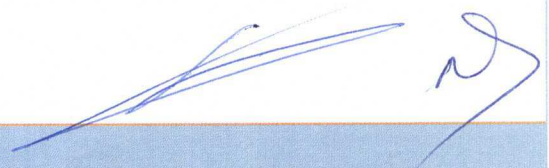


Transnational Cooperation Programme Interreg  
Balkan-Mediterranean 2014-2020  
CCI 2014TC16M4TN003

# Subsidy Contract

No <BMP1/2.2/2052/2019>



In Thessaloniki, today, < 21/9/2019 >, at the premises of the Managing Authority located at 65, Georgikis Scholis Av., 57001 Thessaloniki, Greece,

between

the Managing Authority of European Territorial Cooperation Programmes of the Ministry of Development and Investments, acting as the Managing Authority of the Cooperation Programme "Interreg V –B Balkan-Mediterranean 2014-2020", being a party to this contract and represented by *Ms. Niki Dandou, Special Secretary for ERDF, CF & ESF Programmes* of the Ministry of Development and Investments, hereinafter referred to as "Contracting Authority", on one side,

and

the < **Region of Epirus - Regional Unit of Thesprotia** >, Lead Beneficiary of the operation (project) entitled < Promoting Energy Efficiency in Public Buildings of the Balkan Mediterranean Territory – PRO-ENERGY – Priority Axis 2, Specific Objective 2.2 Sustainable Territories >, hereinafter referred to as "Lead Beneficiary", based in < 18 P. Tsaldari Str., 46100 Igoumenitsa, Greece > represented by < Mr. Thomas Pitoulis, Vice-Governor of Thesprotia >, on the other side,

who hereinafter will be jointly referred to as "the Parties",

**With regard to the legislative framework hereunder:**

- European Commission **Decision C(2015) 6619/ 25-09-2015** approving the Interreg V-B "Balkan-Mediterranean 2014-2020" Cooperation Programme and its amendments;
- **Regulation (EU) No. 1303/2013** of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006, and its amendments;
- **Regulation (EU) No. 1301/2013** of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, and its amendments;
- **Regulation (EU) No. 1299/2013** of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, and its amendments;
- **Regulation (EU) No. 231/2014** of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), and its amendments;



- **Regulation (EU, Euratom) No. 966/2012** of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, and its amendments;
- **Commission Delegated Regulation (EU) No. 1268/2012** of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No. 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, and its amendments;
- **Commission Implementing Regulation (EU) No. 821/2014** of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data, and its modifications;
- **Commission Delegated Regulation (EU) No. 481/2014** of 4 March 2014 supplementing Regulation (EU) No. 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes, and its amendments ;
- **Article 20 of Regulation (EU) No. 651/2014** of the Commission of 17 June 2014 declaring certain categories of aid compatible with the internal market within the meaning of Articles 107 and 108 of the Treaty, and its amendments;
- **Commission Regulation (EU) No. 1407/2013** of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, and its amendments;
- The financing agreements signed between the competent authorities of the European Commission, each IPA country in question and the Interreg V-B "Balkan-Mediterranean 2014-2020" Programme's Management Authority, and their amendments;
- The decisions of the Monitoring Committee of March 10<sup>th</sup>, 2017 and of July 11<sup>th</sup>, 2018;
- The Partnership Agreement signed by all interested partners of the financed project and its amendments;
- The Application Package as in force,;

## HEREBY CONCLUDE THE FOLLOWING

### Article 1 – Content of the Contract

1. A subsidy is awarded to the Lead Beneficiary for the implementation of the project approved according to the decision taken by the Monitoring Committee of the Cooperation Programme.
2. The present contract determines the funding conditions for the whole partnership as represented by the Lead Beneficiary. The Lead Beneficiary is subject to the terms and conditions set out in this contract and the annexes thereto. The Monitoring Committee's approval decision of the project and the approved Application Form as in force, form an integral part of this contract.
3. The LB undertakes the obligation to implement the project in partnership with the following beneficiaries:
  - **<Lead Beneficiary>**: Region of Epirus - Regional Unit of Thesprotia, 18 P. Tsaldari Str., 46100 Igoumenitsa, Greece, Represented by: Mr. Thomas Pitoulis, Vice-Governor of Thesprotia
  - **<Beneficiary no. 2>**: Development Agency of Evia SA, 93 Chaina Avenue, 34100 Chalkida, Greece, Represented by: Mr. Evangelos Koukouzas, President
  - **<Beneficiary no. 3>**: Cyprus Energy Agency, 10-12 Lefkonos Str., 1011 Nicosia, Cyprus, Represented by: Mr. Savvas Vlachos, Director
  - **<Beneficiary no. 4>**: Department of Electrical and Mechanical Services – Ministry of Transport, Communications and Works, St. Hilarion Avenue, Kaimaki, 1426 Nicosia, Cyprus, Represented by: Mr. Marcos Marcou, Director
  - **<Beneficiary no. 5>**: Regional Development Agency with Business Support Centre for Small and Medium-sized Enterprises, Tsar Boris III Obedintel 37, Pavilion 27, Plovdiv 4000, Bulgaria, Represented by: Mr. Velizar Petrov, Executive Director
  - **<Beneficiary no. 6>**: Ministry of Infrastructure and Energy, Sheshi "Skederbej" 101, 1001 Tirana, Albania, Represented by: Mrs. Belinda Balluku, Minister
4. The ERDF funds approved by the Programme Monitoring Committee for the implementation of the operation amount to **<892.500>** euros.
5. If appropriate, the IPA funds approved by the Programme Monitoring Committee for the implementation of the project amount to **<160.000>** euros.
6. The total amount of the ERDF funds, and the IPA funds, if appropriate, approved by the Programme's Monitoring Committee for the implementation of the project and the co-financing rate are calculated on the basis of total eligible costs as indicated below:

