

INTERREG ATLANTIC AREA 2021-2027

SUBSIDY CONTRACT

Between the Interreg Atlantic Area Managing Authority and the Project Lead Partner

V1. November 2022

Subsidy Contract

between the Interreg Atlantic Area Managing Authority and the Lead Partner of the project

«Project ID»; «Acronym»

The present contract between

**The Comissão de Coordenação de Desenvolvimento Regional do Norte,**

represented by its President, Mr. Antonio Cunha

R. da Rainha Dona Estefânia 251,

4150-304 Porto

Portugal

Acting as Managing Authority of the Interreg Atlantic Area Programme (hereafter MA),

and

**Name of Lead Partner**

represented by “Legal representative name and title”

Address

Contact details

Referred to as Lead Partner (hereafter LP), defined as the project partner 1 designated by all partners and who assumes responsibility for ensuring the implementation of the entire project according to Articles 23 (5) and 26 (1) b of Regulation (EU) No 2021/1059,

is concluded based on the rules and documents as specified in Article 1 of this contract and lays down the implementing arrangements for the above-mentioned project.

**List of abbreviations:**

|  |  |
| --- | --- |
| AA | Audit Authority |
| AD&C | Agência para o Desenvolvimento e Coesão |
| AF | Application Form |
| CCDR-N | Comissão de Coordenação e Desenvolvimento Regional do Norte |
| CPR | Common Provisions Regulation |
| EC | European Commission |
| ERDF | European Regional Development Fund |
| ETC | European Territorial Cooperation |
| EU | European Union |
| EC | European Commission |
| JS | Joint Secretariat |
| LP | Lead Partner |
| MA | Managing Authority |
| MC | Monitoring Committee |
| MS | Member State |
| NA | National Authority |
| PP | Project Partner (PPs – Project partners) |
| SIGI | Integrated management information system |
| SME | Small and Medium Enterprises |
| ToR | Terms of Reference |

**Article 1 - Legal framework and contractual basis**

1. The contract is concluded on the basis of the following legal provisions:

* The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, especially Article 22 (6) of the Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 as further specified below;
* The Interreg ATLANTIC AREA 2021-2027 Programme (CCI 2021TC16RFTN002), approved by the EC on 08/09/2022; (Decision No. C(2022)6576) setting the Programme (hereinafter referred to as AA Programme - or Programme);
* The laws of the Republic of Portugal apply to this contractual relationship.

1. The following laws and documents constitute the legal framework applicable to the rights and obligations of the parties to this contract:

* Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (Financial Regulation) together with related Delegated or Implementing Acts;
* The European Structural and Investment Funds Regulations, as well as Delegated and Implementing Acts for the 2021-2027 programming period, especially:
* Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021, laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (Common Provisions Regulation – hereinafter referred to as CPR);
* Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (hereinafter referred to as ERDF Regulation);
* Regulation (EU) 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments (hereinafter referred to as Interreg Regulation);
* Other regulations and directives applicable to the implementation of projects co-funded by the ERDF;
* 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; Commission 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 (General Block Exemption Regulation - GBER) and its amendment, in particular Commission Regulation (EU) 2021/1237 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) 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);
* All other EU legislation and the underlying principles applicable to the LP and its project partners (hereinafter referred to as PPs), including the legislation laying down provisions on public procurement, on competition and entry into the markets, on sustainable development and environment protection, on equal opportunities, non-discrimination, and gender equality;
* National rules applicable to the LP and its PPs and their activities;
* Project data, *i.e.*, comprise the information integrated in the latest application form, as well as all project information available in SIGI;
* All manuals, guidelines, and any other documents relevant to project implementation (*e.g.*, Programme manual and call-specific Terms of Reference) in their applicable/latest version as published on the Programme website.

In case of amendment of the above-mentioned legal norms and documents, and any other documents of relevance for the contractual relationship (*e.g.*, the project application form), the latest version shall apply.

**Article 2 - Subsidy Award**

1. Based on the application form and annexed documents (altogether hereinafter referred to as “application documents”) in their latest version as submitted by the LP through the SIGI in accordance with the decision of the Programme Monitoring Committee (hereinafter referred to as MC), dated <date> (and possible amending decisions) an earmarked subsidy is awarded to the LP for the project above-mentioned project from funds of the Interreg ATLANTIC AREA Programme.
2. The maximum amount of the subsidy is as detailed here after:

|  |  |
| --- | --- |
| **Maximum amount of funding:** | **Amount in Euro** |
| Interreg ERDF fund subsidy awarded | € |
| Partners’ national contribution |  |
| Project total eligible budget |  |
| Other fundings |  |
| Project total budget |  |

The ERDF funds award is limited to the amount identified in the above-mentioned table. Furthermore, it is limited to a maximum of 75 % of the total eligible costs of the project. The ERDF co-financing amount decreases proportionally if the reported eligible costs are lower than the amount planned in the last approved version of the project AF.

Should a project fail to respect the spending plan, budget absorption, visibility requirements, achievements of outputs and results as set out in the project application and contractual arrangements (partnership agreement and present subsidy contract), corrective measures may be put in place to ensure the project performance. The MC may also reduce the ERDF-financing allocated to the project consequently thereof.

The LP accepts the subsidy awarded and assumes responsibility for coordinating the partners listed in the AF to ensure the smooth implementation of the entire project in due time, according to the provisions of the present contract and all project data.

**Article 3 – Funding conditions**

1. The subsidy is awarded exclusively for the project as it is described in the latest version of the application documents following the conditions set out by the MC. The AF and annexes, as approved by the MC, are an integral part of this contract.
2. Disbursement of the subsidy is subject to the condition that the EC makes the funds available to the extent described above and that all applicable EU 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.
3. If the EC fails to make the funds available due to reasons that are outside of the sphere of influence of the Programme authorities, the MA is entitled to terminate this contract and any claim by the LP or the PPs against the MA for whatever reason is excluded. In such a case the LP will be duly notified by the MA and guided on the respective steps to be taken.
4. The LP accepts the subsidy and undertakes to carry out the project under its responsibility as laid out in the applicable laws and rules, including those listed under Article 1.
5. Should it become evident that the project will not spend the maximum amount of ERDF co-financing awarded to it by the MC, the MC may decide to reduce the award accordingly, in compliance with provisions included in the programme manual and Article 2 of this contract.
6. Disbursement of the subsidy is subject to the condition that this subsidy contract is signed by the parties to this contract.
7. In case one or more output and result targets, as set in the latest approved version of the application form, are not successfully reached, corrective measures may be put in place to ensure the project performance as well as to minimise the impact on the programme level (*e.g.*, adaptation of the project to the changed situation) following the procedures specified in the programme manual.
8. In case a project fails to respect the contractual arrangements on timeliness, budget absorption and achievement of outputs and results, as defined in the latest approved version of the AF, the programme may also reduce the ERDF allocated to the project or, if necessary, stop the project by terminating the subsidy contract as determined in Article 12 of this document.
9. Where an annuity (Interreg fund) of the Interreg Atlantic Area Programme is decommitted automatically by the EC, in line with Article 105 of the CPR, the MC may decide to reduce the subsidy for expenditure not incurred in line with the timetable provided for in the project data.

**Article 4 - Duration of the project and the contract**

1. The project start and ending dates are fixed in the latest version of the approved AF.
2. Administrative duties of the LP and PPs related to the closure of the project will take place over three months after the project´s end date. Further specifications on project closure are laid out in the programme manual.
3. Without prejudice to the provision concerning the implementation of the project and the eligibility of expenditure as well as to the rules governing State aid, this contract expires in accordance with obligations on the availability of documents as defined in Article 82 of the CPR.

**Article 5 - Eligibility of expenditure**

1. Expenditure that qualifies for a subsidy under Article 2 of this contract shall exclusively consist of eligible costs needed for implementing activities and producing deliverables and outputs in line with the approved AF. The eligibility of expenditure for ERDF co-funding is regulated in the European Structural and Investment Funds Regulations (Articles 63 to 67 of the CPR, Chapter V of the ERDF Regulation), as well as in the programme´s eligibility rules as included in the programme manual based thereon.
2. Only expenditure incurred and paid by the PPs is eligible for ERDF co-financing, except for expenditure calculated as lump sums or on a flat rate basis.
3. The LP undertakes to carefully analyse and adhere to those eligibility rules and principles and to contractually forward this obligation to its project partners.
4. Non-compliance with the relevant rules could lead the programme authorities to take corrective measures and exclude ineligible expenditure from the project budget.
5. It is hereby made explicit that the partners must not make use of funds from other programmes co-financed by the EU to finance the eligible costs related to the present project (no double financing for the same actions).
6. The eligibility period for costs incurred for the project is defined in the project data and according to the information provided in the Programme manual and must be respected by the partners.

**Article 6 - Payment’s request**

1. The LP may request payments of the ERDF contribution on behalf of the project in compliance with the principle of sound financial management (*i.e.*, the principles of economy, efficiency, and effectiveness) and by demonstrating the utility derived from any purchases. To this purpose, the LP must present evidence of the project´s progress towards the achievement of outputs and results set in the approved AF, by following procedures set in the Programme manual and those described in Article 7 of this document.
2. Payment of costs claimed is made subject to the provision that the payment of the amount is due according to the schedule as mentioned in Article 7.1 of this document and that the EC has paid corresponding amounts beforehand.
3. Furthermore, payment of funds is subject to the condition that the legality and regularity of activities underlying the expenditure declared has been verified by a national controller appointed in compliance with national rules on the matter and that all supporting documents and certificates necessary for the assessment of the MA/JS are submitted in due time.
4. The MA reserves the right not to accept – in part or in full – certificates of expenditure as described in Article 8 of this contract if due to the results of its own checks and/or controls or audits performed by another authority such a certificate, or the facts stated therein prove to be incorrect or if the underlying activities are not in line with the legal framework as set out in Article 1 of this document. In such a case, the MA will either reduce the claimed certified amount, demand repayment of funds already paid out unduly or set them off against the next payment claim submitted by the LP, if possible. In compliance with Article 74 (1) (b) of the CPR, payments to the project can be suspended partially or in full in cases of suspicion of an irregularity. The MA is entitled to withhold any ERDF payment to a particular beneficiary (LP or PP) or the project until all unclear issues related to the implementation, management and reporting are clarified.
5. The MA, through the programme’s JS, may request relevant information at any time. That information must be supplied by the LP within the demanded time frame. The LP will also provide information and requested documents to other programme authorities, courts of auditors or other control institutions acting within their respective spheres of responsibility.
6. In case of system errors detected within audits, the MA also has the right to temporarily withhold payments. Payment suspension(s) shall be lifted as soon as observations and reservations raised by the relevant bodies have been withdrawn.
7. The MA ensures that the LP receives payments of the approved contribution from the programme in time and in full. No deduction, retention or further specific charges which would reduce the amount of the payment shall be made, without prejudice of provisions as above in this article. The ERDF contribution paid by the MA shall not exceed the share of ERDF resulting from the eligible amount verified by each responsible control authority in compliance with Article 8 of this document.
8. The disbursement of funds by the MA is subject to the provision by the LP of at least the following information: bank account of the LP and PPs, location of project documents at the premises of the LP and each PP, evidence of the signature of the partnership agreement (as set out in Article 10 of this document). Such information is to be included in the relevant sections in SIGI.
9. The funds will be disbursed in Euro (EUR; €) only. Any exchange rate risk will be borne by the LP or the PPs. The funds will be transferred to the account as indicated by the LP and PPs in SIGI AF.
10. By paying out the subsidy according to this contract, the MA fulfils its obligations resulting from the present contract.
11. Payments not requested in time and in full or non in compliance with the payment schedule as indicated in Article 7.1 and the overview tables of reporting targets and deadlines included in the AF, may be lost.

**Article 7 - Reporting**

1. To demonstrate the progress of the project implementation as described in Article 6.1 of this document the LP must provide evidence of the project implementation progress - including the submission of project progress reports - to the MA through the JS according to the timeframe indicated in Programme Manual and AF. Changes in these periods require prior approval of the JS/MA. Further details on the reporting procedures are specified in the Programme manual. Once the reports are validated, the reimbursement from the Programme will be paid by the body in charge of the payments to the bank accounts of the PPs indicated in AF.
2. Periodic project progress reports are of two types: (i) project activity and finance reports and (ii) extraordinary finance reports. Deadlines for submission are indicated in the overview tables of reporting targets and deadlines as in the AF.
3. The final progress report is to be sent to the MA *via* JS at the latest three months after the project end date, as mentioned in the AF and in the overview table of reporting targets and deadlines included in the AF.
4. Further details on the contents of the reports and procedural rules are laid out in the Programme manual, the contents of which the LP accepts and contractually forwards to its PPs.

**Article 8 - Expenditure verification**

1. Each progress report submitted by the LP to the MA through the JS must be complemented by certificates confirming the eligibility of expenditure, both at the LP and the PPs level, issued by national controllers as referred to in Article 46 (3) of the Interreg Regulation, according to the system set up by each Member State and in compliance with the requirements set by the legal framework listed in Article 1 of this contract.
2. In cases of LP and PPs from countries having set a decentralised control system, the MA reserves the right, after agreement with the national responsible institution, to require that the controller directly selected by the LP or PPs is replaced if considerations, which were unknown when the contract was signed, cast doubts on the controller’s independence or professional standards.
3. Changes of address, changes of account number and changes of control authority/institution or name of the controller(s) must be duly notified to the MA through the JS. Should the MA have any objections to the notified changes it may – after prior discussion with the national responsible institution – ask for the replacement of the controller or the institution nominated.

**Article 9 - Project modifications**

1. Project modifications shall be requested by the LP following the rules and procedures stated in the Programme manual. Where relevant, to come into effect, modifications must be approved by the relevant programme body(ies).
2. In the application documents the contribution of the LP and each PP is clearly defined. Changes in the project partnership require the prior approval of the relevant programme bodies as outlined in the Programme manual. However, once approved, they are valid retrospectively starting from the date on which the request was presented by the LP.

**Article 10 - Representation of project partners, lead partner liability**

1. The LP guarantees that it is entitled to represent the partners participating in the project and that it will establish a partnership agreement according to Article 26 (1) (a) of the Interreg Regulation. The partnership agreement shall hold the rules set in the template of the partnership agreement provided by the programme. The allocation of tasks, mutual responsibilities, and obligations among the LP and the PPs are specified in this partnership agreement.
2. The partnership agreement signature shall be demonstrated at the latest within three months after the entering into force of the subsidy contract.
3. The LP must accept, sign and keep in original, one version of the partnership agreement signed by all PPs and which compulsory template is provided by the Programme. A copy must be sent to the MA/JS. The MA reserves the right to check the partnership agreement to verify that it has been duly signed and that it is in conformity with the template provided.
4. Furthermore, the LP guarantees that it has complied with the legal framework according to Article 1 of this contract and with all the relevant legal and other requirements under the law which apply to it and to the PPs and their activities and that all necessary approvals (*e.g.*, building permissions, environmental impact assessment statements) have been obtained. The LP is obliged to contractually forward Article 1 of this contract in its entirety to the PPs and to include all obligations as set out in this document into the partnership agreement.
5. The LP shall provide the PPs with all information and documents needed for a sound and legally correct project implementation, including requirements related to branding.
6. The LP must ensure that the project implementation is in line with the work plan, the time schedule, and the approved budget, as indicated in the AF.
7. The LP undertakes to inform the MA immediately about any circumstances that delay, hinder or make impossible the implementation of the project, as well as all circumstances that mean a change of the disbursement conditions, or which would entitle the MA to terminate this subsidy contract, to discontinue payments or to demand repayment of the subsidy, in full or in part.
8. The LP is responsible for providing the MA with any information required and requested in terms of the project, without delay.
9. The LP confirms that the planned activities in the project do not conflict with the relevant European and national policies and legislation in all countries involved and that any authorisations required for their implementation have been obtained.
10. The LP undertakes to inform the Programme authorities of clear violations of the EU and national regulations on State aid and public procurement issues.
11. The LP undertakes to take all necessary measures to prevent any risk of conflict of interest which could hinder the impartial and objective execution of this contract. The LP also undertakes to keep the MA informed without delay on any circumstances that have generated or may generate such conflict.
12. The LP undertakes to do his/her upmost to prevent fraud and corruption and to be especially vigilant on this subject. In coherence with the Programme manual, the LP also undertakes to denounce any conduct likely to be considered as suspected fraud to the competent national authorities and to advise the MA of this.
13. The LP undertakes that the above-mentioned conditions applicable to him/her under this contract also apply to PPs based on the partnership agreement.
14. Following Article 26 (1) (b) of the Interreg Regulation, the LP bears the overall financial and legal responsibility for the entire project and the PPs. It will be held liable, if obligations as laid out in this contract or in applicable EU or national laws, are not fulfilled by the project partnership.
15. The LP is furthermore liable to the MA for ensuring that all PPs fulfil their obligations. It is also liable to the MA for infringements by the PPs of obligations under this contract in the same way as for its own conduct.
16. If the MA demands repayment of subsidy funds in accordance with this contract, the LP and each PP are liable to the MA for the total amount of those funds.
17. The MA cannot, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the LP or one of its PPs while the project is being carried out. The MA can therefore not accept any claim for compensation or increases in payment in connection with such damage or injury.
18. The LP shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out. The LP shall discharge the MA of all liabilities associated with any claim or action brought as result of an infringement of rules or regulations by the LP or one of its PPs, or as result of a violation of a third party’s rights

**Article 11 - Project and financial management**

1. The LP ensures professional management of the project.
2. In compliance with Article 63 (9) of the CPR, the LP ensures that expenditure items included in requests for reimbursement do not receive support from the same or any other EU programme, EU fund or Union instrument.
3. The LP coordinates the start and implementation of the project according to the time schedule as indicated in this contract and the work plan included in the application form.
4. The LP shall install a separate accounting system, or an adequate accounting code set in place specifically for the project and shall safeguard that the eligible costs as well as the received subsidies can be clearly identified.
5. In line with Article 26 (1) (c) of the Interreg Regulation, the LP ensures that expenditure claimed by the PPs has been controlled to verify that it has been used to implement the project and corresponds to the activities agreed between the LP and PPs as set out in the project AF.
6. The LP is responsible for ensuring the implementation of the entire project in observation of the rules and procedures set in the Programme manual (*e.g.*, monitoring the project´s physical and financial progress, recording and storing of documents, written requests for project modifications, implementation of information and branding measures) and for ensuring that the PPs are made aware of their obligations.
7. The LP informs the MA and JS immediately about all circumstances that delay, hinder or make impossible the implementation of the project as well as all circumstances that mean a change of the disbursement conditions and frameworks as laid down in this contract (*e.g.*, loss of a project partner, making use of additional subsidies) or circumstances which oblige the MA to reduce payment or demand repayment of the subsidy in whole or in part.
8. The LP provides the MA and JS with any information requested without delay.
9. The LP implements the project following EU and national legislation as well as in line with the programme requirements, *e.g.*, on procurement and State aid, and ensures that the PPs also respect these rules.
10. The LP provides data in SIGI, in compliance with this contract and according to the MA and JS instructions.
11. The LP submits the main project outputs and deliverables as appropriate following the procedures set in the programme manual. One sample of each developed material shall be stored at the LP´s or PPs´ premises for control and audit purposes.
12. The LP seeks guidance from the JS where necessary and participates in meetings organised by the Programme.
13. The LP invites the MA/JS to participate in project Steering Committee meetings as observers and sends minutes of these meetings to the MA/JS.
14. The LP supports the programme in its information, communication, and evaluation activities (*e.g.*, joins project exhibitions, submits texts for the Programme website and publications).
15. In accordance with the provisions of the Regulation (EU) 2016/679 (General Data Protection Regulation) in its valid version, the MA is entitled to process the personal data of the LP and all PPs, which are contained in the project AF 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, EC, auditing bodies of the EU and the IGF (*Inspeção-Geral de Finanças*) or any other institution responsible for conducting audits or controls according to EU or national laws. In addition, the MA is entitled to process such data and to share them with other programmes 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.

Furthermore, the programme bodies may use the names and addresses of all PPs, the purpose and the amount of the subsidy in the framework of information and communication measures concerning the programme as well as reporting to the EC.

1. In accordance with Articles 44 and 45 of the CPR, the LP and all PPs undertake to provide experts or bodies authorised by the Programme to carry out project evaluations and/or studies with any document or information requested for the evaluation purpose. Information might be provided by the LP and PPs also through surveys and/or interviews.
2. For State aid relevant projects: The LP ensures that, in case of ERDF granted under State aid, the LP and its PPs will respect all necessary requirements provided for in the relevant regulations, as listed under Article 1. The LP is obliged to contractually forward this clause in its entity to the PPs.

**Article 12 - Financial controls, audits**

1. The EC, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA) and, within their responsibility, the auditing bodies of the participating EU MS or other national public auditing bodies as well as the Programme audit authority, the MA and the JS are entitled to audit the proper use of funds by the LP or by its PPs or to arrange for such an audit to be carried out by authorised persons. The LP and PPs will be notified in due time about any audit to be carried out on their expenditure.
2. The LP undertakes all the necessary actions to comply with the fundamental requirements indicated in this contract, the applicable laws and Programme documents (Programme manual and the call-specific Terms of Reference), which are an integral part of this contract, to provide for comprehensive documentation on compliance with those norms and the accessibility to this documentation. Besides the obligations regarding reporting and information, the LP particularly:

* keeps all documents and data required for controls and audits safely and orderly as further specified in Article 11 of this contract;
* makes all necessary arrangements to ensure that any audit, notified by a duly authorized institution as indicated in Article 12.1, can be carried out smoothly; and
* provides any requested information to these institutions about the project and gives access to their business premises, provides, and gives access to all the information and documents supporting the audit trail as requested in the European Structural and Investment Funds Regulations, Delegated and Implementing Acts and the Programme manual.

1. The LP shall promptly inform the MA *via* the JS about any audits that have been carried out by the bodies mentioned in Article 12.1 of this contract.
2. If, as result of the controls and audits, any expenditure is considered non eligible according to the regulatory framework as in Article 1 of this contract, the procedure described in Article 13 and Article 6 (4) of this contract shall apply.
3. The LP must provide access to the premises, as well as project related locations, documents and necessary information, irrespective of the medium in which they are stored, for verifications by the MA, the JS, the body in charge of the accounting function, the AA, relevant national authorities, authorised representatives of the EC, the European Anti-Fraud Office, the European Court of Auditors, the Group of Auditors and any external auditor authorised by these institutions or bodies.
4. These verifications may take place up to 5 years from 31 December of the year of the last payment from the Programme to the project as stated in article 82 of the CPR and in the closure-letter addressed to the LP by the Programme. A longer retention period may apply in case of State aid or in accordance with national rules. The LP must ensure that all original documents, or their certified copies, in line with the national legislation related to the implementation of the project, are made available until the above final date of possible verifications, and until any ongoing audit, verification, appeal, litigation or pursuit of claim has been completed.
5. The MA has the right to withhold the payments until all required information and documentation have been delivered or made available otherwise in the required way.
6. The MA has the right to suspend payments should the project become subject to controls or audits by the MA/JS, body in charge of the accounting function, AA or relevant EU bodies until these controls or audits have been completed. Should these bodies issue statements on the national control systems and identify problems of a systemic character, the MA has the right to suspend payments until the case has been resolved.
7. Should this subsidy contract have been terminated, the rights and duties stipulated in this article must, however, persist.

**Article 13 - Withdrawal or recovery of unduly paid-out funds**

1. In case the MA discovers (*e.g.* during the day-to-day management or on-site checks) any unduly paid out funds, *e.g.* due to administrative errors or irregularities, a breach of contract or infringement of the legal provisions as laid out in Article 1 of this document, or in case the MA is notified of such cases, the MA shall, if necessary in consultation with the respective MS concerned and by informing the MC, demand from the LP repayment of the subsidy in whole or in part.
2. The concerned LP or PP repays any amounts unduly paid following the Programme manual. The amount to be repaid can be withdrawn from the next payment to the LP or PP or, where applicable, remaining payments can be suspended. In the case of closed projects, the LP or PP 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 will be stated explicitly in the order for recovery. In case of e-mail correspondence, the relevant date shall be the date on which the e-mail is sent, regardless of the date of receiving any mail sent additionally the hardcopy version. If the letter is sent in a hardcopy version only, it is assumed that the mail is received three days after the date on which the mail was posted.
3. 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 will be calculated in accordance with Article 88 of the CPR.
4. In case factors behind the recovery procedure show violation of the subsidy contract (see Article 17 of this contract), the MA will consider the termination of the contract as last resort. In any case, the partnership will be heard before taking a final decision on the termination of the contract.

**Article 14 - Communication and branding**

1. Unless the MA requests otherwise, any notice or publication made by the project including presentations at conferences or seminars shall point out that the present project was implemented through financial assistance from ERDF funds of the Interreg ATLANTIC AREA Programme, as required by Annex IX of the CPR. All information, communication and branding measures of the project shall be carried out in accordance with the afore-mentioned rules, the Programme manual and any other guidelines issued by the Programme on the matter. The LP shall take care that the PPs comply with these requirements and provide them with relevant documents and any Programme guidelines.
2. Any notice or publication relating to the project made in any form and by any means, including digital and online, 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.
3. The LP also takes full responsibility for the content of any notice, publication and marketing product provided to the MA which has been developed by the LP, any of the PPs or third parties on behalf of the LP or the PPs. The LP is liable in case a third-party claims compensation for damages (*e.g.*, because of an infringement of intellectual property rights). The LP will indemnify the MA in case the MA suffers any damage because of the content of the publicity and information material.
4. The LP shall ensure that the project partnership complies with all publicity, communication, and branding obligations (*e.g.*, on the use of the Programme logo, information requirements, and organisation of events) as further specified in the Programme manual and any other guidelines issued by the Programme on the matter.
5. In line with Article 49 (3) of the CPR, the MA is authorised to publish the following information:

(a) name of the LP and its PPs;

(b) projects’ name;

(c) the project summary including project purposes and its expected achievements;

(d) abstract of progress reports with the project’s actual achievements;

(e) start date of the project;

(f) the expected or actual date of completion of the project;

(g) the ERDF funding and the total cost of the project;

(h) the related programme specific objective;

(i) the location indicator or geolocation for the project and the related countries;

(j) the location of the LP and its PPs;

(k) the type of intervention for the project following point (g) of Article 73 (2) of the CPR.

1. The MA is entitled to furthermore use these data for information and communication purposes as listed in Annex IX of the CPR, cited in Article 1 of this contract.
2. The MA on behalf of the MC and of other programme promoters at the national level is entitled to use the outputs and results for information and communication actions in respect of the Programme.

The LP agrees that information about outputs is forwarded by the MA to other Programme authorities as well as the MS taking part in the Programme to use this material to showcase how the subsidy is used.

To meet the objectives as set out in Article 6 of this contract, the LP must provide evidence of the deliverables and outputs produced as further specified in the Programme manual.

1. The LP shall ensure that communication and visibility material, including at the level of PPs, is made available upon request to the MA (and further to EU 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 MA (and further EU institutions, bodies, offices or agencies) in accordance with Annex IX of the CPR.

**Article 15 – Ownership - use of outputs, data management and data protection**

1. In the spirit of cooperation and exchange, the LP and the PPs must ensure that all the outputs and results produced in the framework of the project are in the public interest and publicly available. They should be accessible and available to the public, in general in a usable format.
2. Upon request, the LP and PPs must provide the MA/JS, EU institutions, bodies, offices, or agencies with all the outputs, communication and visibility materials produced by the projects.
3. For this purpose, the LP enquires about pre-existing rights attached to the materials and ensures that a royalty-free, non-exclusive, and irrevocable licence without significant additional costs or administrative burden to use such materials is granted to the afore-mentioned Programme and Union bodies following Annex IX of the CPR.
4. The MA/JS is entitled to use any outputs as well as the communication and visibility materials produced by the project to showcase how the subsidy is used and guarantee a wide spread of the project deliverables and outputs in accordance with Article 49 of the CPR.
5. The LP and the PPs agree that the outputs as well as any communication and visibility materials are forwarded by the MA to other Programme authorities, as well as the countries participating in the Programme or to authorities of other Interreg programmes and the EC, to use this material to showcase how the subsidy is used, in accordance with Article 49 of the CPR.
6. The LP ensures that has all rights to use any pre-existing intellectual property rights, if necessary, for the implementation of the project.
7. The LP must 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.
8. Any communication campaign, media appearance or other publicity of the project must be communicated to the MA/JS.
9. The MA must be authorised to process and publish, in whatever form and on or by whatever medium, including the Internet, (parts of) the project data to fulfil its own reporting, communication and visibility obligations arising from the body of rules and regulations listed in Article 1. Personal data must be processed in line with the General Data Protection Regulation/GDPR.

**Article 16 - Assignment, legal succession**

1. The MA is entitled at any time to assign its rights under this contract. In case of assignment, the MA will inform the LP without delay.
2. The LP is in exceptional cases and in well-founded circumstances allowed to assign its duties and rights under this contract only after the prior written consent of the MA, in accordance with procedures for partner modification set in the Programme manual.
3. Where according to national laws the legal personality does not change and where all assets of the LP or a PP are taken over so that a deterioration of the financial capacity of the acquiring institution is not to be expected (*i.e.*, in cases of universal succession), prior consent by the MA is not necessary. The LP, however, shall submit related information together with all documents that are necessary to analyse the legal case in due time to the MA *via* the JS. If the MA concludes that the conditions as stated above are not fulfilled (*e.g.*, in cases of a singular succession), the LP will be informed that a partner modification procedure as stated in Article 16 (2) must be initiated.
4. In case of assignment or any form of legal succession of a LP or PP, the LP or PP concerned is obliged to assign all rights and obligations and all project related documents to each and any assignee or legal successor. Related reports to the MA and JS as requested in the programme documents must be forwarded by the LP.

**Article 17 - Contract termination and repayment**

1. In addition to the right of termination as laid down in Article 3 the MA is entitled, in whole or in part, to terminate this contract and/or to demand repayment of subsidy in any of the following circumstances:
2. the LP has obtained the subsidy through false or incomplete statements or forged documents;
3. the LP and its PPs receive additional funding from the EU for all or part of the project expenditure reported under the Programme during the period of the implementation of the project;
4. the project has not been or cannot be implemented, or it has not been or cannot be implemented in due time;
5. the project has not started in due time and a written reminder by the MA or JS remains unsuccessful;
6. 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 results planned and stated in the latest version of the approved AF;
7. the project outputs and results are not in line with those described in the approved AF;
8. the LP has failed to submit evidence of project progress (including reports, as in the overview tables of reporting targets and deadlines as in AF), or to supply necessary information needed to verify project compliance, 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;
9. the LP has infringed its duty to ask for prior written approval as indicated by this contract or in the Programme 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;
10. the LP or its PPs obstructed or prevented the financial control and auditing as indicated in Article 12 of this contract;
11. the amount of funding awarded has been partially or entirely misapplied for purposes other than those agreed in this contract;
12. insolvency proceedings are instituted against the assets of the LP or one of the PPs or insolvency proceedings are dismissed due to lack of assets for cost recovery or the LP or one of the PPs closes or liquidates, if this appears to prevent or risk the achievement of the project objectives;
13. the LP does – for any reason – not make available the outputs to the MA;
14. EU regulations, including the horizontal policies or national regulations, have been violated;
15. the ownership of project outputs having the character of investments in infrastructure or productive investments did not remain with the concerned LP and/or PPs for the timeframe and under the conditions set in Article 65 of the CPR;
16. the LP and/or any of the PPs is in the situation of undertaking in difficulty, within the meaning of point (18) of Article 2 of Regulation (EU) No 651/2014 as well as in compliance with Article 7 (1) (d) of the ERDF Regulation;
17. the LP has failed to fulfil any other conditions or requirements for assistance stipulated in this contract and the provisions it is based on, particularly if these conditions or requirements are meant to guarantee the successful achievement of the Programme objectives.
18. 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.
19. If the MA exercises its right of termination and the LP is demanded full or partial repayment of amounts already paid, the LP is obliged to transfer the repayment amount to the MA. The repayment amount is due within one month following the date of the letter by which the MA asserts the repayment claim; the due date will be stated explicitly in the order for recovery.
20. If a LP or PP fails to return unduly paid funds in another project funded by the Programme, the MA has the right to withdraw the corresponding ERDF from any open payment in this project.
21. If the MA exercises its right of termination, offsetting by the LP is excluded unless its claim is undisputed or recognised by declaratory judgement.
22. If the MA exercises its right of termination and the LP is demanded full or partial repayment of amounts already paid, 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 will be calculated in accordance with Article 88 of the CPR.
23. After termination of this contract, the LP´s obligations (*inter alia* Articles 11, 12, 13, 17, 21) and liabilities remain.
24. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the LP.
25. If any of the circumstances indicated in the afore-mentioned point 1 of this article occur 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.
26. As laid out in Article 3 (point 3), the MA is entitled to terminate this contract if the EC fails to make the funds available due to reasons that are outside of the sphere of influence of the programme.
27. Any further legal claims shall remain unaffected by the above provisions.

**Article 18 - *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 modifications due to changes in political or financial terms). Any default of a product or service or delays in making them available for performing this contract and affecting the project performance, including, for instance, anomalies in the functioning or performance of product or services, labour disputes, strikes, 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 contract, it shall notify to the LP without delay, stating the nature, likely duration, and foreseeable effects.
4. Neither the MA nor the LP nor the PPs shall 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 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 19 - Data management and data protection**

1. Any personal data under the subsidy contract must be processed by the MA/ JS or other relevant Programme bodies in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural person regarding the processing of personal data and on the free movement of such data (General Data Protection Regulation/ GDPR).
2. Following Article 4 of (the CPR, the MA, other Programme bodies and the EC must be allowed to process personal data where necessary for carrying out their respective obligations under the body of rules and regulations referred to in Article 1, for monitoring, reporting, communication, publication, evaluation, financial management, verifications, and audit purposes for determining the eligibility of participants.
3. The MA may transfer project and/or personal data to relevant Programme bodies and national authorities for the same purposes as listed in paragraph 2 of this article. The LP as well as the PPs will have a right of access to their personal data and a right to rectify this data. If PPs have any questions regarding the processing of personal data, they should address them to the MA.
4. In the event of processing, use and transfer of personal data by PPs of the Programme and potential subcontractors, the PPs undertake to:

* inform the person concerned in advance of the transfer and purpose;
* obtain their express consent;
* transmit to the Programme the contact details of the Data Controller and those of their Data Protection Officer if they have one.

**Article 20 - Litigation**

1. This contract is governed by and construed in accordance with Portuguese law. Thus, Portuguese law shall apply to all legal relations arising in connection with this agreement.
2. In case of disputes between the MA and the LP, the presumption of good faith from the LP will be privileged and, prior to litigation, mediation procedures shall be set in place.
3. In case of litigation the venue is the court of competent jurisdiction Administrative and Fiscal Court of Oporto. Legal proceedings will be in Portuguese.
4. The contract is written and signed in English. In case of contradiction between translations of this document, the common intention must take precedence.

**21 - Concluding provisions**

1. The provisions mentioned in Article 1 of this contract shall apply and the rights and obligations derived thereof shall become part of this contract. All cited laws, regulations and Programme documents mentioned are applicable in their latest valid version. The LP declares to respect the legal framework as mentioned and to contractually forward all relevant obligations and stipulations concerning the PPs arising from the present contract to the project partnership.
2. Unless otherwise stated, all communication is sent to the JS with contact details mentioned on the programme website.
3. If any provision in this contract should be wholly or partly ineffective, the parties to this contract undertake to replace the ineffective provision with an effective provision that comes as close as possible to the purpose of the ineffective provision.
4. In case of differences that are not ruled by this contract, the parties agree to find a conjoint solution.
5. Amendments and supplements to this contract and any waiver of the requirement of the written form must be made in written form and must be indicated as such. Consequently, any changes to 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.
6. Any costs, fees, or taxes not eligible or any other duties arising from the conclusion or implementation of this agreement shall be borne by the LP and/or its PPs.
7. The LP is free to accept and sign this contract within one month after having been offered it by the MA (date of sending). After one month the offer of the MA loses any relevance unless the MA agrees to an extension of this period.
8. The present contract shall come into force upon the signature of both parties. It remains valid if duties linked to the ERDF subsidy might be claimed and, in any case, at least until the end of the applicable retention period as communicated by the MA to the LP in compliance with the Programme manual.
9. In the case of project activities carried out in the phase after notification of the selection decision by the MC but before the entry into force of this subsidy contract as defined above (after the signature of both parties), the provisions of this subsidy contract must also apply to this transition phase.
10. Done in two originals, in the English language, one for the MA and one for the LP.

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| --- | --- |
| **Project Lead partner** | **Managing Authority** |
| (Place + Date) | (Place + Date) |
| Lead partner legal representative name: | Name of the legal representative (Head of the Managing Authority of the Interreg ATLANTIC AREA programme |
| (Signature) | (Signature) |

Annexes:

- Approved AF (last approved version).

The following documents, forming part of the legal framework to be observed in compliance with Article 1, can be downloaded from the programme’s website [www.atlanticarea.eu](http://www.atlanticarea.eu) ,

- Programme manual,

- Terms of Reference for the call for proposals under which the project was selected for funding.