



Jems Project Code.....

**Subsidy contract  
from ERDF**

**No...../.....**

**The following subsidy contract between**

Ministry of Development, Public Works and Administration

16 Libertatii Bvd., north side, 5th sector, Bucharest, Romania, tax registration  
no.:.....

acting as Managing Authority for the Interreg VI-A Romania-Bulgaria Programme,  
hereinafter referred to as MA,

represented by

....., Minister of Development, Public Works and Administration

and

..... [Name and address, fiscal registration number],

represented by .....

hereinafter referred to as Lead Partner (LP)

is concluded on the basis of the approved application no. <Project code>, having as  
legal basis:

- Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy;
- Regulation (EU) No 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;
- the Interreg VI-A Romania-Bulgaria Programme, approved by the European Commission by Decision no. 8928/30.11.2022.

### **§ 1 Award of subsidy**

- 1) The object of this contract is the award of ERDF financing by the MA for the implementation of the..... [index and title of the project], herein referred to as “project”, according to the decision of the Monitoring Committee no.....on ..... [date] in ..... [place].
- 2) The LP receives funding on the basis of the provisions of the present contract and its annexes, which the LP declares to know and accept.
- 3) The LP accepts the funding and shall coordinate the implementation of the project in due time according to the provisions of the present contract and of the national and European legislation.

### **§ 2 Duration of the contract**

- 1) The subsidy contract becomes effective on the date the last party signs it. The last party signing has the obligation to note the date.
- 2) The implementation of the project starts the day after the date when the contract becomes effective.
- 3) The implementation period of the project is ..... months. The implementation period cannot exceed the 30<sup>th</sup> of June 2029.
- 4) The subsidy contract ends in 5 years from the final payment to the lead partner.

### **§ 3 Budget of the project**

- 1) The total eligible value is ..... EUR <amount in figures> (non-refundable financing and the contribution of the partner), out of which:
  - a) <amount in figures> EUR ERDF, representing maximum 80%
  - b) <amount in figures> EUR State Budgets Cofinancing, representing maximum 18%
  - c) <amount in figures> EUR Partners own contribution, representing minimum 2%
- 2) Other non-refundable funds from the Programme is in amount of..... EUR and shall be supported by the LP and partners according to the approved budget.

### **§ 4 Value of the contract**

- 1) The value of the present contract is .....EUR <amount in figures> /



....<amount in letters>, representing the maximum total ERDF eligible value of the project according to Annex 1 - Approved application form.

- 2) The MA will transfer the ERDF funds on the basis of the eligible expenditures. MA will make the transfer of ERDF in the limit of the existent balance at the date of reimbursement request, and in case of insufficient funds, payment process will be suspended until the European Commission credits the program's account with the amounts representing the ERDF funds.
- 3) The Lead Partner commits itself to support its own contribution and the non-eligible expenditures as well as to ensure the temporary availability of funds for the proper implementation of the project until they are reimbursed by the MA.

### **§ 5 Eligible Expenditures**

1) The starting date for the eligibility of expenditure is 1<sup>st</sup> of January 2021. Expenditures for the project must be paid at the latest within 2 months after the implementation period, as mentioned in Article 2(3), but not later than 31.08.2029. Expenditures committed after the finalization of the implementation period shall not be eligible. In case the project is not finalized during the eligibility period of expenditures, the Lead Partner and its partners shall ensure from their own budget the necessary funds for the finalization of the project, according to the last approved Application Form.

Expenditure is incurred when the activity that has generated the expenditure (for example the works executed in accordance with the conditions of the contract) has been completed or the services foreseen in a contract have been provided and accepted by the partners. Proof of expenditures incurred relates to supporting documents indicating the completion of the activity, for instance take over certificates or confirmation of equipment or service delivery.

2) The expenditures related to the project are eligible provided that they observe the provisions of Annex 3 List of eligible expenditures, the methodologies for project preparation costs and for project closure costs, the applicable European and national legislation in force.

3) In compliance with the provisions of paragraph 1, preparation costs are also eligible if they were incurred from 1<sup>st</sup> of January, 2021 and in line with the Programme eligibility rules.

4) The lump sum of project preparation costs for all partners shall be included in the project preparation period of the Jems and will be transferred by MA as soon as the subsidy contract is signed, considering the payment conditions are met. The Lead Partner shall transfer the received amounts to its partners, as foreseen in the Application Form/ project budget, within 5 working days as of cashing in the amounts from the MA.

All preparation costs on real bases, if the case, for all the partners shall be requested for reimbursement in the first project report, otherwise they will be considered non-eligible expenditures.

5) In case the project is cancelled/terminated, the lump sum for project preparation and/or the funding paid on real preparation costs shall be considered an unduly paid amount and will be returned by the project partners to the



Programme budget.

6) Project closure costs shall be reimbursed on basis of a lump sum and the reimbursement of the granted lump sum for project closure is linked to the delivery of predefined output (final project report approved).

### § 6 Reimbursement of the expenditures

1) The total amount each partner commits to spend and request for national control by the end of the month marking the half of the implementation period is provided below.

| Month of implementation  | Amounts <sup>1</sup> to be requested for National Control (NC) |    |    |
|--|--|----|----|
|  | LP   | P2 | P3 |
| Total of amounts requested for National Control at half of the implementation period (month N) | X  | Y  | Z  |
| Partner's total budget   |  |    |    |

2) As an exception of the situations foreseen at Article 6(10), the LP has the possibility to ask expenditure for reimbursement to the MA via a project report submitted in the electronic system at any given time for one or more partners, provided that the expenditure claimed for reimbursement is not lower than 100,000 euro ERDF per partner. The total amount to be requested for national control mentioned at the half of the implementation cannot be changed.

3) In case the total amounts requested for national control verification are lower compared to the total amounts forecasted for the half of the implementation period, the MA is entitled to decommit project funds by reducing the original project budget and the corresponding ERDF contribution, as follows:

- a) 10% reduction of the budget for the partners who have requested amounts for national control lower than 75% of the initial amounts included in the schedule for national control requests;
- b) 25% reduction of the budget for the partners who have requested amounts for national control less than 50% of the initial amounts included in the schedule for national control requests.

4) Also, considering the Programme results are measured by indicators, In case the project contribution to the Programme indicators is lower compared to the application form, the MA is entitled to apply financial corrections by reducing the eligible budget (executed budget of the project/concerned partner) and the corresponding ERDF contribution according to the Programme specific procedure, up to 25%. The financial correction shall be applied only if the failure to achieve

<sup>1</sup> Amounts will be introduced in Euro, rounded, without decimals



the target values of the indicators is the result of full implementation by the partners of all project activities as described within Approved application form and annexes. In case the project has not fully implement all the project activities and the results are not reached, the MA is entitle to terminate the contract and to ask the repayment of all reimbursed amounts.

5) In case of a decision on the decommitment of the project, the Lead Partner shall submit to the MA a revised budget and Application Form, if the case, reflecting the decommitment, within two weeks following the receipt of MA's notification. In case of failure to respect the deadline, the decommitment shall be applied proportionally to all budgetary lines. The modification of the contract in case of decommitment 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, and which becomes part of the contract.

6) In case of decommitment, the Lead partner together with the partners may decide to give up financing, but in this case all the funds reimbursed shall be recovered by the Managing Authority. The decommitment shall be done without prejudice for partners' obligation to implement all the activities and achieve all the results, according to the approved application form.

7) A national control system has been established both in Romania and Bulgaria 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 verified and validated by a controller from the state on whose territory it is located, before the project report is submitted.

8) The LP must present all documents to the controllers and make sure that all partners present their documents, in order to be verified (including the description of the activities' progress and relevant documents as foreseen by the draft of the partner reports within the electronic system) before drafting and forwarding the project report. All supporting documents should be uploaded by the partners via electronic system.

9) 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 LP, 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 LP/partners, and which becomes part of the contract.

10) Every 4 months the LP must create and submit to Joint Secretariat (JS) via the electronic system a project report including both financial and physical progress of the project, based on partners reports submitted in the Jems in accordance with the conditions provided hereunder, in the Project Implementation Manual, Jems manual and in the applicable legislation.

11) The project report submitted by the LP shall contain only validated expenditure and shall be supported by the National Control Report issued by the Controllers of the Project 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) The instructions presented in the reporting models must be followed. All reports must be submitted in English. In order to observe the deadline, the partners should request the national control in due time to observe the deadline.

13) The final Project Report has to be submitted to the JS at the latest within five months after the end date of the implementation period of the project.

14) The expenditure incurred in a currency other than the euro shall be converted into euro by Jems using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the first level controller. The exchange rate differences are non-eligible expenditures for the project. The exchange rate risk is borne by the partner concerned.

15) 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 LP transfers the received ERDF 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 ERDF amounts it receives.

16) The successful implementation of the present contract actions shall be assessed by the Managing Authority based on achievement of milestones for the activities of the project and indicator targets, as mentioned within the Annex 5.

17) The achievement of the milestones shall be reported by the LP in the project reports submitted in accordance with the provisions of the present contract and, if the achievement is realized before the deadline for submitting the report, by any means of communication, as foreseen by Article 17.

18) In case the milestones are not reached in the established deadline, (and) the partner fails to implement the corrective measure for achievement of the milestones, within the set deadline, the Managing Authority is entitled to decommit project funds by reducing the eligible budget (executed budget of the project/concerned partner) and the corresponding ERDF contribution, according to the Programme specific procedure.

## **§ 7 Rights and duties of the parties**

### **Lead Partner**

In addition to the obligations of the LP as already stated, the LP undertakes the following duties:

1) The LP guarantees that it is entitled to represent all partners participating in the project and that it established with the partners the division of the responsibilities regarding the implementation of the project in the form of agreements. To this end the LP has concluded a Partnership Agreement laying down its relations with all partners participating in the project and comprising inter alia provisions guaranteeing the sound management of the funds allocated, including the arrangements for recovering unduly paid amounts.

2) The LP is liable towards MA for implementing the project in a proper and timely manner according to the provisions of the present contract, of the



application form approved by the Monitoring Committee and its annexes, of the Partnership Agreement of the Project's Implementation Manual and of the national and European legislation in force. The LP shall also be liable towards MA for achieving the results and indicators stipulated in the contract and its annexes.

3) 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.

4) 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 incurred for implementing the project corresponds to the activities agreed between all the 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 contract as well as with relevant national and European legislation;
- e) comply with the provisions of the Applicant Guide and the Project Implementation Manual (published on the Programme website <https://interregviarobg.eu/en>)
- f) observe and make sure that all partners observe the national and European legislation on state aid, equal opportunities, sustainable development and environmental protection;
- g) make and satisfy itself that all partners make all expenditure according to the national laws on public procurement or Annex 2, whichever is applicable;
- h) ensure that all the partners select the final beneficiaries of the projects (target groups) by a transparent procedure;
- i) ensure that all partners have a proper analytical accounting system and analytic accounts for the project exists. The accounting system must be in line with the national legislation;
- j) observe and make sure that all partners observe the provisions from the Visual Identity Manual (published on the Programme website <https://interregviarobg.eu/en>).
- k) to provide the assessors carrying out the Programme evaluation, mid-term and retrospective evaluation of the Programme according to Articles 44 and 45 of Regulation (EU) No 2021/1060 and Article 35 of Regulation (EU) No 2021/1059 with any document or information necessary to assist the evaluation.
- l) to inform the MA immediately about any circumstances that delay, hinder or make impossible the realisation 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 financing, in full or in part.
- m) has and make sure that all partners have the necessary financial resources



and mechanisms to cover operation and maintenance costs for operations comprising investment in infrastructure or productive investment, so as to ensure their financial sustainability.

n) has the responsibility to observe and make sure that all partners observe the climate proofing of investments in infrastructure which have an expected lifespan of at least 5 years, as set by the EU provisions and the *Do no significant harm* principle.

5) When drafting and submitting project reports, LP is liable towards the MA for consolidating the information from all project partners and for including all National Control certificates available in the electronic system at the date of the project report submission, being responsible for collecting documents and information from every partner.

6) LP is liable towards the MA for ensuring that all of its partners have a legal status, that they have the capacity to manage the project, that they observe the provisions from the Applicant's Guide and the Project Implementation Manual. Moreover the LP is liable towards the MA for ensuring that its partners fulfill their obligations regarding the implementation of the project. The LP is also liable towards the MA for all irregularities, even those committed by the project partners.

7) The LP must answer all written requests from the MA, JS or other bodies involved in the implementation of the Programme and to provide the requested information or documents within the deadline stipulated in the respective request. LP is responsible for gathering the information / documents from all partners in due time.

8) 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.

9) The LP must not receive or have received funds from other Programmes for the same project. The LP ensures that the project partners respect the same obligation.

10) 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 his partners, as the case may be.

11) The LP cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the implementation period of the project and 5 years after the final payment.

12) By exception from the provisions of the previous paragraph, the Lead Partner or any other project partner may mortgage or impose other form of bank guarantee on the capital asset/s that represent/s the subject of financing throughout the implementation period of the project, provided the value of the credit obtained does not exceed the total value of the partner's budget. :

13) 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.
- 14) The Managing Authority reserves the right not to agree with the mortgage or with other form of bank guarantee.
- 15) 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.
- 16) In case of projects comprising investment in infrastructure or productive investment, the Lead Partner shall reimburse the MA the amounts received if within 5 years of the final payment it is subject to any of the following:
- a) a cessation or transfer of a productive activity outside the Programme area;
  - b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
  - c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives
- 17) 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.
- 18) In duly justified cases, not imputable to the partners, when a project partner is in impossibility of fulfilling its 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 partner. The Partner 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. The suspension may be requested only once during the implementation period. During the suspension period no activity shall be performed by any of the project partners.
- 19) If the MA demands repayment of the ERDF in accordance with this contract, the LP is liable to the MA for the total ERDF 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 of its Project Partners fulfill this duty.
- 21) During the implementation period of the project as well as after the end of the implementation period of the project, for a 5 year period from 31 December of



the year in which the last payment by the MA to the project is made (if the case, longer retention periods may apply in accordance with national rules), the LP has the obligation to preserve and to present, to the Joint Secretariat (JS, within the Cross-Border Cooperation Regional Office Calarasi, for Romania - Bulgaria Border), MA, Accounting Unit (AU, within the Romanian Ministry of Development, Public Works and Administration), Audit Authority (AA, 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 / equipment, where the case.

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

23) 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. 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.

24) Should this subsidy contract be terminated, the rights and duties stipulated in paragraph 21 shall, however, persist.

### **Managing Authority**

1) The MA shall make available the information regarding the official closure date of the Ro-Bg Programme to the LP within 5 working days from the date of the receipt of the Commission's official notification in this respect.

2) The MA has the right to decide on the eligibility of expenditure related to the expenditure claimed in a project report.

3) The MA has the obligation to support the LP by providing necessary information and clarifications for the implementation of the project.

4) The MA has the obligation to reply to any written request from the LP in maximum 30 days from the date the MA receives the request.

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

6) 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 its project partners or arrange for such an audit to be carried out by authorized



persons.

- 7) MA is entitled to verify the durability of the project for a period of 5 years after the final payment and the financial sustainability.
- 8) The MA shall authorize and reimburse all eligible expenditures related to the project reports submitted by the LP, as per the National Control (NC) Reports issued by National Controllers and recommendation of the JS.
- 9) The MA has the obligation to inform the LP regarding the reports, conclusions and recommendations made by the European Commission or Audit Authority that may affect the implementation of the present contract.
- 10) Additional obligatory deadlines to submit a project report may be set by the MA in order to avoid decommitment of ERDF contribution at Programme level. The additional deadlines shall be communicated at least 2 months in advance to the LP.
- 11) In case one of the obligations of the Lead Partner is not fulfilled, the MA may suspend the execution of the contract.
- 12) In case of suspending the contract, the MA shall notify the Lead Partner regarding this decision, duration of the suspension period, the proposed corrective measures and also the related financial measures. The MA shall also notify the Lead Partner if the suspension period is cancelled prior to the initially set deadline.
- 13) Subject to availability of funds, the Managing Authority shall pay the total due amount of eligible public expenditure no later than 80 days from the date of submission of the project report by the Lead Partner to the JS, in conformity with the deadline mentioned at the article 74 (1) of the Regulation (EU) no. 2021/1060.
- 14) The payment deadline mentioned in paragraph 13 may be interrupted by the Managing Authority in accordance with the provisions of Article 74 (1) of the Regulation (EU) no. 2021/1060.
- 15) The payment deadline shall be resumed once the cases mentioned above have been solved.
- 16) The Managing Authority has the right to modify the provisions of the contract unilaterally through instructions issued by the Head of the Managing Authority, which shall be communicated to the Partners and posted on the Programme's website, <https://interregviarobg.eu/en>. The instructions shall become part of the contract.
- 17) The MA is entitled to publish data regarding the project in accordance with Article 49(3) of Regulation (EU) no. 2021/1060.
- 18) The Managing Authority may decommit/use the remaining funds following the finalization of public procurement procedures and/or public procurement contracts at project level.

## **§ 8 Publicity**

- 1) The Lead Partner must inform and must ensure that all project partners inform the public, by means of the measures laid down in Annex IX of Regulation (EU) no. 2021/1060, about the assistance obtained from the Funds.



- 2) The Lead Partner and all project partners are responsible for the implementation of the information and publicity activities related to the non-reimbursable financial assistance received through the programme. The Lead Partner must ensure and must satisfy itself that all project partners ensure transparency and accurate information to the mass media on the projects financed under Interreg VI-A Romania-Bulgaria Programme.
- 3) All information and publicity actions developed by the project partners (including the Lead Partner) must observe the Visual Identity Manual (available on the Programme website <https://interregviarobg.eu/en> or on request at the Joint Secretariat).
- 4) All electronic publications created within a project financed under Interreg VI-A Romania-Bulgaria Programme shall include the name of the project 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 and layout of materials belongs solely to the partner.
- 5) For all information and publicity actions developed by the project partners, the Lead Partner must ensure that they keep in a single place (hard copy and/or electronically) the documents related to these activities (e.g.: information and publicity materials they produced: information materials, audio-video materials).
- 6) 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 ERDF.
- 7) The rules stipulated in the Visual Identity Manual are mandatory for the Lead Partner and all project partners.
- 8) The Lead Partner shall ensure that the project partners comply with all publicity, communication and branding obligations according to the Visual Identity Manual and as further specified in the programme manual and with the provisions of the Project Communication Guidelines (Starter Kit) for project partners. Failure to comply with the visibility legal requirements set out by EU Regulation may lead to the appliance of financial correction by the Managing Authority up to 2% of the ERDF total support of the project, based on the principle of proportionality.
- 9) By accepting the funding, the LP and its partners give their acceptance for their inclusion in the list of projects published in accordance with Article 49(3) of Regulation (EU) no. 2021/1060.
- 10) The LP shall 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 organized by the Programme with the purpose of presenting/ discussing/ developing/ sharing project results and creating synergies with other projects and relevant organizations.
  - c. providing a visible link on the project's website/social media to the Programme website.



- 11) On behalf of the programme bodies and of other programme promoters at national level, the MA is entitled to use the outputs of the project in order to guarantee a wide spread of the project deliverables and outputs, and to make them available to the public. The Lead Partner agrees that the outputs are forwarded by the MA to other programme authorities, to use this material to showcase how the financing is used.
- 12) Any communication campaign, media appearance or other publicity of the project shall be communicated to the MA for potential website updates or showcases.
- 13) In the spirit of cooperation and exchange, the Lead Partner and the project partners shall ensure that all the outputs and results produced as a result of the project are in the public interest and publicly available. They should be accessible and available to the general public in a usable format. The MA/JS and any other relevant programme, EU and national body can use them for information and communication purposes in the framework of the programme.
- 14) The Lead Partner shall ensure that it has all rights to use any pre-existing intellectual property rights, if necessary for the implementation of the project.
- 15) The Lead Partner shall 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.
- 16) The LP shall ensure that any 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 license 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 (EU) Regulation 2021/1060.

## **§ 9 Confidentiality**

- 1) With the exception of the situations foreseen at Article 7 Lead Partner section, paragraph 21 and article 8 of the present contract, 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 31 December of the year in which the last payment by the MA to the project is made. 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 ERDF funds, shall not be considered as having confidential status.
- 3) The Managing Authority has the right to release information regarding the project at the request of public institutions, investigating the project.
- 4) 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.
- 5) Failing to observe the confidentiality obligation gives the damaged party the right to claim compensations from the damaging party.
- 6) Notwithstanding the obligations set forth by this contract and its Annexes concerning the provision of 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, detection, investigation 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 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).
- 7) The Lead Partner and the partners shall not use confidential information for any other aim than fulfilling their obligations under this Contract unless otherwise agreed with the MA.

### **§ 10 Conflict of interests**

- 1) In the present Contract, the conflict of interests represents any circumstances defined as such in the national/European legislation.
- 2) 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, where necessary.
- 3) The LP and partners shall observe the provisions of the Code of Conduct, drafted at Programme level and available on <https://interregviarobg.eu/en>.

### **§11 Irregularities and recovery of the funding**

- 1) “Irregularity” according to the current Contract means any breach of the Union law, or of the national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.
- 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 imposed measures.



- 5) In case an irregularity is committed, 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 project 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 is entitled to take the decision for suspending/terminating the contract, after verifying the reasons and any relevant documents 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 project partners shall fully return the amounts specified in the notification, without deducting any bank charges.
- 8) For the irregularities committed by a project partner, the Lead Partner is entitled to request these amounts from the responsible project 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, the partners may repay the due amounts directly to the MA, notifying the Lead Partner about this option.
- 9) If the Lead Partner does not succeed in securing repayment of the unduly paid ERDF contribution from the responsible project 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 Member State (Romania or Bulgaria) on whose territory the partner concerned is located shall reimburse the MA any amount unduly paid to that partner. The Member State (Romania or Bulgaria) 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 Lead Partner regarding the unduly paid amount, and the Lead Partner is obliged to repay that amount, within 30 days as of the receipt of the notification, together with bank charges, if the case. If the Lead Partner fails to repay that amount, the procedure presented under paragraph 9 shall apply.
- 13) The final payment will be made by its deadline, 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) Starting with the 31<sup>st</sup> 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.

15) In case financial corrections are applied by the European Commission to the Programme with regard to the performance framework, the Managing Authority may decide to cover the financial correction from the projects' budgets which have not fully achieved their indicators.

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 Interreg VI-A Romania-Bulgaria 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.

### **§ 12 Assignment, legal succession**

1) The Lead Partner cannot renounce totally or partially the rights and obligations resulted from the present contract unless it has the clear agreement of the MA and of the Monitoring Committee.

2) In case of legal succession, e.g. where the LP changes its legal form, the LP is obliged to transfer all duties under this contract to the legal successor. The LP shall notify the MA about any change with 15 working days beforehand. The same shall apply in case of legal succession for one or more of the project partners.

### **§ 13 Amendment**

1) With the exception of the situations foreseen at Articles 6(5), 6(9), 7(18) - Lead partner section and 7(16) - Managing Authority section of the present contract, any modification to the present contract shall be done with the agreement of both parties.

2) The LP has the obligation to initiate the amendment procedures of the present contract with minimum 30 days before the addendum is intended to produce its effects.

3) Any request for modification of the Subsidy Contract has to be justified and submitted by the LP to the Joint Secretariat in a written form, as regulated in the Project's Implementation Manual. The Joint Secretariat will analyze the request and may request additional information from LP, and after clarifications (if the case) submits the request of modification for approval to the Managing Authority or the Monitoring Committee according to the type of the modification requested. The Addendum to the Subsidy Contract has to be signed by both parties according to the approval of the Managing Authority /Monitoring Committee.

The Managing Authority/Monitoring Committee has the right to refuse the proposed





modifications by the partner (or part of them) for which justification was not provided and which were not considered acceptable. In case the proposed modification was refused by the Managing Authority, it cannot be requested again.

- 4) The LP has to request the modification of the Subsidy Contract by addendum in the following cases:
  - a) changes in the partnership;
  - b) substantial changes in the content of the project;
- 5) Further detailed rules describing cases of substantial changes in the content of the project are set in the Project's Implementation Manual, available on the Programme's website <https://interregviarobg.eu/en> .
- 6) The last request for modification of the Subsidy Contract should be submitted no later than two months before the end date of the project.
- 7) As an exception from the provisions of paragraphs 3 and 4 of the present article, other changes in the project will not require subsidy contract modification by addendum, but the LP has to notify the Joint Secretariat in a written form in each case at the moment when the changes occur. The JS will verify that the project change does not fall under cases regulated in paragraph 4 and will inform the LP without any delay if it requires subsidy contract modification by addendum.
- 8) Addenda become effective the day of their signing by the last party. Modifications incurred in the respective national/European applicable legislation with impact on the implementation of the contract, become effective from the date the respective legal act enters into force without being confirmed through an Addendum.

## **§ 14 Termination**

- 1) Any breach of the provisions of the present contract may result in the termination of the present contract and in the recovery in whole or in part of the financing, including any interest and/or related bank charges.
- 2) In exceptional and duly justified cases, including the occurrence of “force majeure”, the MA may decide on terminating the contract, by a written notification, without requesting the reimbursement of the already paid amounts.
- 3) The MA is entitled to terminate this contract, in whole or in part, without any other formality, and to demand repayment of the already paid amounts, if:
  - a) The MA finds an inconsistency between the reality and the declarations of the LP or any project partner in the application form, regarding the financing of the project from national or European public funds, or regarding the financing from other national or European Programmes; or
  - b) The MA or the audit bodies find that the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon herein, including 5 years after the final payment; or
  - c) The MA finds that insolvency proceedings are instituted against the assets of the LP or any of the other project partners or insolvency proceedings are due to lack of assets for cost recovery, provided that this appears to prevent



- or risk the implementation of the project, or
- d) the LP closes down; or
  - e) The MA finds that during the implementation period of the project including 5 years after the final payment, 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 2021/1060 (change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which affects the nature or the implementation conditions of the project or gives to a firm or a public body an undue advantage);
  - f) The LP fails to observe the provisions of article 7, paragraphs 12-15 (Lead partner section) of the present contract;
  - g) The MA decides that the project became ineligible, if during its implementation and 5 years after the final payment modifications appear that affect the implementation conditions/ create for a third party an unjustified advantage, and the modification is the result of a change in the nature of the property/ ceasing/ change of the location of the project; or
  - h) The MA finds out that the LP failed to notify the MA within the set deadline on a case of conflict of interests or the necessary measures for ending such a situation were not taken; or
  - i) The MA finds out that the Lead Partner or any project partner made false declarations regarding the VAT eligibility and state aid.
- 4) The MA is entitled to terminate this contract, with a previous amicable procedure, and to demand repayment of the amounts already paid amounts 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.
  - b) the LP has failed to submit the required reports or proofs, or to supply necessary information, within the set deadline and has not justified these delays; or
  - c) the LP or the project partners has/have impeded or prevented the auditing or control; or the recommendations resulted from the audit missions are not observed; or
  - d) a fraud is discovered at the LP/project partner level; or
  - e) the LP has failed to fulfill any other conditions or requirements stipulated in this contract; or
  - f) the LP fails to provide immediate information about circumstances that delay, hinder or make impossible the realization of the project, as well as about any circumstances that trigger a change of the reimbursement conditions and frameworks as laid down in this contract or which entitle the Managing Authority to reduce or demand repayment of the ERDF contribution wholly or in part
- 5) In case the indicators are not reached as mentioned in the approved Application Form the MA has the right to decide the termination of the contract



and to demand the repayment of already reimbursed funds, or, with the previous approval of the Monitoring Committee, to accept the partial completion of the project and reduce the project's budget accordingly.

- 6) In case the European Commission takes the decision of interrupting or totally suspending the funds, the Managing Authority may terminate the contract.
- 7) If the MA exercises its right of termination, the LP is obliged to transfer the reimbursed amounts to the MA. The amounts are due within 30 days following the date of the notification by which the member state asserts the repayment claim; the due date will be stated explicitly in the order for recovery. In case of non-payment at the due date, penalties bigger with 1.5 (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 shall be applied to the owed amounts. These penalties will not be supported from the contract value (they are non-eligible expenditure).
- 8) If any of the circumstances stipulated at paragraph 3 appear before the entire amount of the subsidy is paid to the Lead Partner, the payments will cease and there will be no requests from the Lead Partner for the reimbursement of the remaining amount.
- 9) For all cases of contract breach, the Lead Partner is legally late.
- 10) Upon termination of the contract, the obligations of the LP which are still relevant (in particular those mentioned in articles 7 - Lead Partner section, 8, 9, 11 and 12) continue to apply until the end of the period mentioned in article 7 - Lead Partner section, paragraph 21.

### **§ 15 Force majeure**

- 1) Force majeure is any external event, unforeseeable, absolutely invincible and inevitable occurred after the conclusion of this Subsidy Contract and which prevents the execution of all or part of this contract. Force majeure, established under the law, exonerates the parties in case of failure to execute totally or partially the obligations under this Contract, as long as the force majeure is in force, and only if the other party has been duly notified. It is not considered force majeure an event similar to those above which, without creating an impossibility of execution, makes extremely expensive the fulfillment of the obligations of one of the parties. The party invoking force majeure shall notify the other party regarding the force majeure event, within five (5) calendar days from the date of issue of the force majeure. The party invoking force majeure is required to send to the other party, the document stating the existence of force majeure, within 15 (fifteen) calendar 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 of the termination. The responsible party will support all costs of the notification procedure.
- 2) The parties shall take all measures at their disposal to limit the consequences of Force Majeure.
- 3) If the party claiming force majeure does not notify the commencement and termination of the force majeure, under the terms and conditions laid down, it will



not be exempted from responsibility and will pay all damages caused by the lack of notice to the other Party.

- 4) The execution of the contract is suspended from the occurrence of force majeure during the whole period of its action.
- 5) If force majeure and / or its effects lead to the suspension of the execution of this Subsidy Contract for a period longer than 3 (three) months, the Parties will meet within a period not exceeding ten (10) calendar days from the expiry date of this period in order to agree on how to continue, modify or terminate the Contract.
- 6) Fortuitous event does not exonerate the parties in case of failure to execute totally or partially the obligations under this Contract.

### **§ 16 Protection of personal data**

- 1) Any personal data will be processed solely for the purposes of the performance, management and monitoring of this Contract by the MA and may also be passed to the bodies in charge with monitoring, reporting, communication, evaluation or audit tasks according to Article 4 of the Regulation (EU) No 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy or any bodies/entities authorized by the MA. The Lead Partner and the Partners will have the right of access to their personal data and the right to rectify any such data.
- 2) The Lead Partner and the Partners shall limit access and use of personal data to that strictly necessary for the performance, management and monitoring of this Contract and shall adopt all appropriate technical and organisational security measures necessary to preserve the strictest confidentiality and limit access to this data.
- 3) Personal Data collection, processing and storage shall be performed according to the provisions of the Regulation No 679/2016 for the purpose of project implementation and monitoring, fulfillment of its objectives, as well as statistical purpose.
- 4) Personal Data, as classified by Regulation No 679/2016, shall be processed in accordance with the legislation aforementioned throughout the contractual period, including during the period of monitoring and verification of the contractual objectives, for the purpose and the legal basis for which this contract was concluded.
- 5) The parties shall take appropriate technical and organizational actions, according to their own responsibilities and institutional competencies, in order to ensure a proper Personal Data security level, during their processing and re-processing, their transfer to third-parties and publishing on internal or external public sources.
- 6) The parties shall ensure, according to their own responsibilities and institutional competencies, all the technical and organizational conditions to



preserve the confidentiality, integrity and availability of Personal Data.

7) The parties shall inform and notify each-other about any security breaches regarding the processing of Personal Data related to this contract, in order for the required technical and organizational actions to be urgently adopted and the Romanian National Supervisory Authority for Personal Data Processing (ANSPDCDP) to be notified, according to the obligations arising from the provisions of Regulation No 679/2016.

8) The parties, through their representatives assigned to process the Personal Data related to this contract and its possible addenda, shall keep records of the processing activities according to Article 30 of the Regulation No 679/2016.

9) Each partner has the obligation of obtaining and keeping the records of the acknowledgements of the persons which are part of the project's 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 project's objectives.

### **§ 17 Correspondence**

1) Any legally binding correspondence and any official notifications can be lawfully served through the electronic system Jems, if possible and/or electronic correspondence at the following addresses:

- For the MA - .....[email address] or for the correspondence in paper format, under the exceptional circumstances mentioned below .....[Name, address, telephone, fax,] (as MA)
- For the JS .....[email address] or for the correspondence in paper format, under the exceptional circumstances mentioned below.....[Name, address, telephone, fax, ] (as JS)
- For the Lead Partner- .....[email address] or for the correspondence in paper format, under the exceptional circumstances mentioned below.....[Name, address, telephone, fax,]

2) The correspondence in paper format is made only when electronic correspondence accompanied by electronic signature is not possible. All correspondence between the MA and the LP shall be done through the JS, in English, in electronic format.

3) Any change of headquarters shall be forwarded to the other party of this contract and JS, within 15 days following the change of Address.

### **§ 18 Final provisions**

1) In case a dispute arises between the MA and the LP, regarding the implementation of the present contract, a friendly conciliation shall be attempted. The competent legal authorities from Bucharest shall solve the dispute in case no



mutual agreement can be reached.

- 2) Romanian law governs the present contract.
- 3) The present contracts forces the parties to observe in all and with good faith every provision, according to the principle of the bindery legal force of the contract between parties.
- 4) If any provision in this contract proves to be wholly or partially ineffective, the parties to this contract undertake to replace it by an effective one which comes as close as possible to the purpose of the ineffective provision.

### **§ 19 Signatures**

- 1) This Subsidy Contract is issued in electronic format, in two copies, in English language, one for the Lead Partner and one for the Joint Secretariat.
- 2) The following Annexes shall be deemed to form and be read and construed as part of this contract:  
Annex 1: Approved application form, including its annexes and mandatory declarations (available in the programme's electronic system, Jems)  
Annex 2: Competitive procedure for Romanian private partners regarding the assignment of supplies, services and works contracts financed within Interreg VI-A Romania-Bulgaria Programme  
Annex 3: List of eligible expenditures  
Annex 4: Co-financing contract signed with .....(all co-financing contracts signed with Romanian partners shall be annexed to the contract)  
Annex 5: Milestones for the activities of the project and Output and result to be achieved by the project.
- 3) The contract and its Annexes are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:
  - a) Subsidy contract
  - b) Any subsequent amendments of the contract and its Annexes made in accordance with the provisions of Article 13

**Managing Authority**

**Legal representantive:**

**Name:**

**Signature**

**Date**

**Lead Partner**

**Legal representative:**

**Name:**

**Signature**

**Date**

