



Subsidy contract for Interreg Baltic Sea Region 2021-2027

Updated FINAL DRAFT of 19.04.2022

Introduction

This document is a **sample copy** of the final draft subsidy contract that the Investitionsbank Schleswig-Holstein (IB.SH), Kiel, Germany, acting as Managing Authority of Interreg Baltic Sea Region will conclude with the **lead partners of approved projects**. We will update the parts marked in **green** after the European Commission approves the Programme. This subsidy contract is for **core projects, small projects and platforms**.

Sample copy



Subsidy contract for the project #ProjectNumber# #ProjectShortName# of Interreg Baltic Sea Region

concluded between

Investitionsbank Schleswig-Holstein, Zur Helling 5-6, 24143 Kiel, Germany,

- acting as **Managing Authority** and Joint Secretariat of Interreg Baltic Sea Region, hereinafter referred to as **IB.SH** -

and

#Organisation#, #Address#, #ZIP# #City#, #Country#

- hereinafter referred to as **lead partner**.

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Article 1 Contractual basis

The following legal provisions and documents constitute the contractual basis of this subsidy contract and the body of rules and regulations for the implementation of the above-named project:

- REGULATION (EU) 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, hereinafter referred to as **Common Provisions Regulation**,
- REGULATION (EU) 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, hereinafter referred to as **Interreg Regulation**,
- 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, hereinafter referred to as **ERDF Regulation**,
- REGULATION (EU, Euratom) 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, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, hereinafter referred to as **Financial Regulation**,
- Articles 107 and 108 of the Treaty on the Functioning of the European Union,
- 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, hereinafter referred to as **de minimis Regulation**,
- COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, hereinafter referred to as **General Block Exemption Regulation**,
- REGULATION (EU) 2016/679 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 and on the free movement of such data, and repealing Directive 95/46/EC, hereinafter referred to as **General Data Protection Regulation (GDPR)**,
- Implementing acts and delegated acts adopted in accordance with the aforementioned legislation,
- The Interreg Programme "Interreg Baltic Sea Region" (**ICI xx**), hereinafter referred to as **Programme**,
- The decision of the European Commission according to Article 18(4) of the Interreg Regulation approving the Programme (**Decision xx of dd mmm yyyy**),
- The Interreg Baltic Sea Region Programme Manual, hereinafter referred to as **Programme Manual**,
- The agreements on the participation in Interreg Baltic Sea Region between countries outside the Programme area and the IB.SH,
- The approved project data (hereinafter referred to as **project data**) available in the electronic data exchange system of the Programme (hereinafter referred to as **BAMOS+**). These project data derive from the original



application and its attachments (e.g. contact and bank information) selected by the Monitoring Committee and comprise subsequent changes to the original project setup as referred to in Article 5.

Should the above-mentioned legal provisions and documents be amended or repealed, the latest binding legal provisions and documents shall apply.

Article 2

Award of co-financing and general conditions

- Based on the selection decision by the Monitoring Committee of #MonitoringCommitteeDate#, an earmarked co-financing (non-repayable grant) is awarded to the lead partner for the project #ProjectNumber# #ProjectShortName# from Programme funds as follows:

ERDF co-financing

#ERDFCoFinancing#

Amount of EU partners' contribution

#EUPartnersContribution#

Total ERDF budget

#TotalERDFBudget#

Norwegian co-financing

#NorwegianCoFinancing#

Amount of Norwegian partners' contribution

#NorwegianPartnersContribution#

Total Norwegian budget

#TotalNorwegianBudget#

TOTAL project budget

#TotalProjectBudget#

The total project budget is understood as being the sum of the amount of co-financing awarded from the European Regional Development Fund (ERDF) and, if relevant, from Norwegian funds and the total amount of eligible contribution, coming from the lead partner and the project partners.

- The Programme co-financing is awarded exclusively for the project as described by the project data available in BAMOS+ as defined in Article 1 of this subsidy contract.
- In case the IB.SH and/or the Monitoring Committee approve changes of the amounts stated in paragraph 1 of this Article, the actual amounts are stipulated in section 7.2 of the application being part of the project data available in BAMOS+.
- The actual amounts of co-financing from the Programme funds will be calculated on the basis of eligible expenditure only (cf. Article 3).
- Disbursement of the Programme co-financing is subject to the condition that the European Commission and, if Norwegian partners are participating in the project, the Kingdom of Norway make the funds available to the IB.SH.



In case of non-availability of the funds due to reasons outside of the sphere of influence of the IB.SH (e.g. due to de-commitment), the IB.SH is entitled to reduce the maximum amounts of co-financing awarded from the Programme funds and/or to (partly) terminate this subsidy contract. In this case, any claim by the lead partner against the IB.SH for whatever reason is excluded. The IB.SH will duly notify the lead partner and guide the lead partner on the respective steps to be taken.

In case of delayed availability of funds due to reasons outside of the sphere of influence of the IB.SH, the IB.SH is entitled to withhold payment until the funds are made available by the European Commission and/or the Kingdom of Norway. In this case, the IB.SH cannot be deemed responsible for late payments and any claim by the lead partner against the IB.SH for whatever reason is excluded.

6. Without prejudice to the provisions of paragraph 5 of this Article, Programme co-financing to project partners located in an EU Member State outside the Programme area can be made available only if the IB.SH has obtained the signed Agreement on the participation in Interreg Baltic Sea Region from the country where the project partner is located not later than #EndContractingPhase#. This rule shall not apply to project partners located in German regions outside the Programme area.

Article 3 Eligibility of expenditure

1. Expenditure that qualifies for co-financing from the Programme funds consists exclusively of eligible expenditure. Rules for eligibility are laid down in the Programme Manual.
2. The eligible project phases for expenditure generated and paid by the project are laid down in the project data and defined in the Programme Manual.

Article 4 Reporting obligations and payment

1. The lead partner is entitled to request payments from the IB.SH by following the reporting procedures defined in the Programme Manual.
2. The lead partner must request payments according to the timeframe established in the project data and at least to the extent defined in the spending plan. Co-financing not requested in time and in full as indicated in the spending plan may be lost. Further details on financial planning and de-commitment are provided in the Programme Manual.
3. The IB.SH reserves the right not to accept – in part or in full – reported expenditure if – as a result of its checks and/or controls or audits performed by another authority – the validation or the facts stated therein prove to be incorrect or if the underlying activities or expenditure are not in line with the body of rules and regulations as set out in Article 1 of this subsidy contract.
4. Subject to fulfilment of the conditions laid down in Articles 2(5) and 2(6) of this subsidy contract, Programme co-financing will be disbursed by the IB.SH upon satisfactory completion of reporting in accordance with the payment procedures stipulated in the Programme Manual.



5. If the lead partner requested Programme co-financing for reimbursement of preparation costs in the application being part of the project data, the approved lump sum will be automatically transferred to the lead partner on the account indicated in the project data when this subsidy contract entered into force (cf. Article 17 of this subsidy contract) and the conditions laid down in Articles 2(5) and 2(6) of this subsidy contract are fulfilled.

Article 5

Project changes

1. The lead partner shall introduce changes to the project according to the rules and procedures stated in the Programme Manual. To come into effect, major changes must be approved by the IB.SH and/or the Monitoring Committee in accordance with the Programme Manual.

Article 6

Obligations of the Lead Partner

1. The lead partner undertakes to comply with the body of rules and regulations referred to in Article 1 of this subsidy contract (including any amendments made to these rules and regulations) as well as relevant national regulations and all other rules applicable to the lead partner.
2. The lead partner shall assume all responsibilities laid down in the Programme Manual, in particular the main responsibilities of the lead partner.
3. The lead partner shall lay down the arrangements for its relations with the project partners in a partnership agreement that is based on this subsidy contract and fulfils the minimum requirements stipulated in the Programme Manual.
4. The lead partner shall take measures ensuring that all project partners comply with the responsibilities laid down in this subsidy contract and the Programme Manual, in particular the main responsibilities of the project partners.
5. The lead partner undertakes to inform the IB.SH immediately about all 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 IB.SH to suspend payments or to reduce the amounts of Programme co-financing awarded or to recover the Programme co-financing unduly paid (cf. Article 11 of this subsidy contract) or to terminate this subsidy contract in full or in part (cf. Article 12 of this subsidy contract).
6. The lead partner is responsible for providing the IB.SH with any information required and requested in relation to the project without delay.



