

**Agreement between Lead partner and project Partners in the project
{name, Jems project code}**

Financed under the Interreg IPA Romania – Serbia Programme

PARTNERSHIP AGREEMENT

Having regard to

- 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, with subsequent modifications and amendments;
- 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;
- Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund;
- Regulation (EU) 2021 /1529 of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III));
- Regulation (EU) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast);
- Commission Decision (EU) 2018/1520 of 9 October 2018 repealing Delegated Regulation (EU) No 1268/2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Commission Decision No. 5322/2022 approving the Interreg IPA Romania – Serbia Programme for 2021-2027 period;
- Financing Agreement signed between the European Commission, Republic of Serbia and Romania;

the following agreement is concluded between

- [Name, address, fiscal registration number], represented by
..... (Lead partner)
- and
- [Name, address, fiscal registration number], represented by
..... (Partner 2),
- [Name, address, fiscal registration number], represented by
..... (Partner 3),

-
- for the implementation of the project [index and title of the project], approved by the Monitoring Committee of the Interreg IPA Romania – Serbia 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 IPA Romania – Serbia Programme.
- 2) Through the present agreement, the parties establish their right and duties, the way of achieving their tasks and the relations between Lead partner and project partners, which shall apply in order to achieve the objectives 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 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 starts on the day the subsidy contract becomes effective.
- 3) The implementation period of the project is months.
- 4) During the implementation period of the project as well as after the end of the implementation period for a 5-year period from 31 December of the year in which the final payment by the managing authority to the partner is made , all project partners have the obligation to preserve and to present, to the Joint Secretariat (within the Regional Office for Cross-Border Cooperation Timisoara, Romania), MA (within the Ministry of Development, Public Works and Administration from Romania), NA (within Ministry of European Integration from Republic of Serbia), Audit Authority (within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls on the use of the financing, all project related 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.
- 5) The agreement is valid for 5 years from the final payment. The validity period of the contract covers also the period between the ending of implementation period and final payment.

§ 3 Budget of the project

- 1) The total budget of the operation is EUR <amount in figures>, out of which:

- i. - the total eligible value EUR (non-refundable financing and the contribution of the partner), out of which: <amount in figures> EUR IPA, representing 85 %
 - ii. ... <amount in figures> EUR State Budgets Co-financing, representing ...%
 - iii. ... <amount in figures> EUR Partners own contribution, representing ...%
- The non-eligible value is in amount of..... representing the total of non-eligible expenditure supported by the Lead Partner and partners and shall be supported by the LB and partners according to the approved budget.

§ 4 Financing of the project

- 1) MA awards a non-repayable contribution from the IPA of maximum<amount in figures> /EUR <amount in letters>, representing maximum 85 % of the total eligible value of the project mentioned at article 3.1 i) from the present agreement.
- 2) MA awards to Romanian partners a non-repayable contribution from the national state budget ofEUR <amount in figures> /<amount in letters> Euro, representing maximum 13% of the total eligible value of the project specified at article 3 paragraph 1 ii) from the present agreement.
- 3) The Lead partner and partners participate in the project with their own contribution representing<amount in figures> /<amount in letters>, representing maximum% of the total eligible value of the project mentioned in article 3 paragraph 1 i)) of the present agreement and support the non-eligible expenditure according to its contribution to the project.
- 4) The total eligible budget of LP/ partner 2/ partner 3 is out of which ...% represents IPA, ...% represents national co-financing and ...% represents its own contribution¹.
- 5) The Lead Partner is responsible in front of the Managing Authority for the sound financial management of the project.
- 6) The Lead Partner receives the amounts mentioned at paragraph 1 directly from the MA, and is responsible for transferring the amounts to each project partner, according to the subsidy contract.
- 7) The Romanian partners receive the amounts mentioned at paragraph 2 directly from the MA, according to the co-financing contract.
- 8) Any modification of the project has to be agreed by all project partners, justified and submitted by the LP to the Joint Secretariat in a written form.

§ 5 Eligible Expenditures

¹ This article shall be completed for each partner.

- 1) Activities and related costs for the project are eligible if they were contracted after the entry into force of the subsidy contract and before the end of the implementation period of the project and paid during 1 month after this period at the latest and provided that they are necessary for the project and are stipulated in Annex 2 - Approved Application Form and Annex 3 - Approved budget to the subsidy contract.
- 2) The expenditures related to the project are eligible provided that they respect the provisions of Annex G to the Applicant's Guide - "List of eligible expenditures", including the methodologies for project preparation costs and for project closure costs, the applicable European and national legislation in force, that they are stipulated in Annex 2 - Approved Application Form and Annex 3 Approved budget to the subsidy contract and provided that they comply with the terms and conditions stipulated in the present contract.
- 3) The lump sum of project preparation costs shall be included in the project preparation period of the Jems and shall be requested as soon as the subsidy contract is signed.
- 4) The lump sums² for project preparation costs and for project closure costs are divided per partners according to the following table:

Partner	LP	P2	P3
Project preparation amount			
Project closure amount			

§ 6 Advance payment and reimbursement of the expenditures

- 1) The LP has the possibility to submit project reports via Jems to the MA at any given time for one or more project partners, provided that the amount claimed for reimbursement is not lower than 6,000 euro.
- 2) The minimum total amount each partner commits to spend and request control by the end of the month marking the half of the implementation period is provided below.

Month of implementation	Amounts to be requested for control		
	LP	P2	P3
Total of amounts requested for control at half of the implementation period (month N)	X	Y	Z
Partner's total budget			

- 3) In case the minimum total amounts requested for control verification are lower

² The provisions of the Applicant's Guide and its annexes regarding lump sums must be observed!

compared to the amounts forecasted for the half of the implementation period provided in para.2), the MA is entitled to decommit project funds, by reducing the original project budget and the corresponding IPA contribution, as follows:

- a) 5% reduction of the budget (excluding preparation and closure costs) for the partners who have requested amounts for first level control lower than 75% of the initial amounts included in the schedule for control requests.
- b) 10% reduction of the budget (excluding preparation and closure costs) for the partners who have requested amounts for first level control less than 50% of the initial amounts included in the schedule for control requests.

4) In case of a decision on reduction of the project`s budget, the Lead partner shall submit to the MA a revised budget, reflecting the decommitment, within two weeks following the receipt of MA`s notification. In case of failure to respect the deadline, the reduction shall be applied proportionally to all budgetary lines. The modification of the contract in case of reduction at project level shall take the form of a decision of the representative of the Managing Authority signing the contract, which will be notified to the Lead partner/partner, and which becomes part of the contract.

5) The reduction shall be done without prejudice for partners` obligation to implement all the activities and achieve all the results, according to the approved application form.

6) In case of reduction, the Lead partner together with the partners 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 LP has the obligation to repay to the MA all the funds received.

7) A control system has been established both in Romania and Serbia in order to check the expenditure made by the project partners from each country. Therefore, each partner 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.

8) The LP and its partners must present all documents needed for validation of expenditure via Jems to the controllers and make sure that all partners present their documents, in order to be verified before drafting and forwarding to JS the project report via Jems.

9) In case of clarifications requested from any of the control bodies, the LP/ project partners must answer in maximum 5 working days from the last clarification request. In case of failure to observe this deadline, the respective expenditure shall be postponed for decision in a subsequent report (“parked expenditure” in Jems).

10) In case partners decide not to externalize activities, as foreseen in the approved Application Form, and decide to implement them “in house”, without requesting the reimbursement of the respective amounts from the Programme, the project budget shall be reduced automatically with the respective amounts. To this end the partners have the obligation of informing the MA in due time, through the LB, regarding the decision taken and request the reduction of the budget. The reduction of budget shall take the form of a decision of the representative of the Managing Authority signing the contract, which will be notified to the LB/partners, and which becomes part of the contract.

11) The project reports submitted by the LP shall contain only validated expenditure and shall be supported by the Control Certificate issued by the Controllers of the Partners. 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.

12) At least every three months the LP shall submit consolidated project reports to the JS via Jems, except for the last reporting period which can have a different duration. The instructions presented in the reporting models must be followed exactly. All reports must be submitted in English.

13) The final project report has to be submitted to the JS via Jems at the latest within **three months** after the end date of the implementation period of the project. Not observing this deadline may result in not reimbursing the amounts. Also, the total amount of the final reimbursement is depending on the fulfillment of the project activities, outputs and results, assessment made based on the Procedure for financial corrections, available on the Programme website.

14) The funds are reimbursed only in Euro and will be transferred into a special bank account opened exclusively for the project, indicated by the LP. The exchange rate differences are non-eligible expenditures for the project. The exchange rate risk is borne by the partner concerned.

15) The expenditure incurred in a currency other than the euro shall be converted into euro by using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted via Jems for verification to the controller. The LP transfers the received IPA amounts to all partners 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 IPA amounts it receives. For the Serbian project partners: If a Project partner does not agree with the validated amount, it has the possibility to submit an appeal to the National Authority. A commission is established by the NA for considering appeals against Serbian controllers' decisions on ineligible expenditure (hereinafter "Appeals Commission"). The subject of appeal may not be expenditures declared by the controllers as ineligible due to the lack of supporting documents.

§ 7 Rights and duties of the parties

The LP together with its partners may stipulate additional or more restrictive provisions than the ones stipulated below.

A. Lead Partner

In addition to the obligations of the LP as already stated, the LP undertakes the following duties: the LP guarantees that it is entitled to represent all partners participating in the project and that it will strive towards establishing with the partners the division of the responsibilities regarding the project, according to the present agreement.

1) The LP has the responsibility of implementing the project according to the provisions of the application form approved by the Monitoring Committee and its annexes, of the present Partnership Agreement (annexed to the subsidy contract), of the subsidy contract and of the national and European legislation in force. The LP 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 results and outputs stipulated in the contract and its Annexes.

2) The LP guarantees furthermore that itself and all partners have complied with all legal requirements and that all necessary approvals for the proper

implementation of the project have been obtained.

- 3) The LP 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 partners has been incurred in implementing the project and corresponds to the activities agreed between all the project partners, 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 agreement as well as with relevant national and European legislation;
 - e. know and observe the provisions of the Applicant's Guide and of the present Partnership Agreement.
 - f. observe and make sure that all partners respect the national and European legislation on state aid, equal opportunities, sustainable development, environmental protection;
 - g. make sure and satisfy itself that all partners make all expenditure according to the programme relevant public procurement rules;
 - h. ensure that all partners select the final beneficiaries of the projects (target groups) by a transparent procedure;
 - i. ensure that all changes regarding the partnership, activities or budget must have the approval of the Project's Steering Committee and of the MA/JS;
 - j. present and ensure that the partners submit their expenditures to the controllers for verification via Jems in maximum 15 working days after the end of the reporting period. This deadline is needed in order to allow for maximum 60 calendar days for verification of the expenditure before the deadline for submitting the project report, (payment claim in accordance with art. 74 of Regulation 1060/2021. Requests for first level control not accompanied by appropriate supporting documents will not be taken into consideration.
 - k. ensure that all partners submit their contributions to the project report at least 15 calendar days before the deadline for submitting the project report to the JS;
 - l. ensure that all partners have a separate accounting system or an adequate accounting code for all transactions relating to the operation; the accounting system must be in line with the national legislation;
 - m. ensure that all partners have established at the level of their institution a set of anti-fraud measures;
 - n. observe and make sure that all partners respect the provisions from the Visual Identity Manual (published on the programme website www.romania-serbia.net).
 - o. observe and make sure that all partners observe the provisions of the Jems manual (published on the programme website www.romania-serbia.net and also at the following web address: <https://jems.interact.eu/manual>).

- p. ensure that all the procurement procedures to be launched in the project, including those of the project partners will be transmitted to the JS to be published on the website of the programme;
 - q. accept to be included in the list of operations published on the programme website www.romania-serbia.net.
 - r. The LB makes sure that the controllers have verified the expenditure presented by the partners participating in the project.
- 4) When drafting the project report, LP is liable towards the MA for consolidating the information from all partners requesting reimbursement of the expenditure, being responsible for collecting documents and information from every partner. Irrespective of the time when project reports are submitted, LP submits a project report at least every three months, being responsible for collecting documents and information from every partner regarding progress of activities/project.
 - 5) LP is liable towards the MA for ensuring that all partners have a legal status, that they have the capacity to manage the project, that they observe the provisions from the Applicant's Guide. Moreover, the LP is liable towards the MA for ensuring that partners fulfil their obligations regarding the implementation of the project. The LP is also liable towards the MA for all irregularities, even those committed by the partners.
 - 6) The LP 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 LP is responsible for gathering the information from all partners in due time.
 - 7) The LP takes full responsibility for the damages caused to third parties from its own fault during the implementation of the project. MA has no responsibility for the damages caused to third parties as a result of executing the contract.
 - 8) The LP must not receive or did not receive money from other Programmes for the same project. The LP ensures that the partners respect the same obligation.
 - 9) 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 LP and/ or partners, as the case may be.
 - 10) The LP must ensure that any partner (including LP) cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the entire validity period of the contract.
 - 11) By exception from the provisions of the previous paragraph, the Lead Partner or any other partner may mortgage or impose other form of bank guarantee on the capital asset/s that represent/s the subject of financing from the financing throughout the entire validity period of the project, provided the value of the credit obtained does not exceed the total value of the partner's budget.
 - 12) The Lead Partner has to inform the Managing Authority and present the following documents in maximum 10 working days from the signing of the contract:
 - a. The evaluation of the asset (if the asset was already delivered), performed by a bank or independent evaluator.

- b. A copy of the contract or, in case of mortgage a copy of the documents related to the registration of the mortgage in the relevant public registers.
- 13) The Managing Authority reserves the right not to agree with the mortgage or with other form of bank guarantee.
- 14) In case the bank/institution where the credit was obtained imposes on the project partner to use its own account, then all the expenditures related to the project implementation must be performed from the respective account.
- 15) In case of projects comprising investment in infrastructure or productive investment, the Lead Partner shall reimburse the MA the amounts received according to art. 65 of Regulation (EU) no. 1060/2021 if within 5 years of the final payment it is subject to any of the following:
- a) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - b) substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
- 16) The Lead partner understands and agrees that the MA has delegated tasks to the JS, according to the Implementing Agreement concluded between the MA and the JS and therefore the Lead partner agrees to cooperate with the JS in the same way as with the MA.
- 17) In duly justified cases, not imputable to the partners, when project partners are in impossibility of fulfilling their obligations according to the contract, the partner may request through the Lead partner and with the written agreement of all partners, 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 representative of MA signing the contract, the suspension of the contract starting with the date indicated by the partners. The partners requesting the suspension of the implementation period has the obligation to inform MA in maximum 3 days from the date when he took notice of the situation, in any written form (including e-mail) and the Lead Partner has the obligation to submit all the relevant documents in maximum 5 working days, including the written agreement of all project partners. During the suspension period no activity shall be performed by any of the partners.
- 18) As an exception to the previous paragraph, when the suspension of the contract could harm another partner (unaffected by the situation which would justify the suspension), by stopping his activities, LP, with previous agreement of all partners, may submit a request for prolongation of the implementation period for a period equal to the one for which the suspension would have been necessary, observing the Programme's provisions.
- 19) If the MA demands repayment of the IPA in accordance with this contract, the LB is liable to the MA for the total IPA that has been reimbursed to him.
- 20) The LP 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 LP guarantees that all partners fulfil this duty.
- 21) During the implementation period of the project as well as after the end of the implementation period of the project, a 5-year period from 31 December of the year in which the final payment by the managing authority to the partner is made, the LP has the obligation to preserve and to present, to the Joint Secretariat

(within the Regional Office for Cross-Border Cooperation Timișoara, Romania), MA (within the Romanian Ministry Development, Public Works and Administration), Audit Authority (within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls 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.

22) The LP must implement the recommendations received after an audit control, otherwise the MA has the right to terminate the contract. The LP ensures that the partners fulfil this obligation.

23) In case of lack of available funds at Programme level, the partner has the obligation of ensuring from its own budget the necessary funds for implementing the operation according to the approved Application Form, the contract and the national and European legislation in force. The MA shall notify the LP/ partner regarding the lack of available funds.

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

25) The LP 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.

26) The LP and its partners must ensure the sustainability of the project results and, after the project's implementation period has ended, the following 5 years the LP has the obligation to submit annually a durability report (Annex 11 to the subsidy contract).

27) The LP, after signing of the subsidy contract, will properly inform the beneficiaries regarding the annexes to be part of the present agreement: Annex 1: Co-financing contract, Annex 2: Approved application form, Annex 3 Approved budget, Annex 5: Applicant`s Guide available on the Programme Website <https://www.romania-serbia.net/> section Applicant's guide, Annex 6: Public procurement procedure for Serbian beneficiaries, Annex 7: Advance request template, Annex 8: Project report - HIT indicative template, Annex 9: Addendum template, Annex 10: First Level Control manual, Annex 11: Durability report.

B. Partners (including the Lead Partner where applicable)

- 1) 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 LP.
- 2) The partner has the responsibility of implementing the project according to the provisions of the present agreement of the national and European legislation in force.
- 3) Notifies the Lead Partner 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 days from the event causing the

impossibility.

- 4) Do the outmost to obtain the necessary approvals, agreements and construction authorizations within 6 months from the signing of subsidy contract.
- 5) Observe the national and European legislation in general and especially on public procurement, state aid, equal opportunities, sustainable development, environmental protection.
- 6) Is responsible for its budget up to the corresponding amount in the project.
- 7) Shall maintain a proper analytical accounting system and separate bank accounts for the project.
- 8) Supports the lead partner in drawing up project reports and the final project report by providing the required data on time; drafts and submits to the Lead partner all necessary data for the project reports.
- 9) The partners have the obligation to respond to any request of the Lead partner in the deadline stipulated in the respective requests.
- 10) Each partner is responsible for uploading in the Jems the accounting reports and any other documents, including copies of each supporting document (bills, documents related to the procurement procedure, banking declarations etc.) in due time and signed by the legal representative of the partner, bearing the mentions "according to the original" and also the project code.
- 11) The partners must present the documents related to the expenditures to the control within maximum 15 working days after the end of the reporting period. This deadline is needed in order to allow for maximum 60 calendar days for verification of the expenditure, according to the spending forecast
- 12) The Partner cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the entire validity period of the contract.
- 13) By exception from the provisions of the previous paragraph, the partner may mortgage or impose other form of bank guarantee on the capital asset/s that represent/s the subject of financing from the financing throughout the entire validity period of the contract, if the following conditions are observed:
 - a. All the other partners agreed;
 - b. MA previously approved the intention of mortgage or imposing other form of bank guarantee
 - c. The value of the credit obtained does not exceed the total value of the partner's budget
- 14) In order to obtain the MA agreement mentioned at paragraph 13 b), the partners, via the Lead Partner has to present the following documents:
 - a. Request of approval for the intention of mortgage or imposing other form of bank guarantee (including the value of the credit that it is going to be obtained)
 - b. The evaluation of the asset (if the asset was already delivered), performed by a bank or independent evaluator.
- 15) In case the abovementioned conditions are not observed, the MA approval shall not be granted.
- 16) In case the MA approval is granted, the partner via the Lead Partner shall

present a copy of the contract in maximum 10 working days from their signing. In case of mortgage, also a copy of the documents related to the registration of the mortgage in the relevant public registers shall be presented.

- 17) In case the bank/institution where the credit was obtained imposes on the partner to use its own account, then all the expenditures related to the project implementation must be performed from the respective account.
- 18) Each partner must submit to the Lead Partner any documents necessary for drafting specific documents requested by the MA/JS or other implementing bodies of the programme.
- 19) The partner will produce all documents required for the audit, control or evaluation, provide necessary information and give access to its business premises. The lead partner and the partner are at all times obliged to retain for audit and control purposes all files, documents and data about the project for a 5-year period from 31 December of the year in which the final payment by the managing authority to the partner is made. The documents must be properly archived. Also, the MA must be informed on the location of these documents.
- 20) The partners must implement the measures included in the action plan, at the stipulated deadlines, set by the Lead Partner/MA/JS, according to the recommendations resulted from the audit missions of the European Commission, Audit Authority or other empowered audit and control bodies.
- 21) All partners 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 LP or by partners. The verifications to be carried out by the Managing Authority/National Authority shall cover administrative, financial, technical and physical aspects of projects, as appropriate, including for 5 years after the final payment to the project. The MA and NA shall be responsible for the control of the proper use of funds by the LP or by partners, by preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate.
- 22) The partners understand and agree that the MA may delegate tasks to the JS, therefore JS may act in the name and on behalf of MA.
- 23) In case an irregularity is discovered, the partner is responsible to reimburse the IPA amounts affected by the irregularity to the Lead Partner, even if the irregularity was committed by a sub-contractor, in 20 days from notification; starting the 21st day the Lead partner may request delay penalties bigger with one and a half point than the rate applied by the Central European Bank from the first working day from the month of the deadline date.
- 24) Any extra payment done by the Lead partner to a partner is considered unduly paid amount, and the partner has to repay the respective amounts in 30 days from the receiving date of the notification from the Lead partner.
- 25) In case the unduly paid amounts are not reimbursed to the Lead partner in due time, the partner has to pay delay penalties bigger with one and a half point than the rate applied by the Central European Bank from the first working day from the month of the deadline date. The penalties are calculated to the value that has to be recovered.
- 26) The bank charges resulted from reimbursing the unduly paid amounts are borne exclusively by the partner making the reimbursement.
- 27) Each partner, including the Lead Partner, shall be responsible to the other

partners and shall pay for the damages resulted from not observing the tasks and obligations established by the present agreement.

- 28) Each partner is responsible for the damages caused to third parties from its own fault during the implementation of the project.
- 29) Participates at the setting up of the Joint Steering Committee of the Project and at drafting its rules of procedure.
- 30) In case of clarifications requested from any of the control bodies, the project partners must answer in maximum 5 working days. In case of failure to observe this deadline, the respective expenditure shall be postponed for decision in a subsequent report ("parked expenditure" in Jems).
- 31) All partners understand that the Managing Authority (MA) is entitled to verify the sustainability of the project for a period of 5 years after the final payment to the project.
- 32) All partners understand that the MA and the JS analyses the progress and the deficiencies encountered in the implementation period of the project and will make suggestions to the project partners for their improvement.
- 33) The partner shall ensure that communication and visibility material realized by the project is made available upon request to programme bodies, Union institutions, bodies, offices or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union, in accordance with point 2 from Annex IX of CPR Regulation 2021/1060.

§ 8 Joint Steering Committee of the Project

- 1) The parties shall set up a Joint Steering Committee of the Project, made up of representatives of all partners, which shall supervise the proper implementation of the project and perform any other tasks stipulated in the rules of procedure for this committee.
- 2) The Lead Partner is responsible for setting up the Joint Steering Committee of the Project before the first project report is submitted.
- 3) The tasks of the Joint Steering Committee of the Project shall be established through the Rules of Procedure of this Committee and shall automatically include the tasks stipulated in this agreement:
 - a. settle any dispute between partners;
 - b. preparing the list with members of the arbitration court;
 - c. terminating the partnership agreement.

§ 9 Publicity

- 1) The Lead Partner must inform and must ensure that all partners inform the public, by means of the measures laid down in Regulation (EU) 2021/1059, Article 36, point 4, a)-e) and Annex IX of Regulation (EU) no. 1060/2021, about the assistance obtained from the Funds.
- 2) The Lead Partner and all partners are responsible for the implementation of the

information and publicity activities related to the non-reimbursable financial assistance received through the programme.

3) The Lead partner must ensure and must satisfy itself that all partners ensure transparency and accurate information to the mass media on the projects financed under the Programme.

4) All information and publicity actions developed by the partners (including the Lead partner) must observe the Visual Identity Manual (available on the programme website: www.romania-serbia.net or on request at the Joint Secretariat).

5) The rules stipulated in the Visual Identity Manual are mandatory for the Lead Partner and all partners. The publications edited within a project financed under the Programme shall include the name of the project, Jems code and reference to the EU co-financing of the Programme, on the first and the last cover. The publications shall also contain contacts (persons, institution/organization, phone, fax, email and postal address) for the persons interested in finding out further details. The responsibility for the content of materials belongs solely to the partner.

6) For all information and publicity actions developed by the partners, the Lead Partner must ensure that they archive in a single place (hard copy and/or electronically) the documents related to these activities (eg: information and publicity materials they produced: printed materials, audio-video materials).

7) The Lead Partner is responsible to inform the Joint Secretariat regarding the information and publicity measures taken in order to promote the projects financed under IPA.

8) By accepting the funding, the LP and its partners give their acceptance for their inclusion in the list of operations published in accordance with Article 49(3) of Regulation (EU) no. 1060/2021.

9) The LB ensure the proper means of communication between the project and the programme, including:

- a. participation, whenever requested, in LP 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.

10) The competent structures within the MA, upon notification from the JS, verify compliance with the mandatory requirements regarding information and publicity measures contained in the Visual Identity Manual and the applicable European regulations, propose remedial actions and, where remedial actions have not been put into place, the managing authority shall apply measures, taking into account the principle of proportionality, by cancelling up to 2 % of the support from the funds.

§ 10 Confidentiality

1) With the exception of the situations foreseen at art. 7 A, para. 22, 7 B. para. 19 and art. 9, the Managing Authority and the Lead partner 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 IPA III funds, shall not be considered as having confidential status.

3) Notwithstanding the obligations set forth by this agreement to it concerning providing the information and documents required by the authorized institutions/ departments in order to perform audit and control activities, the parties hereby undertake to preserve the confidential nature of the Personal Data, according to the provisions of Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA of the Council and according to the provisions of the Regulation No 679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

4) The Managing Authority has the right to release information regarding the project on request by public institutions, investigating the project.

5) 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.

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

7) The partners shall not use confidential information for any aim other than fulfilling their obligations under this Contract unless otherwise agreed with the MA.

§ 11 Conflict of interests

1) In the present Agreement, the conflict of interests represents any circumstances that have affected or may affect the execution of the contract by the parties in an objective and impartial manner. Such circumstances may result from reasons involving family, emotional life, economic interests, political or national affinities or any other shared interest with the recipient.

2) The parties take upon themselves to take all necessary measures in order to avoid any conflict of interests and to keep each other informed, in up to 5 (five) days from finding out, on any circumstances that have generated or may generate such a conflict. 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, if the case.

§12 Irregularities and recovery of the funding

- 1) “Irregularity” according to the current Agreement means any breach of Union law, or of national law relating to its application, resulting from an act or omission by LP, Partners or an economic operator involved in the implementation of the IPA Funds, which has, or would have, the effect of prejudicing the budget of the Union or the national budgets by charging an unjustified item of expenditure to the budget of the Union or the budgets these manage in their name and/or the budgets granting the related co-financing.
- 2) MA shall show zero tolerance to any suspected cases of fraud and shall take all necessary measures to prevent and correct such cases.
- 3) In case of irregularity, the MA shall impose to the Lead partner 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 contract in case the partners fail to take the measures imposed.
- 5) In case an irregularity is confirmed, the LP is responsible for repaying to the MA the amount affected by the irregularity, even if the irregularity was committed by one of the partners. The amount to be repaid to the MA will be calculated taken into account all flat rates that were automatically granted according to the Programme rules.
- 6) The MA takes the decision for suspending/terminating the contract, after verifying the reasons presented by the LP and/or JS and the related documents.
- 7) In case the contract shall be terminated, the MA notifies the LP regarding this decision and the related financial measures. In this case, within 30 days from receiving such notification, the LP and / or partners shall fully return the amounts specified in the notification, without deducting any bank charges.
- 8) For the irregularities committed by a partner, the LP is entitled to request these amounts from the responsible partner in order to be repaid to the MA. The Lead Partner has to inform the MA about the result of its repayment request, in due time. In specific cases, for irregularities discovered after payment of the final project report via Jems, the partners may repay the due amounts directly to the MA, notifying the LP about this option.
- 9) If the Lead partner does not succeed in securing repayment of the unduly paid IPA contribution from the responsible partner(s), or if the MA does not succeed in securing repayment from the Lead Partner, then, in accordance with article 52 of the Regulation (EU) No. 2021/1059, the participating country to the Programme (Romania or Serbia) on whose territory the partner concerned is located shall reimburse the MA any amount unduly paid to that partner. The participating country to the Programme (Romania or Serbia) is then entitled to claim this amount from the partner concerned, pursuant to its national law.
- 10) Any extra payment done by the MA is considered unduly paid amount, and the LP has to repay the respective amounts within 30 days from the receipt date of such notification from the MA.
- 11) In case the irregularity is discovered before the final payment, the MA is entitled to diminish the amount to be reimbursed to the responsible Lead Partner and/or Partner with the debt of the concerned Lead Partner and/or Partner,

starting with the next payment until the total recovery of the debt, to which the bank charges are added, if the case.

12) If the irregularity resulting in an unduly paid amount is discovered after the final payment or if the debt was not entirely recovered, the MA shall notify the LP regarding the unduly paid amount, and the LP is obliged to repay the amount, within 30 days as of the receipt of the notification.

13) The final payment will be made, within its deadline and in its entirety, only if all the recovery procedures of any known debts of the Lead Partner and/or concerned Partners are completed; otherwise, the final payment shall include only the amounts related to the partners not affected by the recovery procedures.

14) In duly justified cases and based on a statement given by the LP in which he takes the responsibility to transfer the debt amount to the MA in 5 days from the date the final payment is paid by MA, the MA can transfer the amounts related to the final project report.

15) Starting with the 31st day as of the expiry of the deadlines stipulated at paragraphs 7, 10, 12 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.

16) 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.

17) In case of observations and/or reservations raised by the Commission on the description of the Management and Control System of the Programme or in case of a system error detected, the MA has the right to temporarily withhold payments to a particular partner (LP or P) 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.

18) In the Republic of Serbia, all potential irregularities that have been detected are to be firstly reported to the National Authority that executes the procedure for examining the irregularity and takes the final decision, closes the irregularity case and reports to the relevant bodies, in line with the internal procedure.

§ 13 Disputes between partners

1) Should any dispute arise between lead partner and/ or any other partner, each partner shall be obliged to submit the dispute to the Project Steering Committee in order to reach a settlement.

2) Should the Project Steering Committee fail to reach a compromise, lead partner and/or any other partner 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 the Project Steering Committee from the list of persons nominated beforehand. Should this committee fail to designate all the expert arbitrators within one month from the Lead Partner's request, the Lead partner shall have the authority to appoint both expert arbitrators.

3) Lead partner and/or any other partner 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.

4) Any dispute that, from any reason, fails to be solved by the Project Steering Committee and which involves the Lead partner shall be governed by the law applicable to the Lead partner, while, if the Lead partner does not take part in the dispute, the applicable law is the one of the petitioners.

§ 14 Audit, control and evaluation of the project

1) The responsible auditing bodies of the EU and the two partner states and, within their responsibility, the Audit Authority from Romania and the group of auditors as well as the MA are entitled to audit the proper use of funds by the LP or by partners or arrange for such an audit to be carried out by authorized persons.

3) The MA is entitled to verify and to control the proper use of funds by the LP or by its partners. The verifications to be carried out by the managing authority shall cover administrative, financial, technical and physical aspects of project, as appropriate. The MA shall be responsible for the control of the proper use of funds by the LP or by partners, in particular through preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate.

4) The LP will provide all documents required for the audit, control or evaluation, provide necessary information and give access to its business premises. The LP and partners are at all times obliged to retain for audit and control purposes all files, documents and data about the project for a 5-year period from 31 December of the year in which the final payment by the managing authority to the partner is made. The documents must be properly archived. Also, the MA must be informed on the location of these documents.

5) The LP must have separate accounts for the project, according to the national legislation.

6) The LP is obliged to guarantee that both the LP and all of partners fulfil the duties stipulated above.

7) The LP and its project partners must implement the recommendations received after an audit control, otherwise the MA has the right to terminate the contract.

§ 15 Assignment, legal succession

1) The Lead partner and/or any other partner of the project cannot renounce totally or partially the rights and obligations resulted from the present contract unless it has the clear agreement of the Project Steering Committee.

2) In case of legal succession, e.g. where the LP and/or any other partner of the project changes its legal form, the LP and/or any other partner of the project is obliged to transfer all duties under this contract to the legal successor. The LP and/or any other partner of the project shall notify the MA about any change with 15 working days beforehand.

§ 16 Amendment of the agreement

- 1) Any modification to the present agreement shall be 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 partner may make the following changes, with the notification of the other partners:
 - i. change of headquarter may be done and shall be forwarded to the MA within 15 days following the change of Address;
 - ii. material errors in the text of the agreement.
- 3) Addenda enter into force the day of the signature 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.

§ 17 Working language

- 1) The working language shall be English.
- 2) Any official internal document of the project shall be made available in the language of the subsidy contract.

§ 18 Termination of the agreement

- 1) 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.
- 2) The termination of the agreement is possible only with prior approval of the MA or of the Monitoring Committee, according to each case.
- 3) The Agreement is terminated, by decision of the Project Steering Committee, at the proposal of a partner, without any other delay or formality, the partner being obliged to repay to the Lead Partner the amounts already received, in whole, for the following cases, but not limited to these:
 - a. an inconstancy between the reality and the declarations of the partner 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 final payment;
 - c. insolvency proceedings are instituted against the assets of a partner or insolvency proceedings are dismissed due to lack of assets for cost recovery, provided that this appears to prevent or risk the implementation of the project;
 - d. a partner closes down;
 - e. In case of projects comprising investment in infrastructure, the MA

finds that during the entire validity period of the contract, the LP or any project Partner wholly or partly sells or transfer in any form the right of property of the goods purchased from the financing, including under the conditions of article 65 from Regulation 1060/2021 a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage; a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.)

f. The LP fails to observe the provisions of article 7 A paragraphs 12-15 of the present Agreement;

g. The partners fail to observe the provisions of the art. 7 B paragraphs 12-14 of the present Agreement;

h. 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;

i. a partner did not notify the Lead Partner in due time on a case of conflict of interests or the necessary measures for ending such a situation were not taken;

j. the partner did not start the implementation of the project according to the provisions of the approved Application Form;

4) The Joint Steering Committee of the project, at the proposal of a partner, has the right to terminate this Agreement 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 partner 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 partner 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 partner level; or

e. the partner has failed to fulfil any other conditions or requirements stipulated in this agreement.

§ 19 Force majeure and fortuitous event

1) Force majeure is any external even considered unforeseeable, absolutely invincible and inevitable, occurred after the conclusion of the present agreement that prevents a party from performing any of its obligations. Force majeure, established under the law, exonerates the party in case of failure of performing the obligations under this Agreement, in whole or in part, as long as they act only if the other party has been duly notified. It is not considered force majeure any event similar to those above which, without creating an impossibility of execution, determines one or the other party to perform its

obligations with extremely high costs.

- 2) The party invoking force majeure shall notify the other party of the force majeure event, within five days from the date when the event occurred. The party invoking force majeure has the obligation to send to the other party the document stating the existence of force majeure, within 15 (fifteen) 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 five (5) calendar days from its termination/it ceased to exist.
- 3) The responsible party will support all costs of the notification procedure.
- 4) The parties shall endeavour to take all necessary measures/to perform all necessary actions at in order to limit the consequences of Force Majeure.
- 5) If the party invoking the force majeure does not properly notify the commencement and termination of the force majeure, the terms and conditions laid down in the present agreement will not be exempted from its responsibility and will be held responsible for any loss caused by the lack of notice to the other party. The responsible party will support all related costs (if any) if the notification procedure is not observed.
- 6) The execution of the agreement is suspended during the period of “force majeure” for the period the event exists.
- 7) In case of suspension according to para.6), the implementation period of the project shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Agreement that may be necessary to adapt the project to the new implementing conditions.
- 8) In case the agreement must be suspended from this reason on a period longer than three months, the Parties will meet within a period of ten (10) days before the three months period expires, to agree on how to continue, modify or terminate the Agreement.
- 9) Fortuitous case does not exonerate the parties of their obligations foreseen in the contract.

§ 20 Correspondence

- 1) The correspondence for the present agreement shall be submitted to the following addresses:
 - Lead partner.....
 - Partner 2.....
 - Partner 3.....
- 2) The project reports, as any other official document submitted for the implementation of the project must be signed by the legal representative of the partner 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).

§ 21 Transparency

1. The present agreement, together with the information and documents regarding its implementation represent public information according, respecting the exceptions foreseen by law and of those established by the present contract.
2. The following elements, as they are in the present agreement, including addenda, if the case, cannot be considered confidential:
 - a) The name of the project, full name of the partner and of the partners, commencement and end date, contact information - at least an email address and a phone number - functional for the project team, place of implementation of the project - town, county, region and, if the project implements activities which are addressed to the public, the exact address and contact details for spaces dedicated to these activities in the project;
 - b) Total value of the non-refundable financing, the intensity of support expressed both as a concrete amount, and as a percentage of total eligible project cost and the amount of payments done;
 - c) The dimension and characteristics of the target group and, case by case, the final partners of the project;
 - d) Information regarding the human resources of the project, namely: name, position, working time;
 - e) The estimated results of the project and the ones already achieved, including the ones corresponding to the objectives, as well as the ones corresponding to the activities, addressing the indicators established;
 - f) Name of the suppliers, services providers and works enterprises contracted within the projects, as well as the object of the contract, its value and the amount of payments done;
 - g) Elements regarding the sustainability of the projects results and the durability of the infrastructure - information provided according to the contract and according to art.65 of Regulation 1060/2021.

§ 22 Protection of personal data

1. Personal Data processing, storage and collection shall be performed according to the provisions of the Regulation No 679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) for the purpose of project implementation and monitoring, fulfilment of its objectives, as well as statistical purpose.
2. Personal Data, as classified by Regulation (EU) 679 / 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, shall be processed in accordance with the laws aforementioned throughout the Agreement Term, including during the Agreement objective check and follow-up, to the purpose and legal ground for which/based on which this contract is concluded.
3. The parties shall take appropriate technical and organizational actions, according to their respective institutional powers and duties to ensure a proper Personal Data security level, either in their processing and re-processing, or in their transfer to third-parties and publishing on internal or external public sources;
4. The parties shall provide, according to their own institutional powers and duties, all the technical and organizational conditions to keep the Personal Data

confidentiality, integrity and availability;

5. The parties shall inform and notify each-other within maximum 24 hours, on any processing security breaches related to the Personal Data from this Agreement, in order to be urgently adopted the required technical and organizational actions and to be notified the National Supervisory Authority for Personal Data Processing (ANSPCDPC), according to the obligations arising from the provisions of Regulation (EU) No 679 / 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;

6. The parties, by their representatives assigned to process the Personal Data in this Agreement and in the Addendum to it, shall keep records of the processing activities according to Article 30 of the Regulation (EU) No 679 / 2016;

7. Each partner/ partner has the obligation of obtaining and keeping of the records of the acknowledgements of the persons which are part of the projects' target group, as well as of all the persons involved in the implementation of the project whose personal data are being used (e.g. project team members, external experts, guests to events, etc.), for the activities in their responsibility, for the attainment and implementation of the projects' objectives.

§ 23 Data communication

1. The Lead partner and/or any other partner agree that the documents and information mentioned in art.17, para. (2) referring to transparency will be published by the MA/JS, in case the programme authorities receive a request in this sense, observing the provisions of the contract.

§ 24 Applicable law

- 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 partner.

§ 25 Signatures

- 1) The present agreement is concluded in ... originals. Each copy must be countersigned by every partner.

Lead Partner

Legal representative:

Name:

Signature

Date

Partner 2

Legal representative:

Name:

Signature

Date

Partner 3

Legal representative:

Name:

Signature:

Date: