



**Hungary-Serbia**  
IPA Cross-border Co-operation Programme

## **Model Partnership Agreement**

**Acronym:**

**Project title:**



The Programme is co-financed by the  
European Union

**Partnership Agreement  
for the implementation of the Project**

**[Application ID and Project acronym  
Project title]**

**within the  
Hungary-Serbia IPA Cross-border Co-operation Programme**

**between**

**Lead Beneficiary [full name and address]**

**and**

**Project Partner 1 [full name and address]**

**Project Partner 2 [full name and address]**

**Project Partner n [full name and address]**

**Project Partner from Adjacent Region n. [full name and address]**

On the basis of:

- COUNCIL REGULATION (EC) No 1085/2006 of 17<sup>th</sup> July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) – the IPA Regulation;
- COMMISSION REGULATION (EC) No 718/2007 of 12<sup>th</sup> June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance (IPA) – the IPA Implementing Regulation;
- The Programme Document of the Hungary-Serbia IPA Cross-border Co-operation Programme, approved by the European Commission on the 25<sup>th</sup> of March 2008 by Decision Ref No C(2008)1075 (hereinafter referred to as the Programme);
- The Guidelines for Applicants of the 2<sup>nd</sup> Call for Proposals of the Hungary-Serbia IPA Cross-border Co-operation Programme, laying down the programme specific rules for the implementation of Hungarian-Serbian projects – the Guidelines for Applicants; and
- The Project Implementation Handbook for the Hungary-Serbia IPA Cross-border Co-operation Programme.

## **Article 1**

### **Definitions**

1. **Lead Beneficiary:** the Lead Beneficiary is chosen among the Project Partners and has full financial and administrative responsibility for the Community funding for the entire duration of the project. The Lead Beneficiary is also responsible for the proper reporting of progress during project implementation to the Joint Technical Secretariat, as stipulated in the Subsidy Contract for Community Funding. In principle, the Lead Beneficiary has functional (coordination of the project activities) and financial responsibilities related to the Community funding (based on Paragraph (1) of Article 96 of the IPA Implementing Regulation).
2. **Project Partner(s):** actor(s) - including the Lead Beneficiary - committing themselves functionally and financially to implement a project part of the project according to the Application Form as approved by the Joint Monitoring and Steering Committee.
3. **Project Partner from Adjacent Region:** in line with Article 97 of the IPA Implementing Regulation, in duly justified cases Community funding may finance expenditure incurred in implementation of operations or parts of operations up to a limit of 20 per cent of the amount of Community funding to the cross-border Programme in NUTS 3 regions adjacent to the eligible area for the Programme. At project level, in exceptional cases, expenditure incurred by Project Partners located in NUTS 3 regions adjacent to the eligible area may be eligible, if the project could only achieve its objectives with that Project Partner's participation.
4. **Project part:** covers a set of activities within the project as a whole, undertaken by each of the Project Partners separately in a defined timeframe and presented in the respective Project Partner's budget sheet of the Application Form.

## **Article 2**

### **Subject of the Partnership Agreement**

1. The subject of this Partnership Agreement is the organisation of the partnership by regulating the rights and obligations of all Project partners in order to successfully implement the Project [Application ID and Project acronym, Project title].
2. The Project Partners shall make their own contributions to the implementation of the Project and shall receive the Community contribution according to the following distribution:

<b>Project Partner</b>	<b>Own contribution EUR</b>	<b>State contribution EUR</b>	<b>Maximum Community contribution EUR</b>	<b>Community co-financing rate (%)</b>	<b>Total eligible budget EUR</b>	<b>Amount of advance EUR</b>
Lead Beneficiary:						
Project Partner 1:						
Project Partner 2:						
Project Partner 3:						
Project Partner 4:						
Project Partner 5:						
<b>Total</b>						

3. The present Agreement is annexed to and forms integral part of the signed Subsidy Contract for Community Funding, together with the Application Form approved by the Joint Monitoring and Steering Committee, therefore Project Partners have to understand and fully respect the content of and the obligations set by the abovementioned documents.

## **Article 3**

### **Duration of the Agreement**

1. This Agreement shall take effect on the date on which it is signed by all Project Partners. It shall remain in force until the Lead Beneficiary has fulfilled its obligations arising from the Subsidy Contract for Community Funding towards the Managing Authority.

#### **Article 4**

### **Activities of Project Partners in the project**

1. The activities and the role of the Lead Beneficiary and each Project Partner are described in the Application Form (Annex I of the Subsidy Contract for Community Funding).

#### **Article 5**

### **Specific obligations of the Lead Beneficiary**

1. The Lead Beneficiary shall take all the steps needed to correctly manage the project in accordance with the Application Form approved by the Joint Monitoring and Steering Committee and in line with the Subsidy Contract for Community Funding.
2. In addition the Lead Beneficiary shall:
  - a) sign the Subsidy Contract for Community Funding on behalf of all its Project Partners;
  - b) inform all Project Partners on the signature of the Subsidy Contract for Community Funding and provide all Project Partners with a copy thereof;
  - c) keep the Project Partners informed on a regular basis about all relevant communication between the Lead Beneficiary and the Joint Technical Secretariat / Managing Authority;
  - d) without any delay inform the Project Partners about all essential issues connected to project implementation;
  - e) be responsible for verifying that the expenditure declared by the Project Partners has been incurred only for the purpose of implementing the project (part) and that it corresponds to the activities agreed between the Project Partners in the frame of the approved Application Form;
  - f) be responsible for verifying that the expenditure declared by the Project Partners has been validated by the designated controller at national level;
  - g) submit the applications for reimbursement together with the progress reports to the Joint Technical Secretariat keeping the deadlines indicated in the Subsidy Contract for Community Funding;
  - h) transfer the respective amounts of advance (specified in Annex III of the Subsidy Contract for Community Funding) received on the Lead Beneficiary's separate bank account to the bank accounts of each Project Partner within *[timeframe to be defined by the partnership]*; and in full, without specific fees or charges;

- i) transfer the Community funding according to the Application for Reimbursement approved by the Joint Technical Secretariat received on the Lead Beneficiary's separate bank account to the bank accounts of each Project Partner, within *[timeframe to be defined by the partnership]*; and in full, without specific fees or charges;
- j) agree with the Project Partners before applying for a reallocation between budget headings in accordance with the Subsidy Contract for Community Funding;
- k) agree with the Project Partners before submitting any request for an amendment of the Subsidy Contract for Community Funding to the Joint Technical Secretariat.

## **Article 6**

### **Obligations of the Project Partners**

1. The Project Partners take into account all rules and obligations as set out in the Subsidy Contract for Community Funding.
2. The Project Partners commit themselves to undertake everything in their power to foster the implementation of the project.
3. The Project Partners shall support the Lead Beneficiary in fulfilling its tasks as stipulated in the Subsidy Contract for Community Funding.
4. In particular, each Project Partner shall:
  - a) without any delay provide the Lead Beneficiary with any information needed to draw up the Project Progress Reports and the Final Project Progress Report, react on any request by the Managing Authority or the Joint Technical Secretariat, or provide any further information needed by the Lead Beneficiary;
  - b) inform the Lead Beneficiary immediately about any circumstance that could lead to a temporary or final discontinuation of the project.
5. In particular, each Project Partner shall:
  - a) inform the Lead Beneficiary before the submission of the first Application for Reimbursement on the details of the bank account to which the Community funding of the Project Partner shall be transferred;
  - b) complete its activities as described in the approved Application Form foreseen for each reporting period of the project implementation;
  - c) have its expenditures incurred in the given reporting period verified by the designated controller and submit the Declaration on validation of expenditure issued by the controller to the Lead Beneficiary.

The reimbursement of expenditure of the Project Partners not covered by declarations on validation of expenditure in the given reporting period can only be requested following the next reporting deadline;

- d) comply with Community and national rules, including rules on public procurement, state aid, publicity, further rules on environmental protection and equal opportunities;
  - e) be responsible for the sound financial management of the funding allocated to its project part, including the arrangements for recovering amounts unduly paid (Community funding, state contribution, if relevant, and other public contribution).
6. In addition to the obligations set out in above, the Project Partners from Adjacent Region have to comply with the following:
- a) the total amount of Community contribution to be reimbursed to all Project Partner(s) from Adjacent Regions shall be maximum of 20% of the total eligible project costs;
  - b) additional rules agreed between the Lead Beneficiary and the Project Partner(s) from Adjacent Regions:  
*[to be defined by the partnership]*

## **Article 7**

### **Responsibilities of the Lead Beneficiary and of the Project Partners**

1. The Lead Beneficiary solely assumes responsibility for the entire project towards the Managing Authority.
2. Each Project Partner is directly and exclusively responsible to the Lead Beneficiary for the due implementation of its respective project part and for the proper fulfilment of its obligations as set out in this Agreement and in the Application Form.

Should a Project Partner not fulfil its obligations under this Agreement, the Lead Beneficiary shall warn the Project Partner to fulfil them within a reasonable period of time. The Project Partners undertake to find a rapid and efficient solution. Should the non-fulfilment continue, the Lead Beneficiary may decide to exclude/replace the Project Partner concerned with approval of the other Project Partners. The Joint Technical Secretariat shall be promptly informed of such a decision by the Lead Beneficiary and the change in the partnership has to be approved according to the provisions set out in the Project Implementation Handbook.

3. Each Project Partner shall take the financial responsibility for the Community funding and, if relevant, the related state contribution it has received for its project part.

4. In case of irregularities the Lead Beneficiary bears the overall responsibility towards the Managing Authority for the repayment of the amounts unduly paid. If the irregularity is committed by a Project Partner the concerned organisation shall repay to the Lead Beneficiary the amounts unduly paid.

### **Article 8**

#### **Reporting obligations of the Project Partners**

1. The Lead Beneficiary can only submit an Application for Reimbursement to the Joint Technical Secretariat by providing proof of progress of the project. Therefore, in order to provide adequate information on the progress of the project, each Project Partner has to submit a Partner Report to the Lead Beneficiary consisting of an activity report describing the activities carried out, their outputs and results during the reporting period and a financial report presenting the financial progress of the project in accordance with the approved Application Form.
2. The Project Partners have to respect the reporting deadlines of the Subsidy Contract for Community Funding and have to submit their Partner Report and Declaration on validation of expenditure to the Lead Beneficiary in due time, until *[to be defined by the partnership]*. Partner reports and declarations on validation of expenditure not submitted to the Lead Beneficiary within the set deadline will not be included in the Project Progress Report and Application for Reimbursement of the Lead Beneficiary to be submitted to the Joint Technical Secretariat.
3. The partner reports should be drawn up in Euro. The Project Partners shall convert into Euro the amounts of expenditure in the list of invoices incurred in national currency before submission for verification to the responsible Controller. The expenditures shall be converted as described in the Subsidy Contract for Community Funding.

The exchange rate risk is borne by the Project Partner concerned.

### **Article 9**

#### **Audits**

1. For audit purposes each Project Partner shall:
  - a) retain all files, documents and data about the project at least until the 31<sup>st</sup> of December 2021, either in original or as certified copies on commonly used data storage device safely and orderly;
  - b) enable the Managing Authority, Certifying Authority, Audit Authority and the responsible auditing bodies of the European Union and the auditing bodies of the Participating Country it is based to audit the proper use of funds;



- c) provide these authorities with any information about the project as requested;
- d) provide them access to the accounting books and accounting documents and other documentation related to the project at least until the 31<sup>st</sup> of December 2021;
- e) provide them access to their business premises during the ordinary business hours and also beyond these hours by arrangement and allow them to carry out checks related to the project at least until the 31<sup>st</sup> of December 2021;
- f) without any delay provide the Lead Beneficiary with any information needed in connection to such an audit.

### **Article 10 Information and publicity**

1. Any publicity measure undertaken by any of the Project Partners shall be conducted in accordance with the rules on information and publicity laid down in the IPA Implementing Regulation and in the Guidelines for Implementing Information and Publicity Requirements for the Projects in the Hungary-Serbia IPA Cross-border Co-operation Programme.
2. Information and publicity measures shall be coordinated among the Project Partners. Each Project Partner is equally responsible for promoting the fact that financing for the project is provided from Community funding and, if relevant, from state contribution within the framework of the Hungary-Serbia IPA Cross-border Co-operation Programme and is responsible for ensuring the adequate promotion of the project.
3. The Project Partners take note of the fact that the results of the project as well as any study or analysis produced in the frame of the project can be made available to the public and they agree that the results of the project shall be available for all Project Partners and for the public free of charge.

### **Article 11 Changes in the project partnership**

1. Being aware of the fact that all changes in the partnership need an approval of the Joint Monitoring and Steering Committee and that the Managing Authority is entitled to withdraw from the Subsidy Contract for Community Funding if the number of Project Partners falls below the minimum number of Partners, the Project Partners agree not to back out of the project unless they have unavoidable reasons to do so.
2. In case a Project Partner withdraws from the project or is excluded from it, the remaining Project Partners shall undertake to find a rapid and efficient solution to ensure proper project implementation without any delay.

- Consequently, the Project Partners shall endeavour to cover the contribution of the withdrawing Project Partner, either by assuming its tasks by one or more of the remaining Project Partners or in exceptional cases by involving a new Project Partner in the partnership in line with the respective provisions.
3. The Lead Beneficiary shall inform the Joint Technical Secretariat as soon as changes in the project partnership are foreseeable. The changes in the partnership enter into force only after the approval by the Joint Monitoring and Steering Committee.
  4. The provisions set for audits in Article 9 remain applicable to the Project Partner that backed out of the project or was excluded from the project.

### **Article 12**

#### **Irregularities and the repayment of funds**

1. Should the Managing Authority – based on the provisions of the Subsidy Contract for Community Funding – request the repayment of Community funding from the Lead Beneficiary, the latter shall call upon the Project Partner that had caused the irregularity resulting in the repayment of the Community funding unduly paid according to the request of the Managing Authority.
2. The Project Partner in question has to repay the requested Community funding together with the interests chargeable to the Lead Beneficiary and the corresponding state contribution, if relevant, to the responsible national body as stipulated in the Contract on the State Contribution.
3. The Project Partner has to respect the deadline given by the Managing Authority to the Lead Beneficiary for the repayment of the Community funding. The Project Partner has to transfer the requested Community funding together with the interests chargeable to the Lead Beneficiary *[to be defined by the partnership]* days before the deadline set for the Lead Beneficiary.

### **Article 13**

#### **Cooperation with third parties, assignment**

1. In case of cooperation with third parties (e.g. concluding subcontracts) the Project Partner shall remain solely responsible towards the Lead Beneficiary concerning the compliance with its obligations as set out in this Agreement.
2. In case of legal succession, e.g. when the Project Partner changes its legal form, the Project Partner is obliged to transfer all duties under this Agreement to the legal successor. The Project Partner shall notify the Lead Beneficiary in written form within *[to be defined by the partnership]* days. The Lead Beneficiary shall notify the Joint Technical Secretariat according to the provisions set out in the Subsidy Contract for Community Funding.

## **Article 14 Language**

1. The present Agreement is concluded in English language. In case of translations of this Agreement into another language the English version shall prevail.
2. The working language of the partnership shall be *[language to be chosen by the Project Partners]*. Any official internal document of the project shall be made available in English.

## **Article 15 Applicable law**

1. The present Agreement is governed by *the [law of the Lead Beneficiary's country]*, being the law of the country of the Lead Beneficiary.

## **Article 16 Concluding provisions**

1. Should any provision in the present Agreement be entirely or partly ineffective, all other provisions remain binding. The Partners undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective provision.
2. Any amendments to this Agreement shall be made in writing and shall be signed by all Project Partners. The Lead Beneficiary shall notify the Joint Technical Secretariat of any amendment or supplement to the present Agreement.
3. The Project Partners commit themselves to take appropriate measures in order to ensure that all staff members carrying out work within the project respect the confidential nature of information regarded as such, and do not disseminate or pass it on to third parties or use it without prior written consent of the Lead Beneficiary and the Project Partners concerned.
4. The parties will make efforts to settle any disputes arising from this Agreement out of court. In case an agreement cannot be made in due time, the parties herewith agree that *[name and address of the forum]* shall have competence to rule in all legal disputes arising from this Agreement.

5. Done in English in *[number of Project Partners signing the Partnership Agreement + 3]* originals of which each party keeps one original, while one original is annexed to the Subsidy Contract for Community Funding.

Place, Date:	
Name of Lead Beneficiary:	
Name of legally authorised representative:	
Signature:	

Place, Date:	
Name of Project Partner*:	
Name of legally authorised representative:	
Signature:	

Place, Date:	
Name of PP from Adjacent Region*:	
Name of legally authorised representative:	
Signature:	

\* Signature panels to be copied according to the number of Project Partners.