) of the present section shall be also modified by an addendum. Indirect aids that are not listed at paragraph 1) of the present section, either originally or after its modification by addendum, are not permitted;

5) Each project beneficiary undertakes to respect all relevant provisions for reporting and monitoring the State aid related aspects of the implementation of the project, based on the specific indications provided by the MA, as detailed in the Project Implementation Manual, and to disclose on request any information or data that the MA or the JS may request in the implementation of their monitoring and control activities;

6) In any case of indirect aid foreseen under paragraph 1) of the present section, the LB,

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together, if the case, with the relevant project beneficiaries is responsible for its regular and lawful implementation, respecting all the relevant provisions from EU and national legislation, as well as the ones from the Guide for Applicants and its annexes. In particular, when relevant, the LB and the relevant project beneficiaries guarantee the full respect of their obligations as foreseen by the GBER and De Minimis schemes in their version in force, regarding, inter alia, the eligibility characteristics of the aid, the declarations to be asked to the aid beneficiary, the aid awarding contract and the measures for monitoring and reporting to the MA. Any aid awarding contract will be notified to the MA/JS in maximum 5 calendar days from its signature;

7) In addition to the previous paragraphs, whenever activities mentioned at paragraph 1) of the present section fall within the scope of the GBER or the De minimis scheme, the LB, together, if the case, with the relevant project beneficiaries is responsible for the full respect of any relevant obligations incurring, on itself and/or on the aid beneficiaries, from the provisions of the relevant scheme, as stated in its latest version in force. These provisions are binding and the failure to observe them may result in a risk of irregularity;

8) In addition to the previous paragraphs, whenever activities mentioned at paragraph 1) of the present section fall within the scope of the SGEI provisions of the Guide for Applicants, the LB, together, if the case, with the relevant project beneficiaries is responsible for the full respect of any relevant obligations incurring, on itself and/or on the aid beneficiaries, from those provisions and from the legislation to which they refer, including the provisions related to the commitment to have the entrustment act adopted by the set deadlines.

§ 8 Information and communication

1) The Lead Beneficiary and all Project Beneficiaries shall inform the public, by means of the measures laid down in Annex XII of Regulation (EU) no. 1303/2013, about the assistance obtained from the Funds.

2) The Lead Beneficiary and all Project Beneficiaries are responsible for the implementation of the information and communication activities related to the non-refundable financial assistance received through the programme.

3) The Lead Beneficiary and all Project Beneficiaries shall ensure transparency and accurate information to the mass media on the projects financed under the Programme.

4) Any notice or publication issued by the Beneficiary, in whatever form and by whatever medium, including the internet, must specify that it reflects the author's view and that the MA is not liable for any use that may be made of the information contained therein.

5) All information and communication actions developed by the Project Beneficiaries (including the Lead Beneficiary) must observe the Visual Identity Manual (available on the programme website: www.interreg-rohu.eu or on request at the Joint Secretariat).

6) The Project Beneficiaries shall request beforehand the approval of the JS on all information and communication materials developed under the project, in line with the Visual Identity Manual.

7) The publications edited within a project financed under the Programme shall include on the last page/ cover a technical box, with the following information: the project title, reference to the EU co-financing of the Programme, the editor of the material and the disclaimer "The content of this material does not necessarily represents the official position of the European Union. The responsibility for the content of materials belongs solely to the

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beneficiary.

8) For all information and communication actions developed by the Project Beneficiaries, the Lead Beneficiary must ensure that they archive in a single place (hard copy and/or electronically) the documents related to these activities (e.g.: information and communication materials they produced, as printed materials, audio-video materials).

9) The Lead Beneficiary is responsible to inform the Joint Secretariat regarding the information and communication measures taken in order to promote the projects financed under ERDF.

10) The rules stipulated in the Visual Identity Manual are mandatory for the Lead Beneficiary and all Project Beneficiaries.

11) By accepting the funding, the LB and the project beneficiaries give their acceptance for their inclusion in the list of projects published in accordance with Article 115(2) of Regulation (EU) no. 1303/2013.

12) The LB shall ensure the proper means of communication between the project and the Programme, including:

- a. participation, whenever requested, in LB trainings organized by the JS;
- b. participation, whenever requested, in other events organised by the Programme with the purpose of presenting/ discussing/ developing/ sharing project results and creating synergies with other projects and relevant organisations;
- c. providing a visible link on the project's website to the Programme website.

§ 9 Confidentiality

1) With the exception of the situations foreseen at Article 7, part A, paragraph 19 and article 8 of the present Agreement, the Managing Authority and the Lead Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least five years from the official closure of the Programme. The release of information to persons involved in implementing / verifying / controlling / auditing the project shall be performed on confidential basis and shall cover the information that is necessary for implementing the project.

2) The data used for publicity purposes, for informing on and promoting the use of ERDF funds, shall not be considered as having confidential status.

3) The Managing Authority has the right to release information regarding the project at the request of public institutions, investigating the project.

4) The contracting party shall bare no responsibility for releasing information on the contract if:

- a. the information was released with the written agreement of the other contracting party; or
- b. the contracting party was legally forced to release the information.

5) Failing to observe the confidentiality obligation gives the damaged party the right to claim compensations from the damaging party.

§ 10 Conflict of interests

- 1) In the present Contract, the conflict of interests represents any circumstances defined as such in the national/European legislation.
- 2) Any conflict of interests that arises during the implementation of the contract shall be immediately notified to the JS. The MA reserves the right to verify such circumstances and take the necessary measures, where necessary.

§11 Irregularities and recovery of the funding

- 1) “Irregularity” according to the current Contract means any breach of the Union law, or of the national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.
- 2) MA shall show zero tolerance to any suspected cases of fraud and shall take all necessary measures to prevent and correct such cases, according to relevant national and European legislation in force.
- 3) In case of irregularity, the MA shall impose to the Lead Beneficiary all the necessary measures for the elimination or diminishing of the consequences on the implementation of the project.
- 4) MA may suspend or terminate the subsidy contract in case the beneficiaries fail to take the imposed measures.
- 5) In case an irregularity is committed, the LB is responsible for repaying to the MA the amount affected by the irregularity, even if the irregularity was committed by one of the project beneficiaries.
- 6) The MA is entitled to take the decision for suspending/terminating the subsidy contract, after verifying the reasons and any relevant documents presented by the LB and/or JS and the related documents.
- 7) In case the subsidy contract shall be terminated, the MA notifies the LB regarding this decision and the related financial measures. In this case, within 30 calendar days from receiving such notification, the LB and/or project beneficiaries shall fully return the amounts specified in the notification, without deducting any bank charges.
- 8) In case of irregularities committed after the end of the implementation period of the project, during the whole sustainability period, the Lead Beneficiary has the obligation, in 30 calendar days from the receipt of the notification from the MA, to reimburse the amounts unduly paid including the bank charges, and interests, if the case.
- 9) For the irregularities committed by a project beneficiary, the LB is entitled to request these amounts from the responsible project beneficiary in order to be repaid to the MA. In specific cases, for irregularities discovered after payment of the final project report, the project beneficiaries may repay the due amounts directly to the MA, notifying the LB about this option.
- 10) If the Lead Beneficiary does not manage to recover the unduly paid ERDF contribution from the project beneficiaries, it will inform the MA and will send all necessary documents for the MA to be able to take all necessary measures stipulated by the legislation in force.
- 11) Any extra payment done by the MA is considered unduly paid amount, and the LB has to repay the respective amounts within 30 calendar days from the receipt date of such notification from the MA.

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- 12) In case the irregularity is discovered before the final payment, the MA is entitled to diminish the reimbursed amount starting with the next payment until the total recovery of the debt, to which the bank charges are added.
- 13) In case the irregularity resulting in an unduly paid amount is discovered after the final payment or the debt was not entirely recovered, the MA shall notify the LB regarding the unduly paid amount, and the LB has the obligation to return, within 30 calendar days as of the receiving date of the notification, the amount, including bank charges.
- 14) In case before the final payment, the MA determines that project indicators/objectives were not fulfilled/were partially fulfilled, proportional financial deductions shall be applied, according to the relevant legal provisions and the provisions of the Project Implementation Manual.
- 15) The final payment will be made only after the recovery of any known debts from the Lead Beneficiary and/or any other beneficiary of the project;
- 16) In case the project contribution to indicators is lower compared to the application form, the MA is entitled to decommit project funds by reducing the original project budget and the corresponding ERDF contribution, as follows:
- a) 10% decommitment will apply to the budget of the beneficiaries in case the project indicators were reached lower than 75% of the initial project indicators (average at project level considering all indicators);
 - b) 25% decommitment will apply to the budget of the beneficiaries in case the project indicators were reached lower than 50% of the initial project indicators (average at project level, considering all indicators).
- 17) Starting with the 31st day as of the expiry of the deadlines stipulated at paragraphs 7, 8, 11 and 13 an interest rate bigger with one and a half points than the rate applied by the European Central Bank as in force on the first working day from the month of the deadline date shall be applied to the owed amounts.
- 18) In case financial corrections are applied by the European Commission to the Programme with regard to the performance framework, according to Article 22 of Regulation (EU) No. 1303/2013, and based on the provisions of Commission Implementing Regulation (EU) No 215/2014, the Managing Authority may decide to cover the financial correction from the projects' budgets which have not achieved their indicators.
- 19) In case the European Commission applies financial corrections to the Programme on the basis of extrapolation or flat rate, the Managing Authority may decide to cover these corrections from the projects' budgets, concerned by the corrections.
- 20) In case of observations and/or reservations raised by the Commission on the description of the Management and Control System of the Interreg V-A Romania-Hungary Programme or in case of a system error detected, the MA has the right to temporarily withhold payments to a particular beneficiary (LB or PB) 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.
- 21) In case State aid related irregularities are discovered, all necessary steps shall be taken in order to recover the aid granted, including related interests, calculated in accordance with the European provisions in force. The recovery of illegal State aid/illegal indirect State aid shall be made according to European and national legislation in force and in compliance with the provisions of Minister Order No. 6509/17.10.2017 and/or Minister Order No. 6510/17.10.2017, where applicable.