Article 7 BAMOS+

1. The exchange of documents, information and data between the IB.SH and the lead partner shall be done via BAMOS+.
2. The lead partner shall respect the terms and conditions for the use of BAMOS+. In particular, the lead partner shall warrant that any person acting as a user with read, write and submit rights on project level is employed by the lead partner. Any such person has to be at all times duly authorised to represent the lead partner in relation to all lead partner responsibilities in BAMOS+ and to submit data, documents and information via BAMOS+ on behalf of the lead partner organisation.

Article 8 Communication and visibility

1. The lead partner shall ensure compliance with the communication and visibility obligations specified in the Programme Manual.
2. The lead partner shall maintain and keep updated a project subpage hosted at the Programme portal in accordance with the rules laid down in the Programme Manual.
3. The lead partner shall contribute to the communication activities of the Programme as outlined in the Programme Manual. Among others, the lead partner undertakes to prepare and publish on the project subpage a set of pre-defined communication products as listed and defined in the Programme Manual.
4. The IB.SH shall be authorised to publish, in whatever form and on or by whatever medium, including the Internet, (parts of) the project data in order to fulfil its reporting, communication and visibility obligations arising from the body of rules and regulations listed in Article 1. Personal data shall be processed in line with the GDPR (cf. Article 15 of this subsidy contract).
5. The lead partner authorises the IB.SH to use communication and visibility material produced by the project or project partners to showcase how the Programme co-financing is used. Furthermore, the lead partner authorises the IB.SH to forward this material to other Programme authorities, Programme promoters at the national level, as well as Union institutions, bodies, offices or agencies. For this purpose, the lead partner ensures that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the aforementioned Programme and Union bodies in accordance with the Programme Manual.
6. The lead partner takes full responsibility for the content of any audio, visual or audiovisual notice, publication, deliverable, output or communication and visibility material that has been developed by the lead partner, any of the project partners or third parties on behalf of the lead partner or the project partners and is provided to the IB.SH or published on the project subpage hosted at the Programme portal. Should a third party claim compensation for damages (e.g. due to an infringement of intellectual property rights or personal data protection rights), the lead partner will indemnify the IB.SH in case the IB.SH suffers any damage because of the content of the said material.



Article 9

Ownership, use of deliverables and outputs

1. Ownership, title and industrial and intellectual property rights in the deliverables and outputs of the project, as well as the reports and other documents relating to it shall, depending on the applicable national law and/or the partnership agreement, belong to the lead partner and/or its project partners. The project partnership is entitled to establish the property rights of the products deriving from the project.
2. The ownership of investments in infrastructure or productive investments realised within the project must remain with the lead partner and/or project partners according to the timeframe as well as under the conditions set in the Programme Manual. The lead partner shall inform the IB.SH immediately when any of the conditions set by the Programme Manual are not met at a certain point in time.
3. In the spirit of cooperation and exchange, the lead partner and the project partners shall ensure that all deliverables and outputs produced by the project are in the public interest and publicly available. They should be fully accessible and available to the general public in a usable format. The IB.SH and any other relevant Programme, EU and national body can use them for information and communication purposes in the framework of the Programme.
4. 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.
5. If any sensitive or confidential information or any pre-existing intellectual property right related to the project must be respected, the lead partner shall inform the IB.SH in advance and agree with the IB.SH how to handle the situation.

Article 10

Audit rights, availability of documents, evaluation

1. The responsible auditing bodies of the EU and, within their responsibility, the auditing bodies of the participating countries or other national public auditing bodies or an external auditor designated by the IB.SH, as well as the Audit Authority of the Programme, the Group of Auditors of the Programme and the IB.SH are entitled to audit the project and the proper use of the awarded Programme co-financing by the lead partner and the project partners or to arrange for such an audit to be carried out by authorised persons.
2. The lead partner shall provide all documents and information required for the audit and give access to its business premises, as well as project-related locations.
3. The lead partner is obliged to keep for audit purposes all supporting documents related to the project in accordance with the requirements of the Programme Manual.
4. The lead partner shall assist authorised evaluators and provide them with documents or information necessary for Programme or project evaluations.
5. If this subsidy contract is terminated, the rights and duties stipulated in this Article shall persist.



Article 11

Recoveries

1. If any Programme body, national body or any relevant EU body discovers any unduly paid out Programme co-financing, or if the IB.SH is notified of such cases, or if the IB.SH terminates this subsidy contract based on Article 12(1), the IB.SH shall recover the unduly paid Programme co-financing from the lead partner in line with the procedure for irregularities of the Programme Manual.
2. The lead partner shall ensure that the project partner involved repays the lead partner any amounts unduly paid in accordance with the partnership agreement and the procedure for irregularities of the Programme Manual.
3. If the IB.SH demands recovery, offsetting by the lead partner is excluded unless the claim of the lead partner against the IB.SH is undisputed or recognised by judgement.
4. If any of the circumstances indicated in section 1 occurs before the total amount of the Programme co-financing awarded has been paid to the lead partner, the IB.SH may suspend payments and there shall be no claims of the lead partner and the project partners to payment of the remaining amount. The IB.SH is also entitled to deduct a recovery amount according to paragraph 1 of this Article from a payment request referred to in Article 4 of this subsidy contract. In addition, if the lead partner or a project partner has to return unduly paid Programme co-financing in another project funded by Interreg Baltic Sea Region, the IB.SH has the right to deduct the corresponding Programme co-financing to the lead partner or project partner in question from any open payment request in the present project.
5. Any further legal claims shall remain unaffected by the above provisions.

Article 12

Termination of the subsidy contract

1. In addition to the right of termination laid down in Article 2(5) of this subsidy contract, the IB.SH is entitled to terminate this subsidy contract, in full or in part, if:
 - a) the lead partner or project partners have obtained the Programme co-financing through false or incomplete statements or provide reports that do not reflect reality; or
 - b) a precondition for the approval of the project is lost; or
 - c) the project has not been or cannot be fully implemented, or it has not been or cannot be implemented in due time; or
 - d) the lead partner has failed to immediately report events delaying or preventing the implementation of the project, or any circumstances leading to its modification; or
 - e) the project significantly failed to reach the objectives, results and outputs planned in the application being part of the project data; or



- f) the lead partner or project partners made it impossible for the IB.SH to verify that a progress report is correct and that the project is eligible for co-financing from the Programme, for example, because the lead partner has failed to submit required reports, proofs or necessary information within the set deadline, provided that the lead partner has received at least one reminder via BAMOS+ setting another deadline and specifying the legal consequences of a failure to comply with requirements, and has also failed to meet this new deadline; or
- g) the lead partner or project partners have impeded or prevented controls, audits or evaluations; or
- h) the Programme co-financing awarded has been partially or entirely misapplied for purposes other than those stipulated by this subsidy contract and the body of rules and regulations it is based on (cf. Article 1 of this subsidy contract); or
- i) the lead partner or project partners are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended their business activities, are the subject of proceedings concerning those matters or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations; or
- j) the lead partner or a project partner is an undertaking in difficulty within the meaning of Article 2, point 18 of the General Block Exemption Regulation; or
- k) the lead partner or project partners have been convicted of an offence concerning professional conduct by a judgement which has the force of res judicata or are guilty of grave professional misconduct proven by any justified means; or
- l) the lead partner or project partners engage in any act of fraud or corruption or are involved in a criminal organisation or any other illegal activity detrimental to the European Union's financial interests; or
- m) the lead partner or project partners have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established; or
- n) without prejudice to Article 13(2) of this subsidy contract, the lead partner or project partners wholly or partly sell, lease or let the project to a third party; or
- o) the lead partner or project partners did not comply with the durability requirements to productive investments or investments in infrastructure as specified in the Programme Manual; or
- p) it is impossible for the IB.SH to pay the first reimbursement of a progress report within two years of the Monitoring Committee's decision to select the project; or
- q) the lead partner or project partners have failed to fulfil any other condition or requirement stipulated in this subsidy contract and/or the body of rules and regulations it is based on (cf. Article 1 of this subsidy contract), notably if this condition or requirement is meant to guarantee the successful implementation of the Programme and the achievement of its objectives; or



- r) it has become definitely impossible for the IB.SH to co-finance the project and to fulfil its obligations stipulated in this subsidy contract due to legal reasons or factual reasons the IB.SH has no impact on (force majeure).
- 2. Upon termination of this contract by the IB.SH, the lead partner shall receive a notice with necessary instruction regarding the full or partial closure of the project.
- 3. The right of the lead partner to terminate this subsidy contract by extraordinary notice of termination shall remain unaffected. In particular, the lead partner shall be entitled to terminate this subsidy contract in case it has become impossible for the lead partner to implement the project and to fulfil its obligations stipulated in this subsidy contract due to legal reasons or factual reasons the lead partner has no impact on (force majeure). Before exercising its right to terminate the subsidy contract, the lead partner shall carefully examine with the IB.SH any possibilities to assign its duties under this subsidy contract to a project partner or any third party (cf. Article 13(2) of this subsidy contract).

Article 13

Assignment

- 1. The IB.SH is entitled at any time to assign its rights under this subsidy contract to a third party. In case of assignment, the IB.SH will inform the lead partner without delay.
- 2. The lead partner is allowed to assign its duties and rights under this subsidy contract to a third party only after the prior written consent of the IB.SH.

Article 14

Liability

- 1. The IB.SH cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the lead partner or the project partners as a consequence of the project. The IB.SH cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.
- 2. The lead partner shall discharge the IB.SH of all liability arising from any claim or action brought as a result of an infringement of rules and regulations by the lead partner or the lead partner's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's right.

Article 15

Data protection

- 1. In accordance with Article 4 of the Common Provisions Regulation, the IB.SH, other Programme bodies (e.g. the Audit Authority, the Monitoring Committee), controllers, responsible national authorities (e.g. auditors, designation bodies), evaluators and the European Commission are allowed to process personal data only where necessary for carrying out their respective obligations under the body of rules and regulations referred to in



Article 1, in particular for monitoring, reporting, communication, publication, evaluation, financial management, verifications and audits. The personal data shall be processed in accordance with the GDPR.

Article 16

Applicable law and dispute settlement

1. Without prejudice to the applicable European law, this subsidy contract shall be governed by and construed in accordance with German law.
2. Should a dispute arise between the IB.SH and the lead partner, the procedure for resolution of complaints and dispute settlement as laid down in the Programme Manual shall be followed.
3. In the event of submission of the dispute to the courts, the place of jurisdiction is Kiel, Germany. Proceedings shall be in German.

Article 17

Concluding provisions

1. This subsidy contract shall enter into force on the date the last of its two parties, IB.SH or lead partner, signs. In case of project activities carried out in an eligible project phase (cf. Article 3(2) of this subsidy contract), but before the entry into force of this subsidy contract, the provisions of this subsidy contract shall already apply to that phase. This subsidy contract shall remain valid as long as the IB.SH or the lead partner have to fulfil obligations arising from this subsidy contract and/or the body of rules and regulations it is based on (cf. Article 1 of this subsidy contract).
2. Except for a court procedure (cf. Article 16(3) of this subsidy contract), all correspondence with the IB.SH must be in the English language.
3. Should any provision in this subsidy contract become wholly or partly ineffective, the parties to the subsidy contract undertake to replace the ineffective provision with an effective provision that comes as close as possible to the purpose of the ineffective provision.
4. Two executed copies of this subsidy contract shall be signed both by the IB.SH and the lead partner. Each party shall keep one copy.



For the Investitionsbank Schleswig-Holstein (IB.SH):

..... <i>Name</i>	 <i>Name</i>
..... <i>Title</i>	 <i>Title</i>
..... <i>Signature and stamp</i>	 <i>Signature and stamp</i>
Rostock, <i>Place, date</i>	Rostock, <i>Place, date</i>

For the lead partner:

..... <i>Name</i>	 <i>Name</i>
..... <i>Title</i>	 <i>Title</i>
..... <i>Signature and stamp (if available)</i>	 <i>Signature and stamp (if available)</i>
..... <i>Place, date</i>	 <i>Place, date</i>