



IRELAND WALES
2007 – 2013

Subsidy Contract

For the implementation of the INTERREG 4A Ireland Wales project

<projectnumber> <projectname>
(<projectacronym>)

Between the

Ireland-Wales Programme Joint Technical Secretariat (JTS)
2 Georges Street,
Waterford,
Ireland,

acting on behalf of the Managing Authority (MA) of the Ireland-Wales Programme, (Southern and Eastern Regional Assembly),

And the

<lpinstitution>
<lpaddress>
<lppostalcode>
<lptown>
<lpcountryname>

acting as Lead Beneficiary as referred to in article 20 of Regulation No 1080/2006 and hereafter referred to as Lead Partner (LP),

With regard to the framework of the provisions and documents hereunder:

- (1) The EU regulations laying down provisions on the Structural Funds, in particular:
 - Regulation (EC) No 1083/2006 of the Council of 11 July 2006, laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, hereafter referred to as the "General Regulation"
 - Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5 July 2006, on the European Regional Development Fund, hereafter referred to as the "ERDF Regulation"
 - Regulation (EC) No 1828/2006 of the Commission of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund, hereafter referred to as the "Implementation Regulation";
- (2) The EU legislation laying down provisions on public procurement, on competition, on State Aid, on protection of the environment and on equal opportunities between men and women;
- (3) The Cross-Border Territorial Cooperation (INTERREG 4A) Ireland-Wales Operational Programme as adopted by the European Commission Decision C(2007)4231 of 17 September 2007, hereafter referred to as the OP;
- (4) The Programme and Project Management Guide;
- (5) The rules governing eligibility of expenditure for the 2007-2013 ERDF-funded programmes as set out nationally by the Irish Government and the Welsh Assembly Government.

Have agreed and concluded as follows:

Article 1

Award of subsidy

- (1) In accordance with the decision of the Programme Steering Committee, here-after referred to as PSC, dated <pscmeetingdate>, a subsidy is awarded to the LP for the implementation of the project <projectnumber>, <projectname> from the funds of the Ireland-Wales Cross-Border Territorial Cooperation Programme.
- (2) The total budget for the project approved by the PSC decision amounts to <operationbudget>(€). The total amount of ERDF funding, as well as the indicative rate of ERDF funding, are calculated on the total eligible costs of the project, as referred to below:

ERDF grant up to:	<erdfgrant>	Euro (€)
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Total eligible expenditure up to:	<operationbudget>	Euro (€)
Indicative Grant Rate:	<cofinancingrate>	%

At individual partner level, the level of ERDF funding is fixed according to the figures in the final approved financial tables.

The figures shown are the maximum granted by the Programme Steering Committee. In the event that the total eligible costs of the project are lower than expected the level of ERDF funding shall be reduced accordingly.

- (3) Based on Annex III of the Operational Programme Document (Financial Plan), the co-financing rate for each project partner may not exceed 75% of the total eligible costs.
- (4) No part of the Project is to be paid out of funds originating from the European Commission other than this grant.
- (5) Disbursement of the subsidy is subject to the condition that the European Commission makes the funds available to the extent described above.

Article 2

Duration of the Contract

- (1) Without prejudice to the provisions concerning the implementation of the project and the eligibility of expenditure, this contract enters into force on the date of the signing by the Lead Partner and expires in accordance with the provisions of Art 9 in this Contract. The project runs from <startdate> to <enddate> as stipulated in this Contract and its annexes.

Article 3

Terms of funding

- (1) The subsidy is awarded exclusively for the implementation of the project as described in the approved Application Form in accordance with the conditions set out by the PSC decision and this Subsidy Contract. The approved Application Form (Annex I) and the final approved financial tables which include detailed budget line breakdowns (Annex II) constitute an integral part of this Contract.
- (2) The total project budget is fixed as shown in Article 1. Within the context of the total project budget it is permitted to overspend on an individual budget line by a maximum of 10% of the budget for that line, on condition that corresponding savings are made elsewhere. Increases of more than 10% on individual budget lines shall be submitted to the JTS/MA for prior approval.