	Institution	Country	EU Contribution (85%)	National Contribution (15%)	Total Eligible Budget
Lead Beneficiary	Region of Epirus - Regional Unit of Thesprotia	Greece	260.100,00€	45.900,00	306.000,00€
Beneficiary 2	Development Agency of Evia SA	Greece	166.175,00€	29.325,00€	195.500,00€
Beneficiary 3	Cyprus Energy Agency	Cyprus	86.700,00€	15.300,00€	102.000,00€
Beneficiary 4	Department of Electrical and Mechanical Services – Ministry of Transport, Communications and Works	Cyprus	86.700,00€	15.300,00€	102.000,00€
Beneficiary 5	Regional Development Agency with Business Support Centre for Small and Medium-sized Enterprises	Bulgaria	158.950,00€	28.050,00€	187.000,00€
Beneficiary 6	Ministry of Infrastructure and Energy	Albania	136.000,00€	24.000,00€	160.000,00€
<b>Total Budget</b>			894.625,00€	157.875,00€	1.052.500,00€
<b>Total ERDF contribution</b>			758.625,00€	133.875,00€	892.500,00€
<b>Total IPA contribution</b>			136.000,00€	24.000,00€	160.000,00€

7. The co-financing rate applicable to each ERDF/IPA beneficiary is set out in the consolidated application form and cannot under any circumstances exceed 85% of eligible costs.
8. The LB declares that the entire or part of the operation has not received or will not receive additional financing from the European Union (other than the ERDF/IPA funds mentioned in paragraphs 5 and 6 throughout the period of the implementation of the project.
9. The LB ensures that the project complies with the -horizontal principles of EU policies



(mainly gender equality, non-discrimination and sustainable development);

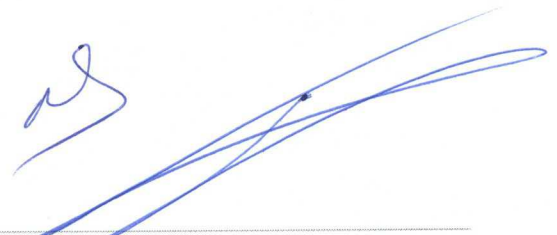
## Article 2 – Duration of the Contract

1. The project implementation period is **<24> months** in accordance with the approved Application Form as in force. The implementation period cannot exceed 31 December 2023.
2. This contract enters into force on the date of its last signature, without prejudice to the provisions for project implementation and expense eligibility, and expires on the first day after receipt of the final payment by the last beneficiary, although the obligations under EU and national legislation remain applicable, especially the conditions provided for by the audit and archiving obligations set out in Article 140 of Regulation (EU) 1303/2013 and in Article 14.1 of this Agreement.
3. The official project start-up date is the date of the last signature on the Subsidy Contract **<21/9/2019>**; the operation should start its activities within two (2) months from this date at the latest. Beyond this deadline, the MA reserves the right to propose to the Programme Monitoring Committee that the project is no longer eligible for financing from the Programme.
4. For the beneficiaries of the IPA funds, where appropriate, this contract enters into force, only after the signing of the financing agreement among the European Commission, each concerned IPA country and the MA.

## Article 3 – Terms of Funding - Eligibility of expenditure

1. Approved funding is granted exclusively for the implementation of the project as described in the Application Form (Annex 2) of the project <Promoting Energy Efficiency in Public Buildings of the Balkan Mediterranean Territory - PRO-ENERGY>, in accordance with the decision of the Monitoring Committee.
2. The starting date of eligibility of costs funded under the Programme is 01/01/2014.
3. Only the expenditure related to the project implementation is eligible for ERDF and IPA, where appropriate, co-financing. Eligibility rules are specified by Commission Delegated Regulation (EU) No 481/2014 as well as by the provisions set in the Programme and related Programme Implementation Documents (Programme and Project Implementation Manuals, Applicants' guide, etc.) as in force.
4. Preparation costs are included in the total eligible budget provided they are made in accordance with eligibility rules of the specific Call for Project Proposals and are directly related to the implementation of the project.  
Preparation costs amounting to **<0.00>** euros are included in the consolidated application form. The preparation costs may only be paid after this contract has been signed by all interested parties.
5. IPA country beneficiaries' expenses may only be declared and reimbursed after the signing of the financing agreement among the European Commission, each concerned IPA country and the MA.

6. Any operational expenditure should relate to the implementation of an activity carried out before the project end date. In addition, the administrative expenditure for project closure may occur and be paid within three months after the project end date.
7. Linked with the above, payments of those expenditures may be made within three months at most following the project end date.
8. Expenditures incurred after the finalization of the implementation period shall not be eligible. In case the project is not finalized within the eligibility period of expenditures, the Lead Beneficiary and its project partners shall ensure the necessary funds from their own budget for finalization of the project.
9. The Lead Beneficiary undertakes the obligation to implement the project and transfer ERDF or IPA funds linked to expenditure directly related to it, in accordance with the approved project timetable described in the approved Application Form (Annex 1). Any deviation from it, not approved according to the procedures specified in the Programme and Project Implementation Manual (project modification guidelines), will be deemed by the Managing Authority as partial or total non-performance of the project. In such case, the Managing Authority reserves the right to reduce the project budget accordingly following a decision taken by the Monitoring Committee of the Programme. The amount to be recovered will be calculated on the basis of the progress in the project implementation.
10. The Managing Authority reserves the right to consider the possibility of reducing the approved project budget in the following cases:
  - a. In case that the project beneficiaries are not able to proceed with the expenditure foreseen as it was forecasted in the Project Application Form, the Monitoring Committee, based on the proposal of the Managing Authority, may decide to reduce the budget of the project so as to reach the amount of expenditure that has been verified at a given date or the amount that is reported in the Final Project Report. If the reduction of the project budget is decided, this contract and respective annexes will be modified accordingly.
  - b. In case the ERDF or IPA annual contribution, as described in the Interreg V-B "Balkan-Mediterranean 2014-2020", is automatically de-committed by the European Commission, in accordance with article 136 of Regulation (EU) 1303/2013 for the budget of the approved project whose expenditure does not correspond to the one indicated in the approved timetable, the Monitoring Committee based on the proposal of the Managing Authority, may decide to reduce the budget of the project. Once the reduction of a project's budget is decided, this contract and its respective annexes will be modified accordingly.
  - c. In case the assessment of the Start-up time plan of the project's activities after the signing of the present contract shows a delay the Monitoring Committee based on the proposal of the Managing Authority, may decide to reduce the budget of the project and the project scope, given that the project remains operational.





#### Article 4 –Project Progress Reports –Payment Requests

1. The Lead Beneficiary submits to the Joint Secretariat (JS) the Project progress reports regarding project implementation activities in accordance with the timetable referred to in the approved Application Form and the Project Implementation Manual as in force.
2. For the thorough monitoring of the project's implementation a "Project Progress Report" is submitted to the JS by the Lead Beneficiary electronically, every six (6) months, according to the work plan and timetable indicated in the approved consolidated application form as described in the Project Implementation manual. The JS receives the Project Progress Reports and checks/ monitors the proper implementation of the approved operation according to the Project Implementation Manual. The Lead Beneficiary will use the official forms (Project Progress Reports) as in force, which are provided by the MA and the Joint Secretariat.
3. Should the Project Beneficiaries delay in submitting to the Lead Beneficiary their activity and financial reports, the Lead Beneficiary will still abide by the deadlines for submission included herein. When the missing information becomes available, the Lead Beneficiary should include it in the next progress report to the Joint Secretariat. However, should the Project Beneficiaries delay in submitting to the Lead Beneficiary their table of verified expenditure, the Lead Beneficiary will add the missing information on verified expenditure in its next Project Progress Report to the JS.
4. All reports must be submitted in English, which is the official language of the Cooperation Programme.
5. The Lead Beneficiary must consent to all payment claims for the relevant expenditure of the project, as declared in Article 7.3 herewith, and provide sufficient proof on the project's progress in the Project Progress Reports.
6. The Lead Beneficiary/ beneficiaries should submit payment requests to the MA/JS preferably at three (3) month intervals considering that payment of ERDF/ IPA contribution is made available by the European Commission in accordance with the EU provisions concerning the budget commitments of the ESI Funds.
7. Verified expenditures of each beneficiary participating in the project is included in a "Certificate of Verified Expenditure" signed by a "controller", designated by each participating country in the Programme, in which the beneficiary is located, in compliance with article 23 par. (4) of Regulation (EU) 1299/2013, verifying the eligibility of expenditure. The Certificates of Verified Expenditure are issued by the Controller(s) and sent via the MIS to the Beneficiary concerned, the Lead Beneficiary and the MA/ JS. If the Lead Beneficiary considers that any of the certificates should not (yet) be included in a Payment Claim, informs the MA/JS within one (1) calendar day, except weekends, following the issuing of the Certificate. If no reply is received by the Lead Beneficiary within the stipulated deadline, it is deemed that he/she consents to the relevant Payment Claim Submission. All Verification Expenditure documents (Table of Verified Expenditure, Certificate of Verified Expenditure, Verification Report, Checklist, etc.) are checked and, once accepted by the MA/JS, the corresponding expenditure can be included in a Payment Claim to the European Commission.



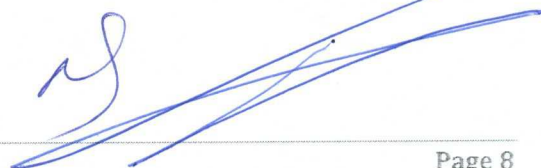
8. The payment of the eligible preparation costs, as specified in article 3 of this contract, and foreseen in the application form should be declared in the first Project Progress Report and the first payment claim and in any case not later than the end of the first year of the project's implementation, in order to be reimbursed.
9. The Joint Secretariat, Managing Authority, Certifying Authority, the National Authorities and the European Commission may at any time ask for supplementary information concerning payment claims or the project's implementation.
10. Even after the issue of all certificates of verified expenditure there still may be deviations from the approved budget tables of the Application form in force (i.e. deviation from deliverable's budget or deviation from the "budget line" budget, etc.). The beneficiary must justify these deviations in the Final Project Report before acceptance by the JS/MA. After approval, the Final Project Report will comprise the final modification of the project. If not, the amounts exceeding the approved budget tables of the Application form in force will be deemed ineligible.
11. The Final Project Report shall be submitted eight (8) months after the ending date of the project. It should provide information on the actual achievements, results and impacts of the project as a whole and global financial over-view.

#### **Article 5 – Use of the euro**

1. Payments from the Certifying Authority to the Lead Beneficiary will be made in euro.
2. Expenditure incurred in a currency other than the euro should be converted into euros using the exchange rate of the Commission in the month during which the expenses have been incurred.

#### **Article 6 – Payments of EU funds to and from the LB**

1. Payments to beneficiaries will be made by the CA according to the availability of funding from initial and annual pre-financing and interim payments from the European Commission.
2. In case of delay in the transfer of the ERDF or IPA funds from the European Commission, the Lead Beneficiary and the rest of the beneficiaries are not entitled to claim any rights against the Managing Authority.
3. The Certifying Authority will transfer the ERDF or IPA contribution to an interest-free project dedicated bank account indicated by the Lead Beneficiary in writing. The LB shall further transfer the ERDF or IPA amount to the PBs with the exception of those PBs located in Greece who will receive ERDF contribution from the Greek Public Investment Account Programme. Exchange rate charges or losses where applicable, are borne by the beneficiaries.
4. In accordance with Article 132 of Regulation (EU) No. 1303/2013, payments of ERDF or IPA may be interrupted by the CA/MA when a payment claim made is not due or the appropriate supporting documents have not been provided or when an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.



5. The Lead Beneficiary is obliged to transfer to the rest of the Project beneficiaries the ERDF and IPA funds, according to the reported and verified expenditure.
6. On the basis of the decision of the Monitoring Committee of the Programme, the Lead Beneficiary takes actions to recover from the project beneficiaries any amounts of EU contribution unduly paid concerning their participation in the project, with the exception of the project beneficiaries located in Greece for whom the MA/CA may withhold any amounts concerned from future applications of interim payments, setting off the relevant amounts in relation to the operation of the Greek Public Investment Account Programme. In any other case the procedure for recoveries of unduly paid amounts for beneficiaries located in Greece should be immediately initiated.
7. If funds from the European Commission are not transferred, the Managing Authority of the Cooperation Programme "Interreg V –B Balkan-Mediterranean 2014-2020" shall be entitled to terminate the contract at any time without the Lead Beneficiary being entitled to claim any rights. In any case the decision of the Monitoring Committee will be requested.

#### **Article 7 – Lead Beneficiary - obligations and responsibilities**

1. The project partnership is governed by the Lead Beneficiary principle. The Lead Beneficiary legally represents the beneficiaries participating in the project vis-à-vis the Managing Authority, the Certifying Authority, the participating countries, the Audit Authority and the European Commission.
2. The Lead beneficiary will be assisted by a project Steering Committee, comprising representatives of all beneficiaries, taking decisions unanimously and governed by internal rules of procedures.
3. The LB ensures the project overall management and coordinates the beneficiaries listed in Article 1.2 of this contract, for which it is legally liable to the MA.
4. The Lead Beneficiary, vis-à-vis the MA/JS, accepts total responsibility for the implementation and management of the project as described in the approved application form and undertakes the responsibility to coordinate the rest of the beneficiaries participating in the project and ensures that all beneficiaries referred to in article 1.2 of this contract undertake the obligation to participate in the implementation of the project.
5. The Lead Beneficiary shall ensure that the expenditure presented by the beneficiaries participating in the project has been incurred for the purpose of the project implementation and correspond to the activities agreed between those beneficiaries;
6. The Lead Beneficiary shall ensure that the expenditure presented by the beneficiaries participating in the project has been verified by the controllers;
7. The Lead Beneficiary shall be responsible for transferring the ERDF and IPA contribution to the beneficiaries participating in the operation who are not located in Greece, within one (1) month of its receipt and in full without withholding any amounts.
8. The Lead Beneficiary shall ensure that all beneficiaries, including itself, keep records and all documents concerning the implementation of the project.





9. The Lead Beneficiary shall inform the MA immediately of any event likely to cause a temporary or definitive interruption or any other deviation in the implementation of the project, especially a reduction in implementation costs, changing the objectives and activities as set out in the description of the project, a change to the operation's budget and any circumstance likely to have an impact on the subsidy's payment conditions;
10. The Lead Beneficiary is the only liable party against third parties and shall bear the responsibility of damages of any kind occurred to them during the implementation of the project. The Lead Beneficiary accepts that the Managing Authority shall not have any liability in respect of any claims or proceedings taken against the LB for any breach of law caused by its employees or the beneficiaries of the project, and/or for any infringement of the rights of any third party.
11. The Lead Beneficiary shall lay down the arrangements for its relations with the beneficiaries participating in the operation in a "Partnership Agreement" comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid. The allocation of mutual responsibilities among the project beneficiaries is specified in the Partnership Agreement according to the provisions of article 8.6 below.
11. In the event of disagreement over decisions made by the MA/JS and the Programme Monitoring Committee, the LB has the right to submit any complaints on behalf of the partnership to the MA/JS.

### **Article 8 – Managing Authority - obligations and rights**

Without prejudice to provisions established by Article 125 of Regulation (EU) No. 1303/2013, the MA undertakes to:

1. Undertakes the obligation to check that provisions set out in this contract are met throughout the implementation and after the completion of the project.
2. Undertakes the obligation to ensure the consistency, legality and eligibility of expenditure based on information received by the Lead Beneficiary.
3. Issue payment claims to the CA after clarifying any point that may be outstanding.
4. May under no circumstances, for any reason whatsoever, be deemed liable for damages caused to the staff and the property of the Lead Beneficiary or any beneficiary in the course of the project implementation. Therefore, any claim for damages or increase of the funding will not be accepted.
5. In case that the MA is notified about irregularities in the project on the basis of findings of the "controllers" (FLC), the CA, the AA or other competent national or EU bodies, and once the relevant amounts have been paid by the MA/CA, it will demand the return of all or part of the funding paid out for the project from the Lead Beneficiary who will claim repayment of the amounts concerned by the respective Beneficiary/ries with the exception of the project beneficiaries located in Greece, for whom the MA/CA may withhold any amounts concerned from future applications of interim payments, setting off the relevant amounts in relation to the operation of the

- Greek Public Investment Account Programme or ask for the return of the amounts concerned to a bank account indicated by the MA/CA. In any other case the procedure for recoveries of unduly paid amounts as provided for in the Greek regulatory framework for beneficiaries located in Greece should be immediately initiated. In addition, the MA shall proceed with the respective reduction of the budget of the project.
6. The Lead Beneficiary in order to secure repayment of any unduly paid amounts will claim the amounts concerned by the respective beneficiary/ies, with the exception of the project beneficiaries located in Greece. In the event that the recovery of funds is not possible, the Lead Beneficiary must immediately inform the Managing Authority. If the Lead Beneficiary does not succeed in securing repayment from other beneficiaries, or if the MA/CA does not succeed in securing repayment from the Lead Beneficiary, the Member State, on whose territory the beneficiary concerned is located, shall reimburse the MA/CA any amounts that were unduly paid to that beneficiary in a given account provided under Greek law. The MA in collaboration with the CA shall be responsible for reimbursing the amounts concerned to the general budget of the European Union.
  7. Ensures that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification.
  8. Ensures that net revenue generated by the operation is deducted from the expenditure declared by the LB and is not included in the request for payment submitted to the Commission, according to the method chosen by the MA and described in the Programme and Project Implementation Manual. In the eventuality that net revenue has been reimbursed to the LB it is considered as unduly paid amount and the procedure for the recovery of such amounts is to be followed.
  9. The MA/JS complies and implements throughout the lifecycle of the action the principle of "zero tolerance" in terms of fraud prevention and corruption and is continuously vigilant on this subject. In case a fraud suspicion is detected by the MA, it adopts corrective measures with regard to the project implementation and the expenditure paid out or claimed for reimbursement, depending on the type and extent of the fraud suspicion identified.
  10. Reviews and responds within a reasonable time to any disagreements, according to the provisions of the Programme.
  11. Ensures that the application of State Aid rules is complied with by any Project Beneficiary that receives funding under any State Aid scheme and has the right to impose any relevant measure regarding the non-fulfilment of the Beneficiary's relevant obligations. The MA monitors the application of the State Aid rules concerned and undertakes the obligation foreseen in the relevant regulatory framework.



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## Article 9 – Information and publicity

1. The Lead Beneficiary must ensure compliance of the project with Articles 115 and Annex XII of Regulation (EU) 1303/2013 and the Commission Implementing Regulation 821/2014 on information and publicity measures concerning co-financing from the ESI Funds.
2. More precisely, any communication or publication about the operation, including information published online or during a conference or seminar must mention that the operation has been supported by the European Union, ERDF or IPA funds and the Interreg V-B "Balkan-Mediterranean 2014-2020" programme, as per the communication and publicity rules drawn up by the Programme. In addition, the LB and all beneficiaries should ensure the publication of information on the content and the participation of beneficiaries in the co-financed operation.

Any communication or publication about the operation, regardless of its form or medium, including via the Internet, must state the author's liability and that the MA is not responsible for any use that could be made of information contained in the communication or publication.

3. The MA has the right to publish, regardless of its form or medium, including via the Internet, the consolidated application form and especially the following information:
  - Names of the LB and its beneficiaries;
  - Purpose of the subsidy;
  - Amount granted and co-financing rate in relation to the total eligible cost of the operation;
  - Geographical location of the implementation of the operation;
  - Progress in executing the project and the final report;
  - Deliverables and results of the operation, including extracts.
4. Any communication campaign, intervention in the media or other form of advertising about the project should be communicated to the Managing Authority/ Joint Secretariat.

## Article 10 – Intellectual property rights

1. The LB and all the other project beneficiaries should ensure that all the deliverables and results produced under the project co-financed by the Interreg V-B "Balkan-Mediterranean 2014-2020" Programme are in the public interest and are kept free of intellectual property rights. The project partnership explicitly commits itself to giving up all copyright on teaching material, methodologies and other products of any nature resulting from the project.
2. All products and rights (material and intellectual) that derive from the project and its deliverables will be the property of the partnership in their entirety. The deliverables and results of the project operation should be accessible and available for free to the general public in a usable format. The Managing Authority and any other relevant Programme stakeholder can use them for information and communication purposes.

3. In case there are pre-existing intellectual and industrial property rights, which are made available to the project, these are fully respected.

### Article 11 – Archiving and storage of data

1. The LB undertakes the obligation to retain, archive and store in a single location all technical, financial and administrative files, documents and data relevant to the operation, on customary data storage media in a safe and orderly manner for at **least** three (3) years from 31 December following the year of the submission of the accounts accounts to the European Commission in which the final expenditure of the concluded operation is included without prejudice to any relevant, stricter provisions of the national legislation of the participating countries that state a later date. The Lead Beneficiary will be informed on the specific date by the MA/JS.
2. The documents are stored as originals or on commonly agreed data carriers containing the electronic versions of original documents or the documents that only exist in electronic format.
3. The LB is required to keep the originals of the project contractual documents and any exchanges and notifications of the Programme.
4. The LB undertakes the responsibility to ensure that the rest of the beneficiaries accept the obligations provided for under Articles 14.1 and 14.2.

### Article 12 – Controls and Audit

1. Expenditure submitted for payment claim by the Lead Beneficiary to the MS/ JS must be verified by the first level controllers, according to the procedure described in the Verification Manual as in force.
2. For control and audit purposes, the Lead Beneficiary should retain a copy of all beneficiaries' Declarations of Verified Expenditure.
3. The Lead Beneficiary accepts that the competent services of the European Commission, of the countries participating in the Programme, the European Court of Auditors and national authorities co-financing the project along with the Audit Authority, the CA and the MA/JS of the Interreg V-B "Balkan-Mediterranean 2014-2020" Programme may control the financial management and implementation of the action, through administrative or on the spot checks. For control and audit purposes and in accordance with Article 140 of Regulation (EU) 1303/2013, article 14 of this contract and the procedures mapped out in the Programme's audit trail, the LB and all beneficiaries agree to keep all the financial, legal and commercial documents relating to the life of the operation available to the competent Programme authorities and the competent national authorities.
4. To this end, the Lead Beneficiary and the project beneficiaries will:
  - prepare all documents required for the above controls / audits,
  - provide and give access to all the necessary information and documents supporting an adequate audit trail,
  - give access to their business premises, throughout the implementation of the project as well as within a period of three years starting from 31 December following the



submission of the accounts in which the expenditure of the operation is included.

5. The LB and all beneficiaries undertake the obligation to make available to auditors mandated to carry out the mid-term or ex-post assessment of the Programme, any document or information that contributes to the success of this assessment and to give them the access rights set out in paragraph 2 of this article.

### **Article 13 – Changes to the project and modifications to the contract**

1. Any requests for project modifications should be duly justified and addressed to the JS.
2. The procedure for submission and approval of project modifications is described in detail in the Project Implementation Manual, as in force.
3. In cases when a new beneficiary joins the partnership of the operation, during its implementation, following a decision of the Programme's Monitoring Committee and according to the provisions of the Programme and Project Implementation Manual, it should provide the standard partner declaration, duly filled in and signed and also sign the Partnership Agreement separately.

### **Article 14 – Conflict of interest and fraud prevention**

1. The LB and all beneficiaries undertake the obligation to make every effort to prevent any risk of conflict of interest which could hinder impartial and objective execution of this contract.
2. Conflict of interest might arise when the impartial and objective execution of the operation is compromised for family or emotional reasons, political or national relationship, economic interest or any other reason.
3. The LB and all beneficiaries commit themselves to immediately solve any situation constituting a conflict of interest or is likely to lead to a conflict of interest and to inform the MA accordingly.
4. The LB and all beneficiaries undertake to comply with the principle of "zero tolerance" in terms of fraud prevention and corruption and to be especially vigilant on this subject. They also undertake to denounce any conduct likely to be considered as suspected fraud to the competent national authorities and to advise the MA of this.

### **Article 15 – Assignment of rights on the Project**

1. The Managing Authority is entitled at any time to assign its rights under this contract. In case of assignment the MA/ JS will inform the Lead Beneficiary without delay.
2. The Lead Beneficiary may transfer or assign to a third party rights and obligations stemming from this contract, in accordance with the national legislative framework of each participating country after the prior written consent of the Managing Authority and of the Monitoring Committee.
3. In case of legal succession of the Lead Beneficiary, (i.e. change of the legal form) it is obliged to transfer its rights and obligations stemming from this contract to its legal successor and immediately inform the Managing Authority about the succession, in writing.

## Article 16 – Termination of contract

1. The MA, with the approval of the Monitoring Committee, may terminate this contract and demand return of ERDF or IPA contribution and initiate the procedures of return of the National-co financing, according to the national regulatory framework of each participating country, in full or in part, without being obliged to pay damages for doing so, in the following cases:
  - a. There is a project decision to cease the activities;
  - b. Where it is proved that false, or incomplete statements were made at any time.
  - c. Where it is proved that forged documents were produced at any time.
  - d. Non-performance of the obligations undertaken by the Lead Beneficiary under the contract herein, provided that such non-performance is not justified and the Lead Beneficiary, after being asked in writing to respect its obligations, fails to do so, or does not provide a satisfactory explanation within 30 calendar days from the date a written notice was delivered by the Managing Authority.
  - e. Use of all or part of the funds paid for purposes other than those envisaged in the present contract.
  - f. Concession by the Lead Beneficiary of the entire or any part of the project with the exception of article 13 of the present contract.
  - g. Non respect of the provisions stipulated in this contract in respect of article 9 of the present contract.
  - h. Failure to submit the progress reports repeatedly within the reporting deadlines.
  - i. Where the Lead Beneficiary or any of the beneficiaries is found to be bankrupt or being wound up, has its affairs administered by the courts, has entered into an arrangement with its creditors, has suspended business activities, is the subject of legal proceedings concerning those matters or, is in any analogous situation arising from a similar procedure provided for in the national legislations or regulations.
  - j. Where the Monitoring Committee has evidence on the Lead Beneficiary or any of the beneficiaries or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests.
2. In case the contract is terminated, the MA reserves the right to request total or partial return of sums paid out from all project beneficiaries. The beneficiaries are obliged to return any amounts owed under the terms of this contract to the Lead Beneficiary with the exception of the project beneficiaries located in Greece for whom the MA/CA initiate the procedure foreseen in the Greek regulatory framework for the recovery of amounts unduly paid to Greek beneficiaries and within the deadline stipulated in the Managing Authority's decision.
3. Should the Managing Authority exercise its right to terminate the contract, the Lead Beneficiary or the rest of the beneficiaries shall not be entitled to offset any amounts owed to it by the Managing Authority for any reason whatsoever.
4. If the MA exercises its right for reimbursement, the sums due will have interest added, calculated from the date on which the initial payment was made and up to the actual reimbursement date. The applicable interest rate will be that applied by the Central



European Bank to its main re-financing operations in euros on the first day of the month during which the payment date set by the MA expires. Bank charges linked to the return of the amounts owed to the Managing Authority shall be exclusively borne by the beneficiaries.

5. In cases which are provided for under article 18.1, the MA will, as a preventive measure, suspend payments without giving prior notice. The aforesaid provision will not affect the applicability of other measures or fines that could be imposed under the national legislation of the countries participating in the Programme.
6. In exceptional and properly justified cases, the Lead Beneficiary, with the consent of the project Steering Committee, may terminate the contract by giving a two (2) months' notice, in writing, to the Managing Authority. In such case, the Lead Beneficiary and the other beneficiaries may request to receive or keep the part of the public expenditure corresponding to the part of the project carried out at that point. The final decision on the matter is the responsibility of the Monitoring Committee of the Programme after the proposal of the Managing Authority. In any case the application of this clause is without prejudice to the right of the Managing Authority under article 4.
7. On the other hand, in exceptional and properly justified cases, the Managing Authority may, after consultation with and upon the decision of the Programme's Monitoring Committee, terminate the contract by giving a two (2) months' notice in writing to the Lead Beneficiary without being obliged to pay any damages for doing so. In such case, the Lead Beneficiary is entitled to claim only the part of the ERDF or IPA contribution which corresponds to the part of the project implemented.
8. The Managing Authority reserves the right to terminate this contract if no payment claims and no Progress Report have been submitted within six (6) months from its signing.

#### Article 17 – Annexes

1. The following documents are annexed to and form an integral part of this contract:
  - Annex I: Consolidated application form, including its annexes and mandatory declarations.
  - Annex II: Communication from the MA notifying the LB of the decision of the Programme's Monitoring Committee.
  - Annex III: Partnership Agreement signed by all interested parties.

#### Article 18 – Special implementation provisions

1. In case of lack of available Programme funds, as a result of the contracting of this Project under the overbooking procedure, at the closure of the Programme, any overbooked funds (national and EU contribution) needed for the full implementation of the Project will be covered by the Beneficiaries' own funds.
2. The Managing Authority will charge proportionally to all Project beneficiaries the funds to be recovered, following the procedure described in the Partnership Agreement and

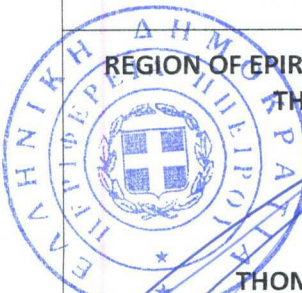

the Project Implementation Manual.

3. National budgets will bear no financial obligations as a result of this procedure.
4. Project Beneficiaries will not raise any legal claim regarding the recovery of the funds.

### Article 19 – Final provisions

5. Any communication under this contract must be submitted to the Programme MA/JS in writing, in English, and must state the project number and acronym.
6. Should any provision of this contract become wholly or partly null, it is up to the Managing Authority to decide if it affects the whole of the contract and inform the Lead Beneficiary accordingly. The parties to this contract undertake the obligation to take all necessary actions to amend, if possible, the subject matter of this contract that is affected. In case some terms of this contract are declared void, illegal or unenforceable by a competent judicial authority, the two parties agree to modify such term or terms so as to reflect their intention.
7. Any modification to this contract, without prejudice to the provisions of article 18, including its annexes must be made in writing and be subject to an addendum signed by both parties.
8. This contract is governed by Greek law and, should a dispute arise which cannot be settled amicably between the parties themselves, it will be brought before the competent Greek courts in Thessaloniki, Greece.
9. This contract shall be communicated, where necessary, to <authorities>, <title of authority, address, full name and position of responsible person, contact details> by the Lead Beneficiary.
10. All Programme Implementation Documents referred to in this contract, will be available on the Programme's web-site. Any modifications of the above documents shall be announced on the Programme's web-site.

The above was agreed between the parties and in support thereof this contract was drawn up in three exemplars in English (one for the MA and one for the Lead Beneficiary) and signed as follows:

For the Lead Beneficiary	For the Managing Authority
 <p>REGION OF EPIRUS - REGIONAL UNIT OF THESPROTIA</p> <p>THOMAS PITOULIS</p>	<p>THE SPECIAL SECRETARY FOR ERDF, CF, ESF</p>  <p>NIKI DANO</p>