

**Central Baltic Programme**

Partnership agreement

Preamble

Having regard to:

Article 26 (1) a of Regulation (EU) 2021/1059;

the following agreement is hereby made between the lead partner (LP) of the project and the project partners as listed in the project data for the implementation of the Interreg Central Baltic Programme 2021-2027 project CB100018, Multidimensional stormwater treatment in urban areas for cleaner Baltic Sea MUSTBE, approved by the Monitoring Committee/Steering Committee of the Interreg Central Baltic Programme 2021-2027 on 13.01.2023.

Abbreviations

Programme - Central Baltic Programme 2021-2027

AA - Audit Authority

AF - Application Form

EC - European Commission

ERDF - European Regional Development Fund

EU - European Union

JS - Joint Secretariat

LP - Lead Partner

MA - Managing Authority

MC - Monitoring Committee

PP - Project Partner (PPs - Project Partners)

SC - Steering Committee

Articles

Article 1: Legal framework

1. The following legal provisions and document constitute the contractual basis of this partnership agreement and the legal framework for the implementation of the project MUSTBE:

- The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, as further specified below;
- The Interreg Programme Central Baltic 2021-2027 approved by the European Commission on 7.6.2022 setting the programme (hereinafter referred to as Interreg Central Baltic programme);
- The laws of the PP's countries applicable to this contractual relationship;

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

- Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 966/2012, together with related Delegated or Implementing Acts;
- The European Structural and Investment Funds Regulations, Delegated and Implementing Acts for the 2021-2027 period, especially:
 - 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, and repealing Council Regulation (EC) No 1303/2013, and any amendment;
 - Regulation (EU) No 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, and repealing Regulation (EC) No 1301/2013, and any amendment;
 - Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial goal (Interreg) supported by the European Regional Development Fund and external financing instruments, and repealing Regulation (EC) No 1299/2013, and any amendment;

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- 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);
- 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, Regulation (EU) 2021/1237 of 23 July 2021 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;
- All other EU legislation and the underlying principles applicable to the LP and the PPs, including the legislation laying down provisions on competition and entry into the markets, the protection of the environment, and equal opportunities between men and women;
- National rules applicable to the LP and its PPs and their activities;
- Project data, comprising but not limited to latest project documentation such as application form and all project information available in the electronic system (Jems);
- the subsidy contract, concluded between the LP of the project and the MA;
- All manuals, guidelines and any other documents relevant for project implementation (e.g., Programme Manual and practical guides) in their latest version, as published on the programme website or handed over to the LP directly during the project implementation.

Should the above-mentioned legal norms and documents, and any other documents or data of relevance for the contractual relationship be amended, the latest version shall apply.

Article 2: Definitions

For the purposes of this partnership agreement, the following definitions apply:

- a) Project partner: any institution financially participating in the project and contributing to its implementation, as identified in the approved application form. It corresponds to the term “beneficiary” used in the European Structural and Investment Funds Regulations.
- b) Lead partner: the project partner 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.
- c) Project data: data comprising but not limited to latest project documentation such as application form and all project information available in the electronic system.

Article 3: Subject of the Partnership Agreement

This partnership agreement lays down the arrangements regulating the relations between the LP and all the PPs, in order to ensure sound implementation of the project as in the latest version of the project data, as well as in compliance with the conditions for support set out in the European Structural and Investment Funds Regulations, delegated and implementing acts, the programme implementation manual based thereon, and the subsidy contract signed between the MA and the LP.

The subsidy contract is an annex to the partnership agreement.

Article 4: duration of the partnership agreement

The present partnership agreement comes into force once it has been signed by the LP and each PP individually or by all PPs, and under the condition that the project is approved for co-financing by the Programme. It remains in force until the LP and PPs have completed in full their obligations as further defined in article 6 of this agreement towards the MA and any relevant European body.

Article 5: Roles and duties in the partnership

The LP of the project:

- Is entitled to represent the PPs in the project.
- Is responsible for the overall coordination, management and implementation of the project towards the MA.
- Ensures timely commencement and implementation of the activities within the lifetime of the project, in compliance with all obligations to the MA. The LP must notify the JS of any factors that may adversely affect implementation of the project activities and/or the financial plan.
- Monitors the delivery of the agreed work plan setting out tasks to be undertaken as part of the project, the role of the PPs in their implementation, and the project budget.
- Prepares and submits the project progress reports, including supporting documents, according to the programme manual, and additional requested documents and/or information from JS and MA.
- Addresses requests for project modifications, according to the programme manual.
- Is, in general, the contact point representing the partnership for any communication with the JS/MA or any other of the programme bodies.
- Provides the partners with copies of all relevant project documents, and reports on the implementation of the project. The LP must regularly inform the PPs of all relevant communication between the LP and the JS/MA.
- Carries out any other tasks agreed with the project partners.



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PPs are the bodies responsible for carrying out specific project activities in the manner and scope indicated in the project data. PPs commit themselves to undertake all steps necessary to support the LP in fulfilling its obligations as specified in the co-financing contract signed between the MA and the LP, as well as in this agreement.

The PPs must:

- Actively cooperate in the implementation of the project;
- Cooperate in the staffing and/or financing of the project in accordance with the partnership agreement;
- Keep to other obligations on the basis of this partnership agreement.
- Provide the LP with all the information and documents required for coordinating and regularly monitoring the technical and financial progress of the project; and necessary in preparing the progress and final reports concerning the part of the project that the partner is responsible for as needed before, during and after the project duration;
- Provide any additional information related to reporting to the LP or JS/MA if requested, in due time as needed during and after the project duration.

The PPs are responsible for:

- Carrying out the specific activities set out in the project data;
- Complying with any deadlines set by the programme, the LP, or agreed within the partnership
- Notifying the LP of any factors that may adversely affect the implementation of the project in accordance with the project data;

In particular, for the part of the project for which it is responsible, each PP must ensure:

- That it is in compliance with relevant rules concerning, inter alia, equal opportunities, protection of the environment, financial management, branding, public procurement and State Aid;
- That it is implemented in accordance with the rules and procedures set in the programme manual;

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Article 6: Financial management of the project

Each PP must:

- Set up separate accounts or adequate bookkeeping systems for the financial settlement of the project, ensuring that expenditure and revenues, as well as the received national and programme co-financing related to the project, are clearly identified.
- Strictly follow the EU eligibility rules as well as further eligibility rules set up by the programme in the programme manual and, if applicable, national rules.
- Be responsible for guaranteeing the sound financial management of programme funds received and, in cases of recovery, for reimbursing the LP or relevant programme body directly for unduly paid programme funds, in accordance with the rules and procedures set in the programme manual;
- Regularly submit expenditures for verification to the designated controllers, according to the rules set at programme and national level. Verified expenditures must be submitted through the programme's electronic monitoring system to the LP immediately after verification
- Return to the LP or any relevant programme body any amounts of programme co-financing unduly paid concerning their participation in the project, in accordance with the rules and procedures set in the programme manual. In the case of national co-financing, the specific regulation of the country granting it applies.
- Ensure that the expenses incurred are strictly related to the project activities, in line with the project data.
- Ensure that programme requirements on eligibility of expenditure, as provided for in the programme manual and in line with the co-financing contract signed between the MA and the LP, are strictly respected.
- Set up a physical and/or electronic archive where data, records and documents composing the audit trail are stored, in compliance with the requirements described in the programme manual.

Furthermore, the LP must:

- Ensure that the expenditure presented by the PPs participating in the project has been incurred for the purpose of implementing the project, and corresponds to the activities agreed between those partners as specified in the project data.
- Verify that the expenditure presented by the PPs participating in the project has been validated by the controllers, according to the rules set at programme and national level.
- Receive co-financing for the entire project and transfers it to the other partners participating in the project without delay.
- Constantly monitor the spending of the project budget foreseen for each PP, and ensure that budget shifts are carried out within the limits and according to the rules as set out by the programme in the programme manual,



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If a PP fails to inform the LP of any deviation from the project data, the LP is then entitled to refuse to include in the project report the costs of this partner that are connected to such deviations and/or that result in an overspending of the approved budget of this partner. Similarly, if a PP fails to provide the necessary input for the preparation of the project reports within the deadline agreed with the LP, the LP may refuse to report the costs of this PP to the programme, in agreement with the JS/MA.

The LP must be responsible for distributing the initial pre-financing instalment, further pre-financing instalment(s) and the balance payment received from the MA to the PPs.

The PPs must provide access to the premises, documents and information, irrespective of the medium in which they are stored, for verifications by the MA, the JS, 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. These verifications may take place up to 5 years from 31 December of the year of the last payment from the programme to the LP or PP. The PPs 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 on-going audit, verification, appeal, litigation or pursuit of claim has been completed.

Article 7: Recoveries

Should the MA, in accordance with the provisions of the respective articles of the co-financing contract, demand repayment of programme funds already transferred, each PP must transfer to the LP or relevant programme body any amounts paid to them in excess, according to the rules and timeframe as set out by the programme in the programme manual and recovery documents.

In such cases, the LP must immediately forward to the PPs the recovery documents received from the MA, by which the MA has asserted the repayment claim, and notify every PP of the amount repayable.

If the recovery concerns the LP alone, then the LP must not stop payments to the other PPs.

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Article 8: Modifications, withdrawal from obligations

The LP and each PP agree not to withdraw from the project unless there are unavoidable reasons for doing so. Should this nonetheless happen, the LP and the remaining PPs must find a solution in agreement with the rules and procedures as described in the programme manual.

Should a PP fail to comply with its obligations under this partnership agreement, the partnership may decide as a last resort to remove this PP from the project and request modifications as outlined in the programme manual.

The LP can, if necessary, request modifications of the project data to the JS/ MA or other relevant programme body. Any modifications requested, including budget, partnership and operational changes, must be agreed and authorised by the PPs beforehand, according to pre-agreed rules of procedure or other decision-making mechanism established in the partnership.

The LP and PPs must strictly follow the provisions of the programme manual when requesting and/or implementing modifications in the project.

Article 9: Information and communication, publicity and branding

The LP and the PPs must comply with the EU publicity rules as well as the communication requirements outlined in the programme manual, and provide any material developed during the lifetime of the project that may be useful to publications at the programme level.

The LP and PPs ensure that any outcome and result produced during project implementation can be used by all interested parties and organisations, and are in the public interest and publicly available. Moreover, the PPs will support the LP and play an active role in any actions organised by the programme to disseminate and capitalise on project results.

Article 10: Intellectual property rights, confidentiality and conflict of interest

The LP and PPs must undertake to enforce all applicable national and EU law, including but not limited to laws on intellectual property rights, especially copyright, regarding any output produced as a result of project implementation.



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The LP or PP shall ensure that it has all rights to use any pre-existing intellectual property rights, if necessary for the implementation of the project.

The result of the joint activities covered by the agreement concerning reports, documents, studies, electronic data and other outputs, are the joint property of the partnership, unless specifically agreed otherwise.

The LP and PPs are obliged to take all necessary measures in order to avoid conflicts of interest, and to keep each other informed without delay on any circumstances that have generated or may generate such conflict.

The LP and PPs are obliged to inform the relevant programme bodies if there is any sensitive or confidential information related to the project that may not be published or made publicly available. This clause does not affect the LP and PPs obligation to make all results and outputs of the project available to the public.

Article 11: dispute settlement

Disputes arising between PPs or between the LP and PP/PPs concerning their contractual relationship and, more specifically, the interpretation, performance and termination of this agreement should strive to be resolved amicably. Should this not be possible, the law of the country of the LP shall apply.

Article 12: third party contracts, liability and outsourcing

In the case of cooperation with third parties including but not limited to sub-contractors and in-house bodies, with regard to the project, the relevant PP remains solely responsible towards the other PPs concerning compliance with its obligations as set out in the programme manual. PPs must inform each other about the scope of such contracts and the names of the contracted parties.

Should a PP not comply with its obligations, this PP must be solely responsible for damages and costs resulting from this non-compliance.

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Article 13: Assignment, legal succession

In the case of legal succession; e.g., where the LP or any PP changes its legal form, the LP or PP is obliged to transfer all duties and obligations under this contract to its successor. Legal succession shall be formalised according to the rules as set out in the programme manual.

Article 14: Amendment of the partnership agreement

Amendments to the partnership agreement must be properly documented. If applicable, in accordance with the rules and procedures as set out in the programme manual, the LP presents the amended partnership agreement to the relevant programme body without undue delay.

Article 15: Termination

The partnership agreement must be terminated as a consequence of termination of the co-financing contract.

Following termination of the partnership agreement, the LP and PPs are still obliged to comply with all the requirements after closure, such as recoveries or document retention for audit and evaluation purposes.

Final Provisions

The partnership agreement is written in English. If this document and its annexes are translated into another language, the English version will be the binding one.

Should conflicting clauses or interpretation thereof between this agreement and the subsidy contract arise, the subsidy contract takes precedence.

If any provision in this partnership agreement should be wholly or partly ineffective, the parties to the partnership agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.

Amendments and supplements to the present agreement must be in written form. Consequently, any changes to the present agreement will only be effective if they have been agreed on in writing.

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Signatures

All PPs must sign and date the partnership agreement.

Lead partner

Viimsi Municipality

Signature

Date

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PP 1

Satakunta University of Applied Sciences

Signature

Date

Interreg



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PP 2

Tallinn University of Technology

Signature

Date

Interreg



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PP 3

Tallinn Urban Environment and Public Works Department

Signature

Date

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PP 4

City of Pori

Signature

Date

Interreg



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PP 5

Municipality of Söderhamn

Signature

Date

Interreg



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the European Union

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PP 6

Riga City Council City Development Department

Signature

Date

Interreg



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PP 7

Riga Technical University

Signature

Date

Interreg



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List of annexes

- Annex 1 - Subsidy contract