§ 12 Disputes between beneficiaries

- 1) Should any dispute arise between Lead Beneficiary and/or any other Project Beneficiary, amiable conciliation shall be attempted. In case no amiable solution can be reached, the Lead Beneficiary and/or any other Project Beneficiary shall be obliged to request and accept arbitration carried out by an ad-hoc arbitration court. This will consist of two people of both nationalities, appointed by mutual agreement of the all beneficiaries of the project, from a list of persons nominated beforehand. Should the beneficiaries fail to designate all the expert arbitrators within one month from the Lead Beneficiary's request, the Lead Beneficiary shall have the authority to appoint both expert arbitrators.
- 2) Lead Beneficiary and/or any other Project Beneficiary shall be obliged to accept and apply the decisions of the arbitration court, subject to the applicable law hereby agreed upon and in compliance with the provisions of the Community law.
- 3) Any dispute that, from any reason, fails to be solved by the arbitration court and which involves the Lead Beneficiary shall be governed by the law applicable to the Lead Beneficiary, while, if the Lead Beneficiary does not take part in the dispute, the applicable law is the one of the petitioner.

§ 13 Assignment, legal succession

- 1) The Lead Beneficiary and/or any other Project Beneficiary cannot renounce totally or partially the rights and obligations resulted from the present Partnership Agreement unless it has the clear agreement of the Steering Committee of the Project.
- 2) In case of legal succession, e.g. where the LB and/or any other PB changes its legal form, the LB and/or any other PB is obliged to transfer all duties under this contract to the legal successor. The LB and/or any other PB shall notify the MA about any change with 15 working days beforehand.

§ 14 Amendment of the Agreement

- 1) Any modification to the present Agreement is made only with the agreement of all parties and takes the form of an addendum to the present Agreement.
- 2) As an exception from the provisions of paragraph 1, the LB/PB may make the following changes, with the timely notification of the other beneficiaries participating in the project:
 - i. change of headquarter may be done and shall be forwarded to the MA within 15 calendar days following the change of address;
 - ii. material errors in the text of the Agreement notified to the MA immediately upon correction.
- 3) Addenda enter into force the next day after their signing by the last party, except the case when the addendum confirms modifications occurred in the national/European applicable legislation with impact on the implementation of the present Agreement, modifications that become effective from the date the respective legal acts enter into force.

§ 15 Termination of the Agreement

- 1) In exceptional and duly justified cases, including “force majeure”, the Lead Beneficiary may decide on terminating the Agreement, by a written notification, the obligations the parties have towards the MA remaining valid until the MA or the Monitoring Committee decide to terminate the Subsidy contract.
- 2) The termination of the Subsidy contract is possible only with prior approval of the MA or of the Monitoring Committee, according to each case. In such case the Partnership Agreement will be also terminated.
- 3) The Partnership Agreement may be terminated, by decision of the Lead Beneficiary, in whole or in part, without any other delay or formality, and the Project Beneficiary is obliged to repay to the Lead Beneficiary the amounts already received, in the following cases:
 - a. an inconstancy between the reality and the declarations of the beneficiary in the Application Form is found, regarding the financing of the project from national or European public funds, or regarding the financing from other national or European programmes;
 - b. the subsidy awarded has been partially or entirely misapplied for other purposes than those agreed upon, including 5 years after the financial closure of the project;
 - c. a Project Beneficiary closes down, unless the project beneficiary is replaced and the project can be continued in accordance with the programme rules;
 - d. In case of projects comprising investment in infrastructure or productive investment, the MA finds that during the implementation period of the project including 5 years after the financial closure of the project, the LB or any Project Beneficiary are subject to any of the following:
 - A cessation or relocation of a productive activity outside the programme area;
 - A change in ownership of an item of infrastructure which gives to a firm or public body an undue advantage;
 - A substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
 - e. the PB fails to observe the provisions of article 7 part. B paragraph (13) of the present Agreement;
 - f. in case the project is no longer eligible, if during its implementation such modifications appear that affect the implementation conditions/ create for a third party an unjustified advantage, or if the modification is the result of a change in the nature of the property/ ceasing/ change of the location of the investment;
 - g. a Project Beneficiary did not notify the Lead Beneficiary in due time on a case of conflict of interests or the necessary measures for ending such a situation were not taken;
 - h. the Project Beneficiary did not start the implementation of the project

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according to the provisions of the approved Application Form;

- 4) The Lead Beneficiary, has the right to terminate this Agreement with a previous conciliation procedure and to demand repayment of the amounts already paid if:
 - a. the project has not been or cannot be fully implemented by carrying out the planned activities, the planned outputs and results or the project cannot or could not be realized in due time; or
 - b. the Project Beneficiary has failed to submit in the deadlines the required reports or proofs, or to supply necessary information, in the deadline and has not duly justified these delays or
 - c. the Project Beneficiary has impeded or prevented the auditing; or the recommendations resulted from the audit missions have not been observed; or
 - d. a fraud is discovered at Project Beneficiary level; or
 - e. the Project Beneficiary has failed to fulfil any other conditions or requirements stipulated in this Agreement.
- 5) Any breach of the provisions of the present Agreement may result in the termination of the present Agreement and in decommitment of financing and repayment of amounts unduly paid.

§ 16 Force majeure

- 1) Force majeure is any external event, unforeseeable, absolutely invincible and inevitable occurred after the conclusion of this Partnership Agreement and which prevents the execution of all or part of this agreement. Force majeure, established under the law, exonerates the parties in case of failure to execute totally or partially the obligations under this agreement, as long as the force majeure is in force, and only if the other party has been duly notified. It is not considered force majeure an event similar to those above which, without creating an impossibility of execution, makes extremely expensive the fulfilment of the obligations of one of the parties. The party invoking force majeure shall notify the other party regarding the force majeure event, within 5 calendar days from the date of issue of the force majeure. The party invoking force majeure is required to send to the other party, the document stating the existence of force majeure, within 15 calendar days from the date of its communication by the competent entity. The party invoking force majeure has the obligation to communicate the date of termination of the force majeure, within 5 calendar days of the termination.
- 2) The responsible party will support all costs of the notification procedure.
- 3) The parties shall take all measures at their disposal to limit the consequences of Force Majeure.
- 4) If the party claiming force majeure does not notify the commencement and termination of the force majeure, under the terms and conditions laid down, it will not be exempted from responsibility and will pay all damages caused by the lack of notice to the other Party.
- 5) The execution of the Partnership Agreement is suspended from the occurrence of force majeure during the whole period of its action.
- 6) If force majeure and / or its effects lead to the suspension of the execution of the Partnership Agreement for a period longer than 3 months, the Parties will meet within a

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period not exceeding 10 calendar days from the expiry date of this period in order to agree on how to continue, modify or terminate the Agreement.

- 7) Fortuitous event does not exonerate the parties in case of failure to execute totally or partially the obligations under this Agreement.

§ 17 Correspondence

- 1) The correspondence for the present Agreement shall be submitted to the following addresses:
 - Lead Beneficiary.....
 - Project Beneficiary 2.....
 - Project Beneficiary 3.....
- 2) The reports and reimbursement claims and any other official document submitted for the implementation of the project must be signed by the legal representative of the Project Beneficiary or by its mandate.
- 3) The entire correspondence regarding the present Agreement shall be done in written form, by mentioning the title of the project, the project code and shall have a registration number (entry and exit).

§ 18 Final provisions

- 1) The parties undertake to comply in good faith with all and every provision hereof according to the binding value of the Agreement entered into by the parties.
- 2) The Agreement is governed by the law of the country of the Lead Beneficiary.
- 3) The working language shall be English.

§ 19 Signatures

- 1) The present Agreement is concluded in ... copies. Each copy must be countersigned by the Lead Beneficiary and every Project Beneficiary.
- 2) The following Annexes shall be deemed to form and be read and constituted as part of this Agreement:

Annex 1: Budget of the project;

Annex 2: Schedule for spending forecast and reimbursement claims;

Annex 3: Approved Application Form.

- 3) The Agreement and its annexes are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:
 - a) Partnership Agreement;
 - b) Any subsequent amendments of the Agreement and its annexes made in accordance with the provisions of Article 14.

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Lead Beneficiary

Legal representative:

Name:

Signature

Date

Project Beneficiary 2

Legal representative:

Name:

Signature

Date

Project Beneficiary 3

Legal representative:

Name:

Signature:

Date: