

**Interreg  
Europe**



European Union | European Regional Development Fund

# Subsidy Contract & Project Partnership Agreement

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# Subsidy Contract

- Contract between the Managing Authority (MA) and the lead partner (LP) – “Lead partner principle”
- Determines the rights and obligations of the LP and the MA
- Standard document with two annexes:
  - Annex 1 latest approved application form
  - Annex 2 latest approval notification letter

# Project Partnership Agreement



- Compulsory agreement between the lead partner (LP) and project partners (PP)
- Template provided – amendments possible but LP/PP bear the risk of contradiction with the subsidy contract

# Project Partnership Agreement



# Project Partnership Agreement (I)



- All obligations deriving from the subsidy contract applicable
- Additional provisions to be agreed between partners (e.g. decision making, preparation costs, phase 2 lump sum)

# Project Partnership Agreement (II)



Annexes to the project partnership agreement (art. 2) :

- Annex I - latest approved application form
- Annex II - subsidy Contract
- Annex III - budget by budget line, spending plan, allocation of tasks, objectives, outputs and results **by partner**
- Annex IV - preparation costs division
- Annex V - phase 2 lump sum division

# Subsidy Contract





# 19 Articles

- Article 1: Legal framework
- Article 2: Award of subsidy
- Article 3: Terms of funding
- Article 4: Duration of the contract
- Article 5: Eligibility of expenditure
- Article 6: Electronic submission
- Article 7: Project and programme performance
- Article 8: Financial claims, reporting progress and changes in project
- Article 9: Liabilities, representation of partners and obligations of the lead partner
- Article 10: Project partnership
- Article 11: Audit rights, evaluation of the project and archiving of documents
- Article 12: Information and communication
- Article 13: Intellectual property rights
- Article 14: Termination of the contract and recovery
- Article 15: Legal succession and assignment of rights
- Article 16: Complaints and disputes
- Article 17: Applicable law
- Article 18: Other provisions
- Article 19: Signatures



# Article 1 – Legal framework



- **EU Regulations**
- **Programmes rules** detailed in the **programme manual** (latest version on website)
- **National rules** for cases not covered by EU Regulations and Programme rules see “In my country section” of the website

## Article 4 – Duration of the contract



**Project duration** (project start date-end date)



**Period of eligibility of expenditure** (date of approval to project end date)



**From date of the approval decision to end of the archiving obligations period**

# Article 7 – Project performance



- If objectives / outputs / results in the application form are not met  
→ **corrective measures may be taken by MA**
- If delays in the activities or budget not spent according to plan  
→ **subsidy may be reduced or contract ended**
- Decommitment risk if spending plan not respected  
→ **funds not requested on time may be lost**

# Article 9 – Liabilities & LP obligations



- The LP is liable for any breach or default by LP/PP
- The LP is liable for the total value of the subsidy
- **Obligations of the LP** (project partnership agreement, sound financial management, implementation of the project, First Level Control verifications)
- The **LP must inform the MA of changes concerning the project or partners** (e.g. change of legal status, contact details...) immediately, through the progress reports or directly in iOLF (see programme manual)

# Article 10 – Project partnership



- Only costs paid by project partners are eligible
- Project partners = partners named in the application form
- Project partnership agreement is compulsory

# Article 11 – Audit, evaluation, archiving



- Audit and evaluation
- Archiving of documents
- Period for archiving will be communicated by MA after closure of project

# Article 14 – Termination and recovery



- List of cases where the contract can be terminated by MA and / or funds recovered
- Possibility to recover funds from another Interreg Europe project in which the concerned partner is participating

# Article 15 – Transfer of rights



- Right of the LP to transfer its rights and obligations, **only after prior written consent from MA**
- If legal succession, obligation for LP to transfer all rights and obligations and notify the MA



# Article 16 – Complaints and disputes



- Procedure in programme manual
- If no amicable settlement possible, jurisdiction of the Tribunal of Lille for legal disputes

# Article 17 – Applicable law



- French law applicable in case of disputes for the interpretation of the contract
- Bilingual contract but both EN and FR version equally valid

# Article 18 & 19 – Other and signatures



- Amendments to the contract – new notification letter
- All communication in EN to designated PO & FO
- Signatures : all originals to be signed by the MA and LP representative

**Time for  
questions**





# Thank you!

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