

**Template of the Subsidy Contract  
for the implementation of the Interreg V-B Adriatic Ionian**

**Project Number – Title – Acronym**

**Preamble**

The following subsidy contract (hereinafter referred to as contract) between:

The Emilia-Romagna Region

represented by

The General Directorate Resources, Europe, Innovation and Institutions of the Emilia-Romagna Region

V.le Aldo Moro 38 - mezzanino

40127 – Bologna

Italy

acting as Managing Authority (hereinafter referred to as MA) of the Interreg VI-B IPA Adriatic Ionian (hereinafter referred to as: IPA ADRION) on behalf of the participating countries: Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, North Macedonia, San Marino, Serbia, Slovenia;

and

**name of the lead institution** (hereinafter referred to as Lead Partner according to Article 26 of Regulation (EU) 2021/1059 (hereinafter: Interreg Regulation)

**Address:**

represented by:

**legal representative**

is concluded on the basis of the rules and documents as specified in art. 1 of this contract and lays down the implementing arrangements for the project IPA ADRION **Number – full Title – Acronym**.

## Article 1

### Legal framework and contractual basis

1. The following legal provisions and documents constitute the contractual basis of this co-financing contract and the legal framework for the implementation of the project [Number – full Title - Acronym]:
  - Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012;
  - Regulation (EU) No 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, and repealing Council Regulation (EC) No 1303/2013, hereinafter referred to as CPR Regulation;
  - Regulation (EU) No 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 repealing Regulation (EC) No 1301/2013, hereinafter referred to as ERDF Regulation;
  - Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, hereinafter referred to as Interreg Regulation;
  - 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, GDPR);
  - Regulation (EU) No 2021/1529 of the European Parliament and of the Council of 15 September 2021, establishing the instrument for Pre-Accession Assistance (IPA III), hereinafter referred to as IPA III Regulation;
  - Articles 107 and 108 of the Treaty on the Functioning of the European Union, Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; Delegated and Implementing acts, as well as all applicable decisions and rulings in the field of state aid;
  - Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
  - Directives and rules on public procurement;
  - Delegated and Implementing acts as well as all applicable decisions;
- The INTERREG VI-B IPA Adriatic Ionian Cooperation Programme, approved by the European Commission (EC) on 30 November 2022 (Decision number C(2022)8953);
- The Interreg IPA ADRION Environmental Screening Report;
- Financing agreements, signed between the IPA participating countries, the European Commission and the country hosting the IPA ADRION MA;

- The laws of the Republic of Italy applicable to this contractual relationship;
- National rules applicable to the lead and project partners (hereinafter referred to as LP and PPs respectively) and their activities;
- All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, equal opportunities and non-discrimination, equality between men and women;
- Manuals, guidelines, and any other documents relevant for project implementation (e.g., Application Manual, Implementation Manual) in their latest version, as published on the programme website or handed over to the LP directly during the project implementation;

Should the above-mentioned legal norms and documents, and any other documents or data of relevance for the contractual relationship be amended, the latest version shall apply.

## Article 2

### Award of subsidy and general conditions

1. The present contract rules the awarding of the co-financing by the MA to finance the implementation of the following project as stated in the Preamble within IPA ADRION [Number – full Title - Acronym], in accordance with the decision of the Monitoring Committee (hereinafter: MC) of [insert date] and its further possible amendments.

The contract is based on the latest version of the application form available, as well as data submitted via the Joint Electronic Monitoring System (hereinafter referred to as JEMS).

<b>Maximum Interreg amount of funding awarded:</b>	<b>EUR xxx</b>
<b>Total Partners' co-financing:</b>	<b>EUR xxx</b>
<b>Total approved project budget:</b>	<b>EUR xxx</b>
<b>Grant rate of the EU contribution:</b>	<b>85%</b>

The grant rate of the funding is calculated dividing the maximum funding awarded by the total approved budget.