- (3) Requests for project changes (e.g. end date extension, budget line modification other than those outlined in 2 above, revised partnership, and revised activities/outputs) shall be submitted to the JTS/MA for prior approval.
- (4) No deviation from the forecast of annual total expenditure and detailed budget breakdown as set out in Annex II is allowed, unless justified to and approved by the JTS/MA. Article 9 (9) and Article 10 details the consequences of non compliance with this provision.

Article 4

Eligibility of Expenditure

- (1) The eligibility of costs for ERDF co-financing is regulated in Articles 56 of the General Regulation, Articles 7 and 13 of the ERDF Regulation and in Articles 48 to 53 of the Implementation Regulation, in national legislation and eligibility rules as published by the Irish Government and the Welsh Assembly Government and in guidance laid down in the Ireland-Wales Programme and Project Management Guide.
- (2) Activities and related expenditure for the project are eligible if they are carried out and paid from **meetingDate** (date of approval by the SC) or Project Start date, whichever is later, to the end of the month quoted as “finalisation month” in the latest approved version of the Application Form.
- (3) In-kind contributions are eligible expenditure only on the condition that they have been previously agreed in the approved Application Form and final approved financial tables.

Article 5

Management of the project

- (1) The project partnership is governed by a Partnership Agreement signed by all partners. The allocation of mutual responsibilities among the project partners is specified in this Partnership Agreement. A copy of the signed Partnership Agreement must be sent to the JTS/MA when returning this contract.
- (2) The complete list of Project partners are as listed in the project application form.
- (3) The LP legitimately represents the partners participating in the project vis-à-vis the Managing Authority of the Programme, the Certifying Authority, the Member States, the Auditing Authorities and the European Commission Services. The LP bears sole liability in relation to these third parties and shall be responsible for losses of any kind incurred by them during the implementation of the project.

Article 6

Liabilities & Obligations of the Lead Partner

- (1) The LP accepts total responsibility for the implementation and management of the project as described in the approved Application Form.

- (2) The LP in compliance with Article 20(1) of the ERDF Regulation is responsible for transferring the ERDF grant to the partners participating in the project as soon as possible after receiving the payment from the Certifying Authority.
- (3) The LP ensures that all expenditure (by themselves and the other project partners) is related to the project and complies with all EU and national eligibility rules, the eligibility rules laid down in the Implementation Regulation and guidance in the Ireland Wales Programme and Project Management Guide.
- (4) The LP shall ensure that expenditure by its partners has been independently verified and confirmed in accordance with their Member State control requirements.
- (5) The LP guarantees that it is entitled to represent the project partners participating in the project and that it will establish with the project partners the division of the mutual responsibilities in the form of a Partnership Agreement.
- (6) The LP guarantees that all project activities comply with European Community and national legislation, including legislation on public procurement, competition, equality, sustainable development and in particular with the regulations referred to in this Contract.
- (7) The LP is liable for any infringements and shall ensure that the project partners fulfil their obligations under this Subsidy Contract. Those obligations must be specified in a Partnership Agreement signed by all partners.
- (8) The LP is liable up to the total value of the funding, in the event of a demand for full or partial return payment.
- (9) The LP must immediately inform the JTS/MA in writing and request formal approval of any modification or change to the approved Application Form during the implementation of the project. The request for modifications must be duly justified. Otherwise, Article 10§1.d. of this contract may apply.
- (10) The LP undertakes the obligation to produce all documents required for the audits, to provide necessary information and to give access to its business premises in compliance with Article 90 of the General Regulation and Article 19 of the Implementation Regulation.

Article 7

Publicity

- (1) Publicity requirements as laid down in the Implementation Regulation, articles 8 and 9 in particular, must be observed in all public statements, reports, publications, brochures, etc. Furthermore, it must be clearly shown that the project has been co-funded by ERDF under the Ireland-Wales programme in addition to using the European flag and programme logo.
- (2) The Programme's Publicity Guidelines, published in December 2008, must be observed.

- (3) Any notice or publication in relation to the project, made in any form and by any means, including the Internet, must state that it reflects the author's views and that the Programme Authorities are not liable for any use that may be made of the information contained therein.
- (4) The Programme Authorities shall be authorised to publish, in any form and by any means, including the Internet, the following information:
 - the name of the LP and its partners,
 - the objectives of the project and the subsidy,
 - the ERDF funding and the Total Eligible Cost of the project,
 - the geographical location of the project implementation,
 - progress reports including the final report,
 - whether and how the project has previously been publicised.
- (5) The project undertakes to send a copy of any publicity and information material produced to the JTS/MA. The project furthermore authorises the JTS, the MA and the European Commission to use this material to showcase how the subsidy is used.
- (6) Any information, media appearance, or other publicity of the operation shall be communicated to the JTS/MA for potential website updates or showcases.

Article 8

Controls and audits

- (1) (First level control) According to Article 16 of the ERDF Regulation, each Member State sets up a control system which makes it possible to verify the legality and regularity of the expenditure declared by partners located on its territory.
- (2) The responsible auditing bodies of the EU, and the auditing bodies of the participating Member States, as well as the JTS, the MA, the CA and the Audit Authority (AA), are entitled to audit the use of funds by the LP and its partners for ensuring the correctness and regularity of expenditure declared, or arrange for such an audit to be carried out by authorised persons.
- (3) To this end, the LP and its partners will provide access to their premises, including their information systems and all documents and computer data relating to the technical and financial management of the project in accordance with Article 90 of the General Regulation and Article 19 of the Implementation Regulation. Access by the authorised persons occurs under conditions of strict confidentiality vis-à-vis third parties. Documents must be classified in a way that facilitates control.
- (4) For control and audit purposes, the LP must retain a copy of all partner invoices related to project expenditure.
- (5) Each partner must retain all documents in their original form (or in versions certified to be in conformity with the originals on the commonly accepted data carriers listed in paragraph 4 of Article 19 of Regulation 1828/2006) relating to the implementation of the

Project and its financing for three years after the European Commission has made the final payment for the programme to the Regional Assembly. This means at least until 2021, but since it is unclear when the Regional Assembly will receive final payment from the European Commission the Applicant must retain all documents until the Regional Assembly informs the Applicant in writing that it is safe to destroy them.

- (6) The LP ensures that all of its partners and any prospective subcontractors fulfil the duties stipulated above.

Article 9

Progress Reports and Payment Claims

- (1) Project funding concerns exclusively the eligible expenditure of the project according to article 6§3 herein. All partners must justify all payment claims for the relevant expenditure by providing invoices and accounting documents of equivalent probative value and sufficient proof of satisfactory project progress.
- (2) On a six-monthly basis over the life of the project, the LP must submit a report (both electronically and on paper) to the JTS/MA to apply for an instalment of ERDF. The report includes:
 - Progress Reports on project implementation activities
 - Payment claims including a financial report

The paper version must be signed by the LP and the LP's controller¹. It shall be accompanied by the individual partner's signed control confirmations.

- (3) Payments to project LPs will be made by the Programme Certifying Authority (CA) after approval of the reports by the JTS/MA.
- (4) The JTS/MA, the CA and the European Commission may at any time ask for supplementary information related to payment claims or the project itself. This information must be provided within the time limit requested by the relevant body.
- (5) The ERDF grant will be disbursed only in Euro and be transferred to an account indicated by the LP in the approved Application Form. If there is an exchange rate risk, it is to be borne by the project.
- (6) The ERDF grant will be paid according to the flow of funds from the European Commission. In case of a delay in the transfer of funds from the Commission to the Ireland Wales Programme, the partners will not be entitled to claim any rights against the JTS/MA.

¹ The Lead Partner's Controller will be responsible for ensuring that the expenditure presented by the beneficiaries is directly related to the delivery of the project and verifying that this expenditure has been validated by the First Level Controllers.

- (7) Should there be any suspicion of irregularities, the JTS/MA or the CA shall inform the competent administrations and suspend the reimbursement of the ERDF related to the partner and expenditure under examination.
- (8) In the case that the annual contribution from the ERDF for the Ireland-Wales Programme is automatically de-committed by the European Commission by virtue of Council Regulation (EC) no. 1083/2006 of 11 July on the general provisions concerning the Structural Funds (OJ L 210 of 31.7.2006, p. 6), the Authorities of this Programme reserve the right to consider the possibility of reducing the approved ERDF budget of the project with respect to expenditure not carried out in accordance with the stipulated timetable.
- (9) Payments not requested in time and in full or which do not comply with published procedures may be lost.

Article 10

Right to withdraw the funds

- (1) The programme JTS and the MA are entitled to withhold payments and/or to demand the return of all or part of the funding paid out for the project, if they have evidence that:
 - a) the LP and its partners have used all or part of the funds for purposes other than those envisaged in this Contract;
 - b) the LP and its partners fail to fulfil a condition or an obligation resulting from this Contract;
 - c) the LP and its partners have obtained the grant through false statements or have produced forged documents;
 - d) (with reference to the approved Application Form) a substantial or material change in the nature, scale, ownership, costs, timing or completion of the project implementation has occurred;
 - e) the LP and its partners have not complied with EU and national legislation, including rules related to procurement and competition;
 - f) the LP and its partners receive additional funding for the whole or part of the project from the European Union throughout the period of the implementation of the project;
 - g) within 5 years after the completion of the project a substantial modification has occurred that:
 - affects its nature or its implementation conditions
 - gives an undue advantage or interest to a firm or a public body
 - changes in the nature of the ownership
 - ceases productive activity

- (2) If the programme JTS or the MA exercise their right of termination, the LP must transfer the repayment amount within three months to the programme bank account mentioned in the order for recovery as specified by the Programme Authorities.
- (3) Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The interest rate will be determined in accordance with Article 102 (2) of the General Regulation.

Article 11

Assignment of rights & obligation

- (1) The MA is entitled at any time to assign its rights under this contract. In case of assignment the MA will inform the LP without delay.
- (2) The LP is allowed to transfer or assign to a third party, rights and obligation stemming from this Contract only after prior written consent from the JTS.
- (3) In cases of legal succession, the LP is obliged to transfer all duties under this contract to their legal successor and immediately inform the JTS in writing.

Article 12

Intellectual and Industrial Property Rights on the Project

- (1) Where projects generate products or services which are subject to intellectual and industrial property rights, should any commercial benefit accrue to the project partners, the value of that benefit may be considered as revenue generated and be dealt with according to the Programme and national rules governing revenues within projects and their treatment.

Article 13

Special Conditions of Grant

Insert where appropriate

Or

Indicate not applicable as required

Article 14

Final provisions

- (1) No amendment or modification to the subsidy or this Contract, including its annexes, will be effective unless they have been agreed in writing by the Programme Authorities.
- (2) This Contract is governed by Irish law.

(3) All correspondence with the JTS/MA under this contract has to be sent to the following address:

Ireland Wales Programme
Joint Technical Secretariat
2 Georges Street
Waterford
IRELAND

Article 15

Signatures

- (1) This Subsidy Contract is issued in three copies and includes the approved Application Form (Annex A) which includes the approved list of partners and sub partners
- (2) Each copy must be countersigned by the LP. Two copies shall be returned to the Programme JTS; one copy shall be kept by the LP. **You are required to return these to the JTS within 20 working days. Failure to do so may result in withdrawal of the offer of grant.**

For the Programme:

Name:

Position:

Date:

Acceptance of grant by the LP:

On behalf of the <leadpartner> I hereby accept the ERDF grant on the conditions stated in the Subsidy Contract and the approved Application Form (Annex A)

I guarantee that the <leadpartner> is entitled to represent the project partners participating in the project as laid out in Annex B.

For the Lead Partner:

Authorised signature and stamp of Lead Partner:

Name:

Position within

Lead Partner Organisation:

Date: