

**Interreg VI-A IPA Programme Croatia - Serbia 2021-2027****Partnership Agreement for the implementation of the Operation<sup>1</sup>**

<b>Operation Title:</b>	
<b>Operation Acronym:</b>	
<b>Operation ID:</b>	
<b>Lead Partner:</b>	
<b>Project Partner 2:</b>	
<b>Project Partner 3:</b>	
<b>Project Partner 4:</b>	
<b>Project Partner 5:</b>	
<b>Start Date of the Operation:</b>	
<b>End Date of the Operation:</b>	

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<sup>1</sup> This document serves as model for the Partnership agreement to be established between the Lead Beneficiary and Project partners in compliance with the Regulation (EU) No 2021/1059. This document provides all minimum compulsory requirements that the signed Partnership Agreement must hold. The Beneficiaries are obliged to complete the provisions marked in grey.



The following Partnership Agreement is concluded between

**[insert full name of the Lead Beneficiary]**, acting as the Lead Beneficiary  
[insert full official address]

represented by **[insert the name of the legal representative]**

and

**[insert full name of Project Partner 2]**, acting as Project Partner 2  
[insert full official address]

represented by **[insert the name of the legal representative]**

and

**[insert full name of Project Partner 3]**, acting as Project Partner 3  
[insert full official address]

represented by **[insert the name of the legal representative]**

[insert the information for additional partners if needed]

hereinafter referred to as the Beneficiaries.

## Legal framework

The provisions of this Partnership Agreement (hereinafter the Agreement) are based on the following EU legislation, Programme rules and guidelines and national legislation:

- 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 (Common Provisions Regulation – CPR);
- 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 and Corrigendum to 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 (Official Journal of the European Union L 231 of 30 June 2021) (ERDF 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) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III);
- Regulation (EU) 2016/679 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, hereinafter referred to as GDPR);
- 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;
- Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC;
- Interreg VI-A IPA Programme Croatia-Serbia, Version 1.1., approved by Commission Implementing Decision No C(2022) 8026 from 3 November 2022 (hereinafter referred to as the Programme);
- Financing Agreement for Interreg VI-A IPA Programme Croatia-Serbia signed between the Government of the Republic of Serbia and European Commission;
- Programme Manual on Eligibility;
- Second Call for Proposals published on [insert the date];
- Project Implementation Manual;
- Monitoring Committee Decision No .. on selection of projects from [insert the date];

- Approved Application HR-RS[insert the number] in the Joint electronic monitoring system (Jems);
- National rules applicable to the beneficiaries.

In case of amendments of the above-mentioned regulations and/or rules, the latest version shall apply.

## Article 1

### Definitions

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

- a) Subsidy Contract: a written agreement between the Managing Authority and the Lead Beneficiary, which sets out the conditions for support of the Operation, including the specific requirements concerning the products or services to be delivered under the Operation, the financing plan and the time limit for execution;
- b) Lead Beneficiary: a project partner which represents the partnership towards the Programme bodies and takes the overall responsibility for the implementation of the entire Operation, in particular the responsibility for the sound financial management of the funds allocated to the Operation;
- c) Project Partner: any institution participating in the Operation and contributing to its implementation according to the Application and this Agreement.

## Article 2

### Subject of the Agreement

1. The subject of this Agreement is laying down arrangements that guarantee the sound financial management of funds allocated to the Operation entitled: [insert the name of the Operation], acronym: [insert acronym], ID: [insert ID], (hereinafter the Operation) and establishing cooperation principles which regulate the rights and responsibilities of the Beneficiaries for successful implementation of the Operation within the Interreg IPA VI-A Programme Croatia – Serbia 2021 – 2027.
2. The Beneficiaries commit themselves to jointly implement the Operation in accordance with the distribution of tasks as defined in the Application and this Agreement, with the aim to reach the Operation main objective, specific objectives, outputs and results.
3. The terms and conditions herein are acknowledged and accepted by all Beneficiaries. The Beneficiaries are obliged to comply with the relevant legal framework set forth in this Agreement and in the Subsidy Contract.

**Article 3**

**Duration of the Agreement**

1. The Agreement shall become valid under the condition that the Subsidy Contract is signed between the Managing Authority and the Lead Beneficiary.
2. The Agreement shall cover the whole implementation period of the Operation and shall be valid until the obligations among the Beneficiaries under this Agreement are fulfilled, and until the Lead Beneficiary fulfils the obligations towards the Managing Authority, as stipulated in the Subsidy Contract.

**Article 4**

**Financing of the Operation**

1. The Beneficiaries accept the total budget of the Operation as indicated in the approved Application, as well as the grant awarded to the Operation by the Managing Authority.
2. The Beneficiaries shall provide their part of the national contribution (min. 15%) of the total budget of the Operation.
3. The total budget of the Operation is distributed as follows:

<b>Beneficiary</b>	<b>Total budget</b>	<b>Programme co-financing</b>	<b>National contribution</b>
<b>Insert name of LP</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>
<b>Insert name of PP2</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>
<b>Insert name of PP3</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>
<b>Total</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>	<b>EUR [insert number]</b>

4. The maximum amount of Programme co-financing paid to the Operation cannot exceed the amount of Programme co-financing indicated in paragraph 3 of this Article. The actual amount of Programme co-financing will be calculated on the basis of certified and eligible expenditures only.

## Article 5

### Rights and obligations of the Lead Beneficiary

The Lead Beneficiary shall:

- 1) assume the overall legal and financial responsibility for ensuring implementation of the entire Operation and ensure the professional management of the Operation respecting the rules and regulations referred to in the Subsidy Contract;
- 2) represent the Project Partners towards the Programme bodies and sign the Subsidy Contract with the Managing Authority on behalf of the partnership;
- 3) ensure that all Project Partners have the capacity and resources for implementing the Operation and that they fulfil their obligations related to the implementation of the Operation observing the legal framework;
- 4) coordinate the start, implementation and closure of the Operation according to the time schedule as indicated in the latest approved version of the Application;
- 5) ensure transparent financial flows of Operation funds by having either a separate accounting system or an adequate accounting code for transactions related to the Operation;
- 6) undertake all actions necessary for full and timely implementation of the Operation in accordance with the Application and this Agreement;
- 7) use relevant electronic monitoring system (hereinafter Jems) for exchanging information and reporting to relevant Programme bodies;
- 8) ensure that all reported expenditure have been incurred in implementing the Operation and correspond to the activities as indicated in the latest approved version of the Application;
- 9) ensure that all expenditure reported within the implementation of the Operation have been verified by the designated controllers;
- 10) prepare and submit Progress Reports to the Controllers/Joint Secretariat/Managing Authority respecting the deadlines indicated in the Subsidy Contract and the Application;
- 11) be responsible for transferring the Programme co-financing to the Project Partners participating in the Operation at latest 15 working days after the reception of the funds from the Accounting Body in full and respecting the Subsidy Contract and this Agreement. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce those amounts for the other Project Partners;
- 12) keep the Project Partners informed about all relevant communication with the Programme bodies;
- 13) ensure the recovery of funds unduly paid to the Operation;
- 14) inform the Joint Secretariat/Managing Authority immediately about all circumstances that delay, hinder or make impossible the realization of the Operation as well as all circumstances that may cause modifications of this Agreement;
- 15) retain for audit purposes all files, documents and data about the Operation;

- 16) provide any information regarding the implementation of the Operation upon request of any of the Programme bodies or take the necessary steps requested by the Programme bodies within the set deadlines.

## Article 6

### Rights and obligations of the Project Partners

Each Project Partner shall be obliged to:

- 1) undertake all actions necessary for full and timely implementation of its part of the Operation. Each Project Partner is entirely and solely responsible for implementation of its tasks and the sound financial management of funds allocated to him, in accordance with the Application and this Agreement;
- 2) ensure either a separate accounting system or an adequate accounting code for transactions related to the Operation implementation to allow identification of costs within the Operation;
- 3) ensure timely reporting on its activities and expenditures in accordance with the time schedule of the Operation as indicated in the Application and in the Subsidy Contract. The reports shall be submitted respecting the rules given in Project Implementation Manual;
- 4) timely transfer all documents and information required by the Lead Beneficiary, and to take all necessary steps in order to allow the Lead Beneficiary to meet the obligations provided in the Subsidy Contract and other obligations/requests in the deadlines stipulated in the respective requests (in particular to support the Lead Beneficiary in preparation of the Project Progress Report and other relevant documents in accordance with the provisions of the Subsidy Contract);
- 5) provide the Joint Secretariat/Managing Authority with any information regarding the implementation of the Operation (during the implementation and after the Operation closure) regarding output indicators, sustainability and other, in line with deadline specified in the request;
- 6) inform the Lead Beneficiary without delay on relevant circumstances having impact on correctness, timeliness, effectiveness and completeness of its actions, in particular those that can lead to temporary or final discontinuation of the Operation;
- 7) comply with the Lead Beneficiary's request for recovery as indicated in Article 10 of this Agreement;
- 8) retain for audit purposes all files, documents and data about the Operation in line with Article 11 of this Agreement;
- 9) provide access (during implementation and after Operation closure) to all bodies involved in Programme management, implementation, control and audit to all documents and results of the Operation;
- 10) respect the communication, visibility and information provisions, as well as all other provisions stated in the Project Implementation Manual;

- 11) make available Operation results and information about the Operation to the general public.

## **Article 7**

### **Cooperation with third parties**

1. In case the Lead Beneficiary or Project Partner cooperates with third parties including external service providers to implement the project, it shall remain solely responsible concerning compliance with its obligations as set out in this Agreement. Each Project Partner shall inform the Lead Beneficiary about the subject of any contract concluded with third party.
2. Cooperation with third parties including external service providers shall be undertaken in accordance with the public procurement procedures determined in the Project Implementation Manual.

## **Article 8**

### **Reporting obligations**

1. The Beneficiaries shall submit a Partner Progress Report including relevant supporting documents, declaring their expenditure for the relevant reporting period to the designated controller.
2. The Partner Progress Report shall be submitted via Jems within 15 days calendar after the end of the reporting period (reporting periods are stated in the Application). The final Partner Progress Report shall be submitted within one month after the end of the reporting period.
3. The Beneficiaries shall provide additional information related to their part of Operation implementation, if requested by the controller or any other relevant Programme body, up to 7 working days (depending on the scope and significance of the requested clarifications).
4. Each Project Partner shall provide support to the Lead Beneficiary in preparing the Project Progress Report or other specific documents as requested by the relevant Programme bodies. The Lead Beneficiary is responsible for submission of the Project Progress Report to the Joint Secretariat/Managing Authority within 15 calendar days after all Partner Reports have been submitted to the designated controllers, but not later than one month from the end of the relevant reporting period. The Final Project Progress Report has to be submitted no later than 45 calendar days after the end of the final reporting period (end of the Operation implementation period).
5. After the Project Progress Report has been approved by the Joint Secretariat/Managing Authority, the Accounting Body shall transfer the funds to the Lead Beneficiary's bank account. The Lead Beneficiary is responsible for accuracy of the bank account details entered in Jems.
6. The Lead Beneficiary shall transfer the funds to the Project Partners within 15 working days after the reception of the funds by the Accounting Body.

## Article 9

### Exchange rate and interest

1. For reporting purposes all expenditures incurred in currency other than EUR shall be converted within the Jems to EUR using the monthly accounting exchange rate of the Commission ([Inforeuro exchange rate](#)) in the month during which that expenditure was submitted for verification to the designated controller.
2. Exchange rate risk shall be borne by the Lead Beneficiary/Project Partner concerned.
3. In case of any delay in the repayment, the amount to be paid shall be subject to interest on late payment, starting on the due date and ending on the actual date of repayment. The rate of such interest shall be calculated following the national rules applicable for the Republic of Croatia.
4. In case of delay by the Lead Beneficiary, the Project Partners may claim interest which the Lead Beneficiary shall be obliged to pay from its own funds.

## Article 10

### Irregularities and recovery of funds

1. The Lead Beneficiary/Project Partner shall assume responsibility for the irregularity related to the expenditure they reported within Partner Progress Report.
2. Any irregular amount detected by the relevant Programme bodies during the implementation of the Operation (before the final payment has been made) shall be deducted from the next payment(s), if applicable.
3. In case the irregular amount cannot be deducted from the next payment or the irregularity is confirmed after the final payment has been made and/or after additional controls have been performed after Operation closure, the Managing Authority shall issue a request for recovery of funds unduly paid to the Operation.
4. The Lead Beneficiary shall be obliged to recover the specified amount within 30 calendar days upon receipt of the request for recovery by the Managing Authority.
5. In case the irregularity is committed by the Project Partner, the Lead Beneficiary shall without delay forward the request for the recovery to the concerned Project Partner specifying the internal deadline for the recovery. The Project Partner is obliged to reimburse the requested amount to the account indicated by the Lead Beneficiary, in accordance with the Regulation (EU) No 2021/1059. The Lead Beneficiary shall be obliged to transfer the requested amount received from the Project Partner to the Accounting Body.
6. In case the Project Partner does not recover the amount unduly paid to the Lead Beneficiary by the deadline specified in the request for recovery, the Lead Beneficiary shall inform the Managing Authority without delay.

7. If the Project Partner does not repay the amount unduly paid within the specified deadline, the Lead Beneficiary may claim interest applying interest rates indicated in Article 9 of this Agreement.
8. The bank charges resulted from reimbursing the unduly paid amounts are borne exclusively by the Lead Beneficiary/Project Partner making the recovery.

## **Article 11**

### **Control and audit**

1. The responsible EU audit bodies and, within their responsibility, the audit bodies of the Participating Countries, as well as the Audit Authority, the Managing Authority, the Joint Secretariat and the Control Bodies are entitled to audit/control the use of funds by the beneficiaries or to arrange for such an audit/control to be carried out by authorised persons.
2. For the purposes of control and audit of the Operation, the Beneficiaries shall be obliged to:
  - a) allow the Programme bodies and any other relevant body to perform control activities and provide all necessary documents and information required for control and audit of the Programme, as well as provide access to their business premises;
  - b) preserve all supporting documents related to specific expenditure for a 5-year period from 31 December of the year in which the last payment by the Managing Authority to the Lead Beneficiary is made, in particular documents pertaining to expenditures and controls required for provision of appropriate audit trail. All documents should be in original copies or copies certified by a person authorized to represent the beneficiary;
  - c) keep all Operation records related to State Aid/De minimis for a minimum of 10 years after receiving the final payment (if applicable).

## **Article 12**

### **Communication and information activities**

1. The Beneficiaries shall jointly implement the information and communication activities in accordance with the Application.
2. The Project Partners will support the Lead Beneficiary and play an active role in any actions organised by the Programme to disseminate and capitalise on Operation results.
3. The Beneficiaries shall ensure that all Operation official communication and information activities (e.g. publications, website, events, etc.) clearly states that the Operation received funding from the European Union within the framework of the Interreg VI-A IPA Programme Croatia-Serbia 2021-2027. The European Union logo and the Programme logo shall be appropriately displayed.
4. The Project Partners agree that the Lead Beneficiary provides the Managing Authority/Joint Secretariat with relevant information regarding the Operation, as indicated in the Subsidy Contract.

## Article 13

### Intellectual property rights, ownership and use of results

1. The Beneficiaries agree that the Operation data and results can be freely used and, in particular, store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Operation whatever their form, in order to ensure a widespread publicity of the Operation results and in order to make them available for the public.
2. The Beneficiaries undertake to enforce the applicable national law on intellectual property rights regarding any output that may be produced during the Operation implementation.
3. In principle each beneficiary shall be the owner of the equipment which is purchased during the Operation implementation, in line with the Partner budget/Application.
4. Without prejudice to the general rule, the Beneficiaries agree on the transfer of ownership of the equipment purchased during the Operation implementation in the following way: <sup>2</sup>
5. In case the Operation involves investments, the following institutions will be responsible for the investments:  
<title of the institution> will be responsible for <title of the investment>.
6. In case of Operation comprising investment in infrastructure or productive investment the concerned Lead Beneficiary/Project Partner shall comply with the conditions set in Article 65(1) of CPR and Programme Manual on Eligibility.

## Article 14

### Conflict of interests

1. The conflict of interests represents any circumstances that have affected or may affect the execution of the Agreement by the Beneficiaries, in an objective and impartial manner. Such circumstances may result from economic interests, political or national preferences or family connections.
2. The Beneficiaries are obliged to take all necessary measures in order to avoid any conflict of interests and to keep each other informed without delay on any circumstances that have generated or may generate such conflict.
3. The Beneficiaries shall ensure that their staff, including their management is not placed in any situation which could lead to conflict of interests. Any staff member in such situation shall be replaced immediately.

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<sup>2</sup> This paragraph should be deleted if not applicable. In case the Lead Beneficiary/Project Partner plans to transfer the ownership of the equipment to another institution, the owner shall be indicated in this paragraph. Please note that the purchased equipment has to be used for purposes of public interest (or specific purpose of meeting the needs of general interest) if transferred to a relevant target group.

4. If any conflict of interests arises or may arise during the Operation implementation, the Lead Beneficiary shall immediately take all necessary steps to resolve it and notify the Managing Authority.

## Article 15

### Modifications of the Operation

1. In case of any modification of the Operation, the Lead Beneficiary shall notify the Joint Secretariat/Managing Authority of the modification via Jems, respecting the procedure and deadlines set out in the Subsidy Contract and Project Implementation Manual. The Operation can be modified only during its implementation period.
2. The modifications of the Operation cannot affect the basic purpose of the Operation, the grant award decision or be contrary to the equal treatment of beneficiaries.
3. The Beneficiaries agree not to withdraw from the Operation unless there are unforeseeable reasons for it. In case a Project Partner withdraws from the Operation, the remaining Project Partners will undertake to find a rapid and efficient solution to ensure the further proper implementation of the Operation without delay. The Lead Beneficiary shall inform the Managing Authority on the subject without delay.
4. The provisions set in Article 11 of this Agreement shall remain applicable for the withdrawing Project Partner.
5. In case of modifications affecting the content of the Agreement, an Addendum may be issued following the approval of the change, if applicable. The Addendum has to be accepted and signed by all Beneficiaries. Addendum shall enter into force on the day on which the last party signs the Addendum.
6. Detailed information related to modifications of the Operation is given in Project Implementation Manual.

## Article 16

### “Force majeure”

1. “*Force majeure*” represents any unforeseeable and exceptional event affecting the fulfillment of any obligation under this Agreement, which is beyond the control of the Beneficiaries and cannot be overcome despite their reasonable efforts.
2. If one of the Beneficiaries is prevented from performing any of its obligations under this Agreement due to “*force majeure*”, it shall give notice without delay to the Lead Beneficiary and other Project Partners. The Lead Beneficiary shall forward the information to the Managing Authority.

3. The Lead Beneficiary may request the suspension of execution of the Agreement during the period of “*force majeure*”. The request for suspension must be approved by the Managing Authority.
4. In case that the Agreement must be suspended for a period longer than three months, the Managing Authority reserves the right to terminate the Subsidy Contract and this Agreement consequently.
5. The Lead Beneficiary/Project Partner shall not be held liable for not complying with the obligations set forth in this Agreement caused by “*force majeure*”.

## Article 17

### Termination of the Agreement

1. This Agreement shall remain in force until the termination of the Subsidy Contract.
2. In exceptional and duly justified cases (including “*force majeure*”), the Lead Beneficiary may decide to terminate the Agreement, by giving a written notification to the Project Partners and to the Managing Authority. The obligations of the Beneficiaries shall remain valid until the Managing Authority decides to terminate the Subsidy Contract.
3. In case the number of Beneficiaries falls under the required minimum number or both participating countries are not represented in the partnership, the Managing Authority reserves the right to terminate the Subsidy Contract.
4. If the Operation is not implemented in line with Subsidy Contract and the Application, Programme and Project Implementation documents, the Managing Authority reserves the right to terminate Subsidy Contract.
5. The Beneficiaries shall be held responsible and shall pay the damages resulted from not observing the tasks and obligations established by this Agreement.
6. The Beneficiaries should pay attention that any breach of the provisions of this Agreement may result in the termination of the Agreement and in de-commitment of financing and repayment of amounts unduly paid.
7. Following the termination of the Agreement, the Beneficiaries are obliged to comply with the obligations concerning the documents keeping for audit purposes.

### Final provisions

1. All official communication between the Beneficiaries and the Programme bodies regarding the Operation shall be carried out in writing and in English language.
2. In case of legal succession any of the Parties, the Party involved is obliged to transfer all the obligations under this Contract to its legal successor.
3. In case of differences that are not ruled by this Agreement, the Beneficiaries agree to find an amicable and mutually acceptable solution. In the absence of amicable settlement, the

Beneficiaries will submit themselves to the exclusive competence of the Permanent Arbitration Court of the Croatian Chamber of Commerce.

4. In case of discrepancies between this Agreement and the Subsidy Contract, the Subsidy Contract shall prevail.
5. If a provision of this Agreement is or becomes invalid or if this Agreement contains unintentional gaps or misprints, this will not affect the validity of the other provisions of this Agreement. The Beneficiaries will replace any invalid provision by a valid provision that is as close as possible to the purpose and intent of the invalid provision. The Beneficiaries shall fill any unintentional gap or misprint by a provision that better suits the purpose and intent of this Contract, in compliance with the rules applicable.
6. This Agreement shall enter into force on the date on which the last Party signs the Agreement. The Lead Beneficiary shall upload the Partnership Agreement in the Jems in accordance with the provisions of the Subsidy Contract.
7. This Agreement is concluded in [insert the number of copies according to the number of beneficiaries] copies. Each copy must be countersigned by every Project Partner.

For the Lead Beneficiary

Name: [insert the name of the legal representative]

Title: [insert function of the legal representative]

Signature:

Date:

For Project Partner 2

Name: [insert the name of the legal representative]

Title: [insert function of the legal representative]

Signature:

Date:

For Project Partner 3

Name: [insert the name of the legal representative]

Title: [insert function of the legal representative]

For Project Partner 4

Name: [insert the name of the legal representative]

Title: [insert function of the legal representative]

Signature:

Signature:

Date:

Date:

*[insert the information for more partners if needed]*