2. The maximum amount of Interreg contribution as approved by the MC cannot be exceeded.
3. Should the total eligible costs after the completion of the project be lower than the budgeted amount, the abovementioned EU funding awarded by the IPA ADRION programme shall be lowered correspondingly.
4. Disbursement of the co-financing is subject to the availability of funds. In case of system errors detected within audits, the MA has the right to temporarily withhold payments to the project. Payment suspension(s) shall be lifted as soon as observations and/or reservations raised by the relevant bodies have been withdrawn.
5. Reimbursement of the IPA PPs is based on the signature of the Financing Agreement between the IPA participating country(ies) where the IPA PP(s) is located, the European Commission and the MA. (pending)

6. If the European Commission fails to make the funds available due to reasons that are outside the sphere of influence of the programme, the MA via the JS shall be entitled to withdraw from this contract and any claim by the LP or the PPs against the MA for whatever reason is excluded. Disbursement of the subsidy is subject to the condition that the European Commission makes the funds available to the extent described in art. 2.4 and that all applicable EU, programme and national rules are observed by the partnership. In case of non-availability of funds, the MA cannot be deemed responsible for late or missing payments.
7. Disbursement of the subsidy is subject to the condition that the present contract is signed by both parties and that the LP acknowledges the MA via the JS about the signature of the Partnership Agreement by the LP and all PPs.
8. Should the project fail to respect the contractual arrangements on timeliness as indicated in the spending plan, budget absorption, visibility requirements and achievement of outputs and results, as set out in the application form, corrective measures may be put in place to ensure the project performance, as well as to minimize the impact at programme level, following the procedures specified in the Implementation Manual. The MA may also reduce the Interreg co-financing allocated to the project or, if necessary, conclude the project by terminating the co-financing contract as determined in art. 16.

### **Article 3**

#### **Duration of the project and of the contract**

1. The duration of the project is provided in the latest version of the approved application form as present in JEMS and is as follows:  
Start date: <dd/mm/yyyy>  
End date: <dd/mm/yyyy>.
2. All scheduled activities must be finalized within the set end date and in any case not later than 31 December 2029.
3. Without prejudice to art. 3.2, administrative obligations related to the project closure as specified in the Implementation Manual may take place after the scheduled project closure in a time span not longer than three months after the project ending date.
4. Without prejudice to the rules governing State Aid, all supporting documents related to the project shall be kept for a 5-year period from 31 December of the year in which the last payment by the MA to the LP is made. This time period shall be interrupted either in the case of legal proceedings or by a request of the European Commission.
5. If there is a non-resolved dispute between any of the participants arising from the implementation of the project, this contract shall remain in force until the case is settled by the competent body.

### **Article 4**

#### **Object of use and eligibility of expenditure**

1. The funds of the IPA ADRION programme shall be exclusively awarded for the implementation of the project as described in the approved application form.
2. As a general rule, project expenditure is considered eligible and qualified for a subsidy if it has been incurred and paid within the start and end date reported in the approved application form, included in the project progress/final report and approved by MA. The following exceptions apply:

- a. costs related to preparation costs;
  - b. costs related to the fulfilment of project administrative obligations as in art. 3.3.
3. Rules on eligibility of cost categories are provided in the programme documents in accordance with Interreg Regulation – Chapter V.
4. It is hereby made explicit that the project must not make use of funds from other programmes co-financed by the EU and/or by IPA ADRION participating countries to finance the eligible costs reported to the present project.

## Article 5

### Reporting obligations and payment

1. The LP is entitled to request payments of Interreg funds from the MA on behalf of the PPs by following the reporting procedures defined in the Implementation Manual. Upon satisfactory completion of reporting, co-financing will be disbursed by the MA to the account indicated in JEMS. Co-financing will be disbursed in Euro. Any exchange rate risk for transfer to the PPs will be borne by the LP.
2. As a general rule, each project progress report shall cover the expenditure incurred in the reference eligible project period and paid until the end date of the given reporting period and the costs calculated as flat rate related to the given reporting period respectively. The request for payments shall be submitted periodically to the MA via the Joint Secretariat (hereinafter referred to as JS) in accordance with the guidance provided in the Implementation Manual and timeline in art. 5.4.
3. Each project progress report shall consist of an activity and financial report. It must be drafted in English and submitted via JEMS.

The final report shall be sent to the MA via the JS at the latest three months after the project end date as mentioned in art. 3.3 of this contract.

Disbursement by MA can be claimed on condition that provisions for requests for payment are respected, regularity of activities related to the declared expenditure can be sufficiently demonstrated, costs are verified in accordance with art. 6 and supported by the necessary documentation, deadlines reported in art. 5.4 and 5.6 are met.

4. Project progress reports must be submitted to the MA via the JS within three months from the end date of each reporting period according to the following:

Period	Reporting Period (from dd/mm/yyyy – to dd/mm/yyyy)	Deadline for submission of the Progress Report and Application reimbursement (dd/mm/yyyy)	Spending forecast (values as per JEMS) EUR
Period 0	01/01/2021 – dd/mm/yy (the day before the date of project submission)	To be reimbursed after the signature of the present contract and partnership agreement	
Periods	dd/mm/yy (project start date) dd/mm/yy (6 months' period)	reporting + 3 months	
Total EU contribution to project budget			xxx

5. Upon prior MA decision, the LP may request interim payments of Interreg funds not accompanied by report of activities.
6. The MA reserves the right to set additional compulsory reporting deadlines for the submission of the project progress reports, in order to avoid decommitment of Interreg contribution at programme level. The additional deadlines shall be communicated in advance to the LP by the MA via the JS.
7. The LP shall respect the reporting deadlines set in art. 5.4 and 5.6. In case of any delays, the MA via the JS shall be notified in advance and in written form on the reasons of the delay in accordance with the procedure set forth in the Implementation Manual. The MA via the JS reserves the right not to accept – in full or in part – the documentation certifying the incurred expenditure as in art. 6 if, following own checks and/or controls or audits performed by other authorities, activities and costs in it described reveal being incorrect or not compliant with the legal framework of the present contract. In this case the MA shall either reduce the claimed amount, or demand repayment of funds unduly paid, or reduce the next payment claim to the LP, if possible. The MA is entitled to withhold Interreg funds payment to the affected beneficiary (LP or PP) until all unclear issues related to the implementation, management and reporting have been clarified.
8. Subject to the availability of funding, the MA shall ensure that the LP receives the total amount of the requested eligible funds in full and not later than 80 days from the date of submission of the payment claim by the beneficiary.
9. The aforementioned 80 days' time span shall be respected on condition that the payment request process is not interrupted in either of the following duly justified cases:
  - a. The amount of the payment claim is not due or the appropriate supporting documents, including the documents necessary for management verifications, have not been provided or are not sufficiently detailed to ensure the proper monitoring activities;
  - b. an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.

The beneficiary concerned shall be informed in writing of the interruption and the reasons for it.
10. The MA via the JS may request clarifications to the LP any time; the LP shall provide the requested information and/or the requested document within the set deadline. The LP shall ensure the provision of information and/or documents if requested by other programme authorities, courts of auditors or other control institutions acting within their respective sphere of responsibility.
11. The payment shall not be higher than the amount indicated in the request for payment by the LP. The payments shall be disbursed in Euro (EUR).
12. The MA ensures that the project receives payments of the co-financing from the programme in time and in full. No deduction or retention of further specific charges which would reduce the amount of the payment must be made without prejudice of the provisions outlined above in this article. Conversely, the Interreg contribution paid by the MA must not exceed the share of Interreg funds resulting from the eligible amount verified by each responsible control authority, in compliance with the articles of this contract.
13. Payments not requested in time and in full or not compliant with the payment schedule reported in art. 5.4 and 5.6 or lack of compliance with the goals indicated in the approved application form may make the funds lost.
14. By paying out the subsidy according to this contract the MA fulfils its obligations resulting from the present contract.
15. The LP, in accordance with art. 26 (2) of the Interreg Regulation, shall ensure that the PPs receive the total amount of their respective share of Interreg funding as quickly as possible and in full. No amount shall be

deducted or withheld and no specific charge or other charge with equivalent effect shall be levied by the LP that would reduce the amount due to the PPs.

16. If the LP is located in Italy, it shall also be in charge of ensuring that the Italian PPs receive their corresponding shares of the Italian rotation fund. The LP shall ensure that the Italian PPs receive the total amount of their respective share of Italian rotation fund as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied by the LP that would reduce the amount due to the PPs.
17. If the LP is not located in Italy, the MA ensures the payment of the corresponding shares of the Italian rotation fund.

## **Article 6**

### **Verification of expenditure**

1. Each project progress report and the final report submitted by the LP to the MA via the JS must be accompanied by certificates confirming the eligibility of expenditure, both at LP and PP level. Certificates attesting the validation of expenditure shall be issued by the national controllers as referred to art. 46 (3) of the Interreg Regulation according to the system set up by each programme participating country and in compliance with the legal framework in art. 1.
2. In case the LP or PP is located in a participating country where national control system is decentralized, the MA reserves the right, after the agreement with the national responsible institution, to request that the controller is replaced if considerations – unknown when the contract was signed with controller – cast doubts on the controller's independence or professional standards.
3. Information on the controllers, including its coordinates updates, shall be notified by the LP on behalf of the project PPs to the MA via the JS in accordance with the rules of the Implementation Manual.
4. In line with Article 26 (1) (c) of Interreg Regulation the LP shall ensure that expenditure presented by other PPs has been verified by the appointed controllers and that corresponds to the agreed activities reported in the approved application form.
5. All expenditure shall be reported in Euro (EUR). Expenditure incurred by LP and PPs in a currency other than the EUR shall be automatically converted into EUR by JEMS by using the monthly accounting exchange rate of the European Commission in the month during which expenditure is submitted for verification to the national controller.
6. The exchange rate risk is borne by the concerned LP/PP.

## **Article 7**

### **Project coordination and finance management**

1. With reference to the project coordination and finance management, the LP shall:
  - a) Be the only direct contact between the project partnership and the programme management bodies (MA via the JS, Audit Authority);
  - b) Coordinate the start, the implementation – including reporting according to the deadlines and requesting project modifications – and the closure of the project according to the approved application form;

- c) Install a separate accounting system or an adequate accounting code set in place for the project and ensure that eligible costs and received Interreg funding can be clearly tracked and identified, as well as promptly inform the MA via the JS of any changes concerning the bank account data;
- d) Immediately inform the MA via the JS in written form if the project budget has to be revised, if the PPs, the project objectives, and the activity plan on which this contract is based, need to be changed;
- e) Be responsible that the project respects its time schedule including the financial performance in relation to its implementation, as well as the achievement of outputs and contribution to programme results;
- f) Immediately inform the MA via the JS in case force majeure impedes the implementation or requires a revision of the project or the change of the conditions according to which this contract has been laid down (e.g.: loss of a partner, use of additional public funds for the same activities, etc.);
- g) Ensure the sound financial management of the project according to the Programme rules and in line with the EU Regulations and national laws, including arrangements for recovering amount unduly paid;
- h) Ensure that all project and PPs data are available and regularly updated on JEMS in accordance with the instructions provided in the Implementation Manual;
- i) Ensure that a copy of produced deliverables – when possible – or descriptive materials (e.g.: photos) is submitted to the MA via the JS together with the project progress report; ensure also that a copy of the produced deliverable/material is stored at its or PPs' premises for audit and control purposes;
- j) Ask the JS for guidance when necessary and participate to the events (e.g.: seminars, workshops) organized by the programme;
- k) Invite the MA via the JS to participate in project Steering Committee meetings as an observer and send the related minutes to the MA via the JS;
- l) Provide the MA via the JS with regular, relevant and update information with regard to the project activities;
- m) Provide the requested information and data on behalf of all PPs to experts or bodies appointed by the programme authorities for evaluation or research activities. Information might be provided by the LP and PPs also through surveys and/or interviews.
- n) Ensure that, in case part of the funded activities are granted under the de minimis regime, all the necessary requirements shall be respected during project implementation by the affected PPs.

The LP shall be obliged to contractually forward this clause in its entirety to the PPs:

(Specific contractual conditions on State aid elaborated for the project following project assessment and affected PPs).

## **Article 8**

### **Information and communication, publicity and intellectual property rights**

1. The LP shall ensure that all the outputs and results produced by the project are in the public interest and public available in a usable format.
2. The LP shall ensure that the PPs comply with all publicity, communication and branding obligations according to CPR and further specified in the Implementation Manual.
3. The LP shall take full responsibility for the content of any notice, publication and publicity product developed by the partnership or third parties on behalf of the LP or the PPs. The LP shall be liable in case a third party claims compensation for damages (e.g. due to an infringement of intellectual property



rights). The LP shall indemnify the MA in case the MA suffers any damage because of the content of the publicity and information material.

4. On behalf of the programme bodies and of other programme promoters at national level, the MA is entitled to use the outputs of the project in order to guarantee a wide spread of the project deliverables and outputs, and to make them available to the public. EU, other programmes and bodies of the participating countries of IPA ADRION can also use them for information and communication purposes.
5. For this purpose, the LP shall ensure that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it, is granted to the aforementioned IPA ADRION and European Commission bodies. The LP shall also inform the MA if there is any sensitive or confidential information, or any pre-existing intellectual property rights related to the project that must be respected.
6. Any notice or publication relating to the project made in any form and by any means, including Internet, must state that it only reflects the author's view and that the programme authorities are not liable for any use that may be made of the information contained therein.
7. The MA via the JS as well as the national authorities of the IPA ADRION participating countries including the National Contact Points, shall be authorised to publish, in accordance with all relevant EC and national rules on personal data protection, in any kind of form or by any kind of professional environment, including Internet, the following information in accordance with art. 49 (3) of CPR:
  - a) beneficiary names (the legal entities);
  - b) project name;
  - c) the purpose of the project and its expected achievements.
  - d) project start date;
  - e) project end date;
  - f) total cost of the project;
  - g) funds concerned;
  - h) specific objective concerned;
  - i) Union co-financing rate;
  - j) location of the beneficiaries;
  - k) type of intervention.
8. Any communication campaign, media appearance or other publicity of the project shall be timely communicated to the MA via the JS for dissemination purposes or showcases.

## **Article 9**

### **Representation of project partners, lead partner liability and third parties**

1. The LP shall guarantee that it is entitled to represent the PPs participating in the project.
2. The obligations of the LP towards the PPs are reported in a partnership agreement laid down in accordance with art. 26 (1) (a) of the Interreg Regulation. The partnership agreement shall hold, as minimum content, the rules set in the partnership agreement template provided by the MA.
3. The partnership agreement shall be signed by all PPs within two months after the signature and entering into force of the present contract. The MA reserves the right to check whether the partnership agreement has been signed by the LP and all PPs and if it is compliant with the minimum requirements reported above.

4. The LP shall bear the overall responsibility towards the programme authorities for the correct and sound implementation of the project. The LP shall be held liable if obligations as laid out in the present contract or in applicable European Union's and/or national laws are not fulfilled by the PPs.
5. The LP shall also be liable towards the MA in relation to the PPs obligations and for any infringements by PPs of obligations under this contract in the same way as for its own conduct.
6. In case of MA requests for repayment of Interreg funds in accordance with the rules of the present contract, the LP is liable towards the MA for the total undue amount. The LP is entitled to ask repayment from its PPs as stipulated in art. 52 (3) of the Interreg Regulation.
7. The MA cannot, under any circumstance or for whatsoever reason, be held liable for damage or injury sustained by the staff or property of the LP or one of its PPs while the project is being carried out. The MA shall therefore not accept any claim for compensation or increases in payment in connection with such damage or injury.
8. The LP shall assume the sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out. The LP shall discharge the MA of all liabilities associated with any claim or action brought as a result of an infringement of rules or regulations by the LP or one of the PPs, or as a result of violation of a third party's rights.

## **Article 10**

### **Modifications to the project and amendments of the Subsidy Contract**

1. The LP and its partnership shall not withdraw from the project unless there are unavoidable reasons for doing so. Should this nonetheless happen, the LP and the remaining PPs must find a solution in agreement with the rules and procedures as described in the Implementation Manual.
2. Project modifications may be requested by the LP only in relation to the topics and in accordance with the rules and procedures reported in the Implementation Manual. Any modifications requested must be agreed and authorised by the PPs beforehand. Where relevant, in order to come into effect, modifications must be approved either by the MC or by the MA according to the rules reported in the Implementation Manual.
3. In case of changes in the partnership, the approval shall be valid retroactively starting from the date when the written request was submitted to the MA via the JS.

Requests for changes can be submitted up to three months before the project ending date.

## **Article 11**

### **Assignment and legal succession**

1. The MA shall be entitled at any time to assign its rights under this contract. In case of assignment, the MA shall inform the LP without delay.
2. The LP shall not, in principle, assign its duties and rights under this contract. In exceptional cases and well-founded circumstances, the assignment is possible prior written approval of the MC.
3. In case of legal succession, the LP shall be obliged to transfer all duties under this contract to the legal successor. The LP shall notify the MA via the JS about any change beforehand. The legal successor shall take all responsibilities of the activities fulfilled by the legal predecessor and be financially responsible for any amount unduly paid to the legal predecessor.

## **Article 12**

### **Financial controls and audits**

1. The European Commission, the European Court of Auditors (ECA), the European Anti-fraud office (OLAF), the auditing bodies responsible at participating country level, the programme bodies – MA, Audit Authority, Group of Auditors representatives - are entitled to audit and control the proper use of Interreg funds by the LP and PPs or to arrange that such audits are performed by authorized persons. The LP and the PPs shall be notified in due time about any audit to be carried out on their expenditure.
2. The LP shall produce all documents required for the audit and undertake all necessary actions to provide necessary information and give access to its premises and documentation. In this respect, it shall ensure the respect of guidance provided in the Implementation Manual and that the audits are carried out smoothly.
3. The LP, also on behalf of the affected PP(s), shall inform the JS about the carried-out audits.
4. If, as a result of the controls and audits, any expenditure results being non eligible, the procedure described in art. 13 shall apply. The LP shall ensure the fulfilment of the necessary actions also in relation to the PPs.

## **Article 13**

### **Withdrawal or recovery of unduly paid Interreg funds**

1. If the MA and the Audit Authority, participating country body or any relevant EU body discover any unduly paid funds, or should the MA be notified of such cases, it must, if necessary, in consultation with the respective participating country concerned and by informing the MC, demand repayment of the co-financing in whole or in part from the LP.
2. The LP shall ensure that, if applicable, the concerned PP repays the LP any amounts unduly paid in accordance with the partnership agreement and the Implementation Manual. The amount to be repaid can be withdrawn from the next payment to the LP or, where applicable, remaining payments can be suspended. In case of closed projects, the LP is obliged to transfer the unduly paid out funds to the MA. The repayment amount is due within one month following the date of receiving the letter by which the MA asserts the repayment claim; the due date shall be stated explicitly in the order for recovery.
3. If the LP or a PP involved in this project fails to repay unduly paid funds in another project funded by the programme, the MA has the right to withdraw the corresponding funds relating to the LP or PP in question from any open payment in this project.
4. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of the late interest applied to the amount to be recovered shall be calculated in accordance with art. 88 of CPR.
5. If the LP cannot recover the Interreg funds unduly paid to a PP on the basis of the partnership agreement existing between them, the LP shall inform the MA via the JS in written form within the deadline for repayment.
6. In case factors behind the recovery procedure show violation of the present contract (ref to art 16), the MA shall consider its termination as last resort. In any case the partnership shall be heard before taking a final decision on the termination of the contract.
7. The LP shall be entitled to exercise the right of withdrawal if implementation of the project becomes impossible caused by circumstances independent from the LP. In case of withdrawal by the LP, the LP shall repay the whole amount of Interreg funds at the same time when the notification of withdrawal has been sent to the MA via the JS.

## **Article 14**

### **Decommitment of project budget**

1. The MA shall be entitled to reduce the project budget and the corresponding contribution from the EU funds in case decommitment at programme level applies. Procedures provided in the Implementation Manual shall be followed.
2. The MA shall be entitled to reduce the project budget following the outcomes of a mid-term review performed after 18 months' project implementation. Project budget reduction shall be approved by the MC.
3. Conditions are provided in the Application and Implementation Manuals.

## **Article 15**

### **Durability of operation, ownership, use of outputs and contribution to programme results**

1. Ownership, title, industrial and intellectual property rights in the use of project outputs, reports and other documents relating to them shall, depending on the applicable national law and/or the partnership agreement, vest in the LP and/or its PPs. The partnership shall be entitled to establish the property rights of the products deriving from the project.
2. The ownership of outputs having the character of productive investments realized within the project shall remain with the concerned LP and/or PPs according to the timeframe as well as under the conditions set in art. 65 of CPR. Should any of the conditions set by the mentioned Regulation not be met at a certain point of time, the MA via the JS shall be immediately informed by the concerned LP or PP. The MA shall recover the unduly paid Interreg contribution in proportion to the period for which the requirements have not been fulfilled.
3. The LP shall respect all applicable rules and the basic principles related to competition law as well as the principles of equal treatment and transparency within the meaning of the funding regulations and it shall ensure that no undue advantage, i.e., the granting of any advantage that would undermine the basic principles and political objectives of the funding regime, is given to anybody. Outputs and contribution to programme results, especially studies and analyses, produced during project implementation shall be made available to the general public free of charge and can be used by all interested persons and organizations in the same way and under the same conditions as by the LP or its PPs.
4. Use of pre-existing intellectual property rights for information and communication actions by MA or other bodies are ruled under art. 8 of the present contract.

## **Article 16**

### **Termination and repayment**

1. The MA shall be entitled, in whole or in part, to terminate this contract and/or to demand repayment of subsidy in any of the following circumstances:
  - a. The LP has obtained the subsidy through false or incomplete statements or through forged documents and / or the information the PPs were required to provide in the assessment and selection procedure, negotiation phase or the implementation of the project was false or incomplete;
  - b. The project has not been or cannot be implemented or the LP fails to fulfil any condition or obligation resulting from the co-financing contract;

- c. The LP or a PP becomes insolvent, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of bankruptcy proceedings, or proceedings concerning those matters, is an undertaking in difficulty, or is in any other comparable situation;
  - d. The LP or a PP, or any related person, have committed fraud or are involved in any illegal activity detrimental to the EU's financial interests;
  - e. The termination of the participation of a PP or a change in a project partner's status substantially affects the implementation of the project or puts into question the award decision;
  - f. The LP and its PPs receive additional funding from the European Commission or other public authority for all or part of the same project expenditure reported during the period of the implementation of the project;
  - g. The project has not started in due time and even a written reminder by the MA via the JS remains unsuccessful;
  - h. A change has occurred, e.g. with regard to nature, scale, ownership, cost, timing, partnership or completion of the project, that has put at risk the achievement of the goals and objectives planned and stated in the latest version of the approved application form;
  - i. The project significantly failed to reach the objectives, results and outputs planned in the application form, unless duly and / or the project outputs and results are not in line with those described in the approved application;
  - j. The LP has failed to submit the required reports (e.g. the project progress reports according to the overview table of reporting targets and deadlines annexed to this contract) or proofs, or to supply necessary information provided that the LP has received a written reminder setting an adequate deadline and explicitly specifying the legal consequences of a failure to comply with requirements and has failed to comply with this deadline;
  - k. The LP has infringed its duty to ask for prior written approval where indicated by this contract or in the programme Implementation Manual or has failed to immediately report events delaying or preventing the implementation of the project funded or any circumstances that mean a change of the disbursement conditions and frameworks as laid down in this contract;
  - l. The LP or its PPs obstructed or prevented the financial control and auditing as indicated in art. 12 of this contract;
  - m. The amount of funding awarded has been partially or entirely misapplied for purposes other than those agreed upon;
  - n. The LP does not make available the outputs to the MA;
  - o. Exceeding the permissible limits of the funding regulations e.g.: the LP wholly or partly sells, leases or lets the project outputs/results to a third party;
  - p. Regulations of EU law including the horizontal policies or national regulations have been violated;
  - q. The ownership of project outputs having the character of productive investments did not remain with the concerned LP and/or PPs for the timeframe and under the conditions set in art.65 of the CPR;
  - r. It has become impossible to verify that the progress report is correct and thus the eligibility of the project by funding from IPA ADRION programme.
2. Prior to or instead of terminating the contract as provided for in this article, the MA may suspend payments as a precautionary measure, without prior notice. This measure shall be lifted as soon as the reasons for such measures cease to apply or requested proof can be furnished.
  3. If the MA exercises its right of termination and the LP is demanded full or partial repayment of amounts already paid, the LP shall be obliged to transfer the repayment amount to the MA. The repayment amount

shall be due within one month following the date of the letter by which the MA asserts the repayment claim; the due date shall be stated explicitly in the order for recovery. Any delay in effecting repayment shall give rise to interest on account of late payment as per art.13.4.

4. If the MA exercises its right of termination, offsetting by the LP shall be excluded unless its claim is undisputed or recognised by declaratory judgement.
5. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the LP.
6. If any of the circumstances indicated in the aforementioned point 1 of this paragraph occurs before the full amount of subsidy has been paid to the LP, payments may be discontinued and there shall be no claims to payment of the remaining amount.
7. As laid out in art. 2.6, the MA is entitled to terminate this contract if the European Commission fails to make the funds available due to reasons that are outside of the sphere of influence of the programme.
8. After termination of this contract, the LP's obligations and liabilities shall remain in accordance with art. 65 of CPR.
9. Any further legal claims shall remain unaffected by the above provisions.

## **Article 17**

### **Advance payment**

1. After having signed the present contract and provided acknowledgement of the signature of the Partnership Agreement to the MA, the MA shall disburse a pre-financing up to 20% Interreg contribution of each IPA PP budget upon condition that the amount is under its availability.
2. The advance payment shall be compensated with the final request for payment submitted by the LP.
3. In case the submitted requests for payment do not reach the advanced amount, the MA will send a recovery order to the LP for the share/quota of the advance payment not spent by IPA PP. The procedure described in art. 13 shall apply.
4. Disbursement of the advance payment is subject to conditions set forth in art. 2.4.

## **Article 18**

### **Working language**

1. The programme language is English.
2. All correspondence between the MA and the LP must be in English language.
3. All documentation produced thanks to the EU funds must be drafted in English.

## **Article 19**

### **Force majeure**

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this subsidy contract, which is beyond the control of the LP and PPs and cannot be overcome despite their reasonable endeavours (e.g. substantial changes due to changes in political or financial terms). Any default of a product or service or delays in making them available for the purpose of

performing this contract and affecting the project performance, including, for instance, anomalies in the functioning or performance of product or services, labour disputes, or financial difficulties do not constitute force majeure.

2. If the LP or PPs are subject to force majeure liable to affect the fulfilment of its/their obligations under this subsidy contract, the LP shall notify the MA via the JS without delay, stating the nature, likely duration and foreseeable effects.
3. If the MA is subject to force majeure liable to affect the fulfilment of its obligations within the framework of this subsidy contract, it shall notify it to the LP without delay, stating the nature, likely duration and foreseeable effects.
4. Neither the MA nor the LP or PPs shall be considered to be in breach of their obligations to execute the project if it has been prevented from complying by force majeure. Where LP or PPs cannot fulfil their obligations to execute the project due to force majeure, grant for accepted eligible expenditure occurred may be made only for those activities which have actually been executed up to the date of the event identified as force majeure. All necessary measures shall be taken to limit damage to the minimum.

## **Article 20**

### **Complaints and litigation**

1. This contract is governed by and construed in accordance with the Italian Civil Code. Italian law shall apply to all legal relations arising in connections with this contract.
2. In case of disputes between the MA and the LP related to the execution of the present contract, the Parties commit themselves to reach an amicable settlement; in this case prior to litigation, mediation procedures shall be set in place.
3. In case of litigation the court of competent jurisdiction is the Civil Court of Bologna. Legal proceedings shall be in Italian.

## **Article 21**

### **Final provisions**

1. If any provision in this contract is wholly or partly ineffective, the remaining provisions remain binding for the Parties. In this case the Parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.
2. All mentioned cited laws, EU regulations, programme documents and national laws, are applicable in their currently valid version. The LP declares to respect the legal framework as mentioned and to contractually forward this obligation to the PPs.
3. This contract is concluded in English. In case of translation of this contract into other language, the English version shall prevail.
4. In case of situations that are not ruled by this contract, the parties shall agree to find a conjoint solution.
5. In accordance with the provisions of the Regulation (EU) 2016/679 (General Data Protection Regulation) in its valid version the MA shall be entitled to process personal data of the LP and PPs, which are contained in the project application form and which are acquired in the organs and authorized representatives of the following bodies and authorities: national control bodies and bodies and authorities involved in audits carried out for the programme, European Commission, auditing bodies or any other institution responsible for conducting audits or controls according to European Union's or national laws. In addition,

the MA shall be entitled to process such data and to share them with other programmes in order to implement their tasks linked to European anti-corruption policy and to make such data available to bodies and authorities for evaluation and monitoring purposes (see Annex 3).

6. Amendments and supplements to this contract and any waiver of the requirement of the written form must be in written form and have to be indicated as such. Consequently, any changes of the present contract shall only be effective if they have been agreed on in writing and have been designated as amendment of or supplement to the contract.
7. Any costs, fees or taxes not eligible or any other duties arising from the conclusion or implementation of this contract shall be borne by the LP and/or its PPs.
8. This contract shall be electronically signed unless the LP is not provided with this tool. If this latter circumstance applies, the present contract shall be hand signed and made available in two copies, of which each party keeps one.
9. The LP is free to accept the contract offer. In case of acceptance, the signature of the contract shall be done as soon as possible. After one month, however, the MA offer shall lose any relevance unless the MA agrees to a prolongation of this period of time.
10. The present contract shall come into force upon signature of both parties to this contract. It remains valid as long as any duties linked to the Interreg subsidy might be claimed.
11. Unless otherwise stated, all communications shall be sent to the JS. In case of exchange of communication via JEMS, it shall be deemed legally effective and binding.

On behalf of the LP:

Place and date:

Signature

Lead Partner institution

Represented by the legal representative:

Position:

on behalf of the MA:

Place and date:

Signature

Directorate General Resources, Europe,  
Innovation, and Institutions of the Emilia-  
Romagna Region acting as MA

Represented by:

Dr. Francesco Raphael Frieri

Position: Head of the Managing Authority



**Annexes to the subsidy contract:**

Annex 1 – Approved Application form (version dd/mm/yyyy).

Annex 2 – LP signed declaration on behalf of the partnership on absence of double funding.

Annex 3 – Information on the processing of personal data of beneficiaries.